



United Global Healthcare Fund

Annual Report

for the financial year ended
31st December 2009

United Global Healthcare Fund

(Constituted under a Trust Deed in the Republic of Singapore)

MANAGER

UOB Asset Management Ltd
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United Global Healthcare Fund

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A) Fund Performance

Fund Performance/ Benchmark Returns	3 mth % Growth	6 mth % Growth	1 yr % Growth	3 yr Ann Comp Ret	5 yr Ann Comp Ret	10 yr Ann Comp Ret	Since Inception 21 August 2000 Ann Comp Ret
United Global Healthcare Fund	6.19	15.48	19.45	-2.55	2.42	NA	6.17
Benchmark	7.20	17.09	16.40	-3.56	0.30	NA	-0.18

Source: Lipper, a Thomson Reuters Company.

Note: The performance returns of the Fund are in Singapore dollars based on a NAV-to-NAV basis with net dividends reinvested.
The benchmark of the Fund: MSCI ACWI Healthcare.

For the full year ended 31 December 2009, the Fund **returned 19.5%**, outperforming the benchmark MSCI Healthcare benchmark which returned 16.4%, in Singapore dollar terms.

The Fund's better performance was driven by our holdings in the US pharmaceutical sector, where acquisition activity was prominent during the year. The Fund suffered some drag from the poor performance of Japanese pharmaceutical companies.

Top contributors to performance on an absolute basis were **Schering Plough** (+62%), **Salix Pharmaceuticals** (+180%), **Coventry Health Care** (+59%), **Health Net** (+113%) and **Forest Labs** (+23%).

Top detractors to performance were **Shinogi** (-16%), **Takeda Pharmaceutical** (-18%), **ONYX Pharmaceuticals** (-16%), **Eli Lilly** (-9%) and **OSI Pharmaceuticals** (-22%).

Our largest holdings as at 31 December 2009 were **Forest Laboratories**, **Merck**, **Shionogi**, **Cephalon Inc**, **Eli Lilly**, **Unitedhealth Group**, **Abbott Laboratories**, **Salix Pharmaceuticals**, **Coventry Healthcare** and **Mckesson Corporation**.

As at 31 December 2009, the Fund was positioned in the US (80%), Japan (11%), UK (2%), France (2%) and Others (5%). Across the sub-sectors, the portfolio was positioned in Major Pharmaceuticals (21%), Biotechnology (31%), Health Services (24%) and Medical Products (14%). We held 10% cash as at 31 December 2009.

Portfolio Review

Equity markets continued to plunge in the first months of 2009 as credit markets remained frozen and there were fears that the global economy was sliding into a deep and prolonged recession. Equity markets however bottomed in March 2009 and went on to rally strongly for the rest of the year. The broad market, as represented by the MSCI World Index, gained 28.7% over the 12 months while Health Care stocks, as represented by the MSCI Healthcare Index, gained 17.0% over the same period.

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Health Service companies, particularly the health management organisations, experienced much volatility during the start of the year due to the new US Administration's health care reform plans. However, the subsector was able to finish the year strongly as it became apparent that the reforms would not be nearly as stringent on the industry as had been earlier predicted. With the Senate's bill finalised, the bill will move into "conference" with neither the option for a public plan nor the expansion of Medicare on the table.

The **Pharmaceutical** subsector was bolstered by three large acquisitions, including the merger of Merck and Schering-Plough, Pfizer's purchase of Wyeth, and Roche's acquisition of Genentech. The share prices of the acquiring companies made steady gains over the months as the cost synergies and wider pipelines are likely to enable them to outperform in a challenging market. Many of the other large-cap US pharmaceutical stocks in the Fund also generated positive returns.

On the other hand, the Japanese pharmaceutical companies continued to be a drag on the Fund's performance. During the start of the year, some of these companies experienced negative company specific news. The latest headwinds for the industry are the government discussions on reworking the drug pricing system. However, in the long run, we expect the names we hold, which are the larger and more innovative companies, to prevail at the expense of the companies with older, off-patent drugs.

Significant transactions we made for the Fund during the year included purchases of **Cephalon** and **Boston Scientific** and sales of **Merck** and **Watson Pharmaceuticals**. We increased our position in the biotech company Cephalon as we are very impressed with the prospects for Treanda, Cephalon's lymphoma chemotherapy. Recent data show it has the potential to be paradigm changing in the first-line treatment of non-Hodgkin's Lymphoma. Boston Scientific's stock price dropped significantly after the company reported poor third quarter results and reduced their full year guidance. We took the opportunity to initiate a small position in the company. We took advantage of the appreciation in Merck's price to slightly trim our position; however, it remains one of our largest holdings. Similarly, we trimmed our position in Watson Pharmaceuticals as it reported solid quarterly results and reiterated the high-end range of their full-year guidance.

Top contributors to performance

Schering-Plough's stock price jumped significantly following news that it will merge with Merck as part of a reverse merger. With the completion of Merck's acquisition of Schering-Plough, Merck is now one of the most attractive large-cap pharmaceutical companies. It is also one of our largest holdings.

The share price of **Coventry** bounced back nicely from its low in the first quarter, as the market realised it had over-reacted to the company's disappointing quarterly results. Coventry is poised to have a superior 2010 due to operational improvements and its attractiveness as a takeover candidate.

