



United International Growth Fund

Annual Report

for the financial year ended
31st December 2009

United International Growth Fund

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

MANAGER

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Company Registration No. : 198600120Z

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DIRECTORS OF UOB ASSET MANAGEMENT

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TRUSTEE

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United International Growth Fund

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A) Fund Performance

	3 mth	6 mth	1 yr	3 yr	5 yr	10 yr	Since Inception 7 April 1995
Fund Performance/ Benchmark Returns	% Growth	% Growth	% Growth	Ann Comp Ret	Ann Comp Ret	Ann Comp Ret	Ann Comp Ret
United International Growth Fund	0.87	13.28	21.24	-8.69	-0.92	-1.26	3.61
Benchmark	4.25	19.62	31.19	-7.34	0.04	-1.28	1.57

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 : Apr 95 – Dec 96 : DBS 50 Index; Jan 97 – Dec 97 : MSCI AC Far East; Jan 98 – Present : MSCI AC World.

For the full year ended 31 December 2009, the Fund **rose** by **21.2%** on a net asset value basis, lagging the benchmark MSCI AC World Free index which surged by 31.2% in Singapore dollar terms.

The Fund's disappointing performance was due largely to its strategy of investing in high quality growth companies. Lower quality companies with high beta performed much more strongly in the period following the market's bottom in March 2009. Allocation between the different regions contributed favourably to performance while stock selection proved a drag.

Given the view that operating conditions in the Developed world would remain weak, the Fund overweighted emerging markets, especially Latin America. In general this decision worked in the Fund's favour. The Fund's underweight positioning in Japan and sub-allocation within Asia also contributed favourably to returns.

In terms of performance by region, Emerging Markets led the charge. Latin America was the best performing region, surging by 94%, followed by Asia Pacific (ex. Japan) up 65%, Canada up 48%, Europe up 28%, the US up 22% and Japan up 3% in Singapore dollar terms.

In terms of performance by sector, Materials were the best performing, up 66.5%. This was followed by Technology (+54.9%), Consumer Discretionary (+40.6%) and Financials (+33.9%). The Energy sector (+30.4%) performed in line with the broader market. Meanwhile, Industrials (+26.5%), Consumer Staples (+21.9%), Telecom (+14.7%) and Utilities (+8.0%) all lagged.

Stock selection, which has been a key driver of performance for the Fund historically, proved a drag in 2009, with the exception of our stocks in Japan. The Fund's focus on high quality growth franchises was not rewarded as small cap high beta value strategies dominated in terms of performance.

Notable contributors to performance include **Apple Computer** (US), **Bank of America** (US), **HDFC Corp** (India), **Itau Unibanco** (Brazil), **Banco Bradesco** (Brazil), **PT Indocement** (Indonesia), **Banco Santander** (Spain), **American Movil** (Mexico) and **Microsoft** (US). Contributions to performance were concentrated in the Financial and Technology sectors.

There were a few drags on performance, notably **Citigroup** (US), **General Electric** (US), **Nintendo** (Japan), **Bank of Ireland** (Ireland), **Waste Management** (US), and **Exxon Mobile** (US).

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As at 31 December 2009, the Fund was positioned as follows:

By Country

United States (41.7%), Europe (25.5%), Japan (7.4%), Asia Pacific ex Japan (13.9%), Latin America (6.4%), Canada (3.4%), and Cash/Net Liquidity (1.7%).

By Sector

Consumer Discretionary (6.5%), Consumer Staples (13.1%), Energy (11.7%), Financials (20.0%), Healthcare (9.4%), Industrials (11.4%), Information Technology (11.8%), Materials (5.3%), Telecom Services (6.8%), Utilities (2.3%), and Cash/Net Liquidity (1.7%).

Outlook and Strategy

Despite significant structural challenges, 2009 proved to be one of the best years ever for equity investors as markets recovered sharply from the distressed levels set in 2008. Aggressive policy response on a global basis helped to stabilise financial conditions early in the year resulting in a steady improvement in the real economy into the later part of the year. For the full year, the **MSCI AC World Free Index** rose by **29%** in Singapore dollar terms, the bigger gains coming in the second and third quarters.

Risk indicators moderated notably. Realised equity volatility levels fell back into the 20% levels having peaked at over 80% in 2008. Credit spreads for High Yield and Investment Grade credit also moderated to more normalised levels. And although still weak, credit availability started to improve, albeit on a more discerning basis.

As we ended 2009, financial markets and the broader economy alike had recovered sharply. In the later part of 2009, leading indicators turned positive. Of no surprise, key activity indicators also improved, with industrial production, trade and housing data all registering positive trends as the year drew to a close.

