



# United International Growth Fund

**Semi Annual Report**

for the period 1<sup>st</sup> January to  
30<sup>th</sup> June 2009



# **United International Growth Fund**

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

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## **MANAGER**

UOB Asset Management Limited  
Registered Address:  
80 Raffles Place  
UOB Plaza  
Singapore 048624  
Company Registration No. : 198600120Z

## **OPERATIONS ADDRESS**

80 Raffles Place  
#06-00, UOB Plaza 2  
Singapore 048624  
Tel: 1800 22 22 228

## **DIRECTORS OF UOB ASSET MANAGEMENT**

Terence Ong Sea Eng  
Yeo Eng Cheong  
Thio Boon Kiat

## **TRUSTEE**

HSBC Institutional Trust Services (Singapore) Limited  
21 Collyer Quay  
#14-01, HSBC Building  
Singapore 049320

## **AUDITORS**

PricewaterhouseCoopers LLP  
8 Cross Street  
#17-00, PWC Building  
Singapore 048424

## **SOLICITORS TO THE MANAGER**

Tan Peng Chin LLC  
30 Raffles Place  
#11-00, Chevron House  
Singapore 048622

## **SOLICITORS TO THE TRUSTEE**

Allen & Gledhill LLP  
One Marina Boulevard  
#28-00  
Singapore 018989

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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 7 April 1995 Ann Comp Ret
United International Growth Fund	16.53	7.03	-26.24	-9.86	-1.90	-0.18	2.83
Benchmark	16.39	9.67	-24.71	-9.74	-2.40	-1.86	0.36

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 half year ended 30 June 2009, the Fund **rose** by **7.0%** on a net asset value basis, underperforming the benchmark MSCI AC World Free index which rose by 9.7% in Singapore dollar terms.

The recovery in equity markets follows one of the worse corrections in decades. The rebound should be viewed against the backdrop of a 42% decline in 2008 (22% of which occurred in the final quarter of 2009).

A shift in sentiment drove markets during the period under review as risk indicators moderated. Realised equity volatility levels for the S&P 500 Index peaked at over 80% in October 2008 and but moderated sharply in the second quarter. They have fallen to the low 20% currently, still above longer term averages of 16%. Similar trends are evident in other risk asset classes.

In terms of benchmark performance by region, Emerging Market registered extremely buoyant gains with Brazil being the standout. Emerging Markets (ex Asia) surged by 37%, Asia Pacific (ex. Japan) jumped by 34%, Europe rose by 7%, the US by 4% while Japan rose 3%.

Meanwhile in terms of sector performance, more cyclical sectors performed strongly, with the more defensive sectors lagging: Materials (24.8%), Technology (24.0%), Consumer Discretionary (14.1%), Energy (10.7%), Financials (10.1%), Industrials (3.4%), Consumer Staples (1.3%), Healthcare (-1.6%), Telecommunication Services (-2.0%), and Utilities (-5.5%).

The Fund's relative underperformance was due to it being too defensively positioned at the start of the year and the Fund lost ground in the first quarter. The first quarter can be characterised by the robust performance of Emerging Markets, especially Asia, and by a sharp upturn in cyclical sectors. The Fund took action in April to temper some of the sector biases and to increase exposure to Emerging Markets, which helped restore performance in the second quarter. Cash balances during the period under review were modest, averaging 3%.

Stock selection weighed on performance in the first six months. Detractors to performance came from Healthcare, Industrials and Technology. Notable drags on performance came from the following holdings: **Citigroup** (US), **General Electric** (US), **Nintendo** (Japan), **Takeda Pharmaceutical** (Japan), **Celegene** (US), and **Novartis** (Switzerland).

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There were noteworthy individual stock contributors to performance from Technology, Materials, Energy and Financial Services. Most significant were **Apple Computers** (US), **Research in Motion** (Canada), **Potash Corp.** (Canada), **Petrobras** (Brazil), **State Street Bank** (US), **Bank of America** (US), and **Transocean** (US).

As at 30 June 2009, the Fund was positioned as follows:

## ***By Country***

United States (40.6%), Europe (25.8%), Japan (8.2%), Asia Pacific ex Japan (10.4%), Canada (4.2%), Latin America (2.1%), Others (5.5%), and Cash/Net Liquidity (3.2%).

## ***By Sector***

Consumer Discretionary (6.6%), Consumer Staples (12.5%), Energy (10.1%), Financials (20.7%), Healthcare (9.5%), Industrials (10.9%), Information Technology (9.5%), Materials (5.6%), Telecom Services (8.1%), Utilities (3.3%), and Cash/Net Liquidity (3.2%).

## **Market Review and Outlook**

In the first six months of 2009, equity markets performed satisfactorily, having recovered sharply from the distressed levels at the end of December 2008. Policy makers acted decisively and aggressively in staving-off a financial panic and in averting economic collapse. They now need to figure out how to dial back their involvement in the financial sector and the broader economy without destabilising the recovery. The latter will likely prove a challenge, but is not one that is insurmountable.

From the vantage point of operating realities, the “new normal” is materially better than that of six months ago. The risk of outright financial and/or economic collapse has been taken off the table. Policy makers were able to break the vicious negative demand feed-back loop by stabilising the financial sector.

While significant challenges lie ahead, better visibility should ensure that the broader economy remains on the road to recovery. It is now a question of how long the road will be and how many potholes there are along the way. The answer appears to be long and many, so it is essential to have a good stable car and an experienced driver at the wheel to ensure the journey is as pain free as possible.

So, from the standpoint of the real economy the outlook for 2009 is still muted and our expectations for the recovery into 2010 remain modest. Our views have not moved much in this regard. Massive monetary easing and fiscal stimulus will keep the wheels from falling-off in 2009. However, the fiscal realities will influence household, financial sector and eventually public behavior further down the road. The ‘Great De-Leveraging’ continues, thanks to government intervention, in an orderly fashion. This will limit growth for the foreseeable future.

A weaker growth environment is not the end of the world, and is not bad for equities. A weaker environment will help to restore operating and financial discipline, which will be positive for equities over the longer term. We have already witnessed in the financial sector a re-pricing of risk which is helping restore profitability levels. The corporate sector has similarly demonstrated discipline in reining in capital spending to realign productive capacity with demand. This in the long term will help to restore profitability and margins.