Health Net started the year well, as it reported stronger than expected results and also issued guidance for 2009 which was above market expectations. Health Net also benefited greatly from the market's new interpretation of how reform will impact the managed care companies. While the reform bill has not been officially finalised, the worst case scenario for the managed care companies has been eliminated, removing a huge overhang for the stocks.

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Top detractors to performance

Shionogi has been negatively affected by the strength of the Japanese yen, which has affected the overseas sales of their cholesterol drug, Crestor. During the fourth quarter, despite reporting strong quarterly results, Shionogi's stock price continued to fall because of news that changes in the drug pricing system in Japan could come sooner than expected.

Takeda's stock price fell following the news that the US Food and Drug Administration (FDA) will not approve its diabetes drug, Alogliptin, without more clinical data to satisfy the FDA's cardiovascular safety requirement. Alogliptin is considered key to replacing Takeda's Actos, which will go generic in 2011.

OSI's stock price suffered after it reported weak sales for its lung cancer treatment, Tarceva, due to competition from cheaper agents. OSI's stock price dropped further during the fourth quarter following an FDA Advisory Board's recommendation not to approve Tarceva as a front-line maintenance therapy in non small cell lung cancer. Tarceva is already approved in second and third-line treatment settings, and we still expect significant growth for the product despite this negative opinion.

Sector Outlook

The broad market rally that we saw for much of 2009 tapered off towards the end of the year and the Health Care sector outperformed the broader market during the final months. We expect this trend to continue in 2010 as the defensive qualities of the sector become more attractive to investors.

While some reform of the US health care system will ultimately be passed, we remain comfortable with our belief that it will not greatly alter the fundamentals of the sector. Headline risk has been reduced significantly, especially for the managed care companies, and we look forward to its elimination with the passage of a Healthcare bill in the US.

We will continue to be mindful of other risks in the industry, such as a slower and conservative FDA, while using volatility in the market to make changes to the Fund when appropriate.

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B) Investments at fair value and as a percentage of NAV as at 31 December 2009 under review classified by

	Fair Value (S\$)	% of NAV
i) Country		
Belgium	480,447	0.49
France	2,033,619	2.08
Germany	200,176	0.21
Ireland	1,491,388	1.53
Japan	10,775,850	11.04
Netherlands	655,899	0.67
Spain	554,425	0.57
Switzerland	1,403,778	1.44
United Kingdom	1,961,720	2.01
United States	77,826,421	79.74
Portfolio of investments	97,383,723	99.78
Other net assets	219,071	0.22
Total	97,602,794	100.00

ii) Industry

Consumer Discretionary	480,447	0.49
Healthcare	87,164,743	89.31
Information Technology	400,115	0.41
Materials	200,176	0.21
Money Market Fund	9,138,242	9.36
Portfolio of investments	97,383,723	99.78
Other net assets	219,071	0.22
Total	97,602,794	100.00

iii) Asset Class

Equities	88,245,481	90.42
Money Market Fund	9,138,242	9.36
Other net assets	219,071	0.22
Total	97,602,794	100.00

iv) Credit rating of debt securities

N/A

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C) Top Ten Holdings

The top 10 holdings as at 31 December 2009 and 31 December 2008

10 largest holdings at 31 December 2009

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
SSGA FDS MONEY MARKET FUND	9,138,242	9.36
FOREST LABORATORIES INC	5,304,362	5.43
MERCK	3,872,676	3.97
SHIONOGI & COMPANY LIMITED	3,682,965	3.77
CEPHALON INC	3,513,583	3.60
UNITEDHEALTH GROUP	2,926,040	3.00
ELI LILLY & COMPANY	2,894,560	2.97
ABBOTT LABORATORIES INC	2,438,928	2.50
SALIX PHARMACEUTICALS LIMITED	2,390,820	2.45
COVENTRY HEALTH CARE INC	2,303,949	2.36

10 largest holdings at 31 December 2008

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
SSGA FDS MONEY MARKET FUND	5,085,859	5.66
MERCK	4,390,130	4.89
SCHERING-PLOUGH CORPORATION	4,200,544	4.67
FOREST LABORATORIES INC	3,901,378	4.34
ELI LILLY & COMPANY	3,747,097	4.17
SHIONOGI & COMPANY LIMITED	3,732,440	4.15
UNITEDHEALTH GROUP	2,967,230	3.30
EISAI COMPANY LIMITED	2,316,564	2.58
WELLPOINT INC	2,069,338	2.30
SANOFI-AVENTIS (SA)	1,998,038	2.22

D) Exposure to derivatives

i) fair value of derivative contracts and as a percentage of NAV as at 31 December 2009

N/A

ii) net gains/losses on derivative contracts realised during the financial year ended 31 December 2009

N/A

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D) Exposure to derivatives (continued)

iii) net gains/losses on outstanding derivative contracts marked to market as at 31 December 2009

N/A

E) Amount and percentage of net asset value (NAV) invested in other schemes as at 31 December 2009

	Fair Value SGD	% of NAV
SSGA FDS MONEY MARKET FUND	9,138,242	9.36

F) Amount and percentage of borrowings to net asset value (NAV) as at 31 December 2009