However, a note of caution is still warranted. The consumer sector in the US and parts of Europe continues to delever, and the financial sector is undergoing significant adjustment. Both are expected to persist through 2010. In the face of significant headwinds, the final demand picture is likely to remain muted, albeit improve. Given the magnitude of the downturn, it is highly probable that the recovery will disappoint.

The silver lining of a below-trend recovery is that policy is expected to remain accommodative for longer. The Federal Open Market Committee (FOMC) is likely to continue holding policy rates at between zero and 25bps for a while. And despite some more hawkish language on the need to respond to inflation risk should it surface, there are currently no signs of any need to do so. Capacity utilisation levels are still hovering in the low 70% level. Meanwhile, despite declines in job losses, unemployment remains at 10%. There is substantial slack in the system and this needs to close before overheating becomes a risk.

With the exception of some of the resource-based economies (such as Australia and Norway), there are no signs and only a slight probability of policy tightening in the G10 economies. Given the ongoing financial sector adjustment in the Developed world, we do not envisage a shift in monetary stance anytime soon.

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Given the extent of the global economic downturn, many Emerging Markets also put into place aggressive stimulus measures. None were more aggressive than China. This, coupled with strong global liquidity, has brought about a second set of challenges, namely overheating.

Risk of overheating were further exacerbated as portfolio investment flows started surging into Emerging Markets, pushing up exchange rates, financial markets and domestic asset prices. Brazil experienced a significant strengthening of the *Real*, up 33% against the US dollar in 2009, this on top of surging markets. The central bank ultimately responded by putting in a tax to slow down capital inflows.

China experienced a somewhat similar problem, surging fixed asset formation, explosive credit growth and booming asset prices accompanied by rampant property speculation in the major cities.

As we write, it is becoming increasingly clear that loose monetary and fiscal conditions have created inflationary risk in some of the Emerging Markets. With industrial production and trade approaching pre-crisis levels, and with higher food and energy prices, it is clear that China's recent moves to rein in surplus liquidity may only be a first step to further tightening measures. This will need to be monitored closely.

This shift to tightening, or the removal of stimulus, is a risk not only in China, but across the world, especially among Emerging Markets.

The fiscal shock absorbers which came into play in 2009 to help avert an economic depression will fade over the course of 2010. Markets are unlikely to respond well should another setback arise. Hence we remain of the view that exit strategies will likely err on the dovish side, slow to be implemented and modest when they come. For the Developed world, 2011 is our best guess for exit strategies to come fully into play.

This has positive implications for equity market performance. However, investors should not expect the type of returns registered last year to be repeated in 2010. Earnings growth will be the key driver to stock and market performance this year. Economic recovery should help set the stage for continued earnings recovery and equity markets should respond positively provided that inflation is kept in check.

In terms of sector, we continue to allocate capital to cyclical sectors with a preference for the Technology and Industrial sectors. Given our expectation of a more moderate recovery we have tempered our positions in the Materials and Energy sectors somewhat.

While we continue to like the growth dynamics of Emerging Markets, we are more mindful of inflationary pressures, the risk of overheating and the need to monitor margins and profitability at the business level. Given that operating challenges will intensify into 2010 due to cost pressures and keen competition, we believe it will be a stock picking year. As always you should expect our research effort to centre around finding high quality growth companies to invest in. And in the current environment, we expect our focus on growth to be rewarded.

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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		
Australia	1,853,685	1.11
Belgium	1,608,483	0.96
Brazil	8,551,052	5.12
Canada	5,595,821	3.35
Chile	527,043	0.32
China	4,159,353	2.49
Finland	784,274	0.47
France	3,491,241	2.09
Germany	1,649,424	0.99
Hong Kong	1,466,588	0.88
India	6,000,322	3.59
Indonesia	5,334,318	3.19
Ireland	3,000,326	1.80
Israel	2,366,217	1.42
Italy	1,198,116	0.72
Japan	12,282,416	7.35
Mexico	1,561,112	0.93
Netherlands	1,919,040	1.15
South Korea	978,084	0.59
Spain	5,413,125	3.24
Switzerland	7,622,005	4.56
Thailand	1,199,874	0.72
United Kingdom	15,992,778	9.57
United States	69,649,651	41.70
Portfolio of investments	164,204,348	98.31
Other net assets	2,822,647	1.69
Total	167,026,995	100.00

