

# United Emerging Markets Portfolios

- United Emerging Markets Bond Fund
- United Emerging Markets Local Currency Bond Fund

## Annual Report

for the financial year ended  
30<sup>th</sup> June 2014



# **United Emerging Markets Portfolios**

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

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## **MANAGER**

UOB Asset Management Ltd

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

Cheo Chai Hong

Thio Boon Kiat

## **TRUSTEE / REGISTRAR**

HSBC Institutional Trust Services (Singapore) Limited

21 Collyer Quay

#10-02, HSBC Building

Singapore 049320

## **CUSTODIAN (FOR UEMBF)**

State Street Bank and Trust Company

One Lincoln Street

Boston, MA 02111

United States of America

## **CUSTODIAN (FOR UEMLCBF)**

The Hong Kong and Shanghai Banking Corporation Limited

1 Queen's Road Central

Hong Kong

## **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**

Drew & Napier LLC

10 Collyer Quay

#10-01, Ocean Financial Centre

Singapore 049315

# United Emerging Markets Portfolios - United Emerging Markets Bond Fund

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

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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 20 August 2001 Ann Comp Ret
United Emerging Markets Bond Fund	3.69	6.68	7.04	3.90	6.78	6.99	8.90
Benchmark	3.85	7.29	9.73	7.95	7.08	5.80	7.13

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: JP Morgan EMBI Global Div Index.

For the year ended June 2014, the Fund **rose 7.0%** on a net asset value basis, underperforming the benchmark JP Morgan EMBI Global Diversified index, which increased by 9.7%, in Singapore dollar terms.

The Fund's underperformance was principally due to its *overweight* in **Venezuela** and **Barbados** and an *underweight* in **Argentina**. This was partially mitigated by positive security selection, particularly in **Europe** and **Latin America**. The Fund's *overweight* in more stable countries and regions such as the **Middle East, Russia, Hong Kong** and **Singapore** also contributed positively to performance.

As at 30 June 2014, the Fund was invested 36.08% in **Europe**, 30.75% in **Latin America**, 20.16% in **Asia**, 9.97% in the **Middle East and Africa**, 2.29% in **North America** and held 0.75% cash and equivalents.

## Economic and Market Review

Following the bond market sell-off in May and June 2013, Emerging Market (EM) bonds started to stabilize in the third quarter of 2013 before setting off on a sustainable recovery path in the first half of 2014.

There was much concern that EM economies would enter a new phase of economic crises and we saw these concerns crystalize not only through bond spread widening but also EM foreign exchange (FX) weakness. A new group of weak economies, aptly named the "fragile-five" grabbed much media attention. Indonesia, Turkey, Brazil, South Africa and India were targeted as their external positions were weak – they had the biggest current account deficits among the EM, while their fiscal positions were also performing poorly. As the currencies weakened, the central banks in these economies acted swiftly to increase interest rates and stem the capital outflows. Investors regained confidence in these markets and the currencies subsequently recovered. It can be said that this marked the beginning of the recovery for EM bonds.

# **United Emerging Markets Portfolios - United Emerging Markets Bond Fund**

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We were encouraged by the swift policy response shown in EM economies, but warn that economic adjustments take time. Through the middle of 2014, we have seen the external position stabilize in these economies, and some unpopular but necessary policies have been implemented.

As we entered 2014, there was much concern on the interest rate front about the timing and pace of interest rate hikes by the Federal Reserve Bank (Fed). As the year went on, these concerns proved unfounded as chairperson Janet Yellen time and again pointed out that while labour markets have shown improvement, inflation remains under control. This has been another very important anchor for EM bonds as a stable and declining interest rate environment provides a backdrop for tightening credit spreads.

The year 2014 has also seen a very busy election calendar in EM countries. Political risk is often hard to predict, let alone quantify. The first half of 2014 has so far brought about renewed confidence in EM as elections have not only been relatively uneventful, but in some cases, has produced positive outcomes. We had earlier regarded this as a risk for 2014 but it has for now proven to be a positive catalyst in some EM economies, and non-negative in others.

## **Outlook and Fund Strategy**

We expect the fundamental outlook for the emerging markets to continue to improve, although we are not expecting strong economic growth in EM. We would like to see continued consolidation in terms of economics – slower growth, declining current account deficits, stable inflation. We would be very positive if newly elected politicians actually embark on fundamental reforms. This however has not yet been seen, except in Mexico.

There are a few risks within EM that are grabbing the headlines, including the Russia-Ukraine spat as well as the court ruling over Argentina. Both incidents have proven to be isolated and we remain of the view that they will not pose a contagion risk. We continue to manage both risks separately.

We remain positive on EM bond fundamentals going into the second half of 2014. A stable US interest rate environment will be key to providing support for EM credit spreads. Therefore we remain neutral overall in terms of interest rate risk while we are positive on credit spreads. We continue to view EM valuations as attractive in the fixed income space.

## **Disclosures**

The Fund uses financial derivative including currency futures and interest rate futures contracts in order to manage the portfolio exposure. For example, the Fund uses Singapore dollar (SGD) futures, to protect investors against fluctuations in the SGD currency. The Fund's global exposure to financial derivatives is calculated using Commitment Approach with netting arrangements, and has never exceeded 100% of the Fund's NAV at all times.

# United Emerging Markets Portfolios - United Emerging Markets Bond Fund

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

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**B) Investments at fair value and as a percentage of NAV as at 30 June 2014 under review classified by**

	Fair Value (S\$)	% of NAV
<b>i) Country</b>		
Azerbaijan	2,574,332	0.37
Barbados	2,335,750	0.34
Belarus	3,235,462	0.46
Belize	3,062,321	0.44
Brazil	22,240,440	3.16
Canada	10,867,572	1.55
Chile	11,528,021	1.64
China	20,588,706	2.93
Colombia	18,384,625	2.61
Costa Rica	3,716,108	0.53
Cote D'Ivoire	2,424,734	0.34
Croatia	18,970,042	2.69
Dominican Republic	7,373,602	1.05
Egypt	2,468,367	0.35
El Salvador	11,269,661	1.60
Gabon	4,102,089	0.58
Ghana	3,054,293	0.43
Guatemala	1,843,795	0.26
Honduras	4,594,134	0.66
Hong Kong	1,852,315	0.26
Hungary	27,259,873	3.87
India	2,481,158	0.35
Indonesia	39,442,578	5.61
Iraq	1,682,753	0.24
Ireland	29,811,791	4.24
Kazakhstan	10,858,329	1.54
Kenya	1,927,632	0.27
Latvia	3,095,896	0.44
Lebanon	24,257,589	3.44
Lithuania	13,275,143	1.89
Malaysia	14,693,947	2.09
Mexico	47,062,356	6.69
Mongolia	5,888,576	0.84
Morocco	5,248,397	0.75
Mozambique	3,153,339	0.45
Netherlands	18,956,810	2.69
Nigeria	1,988,017	0.28
Pakistan	5,148,665	0.73
Panama	12,120,342	1.73
Peru	27,054,251	3.85
Philippines	28,129,644	4.00
Poland	26,319,614	3.74
Romania	4,897,777	0.70
Russia	13,032,549	1.85
Balance carried forward	524,273,395	74.53

# United Emerging Markets Portfolios - United Emerging Markets Bond Fund

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

## B) Investments at fair value and as a percentage of NAV as at 30 June 2014 under review classified by (continued)

	Fair Value (S\$)	% of NAV
<b>i) Country (continued)</b>		
Balance brought forward	524,273,395	74.53
Serbia	9,153,528	1.30
Singapore	8,307,180	1.18
South Africa	19,934,970	2.84
Spain	1,373,808	0.20
Sri Lanka	11,512,163	1.63
Trinidad	5,160,833	0.74
Turkey	32,990,095	4.69
Ukraine	17,578,550	2.48
United Kingdom	20,624,789	2.93
United States	5,237,227	0.74
Uruguay	5,318,014	0.76
Venezuela	33,016,848	4.69
Vietnam	3,798,989	0.54
Accrued interest receivable on quoted bonds	9,885,847	1.41
Portfolio of investments	708,166,236	100.66
Other net liabilities	(4,635,558)	(0.66)
<b>Total</b>	<b>703,530,678</b>	<b>100.00</b>