N/A

G) Amount of redemptions and subscriptions for the financial year ended 31 December 2009

Total amount of redemptions	SGD	20,894,988
Total amount of subscriptions	SGD	12,146,829

H) The amount and terms of related-party transactions for the financial year ended 31 December 2009

i) As at 31 December 2009 the Fund maintained current accounts with the United Overseas Bank Limited as follows:

Bank balances	SGD	4,268
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ii) Purchase/holdings of UOBAM unit trusts by UOB or its affiliated companies as at 31 December 2009

Holdings of United Global Healthcare Fund as at 31 December 2009 were as follows:-

Affiliated Companies	No. of Units	Unit Price SGD	Market Value SGD
(a) UOB Life Assurance Limited	169,230.41	1.6640	281,599.40

iii) Investment in Initial Public Offerings managed by UOB Group.

N/A

iv) As at 31 December 2009 there was no brokerage income earned by UOB Kay Hian Pte Ltd.

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I) Expense ratios

31 December 2009	2.28%
31 December 2008	2.26%

Note: The expense ratio is computed in accordance with the IMAS guidelines on disclosure of expense ratios dated 25 May 2005. Brokerage and other transaction costs, interest expense, foreign exchange gains/losses, tax deducted at source or arising on income received and dividends paid to unitholders are not included in the expense ratio. The Fund does not pay any performance fees.

J) Turnover ratios

31 December 2009	21.64%
31 December 2008	43.45%

Note: The turnover ratio is calculated in accordance with the formula stated in the "Code on Collective Investment Schemes".

K) Any material information that will adversely impact the valuation of the scheme such as contingent liabilities of open contracts

N/A

L) For schemes which invest more than 30% of their deposited property in another scheme, the following key information on the second-mentioned scheme ("the underlying scheme")¹ should be disclosed as well

- i) top 10 holdings at fair value and as percentage of NAV as at 31 December 2009 and 31 December 2008

N/A

- ii) expense ratios for the financial year ended 31 December 2009 and 31 December 2008. A footnote should state (where applicable) that the expense ratio does not include brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from or arising out of income received.

N/A

- iii) turnover ratios for the financial year ended 31 December 2009 and 31 December 2008

N/A

¹ where the underlying scheme is managed by a foreign manager which belongs to the same group of companies as, or has a formal arrangement or investment agreement with, the Singapore manager, the above information should be disclosed on the underlying scheme. In other cases, such information on the underlying scheme should be disclosed only if it is readily available to the Singapore manager.

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M) Soft dollar commissions/arrangements

UOB Asset Management has entered into soft dollars arrangements with selected brokers from whom products and services are received from third parties. The product and services relate essentially to computer hardware and software to the extent that they are used to support the investment decision making process, research and advisory services, economic and political analyses, portfolio analyses including performance measurements, market analyses, data and quotation services, all of which are believed to be helpful in the overall discharge of UOB Asset Management's duties to clients. As such services generally benefit all of UOB Asset Management's clients in terms of input into the investment decision making process, the soft credits utilised are not allocated on a specific client basis. The Manager confirms that trades were executed on the best available terms and there was no churning of trades.

The Sub-manager, Wellington International Management Company Pte Ltd. ("WIMC") has entered into soft dollar arrangements with selected brokers. The products and services received may include research reports, services and seminars; computer software and certain related hardware for arraying and processing research data; and portfolio evaluation services.

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REPORT OF THE TRUSTEE

The Trustee is under a duty to take into custody and to hold the assets of United Global Healthcare Fund (the “Fund”) in trust for the unitholders. In accordance with the Securities and Futures Act (Cap. 289), its subsidiary legislation and the Code on Collective Investment Schemes (collectively referred to as the “laws and regulations”), the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting year and report thereon to unitholders in an annual report which shall contain the matters prescribed by the laws and regulations as well as the recommendations of Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” issued by the Institute of Certified Public Accountants of Singapore and the Trust Deed.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Fund during the financial year covered by these financial statements, set out on pages 13 to 31 comprising the Statement of Total Return, Balance Sheet, Portfolio Statement and Notes to the Financial Statements, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed, laws and regulations and otherwise in accordance with the provisions of the Trust Deed.

For and on behalf of the Trustee
RBC DEXIA TRUST SERVICES SINGAPORE LIMITED

Authorised signatory

22 March 2010

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STATEMENT BY THE MANAGER

In the opinion of the directors of UOB Asset Management Ltd, the accompanying financial statements set out on pages 13 to 31, comprising the Statement of Total Return, Balance Sheet, Portfolio Statement and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position of the Fund as at 31 December 2009 and the total return for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore. At the date of this statement, there are reasonable grounds to believe that the Fund will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager
UOB ASSET MANAGEMENT LTD

TERENCE ONG
Authorised signatory

22 March 2010

United Global Healthcare Fund

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INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF UNITED GLOBAL HEALTHCARE FUND

(Constituted under a Trust Deed in the Republic of Singapore)

We have audited the financial statements of United Global Healthcare Fund (the "Fund") set out on pages 13 to 31, which comprise the Balance Sheet and Portfolio Statement as at 31 December 2009, the Statement of Total Return for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Manager's Responsibility for the Financial Statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2009 and the total return for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore.