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

	Fair Value (S\$)	% of NAV
ii) Industry		
Consumer Discretionary	10,816,477	6.47
Consumer Staples	21,997,333	13.16
Energy	19,504,333	11.68
Financials	33,419,213	20.00
Healthcare	15,691,159	9.41
Industrials	19,038,633	11.39
Information Technology	19,714,173	11.80
Materials	8,886,313	5.32
Telecommunication Services	11,322,381	6.78
Utilities	3,814,333	2.30
Portfolio of investments	164,204,348	98.31
Other net assets	2,822,647	1.69
Total	167,026,995	100.00
iii) Asset Class		
Equities	164,204,348	98.31
Other net assets	2,822,647	1.69
Total	167,026,995	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 %
OCCIDENTAL PETROLEUM CORPORATION	2,624,277	1.57
TEVA PHARMACEUTICAL INDUSTRIES LTD-ADR	2,366,217	1.42
HSBC HOLDINGS	2,169,408	1.30
MICROSOFT CORPORATION	2,139,620	1.28
HOUSING DEVELOPMENT FINANCE CORPORATION	2,018,206	1.21
PETROLEO BRASILEIRO SA - ADR	2,006,525	1.20
BHARTI AIRTEL LIMITED	1,983,964	1.19
WAL-MART STORES	1,912,833	1.15
THERMO FISHER SCIENTIFIC INC	1,872,757	1.12
INTEL CORPORATION	1,861,638	1.11

10 largest holdings at 31 December 2008

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
EXELON CORPORATION	3,204,228	2.20
CITIGROUP INC	3,137,233	2.15
PHILIP MORRIS INTERNATIONAL INC	3,133,631	2.15
MCDONALD'S CORPORATION	2,686,711	1.84
US BANCORP	2,522,321	1.73
COLGATE-PALMOLIVE COMPANY	2,467,645	1.69
GENERAL MILLS INC	2,447,488	1.68
HSBC HOLDINGS	2,331,197	1.60
EXXON MOBIL CORPORATION	2,294,250	1.57
NORTHERN TRUST CORPORATION	2,252,757	1.54

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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 for the financial year ended 31 December 2009
N/A
- 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

N/A

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 32,544,153
Total amount of subscriptions	SGD 23,366,231

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	17,983
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H) The amount and terms of related-party transactions for the financial year ended 31 December 2009 (continued)

- ii) Purchase/holdings of UOBAM unit trusts by UOB or its affiliated companies as at 31 December 2009

Holdings of United International Growth Fund as at 31 December 2009 were as follows:-

<u>Affiliated Companies</u>	<u>No. of Units</u>	<u>Unit Price SGD</u>	<u>Market Value SGD</u>
a) UNION - Overseas Insurance Fund	969,722.99	1.621	1,571,920.97
b) United Overseas Insurance - Overseas Insurance Fund	127,831.43	1.621	207,214.75
c) United Overseas Insurance - Singapore Insurance Fund	2,600,469.59	1.621	4,215,361.21
d) United Overseas Insurance - Shareholders' Fund	1,463,995.18	1.621	2,373,136.19
e) UOB Life Assurance Limited - Singapore Insurance Fund PAR (USD)	118,000.00	1.621	191,278.00
f) UOB Life - Singapore Insurance Fund PAR (Annuity)	298,782.98	1.621	484,327.21
g) UOB Life - Singapore Insurance Fund PAR (Endowment)	11,184,863.89	1.621	18,130,664.37
h) UOB Life - Shareholders' Fund	104,505.88	1.621	169,404.03
i) UOB Life Assurance Limited	33,582.31	1.621	54,436.92
j) UOB Smart International Growth Fund	1,306,494.35	1.621	2,117,827.34
k) UOBAM Trust Lifelink Global Fund	672,141.01	1.621	1,089,540.58

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

N/A

- iv) As at 31 December 2009 the brokerage income earned by UOB Kay Hian Pte Ltd was SGD 544.

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I) Expense ratios

31 December 2009	1.37%
31 December 2008	1.35%

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	76.86%
31 December 2008	74.46%

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.

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.

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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 International Growth 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 15 to 38 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
HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED

Authorised signatory

17 March 2010

United International Growth Fund

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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 15 to 38, 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

17 March 2010

United International Growth Fund

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INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF UNITED INTERNATIONAL GROWTH FUND

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

We have audited the financial statements of United International Growth Fund (the "Fund") set out on pages 15 to 38, 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,