<b>ii) Industry</b>		
Consumer Discretionary	2,619,802	0.37
Consumer Staples	2,242,566	0.32
Energy	98,479,272	13.99
Financials	94,902,802	13.49
Government	407,451,872	57.92
Government Agency	17,778,949	2.51
Industrials	25,506,462	3.63
Materials	12,391,815	1.76
Telecommunication Services	3,704,176	0.53
Unit Trust	16,578,623	2.36
Utilities	16,624,050	2.37
Accrued interest receivable on quoted bonds	9,885,847	1.41
Portfolio of investments	708,166,236	100.66
Other net liabilities	(4,635,558)	(0.66)
<b>Total</b>	<b>703,530,678</b>	<b>100.00</b>

# United Emerging Markets Portfolios - United Emerging Markets Bond Fund

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

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**B) Investments at fair value and as a percentage of NAV as at 30 June 2014 under review classified by (continued)**

	Fair Value (S\$)	% of NAV
<b>iii) Asset Class</b>		
Fixed Income/Unit Trust	708,166,236	100.66
Other net liabilities	(4,635,558)	(0.66)
<b>Total</b>	<b>703,530,678</b>	<b>100.00</b>

**iv) Credit rating of debt securities by S&P**

AA	3,807,892	0.54
A	71,068,250	10.11
BBB	218,909,594	31.14
BB	152,447,979	21.67
B	113,558,379	16.14
CCC	13,932,872	1.97
NR	124,555,423	17.68
<b>Total</b>	<b>698,280,389</b>	<b>99.25</b>

**v) Credit rating of debt securities by Moody's**

Aa	11,748,365	1.67
A	62,429,069	8.88
Baa	291,360,067	41.44
Ba	80,418,386	11.42
B	59,128,607	8.42
Caa	65,507,637	9.29
NR	127,688,258	18.13
<b>Total</b>	<b>698,280,389</b>	<b>99.25</b>



# United Emerging Markets Portfolios - United Emerging Markets Bond Fund

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## C) Top Ten Holdings

The top 10 holdings as at 30 June 2014 and 30 June 2013

### 10 largest holdings at 30 June 2014

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
REPUBLIC OF POLAND 6.375% DUE 15/07/2019	13,316,559	1.89
REPUBLIC OF PERU 8.75% DUE 21/11/2033	12,394,579	1.76
REPUBLIC OF VENEZUELA 7.75% DUE 13/10/2019	8,726,550	1.24
UNITED EMERGING MARKETS LOCAL CURRENCY BOND FUND	8,307,180	1.18
UOB UNITED RENMINBI BOND FUND (SGD)	8,271,443	1.18
REPUBLIC OF PHILIPPINES 5.5% DUE 30/03/2026	7,932,200	1.13
PETRONAS CAPITAL LTD 5.25% DUE 12/08/2019	7,796,868	1.11
RUSSIA FEDERATION 7.50% DUE 31/03/2030	7,436,648	1.06
REPUBLIC OF HUNGARY 5.38% DUE 21/02/2023	7,422,242	1.06
PACIFIC RUBIALES ENERGY CORP 7.25% DUE 12/12/2021	6,950,074	0.99

### 10 largest holdings at 30 June 2013

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
UOB UNITED RENMINBI BOND FUND (SGD)	40,696,719	2.74
REPUBLIC OF POLAND 6.375% DUE 15/07/2019	13,326,662	0.90
REPUBLIC OF PERU 8.75% DUE 21/11/2033	12,692,062	0.85
LEBANESE REPUBLIC 5.45% DUE 28/11/2019	11,922,020	0.80
KAZAKHSTAN TEMIR ZHOLY 6.95% DUE 10/07/2042	11,343,365	0.76
BANCOLOMBIA SA 5.125% DUE 11/09/2022	10,941,849	0.74
PETRO CO TRIN/TOBAGO LTD 9.75% DUE 14/08/2019	10,918,591	0.73
PT PERTAMINA 6.0% DUE 03/05/2042	10,274,918	0.69
BANCO DO BRASIL (CAYMAN) 8.50% DUE 29/12/2049	9,585,808	0.64
UNITED MEXICAN STATES 4.75% DUE 08/03/2044	9,159,585	0.62

# United Emerging Markets Portfolios - United Emerging Markets Bond Fund

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## D) Exposure to derivatives

- i) fair value of derivative contracts and as a percentage of NAV as at 30 June 2014

	Contract or underlying principal amount \$	Positive fair value \$	% of NAV	Negative fair value \$	% of NAV
Forward foreign exchange contracts	8,511,503	-	-	26,579	*
Treasury bill futures	31,749,817	41,198	*	323,448	0.05

- ii) There was a net loss of SGD 2,922,620 on derivative contracts realised for the financial year ended 30 June 2014.
- iii) There was a net loss of SGD 215,490 on outstanding derivative contracts marked to market as at 30 June 2014.

\* denotes amount less than 0.01%

## E) Amount and percentage of net asset value (NAV) invested in other schemes as at 30 June 2014

	Fair Value (S\$)	% of NAV
UNITED EMERGING MARKETS LOCAL CURRENCY BOND FUND - CLASS SGD ACC	8,307,180	1.18
UOB UNITED RENMINBI BOND FUND (SGD)	8,271,443	1.18

## F) Amount and percentage of borrowings to net asset value (NAV) as at 30 June 2014

N/A

## G) Amount of redemptions and subscriptions for the financial year ended 30 June 2014

Total amount of redemptions	SGD	829,139,718
Total amount of subscriptions	SGD	38,457,300

# United Emerging Markets Portfolios - United Emerging Markets Bond Fund

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## H) The amount and terms of related-party transactions for the financial year ended 30 June 2014

- i) As at 30 June 2014 the Fund maintained current accounts with the United Overseas Bank Limited as follows:

Bank balances	SGD	4,402
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- ii) Purchase/holdings of UOBAM unit trusts by UOB or its affiliated companies as at 30 June 2014

Holdings of United Emerging Markets Bond Fund as at 30 June 2014 were as follows:

<u>Affiliated Companies</u>	<u>No. of Units</u>	<u>Unit Price</u> <u>SGD</u>	<u>Market Value</u> <u>SGD</u>
a) UOB Kay Hian Private Limited	56,778.22	1.365	77,502.27

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

N/A

- iv) As at 30 June 2014 there was no brokerage income earned by UOB Kay Hian Pte Ltd.

## I) Expense ratios

30 June 2014	1.99%
30 June 2013	1.95%

*Note: The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the expense ratio at 30 June 2014 was based on total operating expenses of \$19,970,904 (2013: \$21,608,174) divided by the average net asset value of \$1,004,425,573 (2013: \$1,110,495,258) for the year. The total operating expenses do not include (where applicable) brokerage and other transactions costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Sub-Fund does not pay any performance fee. The average net asset value is based on the daily balances.*

## J) Turnover ratios

30 June 2014	51.05%
30 June 2013	64.02%

*Note: The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the portfolio turnover ratio was based on the lower of the total value of purchase or sales of the underlying investments, being purchases of \$512,749,174 (2013: sales of \$710,949,299) divided by the average daily net asset value of \$1,004,425,573 (2013: \$1,110,495,258).*

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

N/A

# United Emerging Markets Portfolios - United Emerging Markets Bond Fund

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**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 2014 and 30 June 2013

N/A

ii) expense ratios for the financial year ended 30 June 2014 and 30 June 2013

N/A

iii) turnover ratios for the financial year ended 30 June 2014 and 30 June 2013

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 products 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 a best execution basis and there was no churning of trades.