PricewaterhouseCoopers LLP
Public Accountants and Certified Public Accountants

Singapore, 22 March 2010

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STATEMENT OF TOTAL RETURN

For the financial year ended 31 December 2009

	Notes	2009 \$	2008 \$
Income			
Dividends		1,535,744	1,737,466
Interest		20,263	264,546
		1,556,007	2,002,012
Less: Expenses			
Management fee	10	1,614,399	2,105,176
Trustee fee	10	46,126	60,148
Audit fee		15,475	14,546
Registrar fee	10	26,750	26,750
Valuation fee	10	184,503	240,592
Custody fee		31,949	24,639
Interest expenses		156	1,587
Other expenses		148,563	53,179
		2,067,921	2,526,617
Net loss		(511,914)	(524,605)
Net gains or losses on value of investments			
Net realised (loss)/gain on investments		(4,145,529)	1,133,312
Net change in fair value on investments		21,746,623	(27,963,017)
Net foreign exchange loss		(250,009)	(353,072)
Net gain/(loss) on value of investments		17,351,085	(27,182,777)
Total return/(deficit) for the year before income tax		16,839,171	(27,707,382)
Less : Income tax	3	(349,484)	(334,428)
Total return/(deficit) for the year		16,489,687	(28,041,810)

The accompanying notes form an integral part of these financial statements.

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BALANCE SHEET

As at 31 December 2009

	Notes	2009 \$	2008 \$
ASSETS			
Portfolio of investments		97,383,723	88,613,887
Sales awaiting settlement		142,322	27,890
Receivables	5	144,781	124,148
Cash and bank balances	4	853,815	1,875,784
Total Assets		98,524,641	90,641,709
LIABILITIES			
Payables	6	921,847	780,443
Net assets attributable to unitholders	7	97,602,794	89,861,266
Total Liabilities		98,524,641	90,641,709

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PORTFOLIO STATEMENT

As at 31 December 2009

	Holdings at 31 December 2009	Fair value at 31 December 2009 \$	Percentage of total net assets attributable to unitholders at 31 December 2009 %
By Geography – Primary			
Money Market Fund			
UNITED STATES			
SSGA FDS MONEY MARKET FUND	6,508,951	9,138,242	9.36
TOTAL MONEY MARKET FUND		9,138,242	9.36
Quoted Equities			
BELGIUM			
AGFA GEVAERT NV	52,769	480,447	0.49
FRANCE			
IPSEN SA	2,337	181,943	0.19
SANOFI AVENTIS ADR	4,300	237,073	0.24
SANOFI-AVENTIS (SA)	14,558	1,614,603	1.65
TOTAL FRANCE		2,033,619	2.08
GERMANY			
BAYER AG	1,773	200,176	0.21
IRELAND			
COVIDIEN PLC	9,100	611,712	0.63
ELAN CORP PLC - ADR	96,100	879,676	0.90
TOTAL IRELAND		1,491,388	1.53

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PORTFOLIO STATEMENT

As at 31 December 2009

	Holdings at 31 December 2009	Fair value at 31 December 2009 \$	Percentage of total net assets attributable to unitholders at 31 December 2009 %
By Geography – Primary (continued)			
Quoted Equities			
JAPAN			
ASTELLAS PHARMA INC	22,400	1,168,825	1.20
CHUGAI PHARMACEUTICAL COMPANY LIMITED	45,000	1,180,150	1.21
DAIICHI SANKYO COMPANY LIMITED	23,600	692,596	0.71
EISAI COMPANY LIMITED	27,200	1,402,879	1.44
MITSUBISHI TANABE PHARMA CORPORATION	34,000	594,788	0.61
SHIONOGI & COMPANY LIMITED	121,500	3,682,965	3.77
SYSMEX CORPORATION	2,200	160,912	0.16
TAKEDA PHARMACEUTICAL COMPANY LIMITED	22,300	1,284,676	1.32
TERUMO CORPORATION	7,200	608,059	0.62
TOTAL JAPAN		10,775,850	11.04
NETHERLANDS			
EURAND NV	36,300	655,899	0.67
SPAIN			
LABORATORIOS ALMIRALL SA	30,114	554,425	0.57
SWITZERLAND			
NOVARTIS AG (BEARER SHARES)	8,559	656,180	0.67
ROCHE HOLDINGS LIMITED	3,133	747,598	0.77
TOTAL SWITZERLAND		1,403,778	1.44
UNITED KINGDOM			
ASTRAZENECA PLC	21,432	1,412,267	1.45
HIKMA PHARMACEUTICALS PLC	47,520	549,453	0.56
TOTAL UNITED KINGDOM		1,961,720	2.01