17 March 2010

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STATEMENT OF TOTAL RETURN

For the financial year ended 31 December 2009

	Notes	2009 \$	2008 \$
Income			
Dividends		3,796,611	5,827,114
Interest		3,539	34,122
		3,800,150	5,861,236
Less: Expenses			
Management fee	10	1,555,290	2,276,297
Trustee fee	10	90,485	127,226
Audit fee		16,204	15,234
Registrar fee	10	16,050	16,050
Valuation fee	10	194,411	277,740
Custody fee		94,935	95,078
Interest expenses		1,313	3,552
Other expenses		166,145	42,590
		2,134,833	2,853,767
Net income		1,665,317	3,007,469
Net gains or losses on value of investments			
Net realised loss on investments		(28,226,037)	(25,275,257)
Net change in fair value on investments		57,772,214	(82,117,387)
Net foreign exchange loss		(130,915)	(41,027)
Net gain/(loss) on value of investments		29,415,262	(107,433,671)
Total return/(deficit) for the year before income tax		31,080,579	(104,426,202)
Less : Income tax	3	(751,371)	(1,195,292)
Total return/(deficit) for the year		30,329,208	(105,621,494)

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		164,204,348	138,683,171
Receivables	4	360,848	385,617
Sales awaiting settlement		-	3,665,035
Cash and bank balances	5	3,363,351	8,224,042
Total Assets		167,928,547	150,957,865
LIABILITIES			
Payables	6	901,552	589,648
Purchases awaiting settlement		-	4,492,508
Net assets attributable to unitholders	7	167,026,995	145,875,709
Total Liabilities		167,928,547	150,957,865

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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 Quoted Equities			
AUSTRALIA			
AUSTRALIA AND NEW ZEALAND BANK	50,000	1,443,831	0.86
CSL LIMITED	10,000	409,854	0.25
TOTAL AUSTRALIA		1,853,685	1.11
BELGIUM			
ANHEUSER-BUSCH INBEV	15,000	1,099,666	0.66
COLRUYT SA	1,500	508,817	0.30
TOTAL BELGIUM		1,608,483	0.96
BRAZIL			
BANCO BRADESCO - ADR	25,000	766,206	0.46
CIA DE CONCESSOES RODOVIARIAS (CCR)	15,000	480,816	0.29
CIA ENERGETICA DE MINAS GERAIS	21,000	529,381	0.32
CIELO SA	45,000	554,509	0.33
COMPANHIA DE BEBIDAS DAS AMERICAS	10,000	1,398,956	0.84
DUFREY SOUTH AMERICA LTD - BDR	15,000	422,345	0.25
ELETROPOLAU METROPOLITANA S.A. PREF SHARE B	6,000	165,265	0.10
ITAU UNIBANCO HOLDING SA - ADR	30,000	960,723	0.57
PETROLEO BRASILEIRO SA - ADR	30,000	2,006,525	1.20
REDECARD SA	20,000	465,513	0.28
VALE SA - PREF SHARE - ADR	23,000	800,813	0.48
TOTAL BRAZIL		8,551,052	5.12

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

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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			
CANADA			
AGNICO - EAGLE MINES	6,000	456,078	0.27
BANK OF NOVA SCOTIA	15,000	988,128	0.59
CAMECO CORPORATION	4,000	180,899	0.11
CANADIAN NATURAL RESOURCES LIMITED	5,750	582,535	0.35
ENCANA CORPORATION	16,693	761,197	0.46
POTASH CORPORATION OF SASKATCHEWAN INC	1	153	*
RESEARCH IN MOTION	8,000	760,023	0.46
ROGERS COMMUNICATIONS - CLASS B	3,800	165,696	0.10
ROYAL BANK OF CANADA	12,700	958,392	0.57
SHOPPERS DRUG MART CORPORATION	5,000	303,396	0.18
TALISMAN ENERGY INC	12,000	314,176	0.19
YAMANA GOLD INC	8,000	125,148	0.07
TOTAL CANADA		5,595,821	3.35
CHILE			
QUIMICA Y MINERA DE CHILE SA - ADR	10,000	527,043	0.32
CHINA			
CHINA BLUECHEMICAL LIMITED	800,000	680,786	0.41
CHINA MOBILE LIMITED	140,000	1,845,366	1.11
GOME ELECTRICAL APPLIANCES HOLDINGS LTD	400,000	204,236	0.12
PETROCHINA COMPANY LIMITED	400,000	674,268	0.40
SANY HEAVY EQUIPMENT INT'L HLDGS CO LTD	23,000	40,686	0.02
ZHEJIANG EXPRESSWAY	550,000	714,011	0.43
TOTAL CHINA		4,159,353	2.49
FINLAND			
KONE OYJ - B	13,000	784,274	0.47