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The global downturn has placed revenues under pressure. Corporations are responding by reducing costs, cutting capacity to position for leaner times. So far markets have been positively surprised by the ability of many companies to manage down costs. Against a backdrop of sharply reduced expectations, corporate earnings have been surprising to the upside in many areas.

Weaker global growth will hopefully bode well for inflation as well, which also has positive implications for equities. *Ceteris paribus*, the near term outlook for inflation is fairly benign, with excess capacity evident across a wide spectrum of the economy and with labour markets having a large degree of slack. The challenge for policy makers will be to balance the need to stabilise the real economy against the need to prevent pockets of inflation from getting embedded in financial markets, property markets and commodity prices, and filtering back into wage / price trends on a broader scale. This will likely be a larger issue in 2010 than now.

Against this backdrop equity valuations are attractive, although less so than before. Some markets and stocks appear to have de-coupled from fundamentals due to excessive monetary easing. While there are still some opportunities to invest in companies that are trading at distressed valuations, this number falls after factoring in the risks.

Public intervention is tempering the normal business cycle, and extending the process of creative destruction. This complicates the investment process as it has negative implications for profitability. The auto sector is an example, where state aid has slowed the removal of productive capacity, weighing on industry profitability. What is clear of the current operating environment is that, over time, quality will win out. In the medium term, renewed financial and operating discipline bode well for the longer term outlook, and valuations remain attractive.

## Strategy

As the economic pie grows at a more moderate rate it will be more critical to ensure one's share of the pie continues to grow. Our bottom up process of stock selection is aimed at specifically ensuring we are invested in the businesses that are doing just that, growing market share in a slowing market. So our approach is really quite simple, namely (1) ensuring that we have exposure to companies that are positioned in more attractive end markets, and (2) making sure that these companies are executing well in these markets in terms of driving better growth, margins and return. This will be critical in the years ahead.

Some key highlights of the Fund's research process and strategy are highlighted below:

Consumer Staples: The Fund's research team has identified a number of dominant consumer staples companies that have a strong global reach and that are well positioned to participate in the growth of Emerging Markets. **Colgate Palmolive** (US), **Phillip Morris International** (US), and **Nestlé** (Switzerland) are some examples of this.

Consumer Discretionary: We are currently focused on high quality companies that are advantageously positioned to benefit from a recovery in demand and achieve improved operating numbers as volume growth picks up. **Anheiser Bush Inbev** (Belgium), **Walmex** (Mexico), **Amazon Inc.** (US), and **TJ Max** (US) are some examples.

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**Energy:** The opportunities we have identified are in two key areas, namely companies with favourable production profiles and good operating assets, as well as oil services companies that are positioned favourably to participate in the sector's on-going thrust into deepwater exploration, particularly in Brazil. Key holdings include: **British Gas** (UK), **Exxon Mobile** (US), **Royal Dutch Shell** (UK), **Petrobras** (Brazil), and **XTO Energy** (US).

**Financial Services:** The Fund's research team has identified a number of high quality fiduciary services companies that are well positioned to deliver long term growth. Given the challenging operating environment, which has placed much of the sector on distressed valuations, we are also looking for opportunities arising due to mispricing. Examples of some of the stronger performing fiduciary service providers include: **Visa International** (US), **VisaNet** (Brazil), **StateStreet Bank** (US), **Northern Trust** (US), **HDFC Corp** (India), **BRI** (Indonesia), and **Banco Bradesco** (Brazil). Meanwhile, the Fund is also seeking to benefit from the re-rating of companies that are still being valued at distressed prices, for example: **Bank of America** (US), and **Allied Irish Bank** (Ireland).

**Healthcare:** We are somewhat concerned about the impact of healthcare reform on the profitability of the broader sector and has identified some strategies to insulate the portfolio from some of the potential risk specific to the pharmaceutical sector. The Fund has increased exposure to generic manufacturers as well as to medical technology. Within the broader pharmaceutical sector, the research team has focused more on the biotech sub-sector, where there is less perceived pricing risk. Examples of some holdings include: **Teva** (Israel), **Smith & Nephew** (UK), **Roche** (Switzerland), **Celegene** (US), and **Thermo Fisher** (US).

**Industrials:** In this sector, we have adopted a strategy of looking for opportunities in sub-segments where demand is less adversely impacted from the global slowdown. Companies with technology or products that are targeted towards the energy sector with a view that legislation will continue to push towards achieving greater energy efficiency and reducing environmental impact are among the preferred areas. Specific examples include, **ABB** (Switzerland), **Flowserve** (US), **Gamesa** (Spain), **Emerson Electric** (US).

**Information Technology:** The Fund's research team has identified a number of companies that are benefitting from the introduction of next generation hardware technology and has also uncovered a number of interesting software services companies. Examples include: **Apple Computer** (US), **Research in Motion** (Canada), **Nintendo** (Japan), **Microsoft** (US), **Semantec** (US), and **Autonomy** (UK).

**Materials:** Our concern is about the still weak global economy and the impact this may have on demand for base metals. However, the team has identified specific segments that will likely benefit due to public sector initiatives to develop infrastructure and replace energy grids. In addition, the team believes there are some excellent opportunities in the soft commodity areas as well as in the precious metal segment. Examples of companies that the team believes offer attractive potential are: **Freeport McMoran** (Canada), **Vale** (Brazil), **Rio Tinto** (Australia), **Aniico Eagle** (Canada), **Potach** (Canada), and **Monsanto** (US).

**Telecommunications:** To us, the sector's new found discipline over capital spending and its focus on operating profitability as a key attraction. However, the team has also expressed concerns about the growth prospect for the sector, particularly in the developed world where traditional wireline is shrinking and where penetration rates in mobile are topping out. Significant opportunities still remain in Emerging Markets and several examples are well represented in the portfolio, including: **American Movil** (US), **China Mobile** (China), **Bharti Airtel** (India), **Telecom Indonesia** (Indonesia), and **Telefonica** (Spain).

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Utilities: The key theme in this sector is the trend towards renewable energy. Examples of companies that are well positioned to benefit from this shift include: **ElectroPaulo** (Brazil), and **EDF** (France).