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	Holdings at 31 December 2009	Fair value at 31 December 2009 \$	Percentage of total net assets attributable to unitholders at 31 December 2009 %
By Geography – Primary (continued)			
Quoted Equities			
UNITED STATES			
ABBOTT LABORATORIES INC	32,200	2,438,928	2.50
AETNA INC	700	31,085	0.03
ALKERMES INC	66,400	875,357	0.90
AMERICAN ORIENTAL BIOENGINEERING	52,700	342,565	0.35
AMGEN INC	21,900	1,739,330	1.78
BAXTER INTERNATIONAL INC	6,300	519,018	0.53
BECKMAN COULTER INC	17,500	1,607,804	1.65
BECTON DICKINSON & CO	5,000	553,577	0.57
BIOGEN IDEC INC	19,800	1,487,204	1.52
BOSTON SCIENTIFIC CORP	56,000	706,018	0.72
BRISTOL MYERS SQUIBB CO	13,048	462,365	0.47
CARDINAL HEALTH INC	30,700	1,389,154	1.42
CAREFUSION CORPORATION	12,850	451,199	0.46
CEPHALON INC	40,100	3,513,583	3.60
CIGNA CORPORATION	17,600	871,505	0.89
COMMUNITY HEALTH SYSTEMS INC	7,000	349,864	0.36
CONMED CORPORATION	24,950	798,651	0.82
COVENTRY HEALTH CARE INC	67,700	2,303,949	2.36
CUBIST PHARMACEUTICALS INC	62,400	1,661,895	1.70
DAVITA INC	3,900	321,297	0.33
ELI LILLY & COMPANY	57,800	2,894,560	2.97
FOREST LABORATORIES INC	117,700	5,304,362	5.43
GENZYME CORPORATION - GENL DIVISION	6,344	436,515	0.45
GILEAD SCIENCES INC	5,000	303,745	0.31
GLAXO SMITHKLINE (ADR)	6,800	403,355	0.41
HEALTH MANAGEMENT ASSOCIATES, INC	37,800	385,814	0.40
HEALTH NET INC	54,600	1,785,311	1.83
HOSPIRA INC	3,510	251,321	0.26
HUMANA INC	4,000	246,028	0.25
IMS HEALTH INC	18,400	544,036	0.56
INTERMUNE INC	4,700	86,045	0.09
INVACARE CORPORATION	21,800	763,316	0.78
LABORATORY CORPORATION OF AMERICA HOLDINGS	7,000	735,501	0.75
MCKESSON CORPORATION	23,400	2,052,948	2.10
Balance carried forward		38,617,205	39.55

The accompanying notes form an integral part of these financial statements.

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PORTFOLIO STATEMENT

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	Holdings at 31 December 2009	Fair value at 31 December 2009 \$	Percentage of total net assets attributable to unitholders at 31 December 2009 %
By Geography – Primary (continued)			
Quoted Equities			
UNITED STATES (continued)			
Balance brought forward		38,617,205	39.55
MEAD JOHNSON NUTRITION COMPANY CLASS A	8,128	497,989	0.51
MEDTRONIC INC	14,200	876,191	0.90
MERCK	75,573	3,872,676	3.97
OMNICELL INC	24,400	400,115	0.41
ONYX PHARMACEUTICALS INC	31,900	1,314,021	1.35
OSI PHARMACEUTICALS INC	27,300	1,189,313	1.22
OWENS & MINOR INC	4,800	289,236	0.30
PALL CORPORATION	15,100	767,215	0.79
PAREXEL INTERNATIONAL CORPORATION	43,200	854,568	0.88
PFIZER INC	70,474	1,799,754	1.84
PSYCHIATRIC SOLUTIONS INC	8,800	261,180	0.27
QUEST DIAGNOSTICS INCORPORATED	21,900	1,856,166	1.90
RIGEL PHARMACEUTICALS INC	5,200	69,355	0.07
SALIX PHARMACEUTICALS LIMITED	67,150	2,390,820	2.45
ST JUDE MEDICAL INC	34,100	1,759,395	1.80
TOMOTHERAPY INC	20,900	114,436	0.12
TRIPLE-S MANAGEMENT CORPORATION CLASS B	39,700	979,296	1.00
UNITED THERAPEUTICS CORPORATION	8,400	620,911	0.64
UNITEDHEALTH GROUP	68,400	2,926,040	3.00
UNIVERSAL HEALTH SERVICES SERIES B	19,000	813,589	0.83
VERTEX PHARMACEUTICALS INC	13,400	805,946	0.83
WALGREEN COMPANY	24,400	1,256,524	1.29
WARNER CHILCOTT PLC - CLASS A	6,200	247,208	0.25
WATSON PHARMACEUTICALS INC	16,200	899,980	0.92
WELLCARE HEALTH PLANS INC	14,000	722,529	0.74
WELLPOINT INC	19,600	1,601,514	1.64
WRIGHT MEDICAL GROUP INC	33,300	885,007	0.91
TOTAL UNITED STATES		68,688,179	70.38
TOTAL EQUITIES		88,245,481	90.42
Portfolio of investments		97,383,723	99.78
Other net assets		219,071	0.22
Net assets attributable to unitholders		97,602,794	100.00

The accompanying notes form an integral part of these financial statements.