There are no soft dollars, rebates, commissions or other money incentives generated by the Fund.

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<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.

# United Emerging Markets Portfolios - United Emerging Markets Local Currency Bond Fund

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

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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 01 October 2013 Ann Comp Ret
United Emerging Markets Local Currency Bond Fund	4.35	4.35	NA	NA	NA	NA	3.20
Benchmark	4.64	4.96	NA	NA	NA	NA	5.28

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: J.P. Morgan GBI – EM Diversified Index.

The Fund was inception on 1 Oct 2013. For the period from inception to 30 June 2014, the Fund **rose 3.2%**, underperforming the benchmark JP Morgan GBI-EM Diversified index, which increased by 5.3%, in Singapore dollar terms.

As at 30 June 2014, the Fund was invested 32.1% in **Europe**, 29.2% in **Latin America**, 12.6% in **Asia**, 21.6% in the **Middle East and Africa** and held 4.5% cash.

## Economic and Market Review

Following the bond market sell-off in May and June 2013, EM bonds started to stabilize in the third quarter of 2013 before setting off on a sustainable recovery path in the first half of 2014.

There was much concern that Emerging Market (EM) economies would enter a new phase of economic crises and we saw these concerns crystalize not only through bond spread widening but also EM Foreign Exchange (FX) weakness. A new group of weak economies, aptly named the “fragile-five”, grabbed much media attention. Indonesia, Turkey, Brazil, South Africa and India were targeted as their external positions were weak – they had the biggest current account deficits among the EM, while their fiscal positions were also performing poorly. As the currencies weakened, the central banks in these economies acted swiftly to increase interest rates and stem the capital outflows. Investors regained confidence in these markets and the currencies subsequently recovered. It can be said that this marked the beginning of the recovery for EM bonds.

We were encouraged by the swift policy response shown in EM economies, but warn that economic adjustments take time. Through the middle of 2014, we have seen the external positions stabilize in these economies, and some unpopular but necessary policies have been implemented.

# **United Emerging Markets Portfolios - United Emerging Markets Local Currency Bond Fund**

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As we entered 2014, there was much concern on the interest rate front about the timing and pace of interest rate hikes by the Federal Reserve Bank (Fed). As the year went on, these concerns proved unfounded as chairperson Janet Yellen time and again pointed out that while labour markets have shown improvement, inflation remains under control. This has been another very important anchor for EM bonds as a stable and declining interest rate environment provides a backdrop for tightening credit spreads.

The year 2014 has also seen a very busy election calendar in EM countries. Political risk is often hard to predict, let alone quantify. The first half of 2014 has so far brought about renewed confidence in EM as elections have not only been relatively uneventful, but in some cases, produced positive outcomes. We had earlier regarded this as a risk for 2014, but it has for now proven to be a positive catalyst in some EM economies, and non-negative in others.

## **Outlook and Fund Strategy**

We expect the fundamental outlook for the emerging markets to continue to improve, although we are not expecting strong economic growth in EM. We would like to see continued consolidation in terms of economics – slower growth, declining current account deficits, stable inflation. We would be very positive if newly elected politicians actually embark on fundamental reforms. This however has not yet been seen, except in Mexico.

There are a few risks within EM that are grabbing the headlines, including the Russia-Ukraine spat as well as the court ruling over Argentina. Both incidents have proven to be isolated and we remain of the view that they will not pose a contagion risk. We continue to manage both risks separately.

We remain positive on EM bond fundamentals going into the second half of 2014. A stable US interest rate environment will be key to providing support for EM credit spreads. Therefore we remain neutral overall in terms of interest rate risk while we are positive on credit spreads. We continue to view EM valuations as attractive in the fixed income space.

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**United Emerging Markets Portfolios -**  
**United Emerging Markets Local Currency Bond Fund**  
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**B) Investments at fair value and as a percentage of NAV as at 30 June 2014 under review classified by**

	Fair Value (S\$)	% of NAV
<b>i) Country</b>		
Brazil	1,094,373	13.19
Colombia	447,661	5.39
Hungary	731,938	8.82
Malaysia	765,191	9.22
Mexico	723,499	8.71
Nigeria	217,545	2.62
Peru	154,103	1.86
Philippines	282,714	3.41
Poland	697,067	8.40
Romania	424,954	5.12
Russia	812,261	9.79
South Africa	817,715	9.85
Turkey	758,479	9.13
Accrued interest receivable on quoted bonds	196,736	2.37
Portfolio of investments	8,124,236	97.88
Other net assets	175,929	2.12
<b>Total</b>	<b>8,300,165</b>	<b>100.00</b>
<b>ii) Industry</b>		
Government	7,927,500	95.51
Accrued interest receivable on quoted bonds	196,736	2.37
Portfolio of investments	8,124,236	97.88
Other net assets	175,929	2.12
<b>Total</b>	<b>8,300,165</b>	<b>100.00</b>
<b>iii) Asset Class</b>		
Fixed income	8,124,236	97.88
Other net assets	175,929	2.12
<b>Total</b>	<b>8,300,165</b>	<b>100.00</b>

**United Emerging Markets Portfolios -  
United Emerging Markets Local Currency Bond Fund**  
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**B) Investments at fair value and as a percentage of NAV as at 30 June 2014 under review classified by (continued)**

	Fair Value (S\$)	% of NAV
<b>iv) Credit rating of debt securities by S&amp;P</b>		
A	1,574,669	18.97
BBB	2,350,078	28.33
BB	731,938	8.82
NR	3,270,815	39.39
<b>Total</b>	<b>7,927,500</b>	<b>95.51</b>

**v) Credit rating of debt securities by Moody's**

A	1,420,565	17.11
Baa	3,152,511	37.99
Ba	731,938	8.82
NR	2,622,486	31.59
<b>Total</b>	<b>7,927,500</b>	<b>95.51</b>

**C) Top Ten Holdings**

The top 10 holdings as at 30 June 2014

**10 largest holdings at 30 June 2014**

	Fair Value (S\$)	Percentage of total net assets attributable to unitholders %
NOTA DO TESOURO NACIONAL 10.00% DUE 01/01/2017	1,094,373	13.19
POLAND GOVERNMENT BOND 5.75% DUE 23/09/2022	480,004	5.78
HUNGARY GOVERNMENT BOND 6.00% DUE 24/11/2023	422,166	5.09
MEX BONOS DESARR FIX RT 7.75% DUE 29/05/2031	385,534	4.64
MALAYSIAN GOVERNMENT 3.26% DUE 01/03/2018	383,982	4.63
MALAYSIAN GOVERNMENT 3.492% DUE 31/03/2020	381,209	4.59
MEX BONOS DESARR FIX RT 8% DUE 07/12/2023	337,965	4.07
HUNGARY GOVERNMENT BOND 6.75% DUE 24/11/2017	309,772	3.73
REPUBLIC OF PHILIPPINES 3.90% DUE 26/11/2022	282,714	3.41
TURKEY GOVERNMENT BOND 8.50% DUE 14/09/2022	233,008	2.81



# United Emerging Markets Portfolios - United Emerging Markets Local Currency Bond Fund

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## D) Exposure to derivatives

- i) fair value of derivative contracts and as a percentage of NAV as at 30 June 2014

	Contract or underlying principal amount \$	Positive fair value \$	% of NAV	Negative fair value \$	% of NAV
Forward foreign exchange contracts	1,248,778	2,496	0.03	9,549	0.12

- ii) net gains/(losses) on derivative contracts realised during the financial period ended 30 June 2014.

N/A

- iii) There was a net loss of SGD 7,053 on outstanding derivative contracts marked to market as at 30 June 2014.