In terms of regions, the Fund anticipates allocating more capital to Emerging Markets. The strong divergence in growth between the developing and developed countries supports this stance. Developing countries continue to benefit from a revival in domestic demand, underpinned by steady job growth and rising wages. This trend is most pronounced in markets where consumer credit is just emerging, with Brazil and India being good examples of large developing economies that are in the midst of this transformation. The Fund is well positioned to take advantage of this.

While the Emerging Markets story is a compelling one, investors will need to be sensitive to excesses and pay closer attention to valuations. This is particularly true when superimposed against a backdrop of weak external demand and strong additions to capital stock that could drive down capacity utilisation and adversely impact future profitability across a number of sectors.

Aggressive monetary easing and fiscal pump priming have been transmitted quickly into asset markets, but have not translated into the real economy in a meaningful way. Robust liquidity conditions are creating distortions in the financial markets and are delaying the adjustment process in the real economy. However, a reversal in the liquidity conditions could trigger a renewed focus on debt levels, capacity overhangs, and fiscal realities. Given the ongoing lack of visibility on final demand, we continue to focus on high quality businesses that are industry leaders and well positioned to contend with a period of weaker pricing power.

The Fund has strategically increased allocation to Emerging Markets. Brazil, India, Indonesia, and to a lesser extent China, Thailand, and Mexico remain areas of focus. The Fund's strategy in Emerging Markets is to target companies with leverage to the growth of domestic demand.

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**B) Investments at fair value and as a percentage of NAV as at 30 June 2009 under review classified by**

	Fair Value (S\$)	% of NAV
<b>i) Country</b>		
Australia	673,691	0.44
Belgium	1,182,548	0.76
Brazil	8,518,278	5.49
Canada	6,568,943	4.24
China	3,600,050	2.32
Finland	2,177,310	1.40
France	2,975,362	1.92
Germany	744,731	0.48
Hong Kong	50,670	0.03
India	5,277,902	3.40
Indonesia	4,045,923	2.61
Ireland	2,251,917	1.45
Israel	2,142,367	1.38
Italy	850,115	0.55
Japan	12,651,564	8.16
Mexico	3,266,895	2.11
Netherlands	795,241	0.51
Singapore	632,000	0.41
South Korea	983,873	0.64
Spain	4,068,353	2.62
Sweden	718,272	0.46
Switzerland	7,595,211	4.90
Thailand	896,257	0.58
United Kingdom	14,475,909	9.34
United States	62,996,019	40.62
Portfolio of investments	150,139,401	96.82
Other net assets	4,935,629	3.18
<b>Total</b>	<b>155,075,030</b>	<b>100.00</b>

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**B) Investments at fair value and as a percentage of NAV as at 30 June 2009 under review classified by** (continued)

	Fair Value (S\$)	% of NAV
<b>ii) Industry</b>		
Consumer Discretionary	10,270,448	6.63
Consumer Staples	19,388,401	12.50
Energy	15,692,962	10.12
Financials	32,003,273	20.65
Healthcare	14,785,813	9.53
Industrials	16,956,143	10.91
Information Technology	14,784,887	9.54
Materials	8,613,820	5.58
Telecommunication Services	12,566,163	8.10
Utilities	5,077,491	3.26
Portfolio of investments	150,139,401	96.82
Other net assets	4,935,629	3.18
<b>Total</b>	<b>155,075,030</b>	<b>100.00</b>
<b>iii) Asset Class</b>		
Equities	150,139,401	96.82
Other net assets	4,935,629	3.18
<b>Total</b>	<b>155,075,030</b>	<b>100.00</b>
<b>iv) Credit rating of debt securities</b>		
N/A		

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## C) Top Ten Holdings

The top 10 holdings as at 30 June 2009 and 30 June 2008

### 10 largest holdings at 30 June 2009

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
GENERAL MILLS INC	2,432,416	1.57
EXELON CORPORATION	2,223,130	1.43
AECOM TECHNOLOGY CORPORATION	2,221,740	1.43
CHINA MOBILE LIMITED	2,173,812	1.40
TEVA PHARMACEUTICAL INDUSTRIES LTD-ADR	2,142,367	1.38
EXXON MOBIL CORPORATION	2,023,685	1.31
CVS CAREMARK CORPORATION	1,980,351	1.28
AMERICA MOVIL- ADR SERIES L	1,960,942	1.26
BHARTI AIRTEL LIMITED	1,938,703	1.25
HSBC HOLDINGS	1,916,389	1.24

### 10 largest holdings at 30 June 2008

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
MICROSOFT CORPORATION	4,207,909	2.16
EXELON CORPORATION	3,419,233	1.75
HSBC HOLDINGS	3,269,036	1.68
GENERAL ELECTRIC COMPANY	2,961,259	1.52
EXXON MOBIL CORPORATION	2,923,923	1.50
AMERICA MOVIL- ADR SERIES L	2,865,121	1.47
SPX CORPORATION	2,852,295	1.46
THERMO FISHER SCIENTIFIC INC	2,837,880	1.46
BANCO BILBAO VIZCAYA ARGENTARIA SA	2,813,547	1.44
PETROLEO BRASILEIRO SA	2,787,610	1.43

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**D) Exposure to derivatives**

- i) fair value of derivative contracts and as a percentage of NAV as at 30 June 2009

N/A

- ii) net gains/(losses) on derivative contracts realised during the financial period ended 30 June 2009

N/A

- iii) net gains/(losses) on outstanding derivative contracts marked to market as at 30 June 2009

N/A

**E) Amount and percentage of net asset value (NAV) invested in other schemes as at 30 June 2009**

N/A

**F) Amount and percentage of borrowings to net asset value (NAV) as at 30 June 2009**

N/A

**G) Amount of redemptions and subscriptions for the period 01 January 2009 to 30 June 2009**

Total amount of redemptions	SGD	10,562,126
Total amount of subscriptions	SGD	9,722,592

**H) The amount and terms of related-party transactions for the period 01 January 2009 to 30 June 2009**

- i) As at 30 June 2009 the Fund maintained current accounts with the United Overseas Bank Limited as follows :

Bank balances	SGD	36,097
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## H) The amount and terms of related-party transactions for the period 01 January 2009 to 30 June 2009 (continued)

ii) Purchase/holdings of UOBAM unit trusts by UOB or its affiliated companies as at 30 June 2009