United Global Healthcare Fund

(Constituted under a Trust Deed in the Republic of Singapore)

PORTFOLIO STATEMENT

As at 31 December 2009

	Percentage of total net assets attributable to unitholders at 31 December 2009 %	Percentage of total net assets attributable to unitholders at 31 December 2008 %
By Geography – Primary (Summary)		
Money Market Fund		
United States	9.36	5.66
Quoted Equities		
Belgium	0.49	0.22
Bermuda	-	0.39
France	2.08	2.37
Germany	0.21	0.57
Ireland	1.53	0.27
Japan	11.04	13.67
Netherlands	0.67	-
Singapore	-	0.63
Spain	0.57	0.37
Switzerland	1.44	2.02
United Kingdom	2.01	2.01
United States	70.38	70.43
Portfolio of investments	99.78	98.61
Other net assets	0.22	1.39
Net assets attributable to unitholders	100.00	100.00

The accompanying notes form an integral part of these financial statements.

United Global Healthcare Fund

(Constituted under a Trust Deed in the Republic of Singapore)

PORTFOLIO STATEMENT

As at 31 December 2009

	Fair value at 31 December 2009 \$	Percentage of total net assets attributable to unitholders at 31 December 2009 %	Percentage of total net assets attributable to unitholders at 31 December 2008 %
By Industry - Secondary Money Market Fund	9,138,242	9.36	5.66
Quoted Equities			
Consumer Discretionary	480,447	0.49	0.22
Healthcare	87,164,743	89.31	91.80
Industrials	-	-	0.63
Information Technology	400,115	0.41	-
Materials	200,176	0.21	0.30
Portfolio of investments	97,383,723	99.78	98.61
Other net assets	219,071	0.22	1.39
Net assets attributable to unitholders	97,602,794	100.00	100.00

The accompanying notes form an integral part of these financial statements.

United Global Healthcare Fund

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2009

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

United Global Healthcare Fund (the “Fund”) is a Singapore registered trust fund constituted by a Trust Deed dated 5 July 2000 between UOB Asset Management Ltd (the “Manager”) and RBC Dexia Trust Services Singapore Limited (the “Trustee”). The Deed is governed by the laws of the Republic of Singapore.

The Fund is included by the Central Provident Fund (“CPF”) Board under the CPF investment scheme - Ordinary account for subscription by unitholders using their CPF monies. However, unitholders should note that no new subscriptions for units (including subscriptions under the RSP) shall be accepted using CPF monies with effect from 31 March 2009. The Fund will nevertheless remain as a CPFIS Included Fund.

The primary activity of the Fund is to achieve long term capital growth by investing in securities issued by companies principally involved in the development, production or distribution of products, equipment and/or services related to healthcare, in any part of the world.

2. Significant accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, modified by the revaluation of financial assets at fair value through profit or loss, and in accordance with the Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” (“RAP 7”) issued by the Institute of Certified Public Accountants of Singapore.

The financial statements are expressed in Singapore dollars.

(b) Recognition of income

Dividend income is recognised when the right to receive payment is established. Interest income is recognised on a time proportion basis using the effective interest method.

(c) Investments

Investments are classified as financial assets at fair value through profit or loss.

(i) *Initial recognition*

Purchase of investments are recognised on the trade date. Investments are recorded at fair value on initial recognition.

United Global Healthcare Fund

(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2009

2. Significant accounting policies (continued)

(c) Investments (continued)

(ii) *Subsequent measurement*

Investments are subsequently carried at fair value. Net change in fair value on investments are included in the Statement of Total Return in the year in which they arise.

(iii) *Derecognition*

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sale of investments are computed on the basis of the difference between the weighted average cost and selling price net of transaction costs, and are taken up in the Statement of Total Return.

(d) Basis of valuation of investments

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price for these investments held by the Fund is the current market quoted bid price.

(e) Foreign currency translation

(i) *Functional and presentation currency*

The Fund's investors are mainly from Singapore with the subscriptions and redemptions of the units denominated in Singapore dollars and United States dollars.

The performance of the Fund is measured and reported to the investors in Singapore dollars. The Manager considers the Singapore dollars as the currency of the primary economic environment in which the Fund operates. The financial statements are presented in Singapore dollars, which is the Fund's functional and presentation currency.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Total Return. Translation differences on non-monetary financial assets and liabilities are also recognised in the Statement of Total Return within the fair value net gain or loss.

United Global Healthcare Fund

(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2009

2. Significant accounting policies (continued)

(f) Expenses charged to the Fund

All direct expenses relating to the Fund are charged directly to the Statement of Total Return. In addition, certain expenses shared by all unit trusts managed by the Manager are allocated to each Fund based on the respective Fund's net asset value.

3. Income tax

	2009 \$	2008 \$
Overseas income tax	349,484	334,428

The Fund was granted the status of a Designated Unit Trust and, therefore, the following income is exempt from tax in accordance with Section 35(12) of the Income Tax Act (Cap 134):

- (i) gains or profits derived from Singapore or elsewhere from the disposal of securities;
- (ii) interest (other than interest for which tax has been deducted under Section 45 of the Singapore Income Tax Act); and
- (iii) dividends derived from outside Singapore and received in Singapore.

The overseas income tax represents tax withheld on foreign sourced income.