## E) Amount and percentage of net asset value (NAV) invested in other schemes as at 30 June 2014

N/A

## F) Amount and percentage of borrowings to net asset value (NAV) as at 30 June 2014

N/A

## G) Amount of redemptions and subscriptions for the financial period from 18 July 2013 (date of constitution) to 30 June 2014

Total amount of redemptions	SGD	-
Total amount of subscriptions	SGD	8,049,114

## H) The amount and terms of related-party transactions for the financial period from 18 July 2013 (date of constitution) to 30 June 2014

- i) As at 30 June 2014 the Sub-Fund maintained current accounts with the United Overseas Bank Limited and HSBC Group as follows:

### United Overseas Bank Limited

Bank balances	SGD	22,707
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### HSBC Group

Bank balances	SGD	220,678
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# United Emerging Markets Portfolios - United Emerging Markets Local Currency Bond Fund

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

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## H) The amount and terms of related-party transactions for the financial period from 18 July 2013 to 30 June 2014 (continued)

- ii) Purchase/holdings of UOBAM unit trusts by UOB or its affiliated companies as at 30 June 2014

Holdings of United Emerging Markets Local Currency Bond Fund as at 30 June 2014 were as follows: -

<u>Affiliated Companies</u>	<u>No. of Units</u>	<u>Unit Price</u> <u>SGD</u>	<u>Market Value</u> <u>SGD</u>
a) United Emerging Markets Bond Fund	8,049,592.69	1.032	8,307,179.66

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

N/A

- iv) As at 30 June 2014 there was no brokerage income earned by UOB Kay Hian Pte Ltd.

## I) Expense ratios

For the financial period from 18 July 2013  
(date of constitution) to 30 June 2014  
(including preliminary expenses)

2.66%

For the financial period from 18 July 2013  
(date of constitution) to 30 June 2014  
(excluding preliminary expenses)

2.20%

*Note: The expense ratios have been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the Sub-Fund's expense ratios at 30 June 2014 was based on total operating expenses of \$131,393 (excluding preliminary expenses) divided by the average net asset value of \$7,970,838 for the year. The total operating expenses do not include (where applicable) brokerage and other transaction costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Sub-Fund does not pay any performance fee. The average net asset value is based on the daily balances.*

## J) Turnover ratios

For the financial period from 18 July 2013  
(date of constitution) to 30 June 2014

52.50%

*Note: The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the portfolio turnover ratio was based on the lower of the total value of purchases or sales of the underlying investments, being sales of \$4,184,310 divided by the average daily net asset value of \$7,970,838.*

# United Emerging Markets Portfolios - United Emerging Markets Local Currency Bond Fund

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

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**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 2014

N/A

ii) expense ratios for the financial period ended 30 June 2014

N/A

iii) turnover ratios for the financial period ended 30 June 2014

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 products 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 a best execution basis and there was no churning of trades.

There are no soft dollars, rebates, commissions or other money incentives generated by the Sub-Fund.

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<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.

# **United Emerging Markets Portfolios**

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

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## **REPORT OF THE TRUSTEE**

The Trustee is under a duty to take into custody and hold the assets of the sub-funds of United Emerging Markets Portfolios (the “Sub-Funds”) 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, 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.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Sub-Funds during the year/period covered by these financial statements, set out on pages 21 to 78, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee  
HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED

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Authorised signatory

22 September 2014

# **United Emerging Markets Portfolios**

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

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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 21 to 78, comprising the Statements of Total Return, Statements of Financial Position, Statements of Movements of Unitholders' Funds, Statements of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial positions of United Emerging Markets Portfolios (the "Sub-Funds") as at 30 June 2014, and the total returns and changes in unitholders' funds for the year/period then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the Sub-Funds will be able to meet their financial obligations as and when they materialise.

For and on behalf of the Manager  
UOB ASSET MANAGEMENT LTD

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THIO BOON KIAT  
Authorised signatory

22 September 2014

# **United Emerging Markets Portfolios**

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

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## **INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF UNITED EMERGING MARKETS PORTFOLIOS**

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

We have audited the accompanying financial statements of the sub-funds of United Emerging Markets Portfolios (the "Sub-Funds"), which comprise the Statements of Financial Position and Statements of Portfolio as at 30 June 2014, the Statements of Total Return and Statements of Movements of Unitholders' Funds for the year/period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 21 to 78.

### *Manager's Responsibility for the Financial Statements*

The Sub-Funds' Manager (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 Singapore Chartered Accountants, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *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 about 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 judgement, 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 Sub-Funds' 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 Sub-Funds' internal control. 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 positions of the Sub-Funds as at 30 June 2014 and the total returns for the year/period then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants.

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PricewaterhouseCoopers LLP  
Public Accountants and Chartered Accountants

Singapore, 22 September 2014

# United Emerging Markets Portfolios

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

## STATEMENTS OF TOTAL RETURN

For the financial year ended 30 June 2014

		<b>United Emerging Markets Bond Fund</b>	
		<b>2014</b>	<b>2013</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>Income</b>			
Interest		<b>1,509</b>	2,565
Other income		<b>130,770</b>	111,605
		<b>132,279</b>	114,170
<b>Less: Expenses</b>			
Audit fee		<b>18,900</b>	16,600
Custody fee		<b>263,043</b>	195,256
Management fee	10	<b>17,535,285</b>	19,502,940
Management fee rebate	10	<b>(312,032)</b>	(196,656)
Registrar fee	10	<b>25,000</b>	25,000
Trustee fee	10	<b>400,806</b>	445,781
Valuation fee	10	<b>801,613</b>	891,563
Transaction cost		<b>-</b>	111,095
Interest expense		<b>845</b>	3,844
Other expenses		<b>1,239,014</b>	751,308
		<b>19,972,474</b>	21,746,731
<b>Net loss</b>		<b>(19,840,195)</b>	(21,632,561)
<b>Net gains or losses on value of investments and financial derivatives</b>			
Net gain/(loss) on investments		<b>80,465,411</b>	(21,563,533)
Net loss on forward foreign exchange contracts		<b>(2,850,931)</b>	(771,438)
Net (loss)/gain on future contracts		<b>(287,179)</b>	812,031
Net loss on credit default swaps		<b>-</b>	(4,556,303)
Net foreign exchange loss		<b>(1,557,471)</b>	(4,360,676)
		<b>75,769,830</b>	(30,439,919)
<b>Total return/(deficit) for the year before income tax</b>		<b>55,929,635</b>	(52,072,480)
Less: Income tax	3	<b>(3)</b>	-
<b>Total return/(deficit) for the year after income tax before distribution</b>		<b>55,929,632</b>	(52,072,480)

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

# United Emerging Markets Portfolios

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

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## STATEMENTS OF TOTAL RETURN

For the financial period ended 30 June 2014

		<b>United Emerging Markets</b> <b>Local Currency Bond Fund</b> <b>For the financial period from</b> <b>18 July 2013</b> <b>(date of constitution) to</b> <b>30 June 2014</b> <b>\$</b>
	Note	
<b>Expenses</b>		
Audit fee		14,500
Custody fee	10	6,411
Management fee	10	74,540
Registrar fee	10	11,250
Trustee fee	10	3,750
Valuation fee	10	7,454
Transaction cost		2,358
Preliminary expenses		36,288
Other expenses		13,488
		170,039
<b>Net loss</b>		(170,039)
<b>Net gains or losses on value of investments and financial derivatives</b>		
Net gain on investments		467,996
Net loss on forward foreign exchange contracts		(7,053)
Net foreign exchange loss		(31,538)
		429,405
<b>Total return for the period before income tax</b>		259,366
Less: Income tax	3	(4,702)
Less: Capital gain tax	3	(3,613)
<b>Total return for the period</b>		251,051

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



# United Emerging Markets Portfolios

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

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## STATEMENTS OF FINANCIAL POSITION