Holdings of United International Growth Fund as at 30 June 2009 were as follows:-

<u>Affiliated Companies</u>	<u>No. of Units</u>	<u>Unit Price SGD</u>	<u>Market Value SGD</u>
a) Overseas Union Insurance - Overseas Insurance Fund	969,722.99	1.431	1,387,673.60
b) United Overseas Insurance - Singapore Insurance Fund	1,942,574.86	1.431	2,779,824.62
c) United Overseas Insurance - Shareholders' Fund	757,799.32	1.431	1,084,410.83
d) UOB Life Assurance Limited - Singapore Insurance Fund PAR (USD)	118,000.00	1.431	168,858.00
e) UOB Life - Singapore Insurance Fund PAR (Annuity)	298,782.98	1.431	427,558.44
f) UOB Life - Singapore Insurance Fund (Annuity)	1,158,855.54	1.431	1,658,322.28
g) UOB Life - Singapore Insurance Fund (Endowment)	2,082,985.75	1.431	2,980,752.61
h) UOB Life - Singapore Insurance Fund PAR (Endowment)	7,943,863.89	1.431	11,367,669.23
i) UOB Life - Shareholders' Fund	104,505.88	1.431	149,547.91
j) UOB Life Assurance Limited	33,582.31	1.431	48,056.29
k) UOB Smart International Growth Fund	1,306,494.35	1.431	1,869,593.41
l) UOBAM Trust Lifelink Global Fund	672,141.01	1.431	961,833.79

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

N/A

iv) As at 30 June 2009, the brokerage income earned by UOB Kay Hian Pte Ltd is SGD 544.

## I) Expense ratios

30 June 2009	1.37%
30 June 2008	1.26%

*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.*

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## J) Turnover ratios

30 June 2009	37.65%
30 June 2008	40.20%

*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")<sup>1</sup> should be disclosed as well

i) top 10 holdings at fair value and as percentage of NAV as at 30 June 2009 and 30 June 2008

N/A

ii) expense ratios for the period ended 30 June 2009 and 30 June 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 period ended 30 June 2009 and 30 June 2008

N/A

## 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.

<sup>1</sup> 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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## STATEMENT OF TOTAL RETURN

For the half year ended 30 June 2009 (Un-audited)

	Notes	30 June 2009 \$	30 June 2008 \$
<b>Income</b>			
Dividend		2,145,376	3,732,891
Interest		2,147	19,967
		2,147,523	3,752,858
 <b>Less: Expenses</b>			
Management fee	10	748,505	1,346,959
Trustee fee	10	44,060	74,019
Audit fee		8,233	6,591
Registrar fee	10	7,984	7,984
Valuation fee	10	93,563	161,572
Custody fee		33,429	50,558
Interest expenses		510	3,190
Other expenses		13,045	17,616
		949,329	1,668,489
 <b>Net income</b>		 1,198,194	 2,084,369
 <b>Net gains or losses on value of investments</b>			
Net realised losses on investments		(26,537,030)	(8,183,595)
Net change in fair value on investments		35,884,784	(36,762,631)
Net foreign exchange losses		(63,442)	(206,362)
<b>Net gains/(losses) on value of investments</b>		9,284,312	(45,152,588)
 <b>Total return/(deficit) for the period before income tax</b>		 10,482,506	 (43,068,219)
Less : Income tax	3	(443,651)	(780,407)
<b>Total return/(deficit) for the period</b>		10,038,855	(43,848,626)

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

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## BALANCE SHEET

As at 30 June 2009 (Un-audited)

	Notes	30 June 2009 \$	31 December 2008 \$
<b>ASSETS</b>			
Portfolio of investments		150,139,401	138,683,171
Receivables	4	403,176	385,617
Sales awaiting settlement		1,736,195	3,665,035
Cash and bank balances	5	4,401,570	8,224,042
<b>Total Assets</b>		<b>156,680,342</b>	150,957,865
<b>LIABILITIES</b>			
Payables	6	774,254	589,648
Purchases awaiting settlement		831,058	4,492,508
Net assets attributable to unitholders	7	155,075,030	145,875,709
<b>Total Liabilities</b>		<b>156,680,342</b>	150,957,865

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

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## PORTFOLIO STATEMENT

As at 30 June 2009 (Un-audited)

	Holdings at 30 June 2009	Fair value at 30 June 2009 \$	Percentage of total net assets attributable to unitholders at 30 June 2009 %
<b>By Geography - Primary Quoted Equities</b>			
<b>AUSTRALIA</b>			
AUSTRALIA AND NEW ZEALAND BANK	35,000	<b>673,691</b>	<b>0.44</b>
<b>BELGIUM</b>			
ANHEUSER-BUSCH INBEV	10,000	522,351	0.34
COLRUYT SA	2,000	660,197	0.42
<b>TOTAL BELGIUM</b>		<b>1,182,548</b>	<b>0.76</b>
<b>BRAZIL</b>			
BANCO BRADESCO - ADR	70,000	1,496,415	0.97
CIA BRASILEIRA DE MEIOS DE PAGAMENTOS	70,400	876,061	0.57
CIA DE BEBIDAS DAS - ADR	39	3,514	-
CIA ENERGETICA DE MINAS GERAIS	25,000	485,761	0.31
COMPANHIA DE BEBIDAS DAS AMERICAS	12,000	1,129,048	0.73
CIA DE CONCESSOES RODOVIARIAS (CCR)	15,000	342,858	0.22
ELETROPAULO METROPOLITANA S.A. PREF SHARE B	13,000	332,282	0.21
ITAU UNIBANCO HOLDING SA - ADR	70,000	1,597,730	1.03
PETROLEO BRASILEIRO SA - ADR	25,000	1,479,553	0.95
VALE SA - PREF SHARE - ADR	35,000	775,056	0.50
<b>TOTAL BRAZIL</b>		<b>8,518,278</b>	<b>5.49</b>
<b>CANADA</b>			
AGNICO - EAGLE MINES	4,000	305,435	0.20
BANK OF NOVA SCOTIA	15,000	811,692	0.52
CAMECO CORPORATION	4,000	148,256	0.10
CANADIAN NATURAL RESOURCES LIMITED	3,750	285,737	0.18
ENCANA CORPORATION	13,000	932,393	0.60
GOLDCORP INC	10,000	503,865	0.33
KINROSS GOLD CORPORATION	11,000	289,258	0.19
POTASH CORPORATION OF SASKATCHEWAN INC	6,000	808,055	0.52
POTASH CORPORATION OF SASKATCHEWAN INC - CAD	1,000	134,821	0.09
RESEARCH IN MOTION	7,000	720,765	0.47
ROGERS COMMUNICATIONS - CLASS B	3,800	141,459	0.09
ROYAL BANK OF CANADA	12,700	751,651	0.48
SHOPPERS DRUG MART CORPORATION	7,800	485,655	0.31
TALISMAN ENERGY INC	12,000	249,901	0.16
<b>TOTAL CANADA</b>		<b>6,568,943</b>	<b>4.24</b>