* denotes amount less than 0.01%

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

United International Growth Fund

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

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			
FRANCE			
ELECTRICITE DE FRANCE (EDF)	6,300	526,770	0.32
EUTELSAT COMMUNICATIONS	20,000	904,428	0.54
LVMH MOET HENNESSY LOUIS VUITTON	5,000	789,109	0.47
RENAULT (REGIE NATIONALE) (E)	5,000	364,390	0.22
TOTAL SA	10,000	906,544	0.54
TOTAL FRANCE		3,491,241	2.09
GERMANY			
E. ON AG	15,000	878,343	0.53
WIRECARD AG	40,000	771,081	0.46
TOTAL GERMANY		1,649,424	0.99
HONG KONG			
BAWANG INTERNATIONAL	1,500,000	1,466,588	0.88
INDIA			
BHARAT HEAVY ELECTRICALS LIMITED	12,000	868,310	0.52
BHARTI AIRTEL LIMITED	200,000	1,983,964	1.19
HDFC BANK LIMITED	22,000	1,129,842	0.67
HOUSING DEVELOPMENT FINANCE CORPORATION	25,000	2,018,206	1.21
TOTAL INDIA		6,000,322	3.59
INDONESIA			
BANK RAKYAT INDONESIA (PERSERO) TBK	1,200,000	1,353,889	0.81
PT BANK DANAMON	2,275,000	1,538,349	0.92
PT INDOCEMENT	710,000	1,453,562	0.87
PT TELKOMUNIKASI INDONESIA TBK	700,000	988,518	0.59
TOTAL INDONESIA		5,334,318	3.19

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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			
IRELAND			
ALLIED IRISH BANKS	700,000	1,670,876	1.00
BANK OF IRELAND	500,000	1,329,450	0.80
TOTAL IRELAND		3,000,326	1.80
ISRAEL			
TEVA PHARMACEUTICAL INDUSTRIES LTD-ADR	30,000	2,366,217	1.42
ITALY			
ENI SPA	20,000	715,486	0.43
SAIPEM S.P.A.	10,000	482,630	0.29
TOTAL ITALY		1,198,116	0.72
JAPAN			
ASAHI GLASS COMPANY LIMITED	70,000	925,812	0.55
CANON INC	25,000	1,470,381	0.88
EAST JAPAN RAILWAY COMPANY	10,000	885,244	0.53
JAPAN TOBACCO LIMITED	200	941,044	0.56
KAO CORPORATION	20,000	654,508	0.39
KDDI CORPORATION	100	741,977	0.44
KOMATSU LIMITED	40,000	1,166,050	0.70
mitsui & COMPANY LIMITED	69,000	1,364,197	0.82
NINTENDO	3,000	996,692	0.60
SUNDRUG COMPANY LIMITED	25,000	778,548	0.47
SURUGA BANK LIMITED	85,000	1,031,906	0.62
TAKEDA PHARMACEUTICAL COMPANY LIMITED	4,000	230,435	0.14
TOYO SUISAN KAISHA LTD	20,000	643,951	0.38
TSUMURA & CO	10,000	451,671	0.27
TOTAL JAPAN		12,282,416	7.35

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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			
MEXICO			
AMERICA MOVIL - ADR SERIES L	16,000	1,053,749	0.63
GRUPO FINANCIERO BANORTE SAB DE C V	100,000	507,363	0.30
TOTAL MEXICO		1,561,112	0.93
NETHERLANDS			
ASML HOLDINGS NV	20,000	965,059	0.58
KONINKLIJKE KPN NV	40,000	953,981	0.57
TOTAL NETHERLANDS		1,919,040	1.15
SOUTH KOREA			
KANGWON LAND INC	20,000	396,659	0.24
KT&G CORPORATION	7,500	581,425	0.35
TOTAL SOUTH KOREA		978,084	0.59
SPAIN			
BANCO BILBAO VIZCAYA ARGENTARIA S.A	71,000	1,819,885	1.09
BANCO SANTANDER SA	74,000	1,720,892	1.03
GAMESA CORPORACION TECNOLOGICA SA	40,000	948,340	0.57
TELEFONICA SA	23,500	924,008	0.55
TOTAL SPAIN		5,413,125	3.24
SWITZERLAND			
ABB LIMITED	50,000	1,353,360	0.81
BANK SARASIN & CIE	14,000	742,481	0.44
NESTLE SA	23,000	1,566,516	0.94
NOVARTIS AG BEARER SHARES	17,000	1,303,314	0.78
ROCHE HOLDINGS AG GENNUSSSCHEINE NP	7,000	1,670,344	1.00
SYNGENTA AG	2,500	985,990	0.59
TOTAL SWITZERLAND		7,622,005	4.56