4. Cash and bank balances

	2009 \$	2008 \$
Cash at bank	853,815	1,875,784

5. Receivables

	2009 \$	2008 \$
Amount due from unitholders	83,234	56,578
Dividend receivable	61,547	67,200
Other receivables	-	370
	144,781	124,148

United Global Healthcare Fund

(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2009

6. Payables

	2009	2008
	\$	\$
Amount due to unitholders	416,495	307,817
Amount due to Manager	472,681	441,359
Amount due to Trustee	11,970	11,281
Other creditors and accrued expenses	20,701	19,986
	921,847	780,443

7. Net assets attributable to unitholders

	2009	2008
	\$	\$
At the beginning of the financial year	89,861,266	126,083,750
Operations		
Change in net assets attributable to unitholders resulting from operations	16,489,687	(28,041,810)
Unitholders' contributions/(withdrawals)		
Creation of units	12,146,829	41,336,070
Cancellation of units	(20,894,988)	(49,516,744)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(8,748,159)	(8,180,674)
Total increase/(decrease) in net assets attributable to unitholders	7,741,528	(36,222,484)
At the end of the financial year	97,602,794	89,861,266
Units in issue (Note 8)	58,658,778	64,607,068
	\$	\$
Net assets attributable to unitholders per unit	1.66	1.39

United Global Healthcare Fund

(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2009

8. Units in issue

	2009	2008
Units at beginning of the year	64,607,068	71,167,498
Units created	8,456,078	25,013,485
Units cancelled	(14,404,368)	(31,573,915)
Units at end of the year	58,658,778	64,607,068

9. Financial risk management

The Fund's activities expose it to a variety of financial risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Fund's overall risk management programme seeks to minimise potential adverse effects on the Fund's financial performance. The Fund may use financial futures contracts, financial options contracts and/or currency forward contracts subject to the terms of the Prospectus to moderate certain risk exposures. Specific guidelines on exposures to individual securities and certain industries are in place for the Fund at any time as part of the overall financial risk management to reduce the Fund's risk exposures.

The Fund's assets principally consist of financial instruments such as equity investments, money market investments and cash. They are held in accordance with the published investment policies of the Fund. The allocation of assets between the various types of investments is determined by the Manager to achieve their investment objectives.

(a) Market risk

Market risk is the risk of loss arising from uncertainty concerning movements in market prices and rates, including observable variables such as interest rates, credit spreads, exchange rates, and others that may be only indirectly observable such as volatilities and correlations. Market risk includes such factors as changes in economic environment, consumption pattern and investor's expectation etc. which may have significant impact on the value of the investments. The Fund's investments are substantially dependent on changes in market prices. The Fund's investments are monitored by the Manager on a regular basis so as to assess changes in fundamentals and valuation. Although the Manager makes reasonable efforts in the choice of investments, events beyond reasonable control of the Manager could affect the prices of the underlying investments and hence the asset value of the Fund. Guidelines are set to reduce the Fund's risk exposures to market volatility such as diversifying the portfolio by investing across various geographies, alternatively, the Fund may be hedged using derivative strategies.

United Global Healthcare Fund

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2009

9. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk

The Fund has securities denominated in currencies other than the Singapore dollars and it may be affected favourably or unfavourably by exchange rate regulations or changes in the exchange rates between the Singapore dollars and such other currencies. The Manager may at his discretion, implement a currency management strategy either to reduce currency volatility or to hedge the currency exposures of the Fund.

The table below summarises the on-balance sheet exposure to currency risks for the Fund.

As at 31 December 2009

	SGD \$	USD \$	JPY \$	Others \$	Total \$
Assets					
Portfolio of investments	-	80,210,781	10,775,850	6,397,092	97,383,723
Sales awaiting settlement	-	142,322	-	-	142,322
Receivables	76,717	57,335	10,729	-	144,781
Cash and bank balances	479,879	373,936	-	-	853,815
Total Assets	556,596	80,784,374	10,786,579	6,397,092	98,524,641
Liabilities					
Payables	691,288	230,559	-	-	921,847
Net assets attributable to unitholders	97,602,794	-	-	-	97,602,794
Total Liabilities	98,294,082	230,559	-	-	98,524,641
Net currency exposure	(97,737,486)	80,553,815	10,786,579	6,397,092	

United Global Healthcare Fund

(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2009

9. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

As at 31 December 2008

	SGD \$	USD \$	JPY \$	Others \$	Total \$
Assets					
Portfolio of investments	568,425	68,974,870	12,281,500	6,789,092	88,613,887
Sales awaiting settlement	-	-	-	27,890	27,890
Receivables	45,692	78,456	-	-	124,148
Cash and bank balances	1,354,853	520,931	-	-	1,875,784
Total Assets	1,968,970	69,574,257	12,281,500	6,816,982	90,641,709
Liabilities					
Payables	641,030	139,413	-	-	780,443
Net assets attributable to unitholders	89,861,266	-	-	-	89,861,266
Total Liabilities	90,502,296	139,413	-	-	90,641,709
Net currency exposure	(88,533,326)	69,434,844	12,281,500	6,816,982	

Investments, which is the significant item in the balance sheet is exposed to currency risk and other price risk. The other price risk sensitivity analysis includes the impact of currency risk on non-monetary investments. The Fund's net financial assets comprise significantly of non-monetary investments, hence currency risk sensitivity analysis has not been performed on the remaining financial assets.