As at 30 June 2014

		<b>United Emerging Markets Bond Fund</b>	
		<b>2014</b>	<b>2013</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>			
Portfolio of investments		<b>708,166,236</b>	1,443,277,000
Sales awaiting settlement		<b>5,357,570</b>	7,026,550
Receivables	4	<b>910,697</b>	4,236,687
Cash and bank balances		<b>16,417,893</b>	60,386,276
Margin deposits		<b>1,098,937</b>	1,736,772
Financial derivatives at fair value	6	<b>41,198</b>	783,835
<b>Total Assets</b>		<b>731,992,531</b>	1,517,447,120
<b>LIABILITIES</b>			
Purchases awaiting settlement		<b>12,775,653</b>	3,307,086
Payables	5	<b>12,393,671</b>	17,485,568
Proposed distribution	8	<b>2,942,502</b>	8,757,064
Financial derivatives at fair value	6	<b>350,027</b>	1,093,674
<b>Total Liabilities</b>		<b>28,461,853</b>	30,643,392
<b>EQUITY</b>			
Net assets attributable to unitholders	7	<b>703,530,678</b>	1,486,803,728

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

# United Emerging Markets Portfolios

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

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## STATEMENTS OF FINANCIAL POSITION

As at 30 June 2014

		<b>United Emerging Markets Local Currency Bond Fund 2014 \$</b>
	<b>Note</b>	
<b>ASSETS</b>		
Portfolio of investments		8,124,236
Receivables	4	3,169
Cash and bank balances		243,385
Financial derivatives at fair value	6	2,496
<b>Total Assets</b>		<b>8,373,286</b>
<b>LIABILITIES</b>		
Payables	5	63,572
Financial derivatives at fair value	6	9,549
<b>Total Liabilities</b>		<b>73,121</b>
<b>EQUITY</b>		
Net assets attributable to unitholders	7	8,300,165

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

# United Emerging Markets Portfolios

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

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## STATEMENTS OF MOVEMENTS OF UNITHOLDERS' FUNDS

For the financial year ended 30 June 2014

	Note	<b>United Emerging Markets Bond Fund</b>	
		<b>2014</b>	<b>2013</b>
		<b>\$</b>	<b>\$</b>
<b>Net assets attributable to unitholders at the beginning of the financial year</b>		<b>1,486,803,728</b>	467,229,563
<b>Operations</b>			
Change in net assets attributable to unitholders resulting from operations		<b>55,929,632</b>	(52,072,480)
<b>Unitholders' contributions/(withdrawals)</b>			
Creation of units		<b>38,457,300</b>	1,532,095,210
Cancellation of units		<b>(829,139,718)</b>	(379,652,297)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		<b>(790,682,418)</b>	1,152,442,913
Distributions	8	<b>(48,520,264)</b>	(80,796,268)
Total (decrease)/increase in net assets attributable to unitholders		<b>(783,273,050)</b>	1,019,574,165
<b>Net assets attributable to unitholders at the end of the financial year</b>	7	<b>703,530,678</b>	1,486,803,728

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

# United Emerging Markets Portfolios

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

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## STATEMENTS OF MOVEMENTS OF UNITHOLDERS' FUNDS

For the financial period ended 30 June 2014

	Note	<b>United Emerging Markets Local Currency Bond Fund</b> <b>For the financial period from 18 July 2013 (date of constitution) to 30 June 2014</b> <b>\$</b>
<b>Net assets attributable to unitholders at the beginning of the financial period</b>		-
<b>Operations</b>		
Change in net assets attributable to unitholders resulting from operations		251,051
<b>Unitholders' contributions/(withdrawals)</b>		
Creation of units		8,049,114
Change in net assets attributable to unitholders resulting from net creation of units		8,049,114
Total increase in net assets attributable to unitholders		8,300,165
<b>Net assets attributable to unitholders at the end of financial period</b>	7	8,300,165

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

# United Emerging Markets Portfolios

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

## STATEMENTS OF PORTFOLIO

As at 30 June 2014

		<u>United Emerging Markets Bond Fund</u>	
		Nominal holdings at 30 June 2014	Percentage of total net assets attributable to unitholders at 30 June 2014 %
		Fair value at 30 June 2014 \$	
<b>By Geography – Primary</b>			
<b>Quoted Bonds and Unit Trust</b>			
<b>AZERBAIJAN</b>			
REPUBLIC OF AZERBAIJAN 4.75% DUE 18/03/2024	2,000,000	<b>2,574,332</b>	<b>0.37</b>
<b>BARBADOS</b>			
GOVERNMENT OF BARBADOS 6.625% DUE 05/12/2035	1,000,000	1,025,993	0.15
GOVERNMENT OF BARBADOS 7.25% DUE 15/12/2021	1,100,000	1,309,757	0.19
<b>TOTAL BARBADOS</b>		<b>2,335,750</b>	<b>0.34</b>
<b>BELARUS</b>			
REPUBLIC OF BELARUS 8.75% DUE 03/08/2015	2,500,000	<b>3,235,462</b>	<b>0.46</b>
<b>BELIZE</b>			
REPUBLIC OF BELIZE 5.00% DUE 20/02/2038	3,500,000	<b>3,062,321</b>	<b>0.44</b>
<b>BRAZIL</b>			
BANCO DAYCOVAL SA 5.75% DUE 19/03/2019	1,700,000	2,184,470	0.31
FED REPUBLIC OF BRAZIL 7.125% DUE 20/01/2037	3,000,000	4,733,584	0.67
GLOBO COMMUNICACOES PART 6.25% DUE 29/07/2049	2,000,000	2,619,802	0.37
GTL TRADE FINANCE INC 7.25% DUE 16/04/2044	3,000,000	3,943,890	0.56
OAS SA 8.00% DUE 02/07/2021	500,000	632,064	0.09
ODBRCHT OFFSHRE DRILL FIN 6.75% DUE 01/10/2022	1,928,400	2,573,308	0.37
ODEBRECHT DRILL VIII/IX 6.35% DUE 30/06/2021	3,937,500	5,295,390	0.75
ODEBRECHT OIL & FINANCE 7.00% DUE 29/12/2049	200,000	257,932	0.04
<b>TOTAL BRAZIL</b>		<b>22,240,440</b>	<b>3.16</b>

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

# United Emerging Markets Portfolios

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

## STATEMENTS OF PORTFOLIO

As at 30 June 2014

<b>United Emerging Markets Bond Fund</b>			
	<b>Nominal holdings at 30 June 2014</b>	<b>Fair value at 30 June 2014 \$</b>	<b>Percentage of total net assets attributable to unitholders at 30 June 2014 %</b>
<b>By Geography – Primary (continued)</b>			
<b>Quoted Bonds and Unit Trust</b>			
<b>CANADA</b>			
PACIFIC RUBIALES ENERGY 5.375% DUE 26/01/2019	3,000,000	3,917,498	0.56
PACIFIC RUBIALES ENERGY CORP 7.25% DUE 12/12/2021	5,000,000	6,950,074	0.99
<b>TOTAL CANADA</b>		<b>10,867,572</b>	<b>1.55</b>
<b>CHILE</b>			
BANCO DEL ESTADO 3.875% DUE 08/02/2022	3,000,000	3,807,892	0.54
EMPRESA NACIONAL DE PETR 4.75% DUE 06/12/2021	2,000,000	2,657,191	0.38
EMPRESA NACIONAL DE PETR 5.25% DUE 10/08/2020	1,000,000	1,358,762	0.19
TELEFONICA CHILE SA 3.875% DUE 12/10/2022	3,000,000	3,704,176	0.53
<b>TOTAL CHILE</b>		<b>11,528,021</b>	<b>1.64</b>
<b>CHINA</b>			
CHINA HONGQIAO GROUP 7.625% DUE 26/06/2017	800,000	1,034,720	0.15
KAISA GROUP HOLDINGS LTD 9.00% DUE 06/06/2019	2,000,000	2,593,032	0.37
MIE HOLDINGS CORP 6.875% DUE 06/02/2018	3,000,000	3,878,467	0.55
SINOPEC GRP OVERSEA 2012 3.90% DUE 17/05/2022	2,000,000	2,536,101	0.36
SINOPEC GRP OVERSEA 2012 4.875% DUE 17/05/2042	1,200,000	1,525,477	0.22
SINOPEC GRP OVERSEA2013 4.375% DUE 17/10/2023	3,000,000	3,878,895	0.55
SUNAC CHINA HOLDINGS LTD 12.5% DUE 16/10/2017	1,500,000	2,071,826	0.29
SUNAC CHINA HOLDINGS LTD 9.375% DUE 05/04/2018	500,000	632,987	0.09
YUZHOU PROPERTIES CO 8.625% DUE 24/01/2019	2,000,000	2,437,201	0.35
<b>TOTAL CHINA</b>		<b>20,588,706</b>	<b>2.93</b>