*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)

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## PORTFOLIO STATEMENT

As at 30 June 2009 (Un-audited)

	Holdings at 30 June 2009	Fair value at 30 June 2009 \$	Percentage of total net assets attributable to unitholders at 30 June 2009 %
<b>By Geography - Primary (continued)</b>			
<b>Quoted Equities</b>			
<b>CHINA</b>			
CHINA BLUECHEMICAL LIMITED	700,000	530,754	0.34
CHINA MOBILE LIMITED	150,000	2,173,812	1.40
PETROCHINA COMPANY LIMITED	200,000	321,216	0.21
ZHEJIANG EXPRESSWAY	500,000	574,268	0.37
<b>TOTAL CHINA</b>		<b>3,600,050</b>	<b>2.32</b>
<b>FINLAND</b>			
KONE OYJ - B	30,000	1,329,529	0.86
NOKIA OYJ	40,000	847,781	0.54
<b>TOTAL FINLAND</b>		<b>2,177,310</b>	<b>1.40</b>
<b>FRANCE</b>			
ELECTRICITE DE FRANCE (EDF)	10,000	703,540	0.45
FRANCE TELECOM SA	15,000	491,950	0.32
GDP SUEZ	20,000	1,076,982	0.70
TOTAL SA	9,000	702,890	0.45
<b>TOTAL FRANCE</b>		<b>2,975,362</b>	<b>1.92</b>
<b>GERMANY</b>			
E. ON AG	5,000	255,796	0.16
K&S AG	6,000	488,935	0.32
<b>TOTAL GERMANY</b>		<b>744,731</b>	<b>0.48</b>
<b>HONG KONG</b>			
BAWANG INTERNATIONAL	114,000	50,670	0.03
<b>INDIA</b>			
BHARAT HEAVY ELECTRICALS LIMITED	10,000	665,908	0.43
BHARTI AIRTEL LIMITED	80,000	1,938,703	1.25
HDFC BANK LIMITED	20,000	902,248	0.58
HOUSING DEVELOPMENT FINANCE CORPORATION	25,000	1,771,043	1.14
<b>TOTAL INDIA</b>		<b>5,277,902</b>	<b>3.40</b>

*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 30 June 2009 (Un-audited)

	Holdings at 30 June 2009	Fair value at 30 June 2009 \$	Percentage of total net assets attributable to unitholders at 30 June 2009 %
<b>By Geography - Primary (continued)</b>			
<b>Quoted Equities</b>			
<b>INDONESIA</b>			
BANK RAKYAT INDONESIA (PERSERO) TBK	1,200,000	1,054,938	0.68
PT BANK DANAMON	2,299,803	1,565,258	1.01
PT INDOCEMENT	620,000	681,315	0.44
PT TELKOMUNIKASI INDONESIA TBK	700,000	744,412	0.48
<b>TOTAL INDONESIA</b>		<b>4,045,923</b>	<b>2.61</b>
<b>IRELAND</b>			
ALLIED IRISH BANKS	400,000	1,396,726	0.90
BANK OF IRELAND	250,000	855,191	0.55
<b>TOTAL IRELAND</b>		<b>2,251,917</b>	<b>1.45</b>
<b>ISRAEL</b>			
TEVA PHARMACEUTICAL INDUSTRIES LTD-ADR	30,000	2,142,367	1.38
<b>ITALY</b>			
ENI SPA	25,000	850,115	0.55
<b>JAPAN</b>			
ASAHI GLASS COMPANY LIMITED	70,000	810,642	0.52
CANON INC	30,000	1,413,073	0.91
DENA COMPANY LIMITED	100	484,525	0.31
EAST JAPAN RAILWAY COMPANY	10,000	871,545	0.56
JAPAN TOBACCO LIMITED	250	1,128,808	0.73
KAO CORPORATION	20,000	631,533	0.41
KDDI CORPORATION	100	766,540	0.50
KOMATSU LIMITED	57,000	1,273,161	0.82
mitsui & COMPANY LIMITED	69,000	1,184,101	0.76
NINTENDO	2,500	997,551	0.64
SUNDRUG COMPANY LIMITED	20,000	640,533	0.41
SURUGA BANK LIMITED	85,000	1,176,886	0.76
TAKEDA PHARMACEUTICAL COMPANY LIMITED	4,000	225,012	0.15
TOYO SUISAN KAISHA LTD	20,000	596,131	0.39
TSUMURA & CO	10,000	451,523	0.29
<b>TOTAL JAPAN</b>		<b>12,651,564</b>	<b>8.16</b>

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)

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## PORTFOLIO STATEMENT

As at 30 June 2009 (Un-audited)