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

United International Growth Fund

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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			
THAILAND			
KASIKORNBANK PUBLIC COMPANY LIMITED	205,000	744,559	0.45
THE SIAM COMMERCIAL BANK PUBLIC COMPANY LIMITED	125,000	455,315	0.27
TOTAL THAILAND		1,199,874	0.72
UNITED KINGDOM			
ADMIRAL GROUP PLC	42,000	1,126,465	0.68
AUTONOMY CORPORATION PLC	33,000	1,129,730	0.68
BG GROUP PLC	50,000	1,271,882	0.76
BHP BILLITON PLC	37,000	1,673,511	1.00
BRITISH AMERICAN TOBACCO PLC	15,000	685,592	0.41
COMPASS GROUP PLC	55,000	555,139	0.33
HSBC HOLDINGS	135,000	2,169,408	1.30
PEARSON PLC	28,000	565,613	0.34
RECKITT BENCKISER PLC	17,000	1,293,080	0.77
ROLLS ROYCE GROUP - C SHARES	1,500,000	3,401	*
ROLLS-ROYCE GROUP PLC	25,000	273,931	0.16
ROYAL DUTCH SHELL PLC	35,000	1,437,045	0.86
SMITH & NEPHEW PLC	74,000	1,067,020	0.64
TULLOW OIL PLC	25,000	739,664	0.44
VODAFONE GROUP PLC	220,000	715,246	0.43
WEIR GROUP PLC	40,000	650,677	0.39
XSTRATA PLC	25,000	635,374	0.38
TOTAL UNITED KINGDOM		15,992,778	9.57

* denotes amount less than 0.01%

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United International Growth Fund

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

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			
UNITED STATES			
3M COMPANY	14,000	1,623,331	0.97
ALTRIA GROUP INC	25,000	688,637	0.41
APACHE CORPORATION	8,000	1,158,764	0.69
APPLE COMPUTER INC	4,200	1,242,412	0.74
AT & T INC	20,000	787,054	0.47
AVON PRODUCTS INC	24,000	1,061,386	0.64
BANK OF AMERICA CORPORATION	61,000	1,289,753	0.77
BEST BUY COMPANY INC	18,000	997,198	0.60
CELGENE CORPORATION	14,500	1,133,290	0.68
COMCAST CORPORATION - CLASS A	46,000	1,088,847	0.65
COMPANIA DE MINAS BUENAVENTURA ADR	15,000	702,747	0.42
DELL INC	75,000	1,509,948	0.90
EMERSON ELECTRIC COMPANY	20,000	1,196,165	0.72
EXELON CORPORATION	25,000	1,714,574	1.03
FLOWSERVE CORPORATION	11,000	1,459,869	0.87
FORD MOTOR	50,000	700,571	0.42
GENERAL ELECTRIC COMPANY	60,000	1,274,506	0.76
GENERAL MILLS INC	17,500	1,739,740	1.04
GILEAD SCIENCES INC	23,000	1,397,225	0.84
HESS CORPORATION	20,000	1,697,656	1.02
INTEL CORPORATION	65,000	1,861,638	1.11
IBM	8,000	1,469,430	0.88
JOHNSON N JOHNSON	17,000	1,535,374	0.92
JOY GLOBAL INC	22,000	1,591,602	0.95
JPMORGAN CHASE & COMPANY	25,000	1,462,565	0.88
MCDONALD'S CORPORATION	18,000	1,576,917	0.94
MERCK	23,500	1,204,238	0.72
MICRON TECHNOLOGY	100,000	1,483,975	0.89
MICROSOFT CORPORATION	50,000	2,139,620	1.28
MONSANTO COMPANY	6,500	746,024	0.45
Balance Carried Forward		39,535,056	23.66

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

United International Growth Fund

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

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			
UNITED STATES (continued)			
Balance Brought Forward		39,535,056	23.66
NEWMONT MINING CORP (NEW)	10,000	664,209	0.40
NORTHERN TRUST CORPORATION	17,000	1,250,639	0.75
NYSE EURONEXT	35,000	1,241,724	0.74
OCCIDENTAL PETROLEUM CORPORATION	23,000	2,624,277	1.57
PEPSICO	17,500	1,493,066	0.89
PHILIP MORRIS INTERNATIONAL INC	10,000	675,721	0.40
PROCTER & GAMBLE CO	12,000	1,020,952	0.61
QUALCOMM INC	25,000	1,623,668	0.97
SCHLUMBERGER	16,000	1,462,130	0.88
SOUTHWESTERN ENERGY COMPANY	24,000	1,624,089	0.97
STATE STREET CORPORATION	18,000	1,100,304	0.66
SYMANTEC CORPORATION	65,000	1,632,583	0.98
THERMO FISHER SCIENTIFIC INC	28,000	1,872,757	1.12
TJX COMPANIES INC	35,000	1,795,512	1.07
TRANSOCEAN LTD	9,000	1,045,465	0.63
UNION PACIFIC CORP	16,000	1,434,051	0.86
US BANCORP	50,000	1,578,040	0.95
VERIZON COMMUNICATIONS INC	25,000	1,162,822	0.70
VISA INC - CLASS A SHARES	13,500	1,654,625	0.99
WAL-MART STORES	25,500	1,912,833	1.15
WALT DISNEY	27,500	1,245,128	0.75
TOTAL UNITED STATES		69,649,651	41.70
Portfolio of investments		164,204,348	98.31
Other net assets		2,822,647	1.69
Net assets attributable to unitholders		167,026,995	100.00