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

# United Emerging Markets Portfolios

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

## STATEMENTS OF PORTFOLIO

As at 30 June 2014

<b>United Emerging Markets Bond Fund</b>			
	<b>Nominal</b>	<b>Fair value at</b>	<b>Percentage of</b>
	<b>holdings at</b>	<b>30 June</b>	<b>total net assets</b>
	<b>30 June</b>	<b>2014</b>	<b>attributable to</b>
	<b>2014</b>	<b>2014</b>	<b>unitholders at</b>
		<b>\$</b>	<b>30 June</b>
			<b>2014</b>
			<b>%</b>
<b>By Geography – Primary (continued)</b>			
<b>Quoted Bonds and Unit Trust</b>			
<b>COLOMBIA</b>			
BANCOLOMBIA SA 5.125% DUE 11/09/2022	4,000,000	5,029,510	0.71
GRUPO AVAL LTD 4.75% DUE 26/09/2022	3,000,000	3,700,744	0.53
OLEODUCTO CENTRAL SA 4.00% DUE 07/05/2021	2,000,000	2,498,760	0.36
REPUBLIC OF COLOMBIA 6.125% DUE 18/01/2041	2,500,000	3,758,490	0.53
REPUBLIC OF COLOMBIA 7.375% DUE 18/09/2037	2,000,000	3,397,121	0.48
<b>TOTAL COLOMBIA</b>		<b>18,384,625</b>	<b>2.61</b>
<b>COSTA RICA</b>			
REPUBLIC OF COSTA RICA 4.375% DUE 30/04/2025	1,500,000	1,757,309	0.25
REPUBLIC OF COSTA RICA 7.00% DUE 04/04/2044	1,500,000	1,958,799	0.28
<b>TOTAL COSTA RICA</b>		<b>3,716,108</b>	<b>0.53</b>
<b>COTE D'IVOIRE</b>			
IVORY COAST 5.75% DUE 31/12/2032	2,000,000	<b>2,424,734</b>	<b>0.34</b>
<b>CROATIA</b>			
CROATIA 5.50% DUE 04/04/2023	2,500,000	3,257,683	0.46
CROATIA 6.00% DUE 26/01/2024	2,000,000	2,689,647	0.38
CROATIA 6.25% DUE 27/04/2017	5,000,000	6,785,017	0.96
CROATIA 6.375% DUE 24/03/2021	3,000,000	4,131,523	0.59
CROATIA 6.75% DUE 05/11/2019	1,500,000	2,106,172	0.30
<b>TOTAL CROATIA</b>		<b>18,970,042</b>	<b>2.69</b>
<b>DOMINICAN REPUBLIC</b>			
DOMINICAN REPUBLIC 5.875% DUE 18/04/2024	4,000,000	5,217,779	0.74
DOMINICAN REPUBLIC FRN DUE 30/08/2024	2,000,000	2,155,823	0.31
<b>TOTAL DOMINICAN REPUBLIC</b>		<b>7,373,602</b>	<b>1.05</b>

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

# United Emerging Markets Portfolios

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

## STATEMENTS OF PORTFOLIO

As at 30 June 2014

	<u>United Emerging Markets Bond Fund</u>		
	Nominal holdings at 30 June 2014	Fair value at 30 June 2014 \$	Percentage of total net assets attributable to unitholders at 30 June 2014 %
<b>By Geography – Primary (continued)</b>			
<b>Quoted Bonds and Unit Trust</b>			
<b>EGYPT</b>			
ARAB REPUBLIC OF EGYPT 6.875% DUE 30/04/2040	2,000,000	<b>2,468,367</b>	<b>0.35</b>
<b>EL SALVADOR</b>			
REPUBLIC OF EL SALVADOR 7.375% DUE 01/12/2019	2,000,000	2,773,796	0.39
REPUBLIC OF EL SALVADOR 7.625% DUE 01/02/2041	2,276,000	2,996,268	0.43
REPUBLIC OF EL SALVADOR 7.65% DUE 15/06/2035	2,000,000	2,667,208	0.38
REPUBLIC OF EL SALVADOR 8.25% DUE 10/04/2032	2,000,000	2,832,389	0.40
<b>TOTAL EL SALVADOR</b>		<b>11,269,661</b>	<b>1.60</b>
<b>GABON</b>			
GABONESE REPUBLIC 6.375% DUE 12/12/2024	3,000,000	<b>4,102,089</b>	<b>0.58</b>
<b>GHANA</b>			
REPUBLIC OF GHANA 7.875% DUE 07/08/2023	2,500,000	<b>3,054,293</b>	<b>0.43</b>
<b>GUATEMALA</b>			
REPUBLIC OF GUATEMALA 4.875% DUE 13/02/2028	1,500,000	<b>1,843,795</b>	<b>0.26</b>
<b>HONDURAS</b>			
HONDURAS GOVERNMENT 7.50% DUE 15/03/2024	1,500,000	1,949,430	0.28
REPUBLIC OF HONDURAS 8.75% DUE 16/12/2020	2,000,000	2,644,704	0.38
<b>TOTAL HONDURAS</b>		<b>4,594,134</b>	<b>0.66</b>
<b>HONG KONG</b>			
MIE HOLDINGS CORP 7.50% DUE 25/04/2019	1,400,000	<b>1,852,315</b>	<b>0.26</b>

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



# United Emerging Markets Portfolios

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

## STATEMENTS OF PORTFOLIO

As at 30 June 2014

	<u>United Emerging Markets Bond Fund</u>		
	Nominal	Fair value at	Percentage of
	holdings at	30 June	total net assets
	30 June	2014	attributable to
	2014	2014	unitholders at
		\$	30 June
			2014
			%
<b>By Geography – Primary (continued)</b>			
<b>Quoted Bonds and Unit Trust</b>			
<b>HUNGARY</b>			
HUNGARY 4.00% DUE 25/03/2019	1,250,000	1,612,853	0.23
HUNGARY 5.375% DUE 25/03/2024	1,000,000	1,344,824	0.19
HUNGARY 5.75% DUE 22/11/2023	1,500,000	2,078,010	0.29
HUNGARY 6.25% DUE 29/01/2020	1,000,000	1,418,376	0.20
REPUBLIC OF HUNGARY 4.125% DUE 19/02/2018	4,500,000	5,883,409	0.84
REPUBLIC OF HUNGARY 5.38% DUE 21/02/2023	5,500,000	7,422,242	1.06
REPUBLIC OF HUNGARY 6.375% DUE 29/03/2021	3,000,000	4,296,268	0.61
REPUBLIC OF HUNGARY 7.625% DUE 29/03/2041	2,000,000	3,203,891	0.45
<b>TOTAL HUNGARY</b>		<b>27,259,873</b>	<b>3.87</b>
<b>INDIA</b>			
EXPORT-IMPORT BK INDIA 4% DUE 14/01/2023	2,000,000	<b>2,481,158</b>	<b>0.35</b>
<b>INDONESIA</b>			
MAJAPAHIT HOLDING BV 7.875% DUE 29/06/2037	4,000,000	5,808,471	0.83
PERTAMINA PERSERO PT 4.30% DUE 20/05/2023	2,000,000	2,357,941	0.33
PERTAMINA PERSERO PT 6.45% DUE 30/05/2044	2,500,000	3,097,769	0.44
PERUSAHAAN LISTRIK NEGARA 5.50% DUE 22/11/2021	4,000,000	5,252,795	0.75
PT PERTAMINA 4.875% DUE 03/05/2022	3,000,000	3,747,962	0.53
PT PERTAMINA 6.50% DUE 27/05/2041	3,000,000	3,768,000	0.53
REPUBLIC OF INDONESIA 3.375% DUE 15/04/2023	3,000,000	3,494,908	0.50
REPUBLIC OF INDONESIA 3.75% DUE 25/04/2022	2,000,000	2,433,959	0.35
REPUBLIC OF INDONESIA 5.25% DUE 17/01/2042	4,000,000	4,787,136	0.68
REPUBLIC OF INDONESIA 7.75% DUE 17/01/2038	3,000,000	4,693,637	0.67
<b>TOTAL INDONESIA</b>		<b>39,442,578</b>	<b>5.61</b>
<b>IRAQ</b>			
REPUBLIC OF IRAQ 5.80% DUE 15/01/2028	1,500,000	<b>1,682,753</b>	<b>0.24</b>