	Holdings at 30 June 2009	Fair value at 30 June 2009 \$	Percentage of total net assets attributable to unitholders at 30 June 2009 %
<b>By Geography - Primary (continued)</b>			
<b>Quoted Equities</b>			
<b>MEXICO</b>			
AMERICA MOVIL - ADR SERIES L	35,000	1,960,942	1.26
GRUPO FINANCIERO BANORTE SAB DE C V	200,000	699,374	0.45
GRUPO TELEVISIA SA	80,000	392,283	0.26
WALMART DE MEXICO - SER V	50,000	214,296	0.14
<b>TOTAL MEXICO</b>		<b>3,266,895</b>	<b>2.11</b>
<b>NETHERLANDS</b>			
KONINKLIJKE KPN NV	40,000	<b>795,241</b>	<b>0.51</b>
<b>SINGAPORE</b>			
SINGAPORE PRESS HOLDINGS LIMITED	200,000	<b>632,000</b>	<b>0.41</b>
<b>SOUTH KOREA</b>			
KANGWON LAND INC	20,000	370,373	0.24
KT&G CORPORATION	7,500	613,500	0.40
<b>TOTAL SOUTH KOREA</b>		<b>983,873</b>	<b>0.64</b>
<b>SPAIN</b>			
BANCO BILBAO VIZCAYA ARGENTARIA S.A	79,999	1,451,928	0.94
BANCO SANTANDER SA	93,000	1,616,142	1.04
GAMESA CORPORACION TECNOLOGICA SA	15,000	411,405	0.26
TELEFONICA SA	18,000	588,878	0.38
<b>TOTAL SPAIN</b>		<b>4,068,353</b>	<b>2.62</b>
<b>SWEDEN</b>			
HENNES & MAURITZ AB - B SHARES	10,000	<b>718,272</b>	<b>0.46</b>

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# United International Growth Fund

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

## PORTFOLIO STATEMENT

As at 30 June 2009 (Un-audited)

	Holdings at 30 June 2009	Fair value at 30 June 2009 \$	Percentage of total net assets attributable to unitholders at 30 June 2009 %
<b>By Geography - Primary (continued)</b>			
<b>Quoted Equities</b>			
<b>SWITZERLAND</b>			
ABB LIMITED	65,000	1,476,628	0.95
BANK SARASIN & CIE	20,000	899,645	0.58
LONZA GROUP AG - REG	5,000	717,320	0.46
NESTLE SA	30,000	1,632,935	1.05
NOVARTIS AG BEARER SHARES	15,000	878,751	0.57
ROCHE HOLDINGS AG GENNUSSSCHEINE NP	5,000	982,822	0.64
SYNGENTA AG	3,000	1,007,110	0.65
<b>TOTAL SWITZERLAND</b>		<b>7,595,211</b>	<b>4.90</b>
<b>THAILAND</b>			
KASIKORNBANK PUBLIC COMPANY LIMITED	197,000	606,744	0.39
THE SIAM COMMERCIAL BANK PUBLIC COMPANY LIMITED	94,000	289,513	0.19
<b>TOTAL THAILAND</b>		<b>896,257</b>	<b>0.58</b>
<b>UNITED KINGDOM</b>			
ADMIRAL GROUP PLC	44,000	911,906	0.59
AUTONOMY CORPORATION PLC	22,000	753,017	0.49
BG GROUP PLC	60,000	1,455,884	0.94
BHP BILLITON PLC	40,000	1,300,475	0.84
BRITISH AMERICAN TOBACCO PLC	25,000	996,927	0.64
CAPITA GROUP PLC	85,991	1,463,453	0.94
COMPASS GROUP PLC	60,000	488,036	0.32
HSBC HOLDINGS	160,000	1,916,389	1.24
PEARSON PLC	65,000	944,310	0.61
RECKITT BENCKISER PLC	17,000	1,120,801	0.72
ROYAL DUTCH SHELL PLC	45,733	1,662,368	1.07
SMITH & NEPHEW PLC	70,000	749,990	0.48
VODAFONE GROUP PLC	255,000	712,353	0.46
<b>TOTAL UNITED KINGDOM</b>		<b>14,475,909</b>	<b>9.34</b>

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# United International Growth Fund

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

## PORTFOLIO STATEMENT

As at 30 June 2009 (Un-audited)

	Holdings at 30 June 2009	Fair value at 30 June 2009 \$	Percentage of total net assets attributable to unitholders at 30 June 2009 %
<b>By Geography - Primary (continued)</b>			
<b>Quoted Equities</b>			
<b>UNITED STATES</b>			
3M COMPANY	12,000	1,043,829	0.67
AECOM TECHNOLOGY CORPORATION	48,000	2,221,740	1.43
ALTRIA GROUP INC	29,000	687,520	0.44
AMAZON.COM INC	14,000	1,695,194	1.09
APOLLO GROUP INC - CLASS A	8,000	823,716	0.53
APPLE COMPUTER INC	6,700	1,381,179	0.89
AT & T INC	33,000	1,185,466	0.76
BANK OF AMERICA CORPORATION	100,000	1,900,370	1.23
CELGENE CORPORATION	17,000	1,177,101	0.76
CISCO SYSTEMS INC	45,000	1,214,037	0.78
COLGATE-PALMOLIVE COMPANY	17,000	1,740,554	1.12
COMCAST CORPORATION - CLASS A	35,000	733,517	0.47
COMPANIA DE MINAS BUENAVENTURA ADR	18,000	625,516	0.40
CVS CAREMARK CORPORATION	43,000	1,980,351	1.28
EMERSON ELECTRIC COMPANY	40,000	1,875,765	1.21
EXELON CORPORATION	30,000	2,223,130	1.43
EXXON MOBIL CORPORATION	20,000	2,023,685	1.31
FLOWERVE CORPORATION	14,000	1,411,311	0.91
FREEMPORT-MCMORAN COPPER & GOLD	14,000	1,014,969	0.66
GENERAL MILLS INC	30,000	2,432,416	1.57
GILEAD SCIENCES INC	20,000	1,354,720	0.87
HESS CORPORATION	17,000	1,320,302	0.85
HEWLETT PACKARD	24,000	1,341,172	0.87
IBM	12,000	1,811,851	1.17
INTEL CORPORATION	40,000	956,409	0.62
JOHNSON N JOHNSON	20,000	1,642,453	1.06
JPMORGAN CHASE & COMPANY	30,000	1,480,639	0.96
MCDONALD'S CORPORATION	13,000	1,080,577	0.70
MERCK	28,000	1,131,885	0.73
MICROSOFT CORPORATION	55,000	1,892,989	1.22
MONSANTO COMPANY	10,000	1,075,960	0.69
NORTHERN TRUST CORPORATION	16,000	1,242,868	0.80
NYSE EURONEXT	30,000	1,183,209	0.76
OCCIDENTAL PETROLEUM CORPORATION	13,000	1,237,310	0.80
PHILIP MORRIS INTERNATIONAL INC	18,000	1,136,141	0.73
SCHLUMBERGER	12,000	939,620	0.61
STATE STREET CORPORATION	25,000	1,707,873	1.10
SYMANTEC CORPORATION	55,000	1,238,642	0.80
THERMO FISHER SCIENTIFIC INC	30,000	1,770,254	1.14
TJX COMPANIES INC	20,000	910,094	0.59
TRANSOCEAN LTD	10,000	1,073,355	0.69
Balance Carried Forward		56,919,689	36.70