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

United International Growth 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)		
Quoted Equities		
Australia	1.11	0.37
Belgium	0.96	0.42
Brazil	5.12	1.99
Canada	3.35	3.85
Chile	0.32	-
China	2.49	1.49
Finland	0.47	0.84
France	2.09	2.30
Germany	0.99	1.07
Hong Kong	0.88	-
India	3.59	2.91
Indonesia	3.19	1.65
Ireland	1.80	0.95
Israel	1.42	1.26
Italy	0.72	1.03
Japan	7.35	7.49
Mexico	0.93	1.19
Netherlands	1.15	0.50
Russia	-	0.16
South Korea	0.59	0.47
Spain	3.24	3.56
Switzerland	4.56	6.34
Taiwan	-	0.30
Thailand	0.72	0.64
United Kingdom	9.57	9.40
United States	41.70	44.89
Portfolio of investments	98.31	95.07
Other net assets	1.69	4.93
Net assets attributable to unitholders	100.00	100.00

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

United International Growth 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 Quoted Equities			
Consumer Discretionary	10,816,477	6.47	4.19
Consumer Staples	21,997,333	13.16	14.68
Energy	19,504,333	11.68	9.13
Financials	33,419,213	20.00	19.53
Healthcare	15,691,159	9.41	11.18
Industrials	19,038,633	11.39	8.68
Information Technology	19,714,173	11.80	10.07
Materials	8,886,313	5.32	3.81
Telecommunication Services	11,322,381	6.78	9.25
Utilities	3,814,333	2.30	4.55
Portfolio of investments	164,204,348	98.31	95.07
Other net assets	2,822,647	1.69	4.93
Net assets attributable to unitholders	167,026,995	100.00	100.00

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

United International Growth Fund

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

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 International Growth Fund (the "Fund") is a Singapore registered trust fund constituted by a Trust Deed dated 21 February 1995 between UOB Asset Management Ltd (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"). The Deed is governed by the laws of the Republic of Singapore.

The primary activity of the Fund is to invest in shares in global emerging and developed markets, identified by the Manager as having good prospects for growth.

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 trade date. Investments are recorded at fair value on initial recognition.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2009

2. Significant accounting policies (continued)

(c) Investments (continued)

(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 International Growth Fund

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2009

2. Significant accounting policies (continued)

(f) Financial derivatives

Financial derivatives including forwards and swaps are entered into for the purpose of efficient portfolio management, tactical asset allocation or specific hedging of financial assets held as determined by the Manager and in accordance with the provisions of the Trust Deed.

Financial derivatives outstanding at the balance sheet date are valued at forward rates or at current market prices using the "mark-to-market" method, as applicable, and the resultant gains and losses are taken up in the Statement of Total Return.

(g) 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	751,371	1,195,292

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.

United International Growth Fund

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2009

4. Receivables

	2009	2008
	\$	\$
Amount due from unitholders	192,921	109,625
Dividends receivable	167,921	268,785
Interest receivable	-	167
Other receivable	6	7,040
	360,848	385,617

5. Cash and bank balances

	2009	2008
	\$	\$
Cash at bank	3,363,351	2,215,778
Fixed deposit with a financial institution	-	6,008,264
	3,363,351	8,224,042

The weighted average effective interest rate of the fixed deposits with financial institutions as at 31 December 2009 was Nil% (2008: 0.43%) per annum, maturing within Nil days (2008: 6 days) from the balance sheet date.