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# United Emerging Markets Portfolios

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

## STATEMENTS OF PORTFOLIO

As at 30 June 2014

	<u>United Emerging Markets Bond Fund</u>		
	Nominal holdings at 30 June 2014	Fair value at 30 June 2014 \$	Percentage of total net assets attributable to unitholders at 30 June 2014 %
<b>By Geography – Primary (continued)</b>			
<b>Quoted Bonds and Unit Trust</b>			
<b>IRELAND</b>			
CREDIT BANK OF MOSCOW 7.70%			
DUE 01/02/2018	2,000,000	2,544,737	0.36
GAZPROMBK (GPB FINANCE) 4% DUE 01/07/2019	2,900,000	4,959,718	0.70
ROSNEFT(ROSNEFT INT FIN) 4.199%			
DUE 06/03/2022	3,000,000	3,498,973	0.50
UOB UNITED RENMINBI BOND FUND (SGD)	73,701	8,271,443	1.18
VNESHECONOMBANK(VEB) 4.224%			
DUE 21/11/2018	4,500,000	5,550,320	0.79
VNESHECONOMBANK(VEB) 5.942%			
DUE 21/11/2023	4,000,000	4,986,600	0.71
<b>TOTAL IRELAND</b>		<b>29,811,791</b>	<b>4.24</b>
<b>KAZAKHSTAN</b>			
DEVT BANK OF KAZA 4.125% DUE 10/12/2022	3,000,000	3,558,422	0.50
KAZMUNAYGAS NATIONAL 7% DUE 05/05/2020	3,000,000	4,293,589	0.61
KAZMUNAYGAS NATIONAL CO 5.75%			
DUE 30/04/2043	2,500,000	3,006,318	0.43
<b>TOTAL KAZAKHSTAN</b>		<b>10,858,329</b>	<b>1.54</b>
<b>KENYA</b>			
REPUBLIC OF KENYA 5.875% DUE 24/06/2019	1,000,000	1,277,816	0.18
REPUBLIC OF KENYA 6.875% DUE 24/06/2024	500,000	649,816	0.09
<b>TOTAL KENYA</b>		<b>1,927,632</b>	<b>0.27</b>
<b>LATVIA</b>			
REPUBLIC OF LATVIA 2.75% DUE 12/01/2020	2,500,000	3,095,896	0.44

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# United Emerging Markets Portfolios

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

## STATEMENTS OF PORTFOLIO

As at 30 June 2014

### United Emerging Markets Bond Fund

	Nominal holdings at 30 June 2014	Fair value at 30 June 2014 \$	Percentage of total net assets attributable to unitholders at 30 June 2014 %
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#### By Geography – Primary (continued)

#### Quoted Bonds and Unit Trust

#### LEBANON

LEBANESE REPUBLIC 4% DUE 31/12/2017	3,325,000	4,149,422	0.59
LEBANESE REPUBLIC 5.45% DUE 28/11/2019	4,000,000	5,024,000	0.71
LEBANESE REPUBLIC 5.80% DUE 14/04/2020	2,000,000	2,542,560	0.36
LEBANESE REPUBLIC 6.6% DUE 27/11/2026	2,000,000	2,560,888	0.36
LEBANESE REPUBLIC 8.25% DUE 12/04/2021	4,000,000	5,759,523	0.82
LEBANESE REPUBLIC 9% DUE 20/03/2017	3,000,000	4,221,196	0.60
<b>TOTAL LEBANON</b>		<b>24,257,589</b>	<b>3.44</b>

#### LITHUANIA

REPUBLIC OF LITHUANIA 5.125% DUE 14/09/2017	2,000,000	2,746,253	0.39
REPUBLIC OF LITHUANIA 6.125% DUE 09/03/2021	2,000,000	2,919,371	0.42
REPUBLIC OF LITHUANIA 6.625% DUE 01/02/2022	2,000,000	3,019,359	0.43
REPUBLIC OF LITHUANIA 7.375% DUE 11/02/2020	3,000,000	4,590,160	0.65
<b>TOTAL LITHUANIA</b>		<b>13,275,143</b>	<b>1.89</b>

#### MALAYSIA

AMBANK M BHD 3.125% DUE 03/07/2019	600,000	752,635	0.11
PETROLIAM NASIONAL BHD 7.625% DUE 15/10/2026	2,000,000	3,422,832	0.48
PETRONAS CAPITAL LTD 5.25% DUE 12/08/2019	5,500,000	7,796,868	1.11
WAKALA GLOBAL SUKUK BHD 4.646% DUE 06/07/2021	2,000,000	2,721,612	0.39
<b>TOTAL MALAYSIA</b>		<b>14,693,947</b>	<b>2.09</b>

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# United Emerging Markets Portfolios

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

## STATEMENTS OF PORTFOLIO

As at 30 June 2014

	<u>United Emerging Markets Bond Fund</u>		
	Nominal holdings at 30 June 2014	Fair value at 30 June 2014 \$	Percentage of total net assets attributable to unitholders at 30 June 2014 %
<b>By Geography – Primary (continued)</b>			
<b>Quoted Bonds and Unit Trust</b>			
<b>MEXICO</b>			
ALFA S.A. 5.25% DUE 25/03/2024	500,000	652,359	0.09
ALFA S.A. 6.875% DUE 25/03/2044	1,000,000	1,355,350	0.19
BBVA BANCOMER SA TEXAS 6.75% DUE 30/09/2022	4,000,000	5,733,869	0.82
BBVA BANCOMER/INST BANCA 6.50% DUE 10/03/2021	2,000,000	2,813,861	0.40
CEMEX SAB DE CV FRN DUE 15/10/2018	800,000	1,077,106	0.15
COMISION FED DE ELECTRIC 5.75% DUE 14/02/2042	1,500,000	1,976,172	0.28
CREDITO REAL SA 7.50% DUE 13/03/2019	3,000,000	4,052,236	0.58
EMPRESAS ICA SOCIEDAD 8.875% DUE 29/05/2024	4,000,000	5,117,677	0.73
FERMACA ENTERPRISES S RL 6.375% DUE 30/03/2038	1,200,000	1,567,039	0.22
GRUPO BIMBO SAB DE CV 3.875% DUE 27/06/2024	1,800,000	2,242,566	0.32
MEX BONOS DESARR FIX RT 9.5% DUE 18/12/2014	150,000	1,484,636	0.21
MEXICAN UDIBONOS 4.50% DUE 22/11/2035	50,000	2,991,603	0.43
PETROLEOS MEXICANOS 4.875% DUE 18/01/2024	500,000	663,849	0.09
PETROLEOS MEXICANOS 5.50% DUE 27/06/2044	3,000,000	3,881,831	0.55
PETROLEOS MEXICANOS 6.375% DUE 23/01/2045	1,000,000	1,450,983	0.21
PETROLEOS MEXICANOS 6.50% DUE 02/06/2041	2,000,000	2,924,079	0.42
UNITED MEXICAN STATES 4.75% DUE 08/03/2044	4,000,000	5,092,947	0.72
UNITED MEXICAN STATES 5.75% DUE 12/10/2110	1,500,000	1,984,193	0.28
<b>TOTAL MEXICO</b>		<b>47,062,356</b>	<b>6.69</b>
<b>MONGOLIA</b>			
DEVT BANK OF MONGOLIA 5.75% DUE 21/03/2017	2,500,000	3,066,759	0.44
MONGOLIA 4.125% DUE 05/01/2018	1,000,000	1,171,851	0.17
MONGOLIA 5.125% DUE 05/12/2022	1,504,000	1,649,966	0.23
<b>TOTAL MONGOLIA</b>		<b>5,888,576</b>	<b>0.84</b>