*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)

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## PORTFOLIO STATEMENT

As at 30 June 2009 (Un-audited)

	Holdings at 30 June 2009	Fair value at 30 June 2009 \$	Percentage of total net assets attributable to unitholders at 30 June 2009 %
<b>By Geography - Primary (continued)</b>			
<b>Quoted Equities</b>			
<b>UNITED STATES (continued)</b>			
Balance Brought Forward		56,919,689	36.70
US BANCORP	45,000	1,167,143	0.75
VERIZON COMMUNICATIONS INC	24,000	1,066,407	0.69
VISA INC - CLASS A SHARES	13,500	1,213,972	0.78
WAL-MART STORES	21,000	1,470,175	0.95
XTO ENERGY INC	21,000	1,158,633	0.75
<b>TOTAL UNITED STATES</b>		<b>62,996,019</b>	<b>40.62</b>
<b>Portfolio of investments</b>		<b>150,139,401</b>	<b>96.82</b>
<b>Other net assets</b>		<b>4,935,629</b>	<b>3.18</b>
<b>Net assets attributable to unitholders</b>		<b>155,075,030</b>	<b>100.00</b>

*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)

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## PORTFOLIO STATEMENT

As at 30 June 2008 (Un-audited)

	Percentage of total net assets attributable to unitholders at 30 June 2009 %	Percentage of total net assets attributable to unitholders at 31 December 2008 %
<b>By Geography – Primary (Summary)</b>		
<b>Quoted Equities</b>		
Australia	0.44	0.37
Belgium	0.76	0.42
Brazil	5.49	1.99
Canada	4.24	3.85
China	2.32	1.49
Finland	1.40	0.84
France	1.92	2.30
Germany	0.48	1.07
Hong Kong	0.03	-
India	3.40	2.91
Indonesia	2.61	1.65
Ireland	1.45	0.95
Israel	1.38	1.26
Italy	0.55	1.03
Japan	8.16	7.49
Mexico	2.11	1.19
Netherlands	0.51	0.50
Singapore	0.41	-
Russia	-	0.16
South Korea	0.64	0.47
Spain	2.62	3.56
Sweden	0.46	-
Switzerland	4.90	6.34
Taiwan	-	0.30
Thailand	0.58	0.64
United Kingdom	9.34	9.40
United States	40.62	44.89
<b>Portfolio of investments</b>	<b>96.82</b>	95.07
<b>Other net assets</b>	<b>3.18</b>	4.93
<b>Net assets attributable to unitholders</b>	<b>100.00</b>	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)

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## PORTFOLIO STATEMENT

As at 30 June 2009 (Un-audited)

	Fair value at 30 June 2009 \$	Percentage of total net assets attributable to unitholders at 30 June 2009 %	Percentage of total net assets attributable to unitholders at 31 December 2008 %
<b>By Industry - Secondary Quoted Equities</b>			
Consumer Discretionary	10,270,448	6.63	4.19
Consumer Staples	19,388,401	12.50	14.68
Energy	15,692,962	10.12	9.13
Financials	32,003,273	20.65	19.53
Healthcare	14,785,813	9.53	11.18
Industrials	16,956,143	10.91	8.68
Information Technology	14,784,887	9.54	10.07
Materials	8,613,820	5.58	3.81
Telecommunication Services	12,566,163	8.10	9.25
Utilities	5,077,491	3.26	4.55
<b>Portfolio of investments</b>	<b>150,139,401</b>	<b>96.82</b>	<b>95.07</b>
<b>Other net assets</b>	<b>4,935,629</b>	<b>3.18</b>	<b>4.93</b>
<b>Net assets attributable to unitholders</b>	<b>155,075,030</b>	<b>100.00</b>	<b>100.00</b>

*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)

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## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2009 (Un-audited)

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 Limited (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 recognized 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 period in which they arise.

# United International Growth Fund

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

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## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2009 (Un-audited)

### 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 period/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

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

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## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2009 (Un-audited)

### 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.

(h) Distribution policy

The Manager has the absolute discretion to determine whether a distribution is to be made. In such an event, an appropriate amount will be transferred to a distribution account to be paid out on the distribution date. This amount shall not be treated as part of the property of the Fund.

### 3. Income tax

	<b>30 June 2009</b>	30 June 2008
	\$	\$
Overseas income tax	<b>443,651</b>	780,407

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

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

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## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2009 (Un-audited)

### 4. Receivables

	<b>30 June 2009</b>	31 December 2008
	\$	\$
Amount due from unitholders	<b>153,543</b>	109,625
Dividends receivable	<b>240,102</b>	268,785
Interest receivable	<b>14</b>	167
Other receivable	<b>9,517</b>	7,040
	<b>403,176</b>	385,617

### 5. Cash and bank balances

	<b>30 June 2009</b>	31 December 2008
	\$	\$
Cash at bank	<b>2,401,570</b>	2,215,778
Fixed deposit with a financial institution	<b>2,000,000</b>	6,008,264
	<b>4,401,570</b>	8,224,042

The weighted average effective interest rate of the fixed deposits with financial institutions as at 30 June 2009 is 0.25% per annum (31 December 2008: 0.43%), maturing within 6 days (31 December 2008: 6 days) from the balance sheet date.