6. Payables

	2009	2008
	\$	\$
Amount due to unitholders	377,340	132,129
Amount due to Manager	481,260	417,014
Amount due to Trustee	24,059	21,651
Other creditors and accrued expenses	18,893	18,854
	901,552	589,648

United International Growth Fund

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2009

7. Net assets attributable to unitholders

	2009 \$	2008 \$
At the beginning of the financial year	145,875,709	294,077,991
Operations		
Change in net assets attributable to unitholders resulting from operations	30,329,208	(105,621,494)
Unitholders' contributions/(withdrawals)		
Creation of units	23,366,231	39,000,756
Cancellation of units	(32,544,153)	(81,581,544)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(9,177,922)	(42,580,788)
Total increase/(decrease) in net assets attributable to unitholders	21,151,286	(148,202,282)
At the end of the financial year	167,026,995	145,875,709
Units in issue (Note 8)	103,154,541	109,314,641
	\$	\$
Net assets attributable to unitholders per unit	1.62	1.33

8. Units in issue

	2009	2008
Units at beginning of the year	109,314,641	128,451,911
Units created	16,306,373	22,817,793
Units cancelled	(22,466,473)	(41,955,063)
Units at end of the year	103,154,541	109,314,641

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2009

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.

(i) Foreign exchange risk

The Fund has securities denominated in currencies other than the Singapore dollar and it may be affected favourably or unfavourably by exchange rate regulations or changes in the exchange rates between the Singapore dollar 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.

United International Growth 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 (continued)

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

As at 31 December 2009

	SGD \$	USD \$	EUR \$	Others \$	Total \$
Assets					
Portfolio of investments	-	78,130,927	19,064,028	67,009,393	164,204,348
Receivables	51,532	256,372	-	52,944	360,848
Cash and bank balances	2,756,678	138,894	10,555	457,224	3,363,351
Total Assets	2,808,210	78,526,193	19,074,583	67,519,561	167,928,547
Liabilities					
Payables	893,048	8,504	-	-	901,552
Net assets attributable to unitholders	167,026,995	-	-	-	167,026,995
Total Liabilities	167,920,043	8,504	-	-	167,928,547
Net currency exposure	(165,111,833)	78,517,689	19,074,583	67,519,561	

As at 31 December 2008

	SGD \$	USD \$	EUR \$	Others \$	Total \$
Assets					
Portfolio of investments	-	72,625,212	15,556,079	50,501,880	138,683,171
Receivables	115,611	221,699	-	48,307	385,617
Sales awaiting settlement	-	2,345,122	806,275	513,638	3,665,035
Cash and bank balances	7,786,192	431,323	1,995	4,532	8,224,042
Total Assets	7,901,803	75,623,356	16,364,349	51,068,357	150,957,865
Liabilities					
Payables	588,713	236	-	699	589,648
Purchases awaiting settlement	-	2,076,042	330,681	2,085,785	4,492,508
Net assets attributable to unitholders	145,875,709	-	-	-	145,875,709
Total Liabilities	146,464,422	2,076,278	330,681	2,086,484	150,957,865
Net currency exposure	(138,562,619)	73,547,078	16,033,668	48,981,873	

United International Growth 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 (continued)

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 non-monetary investments hence currency risk sensitivity analysis has not been performed on the remaining financial assets.

(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 AC World	33,826,096	20	26,072,436	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.

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9. Financial risk management (continued)

(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.

The tables below analyse 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	901,552	-	-	-
Net assets attributable to unitholders	167,026,995	-	-	-

As at 31 December 2008

	Less than 3 months \$	3 months to 1 year \$	1-5 years \$	Above 5 years \$
Payables	589,648	-	-	-
Purchases awaiting settlement	4,492,508	-	-	-
Net assets attributable to unitholders	145,875,709	-	-	-

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9. Financial risk management (continued)

(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 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.

The tables 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
Oversea-Chinese Banking Corporation	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.

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10. Related party transactions

- (a) The Manager and the Trustee of the Fund are UOB Asset Management Ltd and HSBC Institutional Trust Services (Singapore) Limited respectively. UOB Asset Management Ltd is a subsidiary of HSBC Holdings Plc. These fees paid or payable by the Fund are shown in the Statement of Total Return and in the respective Notes to the Financial Statements, and are on terms set out in the Trust Deed. All other related party transactions are shown elsewhere in the financial statements.

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 are shown in the Statement of Total Return and in the respective Notes to the Financial Statements, and 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 the following accounts with a related party:

	2009	2008
	\$	\$
<u>United Overseas Bank Limited</u>		
Bank balances	17,983	2,025,467

- (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 follow:

	2009	2008
	\$	\$
Interest income	158	11,911
Interest expense	-	12
Bank charges	60	39

- (d) UOB Kay Hian Pte Ltd is an affiliate company of United Overseas Bank Limited.

During the financial year, the Fund has brokerage fee paid or payable to UOB Kay Hian Pte Ltd as follows:

	2009	2008
	\$	\$
Brokerage charges	544	-

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11. Financial ratios

	2009	2008
Expense ratio ¹	1.37%	1.35%
Turnover ratio ²	76.86%	74.46%

¹ The expense ratio is computed in accordance with the IMAS guidelines on disclosure of expenses 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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