United Global Healthcare Fund

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2009

9. Financial risk management (continued)

(a) Market risk (continued)

(ii) Price risk

Price risk is the risk of potential adverse changes to the value of financial investments because of changes in market conditions and volatility in security prices.

The table below summarises the impact of increases/decreases from the Fund's underlying investments in equities on the Fund's net assets attributable to unitholders at 31 December 2009 and 2008. The analysis is based on the assumption that the index components within the benchmark increased/ decreased by a reasonable possible shift, with all other variables held constant and that the fair value of Fund's investments moved according to the historical correlation with the index.

Benchmark components	2009		2008	
	Net impact to net assets attributable to unitholders		Net impact to net assets attributable to unitholders	
	\$	%	\$	%
MSCI ACWI Healthcare	18,113,372	20	17,013,866	20

(iii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Fund's financial assets and liabilities are largely non-interest bearing. Hence, the Fund is not subjected to risk due to fluctuations in the prevailing levels of market interest rates.

(b) Liquidity risk

The Fund is exposed to daily cash redemptions and disbursements for the settlements of purchases. The Manager therefore ensures that the Fund maintains sufficient cash and cash equivalents and that it is able to obtain cash from the sale of investments held to meet its liquidity requirements. Reasonable efforts will be taken to invest in securities which are traded in a relatively active market and which can be readily disposed of.

The Fund's investments in listed securities are considered to be readily realisable as they are listed on established regional stock exchanges.

United Global Healthcare Fund

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2009

9. Financial risk management (continued)

(b) Liquidity risk (continued)

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

As at 31 December 2009

	Less than 3 months \$	3 months to 1 year \$	1-5 years \$	Above 5 years \$
Payables	921,847	-	-	-
Net assets attributable to unitholders	97,602,794	-	-	-

As at 31 December 2008

	Less than 3 months \$	3 months to 1 year \$	1-5 years \$	Above 5 years \$
Payables	780,443	-	-	-
Net assets attributable to unitholders	89,861,266	-	-	-

(c) Credit risk

The Fund takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The Fund's credit risk is concentrated on cash and bank balances, and amounts or securities receivable on the sale and purchase of investments respectively. In order to mitigate exposure to credit risk, all transactions in listed securities are settled/ paid for upon delivery and transacted with approved counterparties using an approved list of brokers that are regularly assessed and updated by the Investment Manager.

United Global Healthcare Fund

(Constituted under a Trust Deed in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2009

9. Financial risk management (continued)

(c) Credit risk (continued)

The table below summarises the credit rating of banks and custodians in which the Fund's assets are held as at 31 December 2009 and 2008.

As at 31 December 2009

	Credit rating	Source of credit rating
<u>Bank</u>		
State Street Bank & Trust Co.	B	Moody's
United Overseas Bank Limited	B	Moody's
<u>Custodian</u>		
State Street Bank & Trust Co.	B	Moody's

As at 31 December 2008

	Credit rating	Source of credit rating
<u>Bank</u>		
State Street Bank & Trust Co.	B+	Moody's
United Overseas Bank Limited	B	Moody's
<u>Custodian</u>		
State Street Bank & Trust Co.	B+	Moody's

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

(d) Capital management

The Fund's capital is represented by the net assets attributable to unitholders. The Fund strives to invest the subscriptions of redeemable participating units in investments that meet the Fund's investment objectives while maintaining sufficient liquidity to meet unitholder redemptions.

United Global Healthcare Fund

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2009

10. Related party transactions

- (a) The Manager and the Trustee of the Fund are UOB Asset Management Ltd and RBC Dexia Trust Services Singapore Limited respectively.

UOB Asset Management Ltd is a subsidiary of United Overseas Bank Limited. RBC Dexia Trust Services Singapore Limited is a subsidiary of RBC Dexia Investor Services, a joint venture between Dexia Banque Internationale A. Luxembourg S.A. and Royal Bank Of Canada.

Management and valuation fees are paid to the Manager, while trustee fee is paid to the Trustee and the registrar fee is paid to HSBC Securities Services (Transfer Agency) Pte Ltd, a subsidiary of HSBC Holdings Plc. These fees paid or payable by the Fund shown in the Statement of Total Return and in the respective Notes to the Financial Statements are on terms set out in the Trust Deed. All other related party transactions are shown elsewhere in the financial statements.

- (b) As at the end of the financial year, the Fund maintained current accounts with a related party:

	2009	2008
	\$	\$
<u>United Overseas Bank Limited</u>		
Bank balances	4,268	14,772

- (c) The following transactions took place during the financial year between the Fund and United Overseas Bank Limited at terms agreed between the parties as follows:

	2009	2008
	\$	\$
Bank charges	30	-
Interest expense	-	50
	-	50

11. Financial ratios

	2009	2008
Expense ratio ¹	2.28%	2.26%
Turnover ratio ²	21.64%	43.45%

¹ The expense ratio is computed in accordance with the IMAS guidelines on disclosure of expense ratios dated 25 May 2005. Brokerage and other transaction costs, interest expense, foreign exchange gains/losses, tax deducted at source or arising on income received and dividends paid to unitholders are not included in the expense ratio. The Fund does not pay any performance fees.

² The turnover ratio is calculated in accordance with the formula stated in the "Code on Collective Investment Schemes".

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