### 6. Payables

	<b>30 June 2009</b>	31 December 2008
	\$	\$
Amount due to unitholders	<b>327,738</b>	132,129
Amount due to Manager	<b>414,128</b>	417,014
Amount due to Trustee	<b>21,417</b>	21,651
Other creditors and accrued expenses	<b>10,971</b>	18,854
	<b>774,254</b>	589,648

# United International Growth Fund

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

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## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2009 (Un-audited)

### 7. Net assets attributable to unitholders

	<b>30 June 2009</b>	31 December 2008
	\$	\$
<b>At the beginning of the financial period/year</b>	<b>145,875,709</b>	294,077,991
<b>Operations</b>		
Change in net assets attributable to unitholders resulting from operations	<b>10,038,855</b>	(105,621,494)
<b>Unitholders' contributions/(withdrawals)</b>		
Creation of units	<b>9,722,592</b>	39,000,756
Cancellation of units	<b>(10,562,126)</b>	(81,581,544)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	<b>(839,534)</b>	(42,580,788)
<b>Total increase/(decrease) in net assets attributable to unitholders</b>	<b>9,199,321</b>	(148,202,282)
<b>At the end of the financial period/year</b>	<b>155,075,030</b>	145,875,709
<b>Units in issue</b> (Note 8)	<b>108,450,598</b>	109,314,641
	\$	\$
<b>Net assets attributable to unitholders per unit</b>	<b>1.43</b>	1.33

### 8. Units in issue

	<b>30 June 2009</b>	31 December 2008
Units at beginning of the period/year	<b>109,314,641</b>	128,451,911
Units created	<b>7,445,758</b>	22,817,793
Units cancelled	<b>(8,309,801)</b>	(41,955,063)
Units at end of the period/year	<b>108,450,598</b>	109,314,641

# United International Growth Fund

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

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## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2009 (Un-audited)

### 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 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.

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## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2009 (Un-audited)

### 9. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

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

**As at 30 June 2009**

	SGD \$	USD \$	EUR \$	Others \$	Total \$
<b>Assets</b>					
Portfolio of investments	632,000	73,256,137	15,045,577	61,205,687	150,139,401
Receivables	161,493	93,777	-	147,906	403,176
Sales awaiting settlement	-	359,851	1,376,344	-	1,736,195
Cash and bank balances	3,811,054	98,511	18,271	473,734	4,401,570
<b>Total Assets</b>	<b>4,604,547</b>	<b>73,808,276</b>	<b>16,440,192</b>	<b>61,827,327</b>	<b>156,680,342</b>
<b>Liabilities</b>					
Payables	718,956	55,196	-	102	774,254
Purchases awaiting settlement	-	-	-	831,058	831,058
Net assets attributable to unitholders	155,075,030	-	-	-	155,075,030
<b>Total Liabilities</b>	<b>155,793,986</b>	<b>55,196</b>	<b>-</b>	<b>831,160</b>	<b>156,680,342</b>
<b>Net currency exposure</b>	<b>(151,189,439)</b>	<b>73,753,080</b>	<b>16,440,192</b>	<b>60,996,167</b>	

**As at 31 December 2008**

	SGD \$	USD \$	EUR \$	Others \$	Total \$
<b>Assets</b>					
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
<b>Total Assets</b>	<b>7,901,803</b>	<b>75,623,356</b>	<b>16,364,349</b>	<b>51,068,357</b>	<b>150,957,865</b>
<b>Liabilities</b>					
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
<b>Total Liabilities</b>	<b>146,464,422</b>	<b>2,076,278</b>	<b>330,681</b>	<b>2,086,484</b>	<b>150,957,865</b>
<b>Net currency exposure</b>	<b>(138,562,619)</b>	<b>73,547,078</b>	<b>16,033,668</b>	<b>48,981,873</b>	

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## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2009 (Un-audited)

### 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 30 June 2009 and 31 December 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	30 June 2009		31 December 2008	
	Net impact to net assets attributable to unitholders		Net impact to net assets attributable to unitholders	
	\$	%	\$	%
MSCI AC World	29,727,601	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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## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2009 (Un-audited)

### 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 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 30 June 2009

	Less than 3 months \$	3 months to 1 year \$	1-5 years \$	Above 5 years \$
Payables	774,254	-	-	-
Purchases awaiting settlement	831,058	-	-	-
Net assets attributable to unitholders	<b>155,075,030</b>	-	-	-

#### 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	<b>145,875,709</b>	-	-	-

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## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2009 (Un-audited)

### 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 table below summarises the credit rating of banks in which the Fund's assets are held as at 30 June 2009 and 31 December 2008.

#### As at 30 June 2009

<u>Bank</u>	Amount \$	Credit rating	Source of credit rating
State Street Bank & Trust Co.	36,097	B	Moody's
United Overseas Bank Limited	2,365,473	B	Moody's
Oversea-Chinese Banking Corporation	2,000,000	B	Moody's

#### As at 31 December 2008

<u>Bank</u>	Amount \$	Credit rating	Source of credit rating
State Street Bank & Trust Co.	2,191,522	B+	Moody's
United Overseas Bank Limited	2,025,467	B	Moody's
Oversea-Chinese Banking Corporation	4,007,053	B	Moody's

All investments are held in custody with State Street Bank & Trust Co., whose credit rating assigned by Moody's at 30 June 2009 is B (31 December 2008: B+). 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 International Growth Fund

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## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2009 (Un-audited)

### 10. Related party transactions

- (a) The Manager and the Trustee of the Fund are UOB Asset Management Limited and HSBC Institutional Trust Services (Singapore) Limited respectively. UOB Asset Management Limited is a subsidiary of United Overseas Bank Limited and HSBC Institutional Trust Services (Singapore) Limited is a subsidiary of HSBC Holdings Plc.

Management fee and valuation fee 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 period/year, the Fund maintained the following accounts with a related party:

	<b>30 June 2009</b>	31 December 2008
	\$	\$
<u>United Overseas Bank Limited</u>		
Bank balances	<b>36,097</b>	2,025,467

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

	<b>30 June 2009</b>	30 June 2008
	\$	\$
Interest income	<b>158</b>	-
Interest expense	-	12
Bank charges	<b>30</b>	39

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

For the financial period ended 30 June 2009, the Fund has brokerage fee paid or payable to UOB Kay Hian Pte Ltd as follows:

	<b>30 June 2009</b>	30 June 2008
	\$	\$
Brokerage charges	<b>544</b>	-

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## NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2009 (Un-audited)

### 11. Financial ratios

	30 June 2009	30 June 2008
Expense ratio <sup>1</sup>	1.37%	1.26%
Turnover ratio <sup>2</sup>	37.65%	40.20%

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<sup>1</sup> 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.

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

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