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# United Emerging Markets Portfolios

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

## STATEMENTS OF PORTFOLIO

As at 30 June 2014

		<u>United Emerging Markets Bond Fund</u>	
		Nominal holdings at 30 June 2014	Percentage of total net assets attributable to unitholders at 30 June 2014
		Fair value at 30 June 2014	
		\$	%
<b>By Geography – Primary (continued)</b>			
<b>Quoted Bonds and Unit Trust</b>			
<b>MOROCCO</b>			
OFFICE CHERIFIEN DES PHO 6.875% DUE 25/04/2044	4,000,000	<b>5,248,397</b>	<b>0.75</b>
<b>MOZAMBIQUE</b>			
MOZAMBIQUE EMATUM FINANCE 6.305% DUE 11/09/2020	2,500,000	<b>3,153,339</b>	<b>0.45</b>
<b>NETHERLANDS</b>			
KAZAKHSTAN TEMIR ZHOLY 6.375% DUE 06/10/2020	3,000,000	4,136,151	0.59
KAZAKHSTAN TEMIR ZHOLY 6.95% DUE 10/07/2042	4,500,000	6,148,635	0.87
METINVEST BV 8.75% DUE 14/02/2018	1,000,000	1,087,702	0.15
PETROBRAS GLOBAL FINANCE 6.25% DUE 17/03/2024	2,800,000	3,729,333	0.53
PETROBRAS GLOBAL FINANCE 7.25% DUE 17/03/2044	2,800,000	3,854,989	0.55
<b>TOTAL NETHERLANDS</b>		<b>18,956,810</b>	<b>2.69</b>
<b>NIGERIA</b>			
REPUBLIC OF NIGERIA 5.125% DUE 12/07/2018	750,000	974,724	0.14
REPUBLIC OF NIGERIA 6.375% DUE 12/07/2023	750,000	1,013,293	0.14
<b>TOTAL NIGERIA</b>		<b>1,988,017</b>	<b>0.28</b>
<b>PAKISTAN</b>			
ISLAMIC REP OF PAKISTAN 8.25% DUE 15/04/2024	4,000,000	<b>5,148,665</b>	<b>0.73</b>
<b>PANAMA</b>			
REPUBLIC OF PANAMA 4.30% DUE 29/04/2053	3,000,000	3,276,458	0.47
REPUBLIC OF PANAMA 6.7% DUE 26/01/2036	4,000,000	6,169,820	0.88
REPUBLIC OF PANAMA 8.875% DUE 30/09/2027	1,500,000	2,674,064	0.38
<b>TOTAL PANAMA</b>		<b>12,120,342</b>	<b>1.73</b>

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# United Emerging Markets Portfolios

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

## STATEMENTS OF PORTFOLIO

As at 30 June 2014

### United Emerging Markets Bond Fund

	Nominal holdings at 30 June 2014	Fair value at 30 June 2014 \$	Percentage of total net assets attributable to unitholders at 30 June 2014 %
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#### By Geography – Primary (continued)

#### Quoted Bonds and Unit Trust

#### PERU

BANCO CREDITO DEL PERU 9.75% DUE 06/11/2069	800,000	1,181,388	0.17
BANCO DE CREDITO DEL PER 6.125% DUE 24/04/2027	3,000,000	4,016,749	0.57
BANCO INTERNAC DEL PERU 6.625% DUE 19/03/2029	1,000,000	1,325,784	0.19
EL FONDO MIVIVIENDA SA 3.50% DUE 31/01/2023	1,850,000	2,202,519	0.31
REPUBLIC OF PERU 5.625% DUE 18/11/2050	2,000,000	2,801,024	0.40
REPUBLIC OF PERU 6.55% DUE 14/03/2037	2,000,000	3,132,208	0.45
REPUBLIC OF PERU 8.75% DUE 21/11/2033	6,500,000	12,394,579	1.76
<b>TOTAL PERU</b>		<b>27,054,251</b>	<b>3.85</b>

#### PHILIPPINES

POWER SECTOR ASSETS & LI 7.39% DUE 02/12/2024	2,500,000	4,039,925	0.57
REPUBLIC OF PHILIPPINES 10.625% DUE 16/03/2025	1,000,000	1,958,861	0.28
REPUBLIC OF PHILIPPINES 5.5% DUE 30/03/2026	5,500,000	7,932,200	1.13
REPUBLIC OF PHILIPPINES 6.375% DUE 15/01/2032	2,000,000	3,088,575	0.44
REPUBLIC OF PHILIPPINES 6.375% DUE 23/10/2034	3,000,000	4,731,037	0.67
REPUBLIC OF PHILIPPINES 7.75% DUE 14/01/2031	2,000,000	3,450,104	0.49
REPUBLIC OF PHILIPPINES 9.50% DUE 02/02/2030	1,500,000	2,928,942	0.42
<b>TOTAL PHILIPPINES</b>		<b>28,129,644</b>	<b>4.00</b>

#### POLAND

REPUBLIC OF POLAND 3% DUE 17/03/2023	5,000,000	6,080,205	0.86
REPUBLIC OF POLAND 4.00% DUE 22/01/2024	1,000,000	1,302,216	0.19
REPUBLIC OF POLAND 5.125% DUE 21/04/2021	4,000,000	5,620,634	0.80
REPUBLIC OF POLAND 6.375% DUE 15/07/2019	9,000,000	13,316,559	1.89
<b>TOTAL POLAND</b>		<b>26,319,614</b>	<b>3.74</b>

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# United Emerging Markets Portfolios

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

## STATEMENTS OF PORTFOLIO

As at 30 June 2014

<b>United Emerging Markets Bond Fund</b>			
	<b>Nominal</b>	<b>Fair value at</b>	<b>Percentage of</b>
	<b>holdings at</b>	<b>30 June</b>	<b>total net assets</b>
	<b>30 June</b>	<b>2014</b>	<b>attributable to</b>
	<b>2014</b>	<b>\$</b>	<b>unitholders at</b>
			<b>30 June</b>
			<b>2014</b>
			<b>%</b>
<b>By Geography – Primary (continued)</b>			
<b>Quoted Bonds and Unit Trust</b>			
<b>ROMANIA</b>			
ROMANIA 4.875% DUE 22/01/2024	1,000,000	1,329,241	0.19
ROMANIA 6.125% DUE 22/01/2044	2,500,000	3,568,536	0.51
<b>TOTAL ROMANIA</b>		<b>4,897,777</b>	<b>0.70</b>
<b>RUSSIA</b>			
OJSC RUSS AGRIC BK(RSHB) 6% DUE 03/06/2021	1,000,000	1,259,117	0.18
RUSSIA 12.75% DUE 24/06/2028	2,000,000	4,336,784	0.61
RUSSIA FEDERATION 7.50% DUE 31/03/2030	5,137,500	7,436,648	1.06
<b>TOTAL RUSSIA</b>		<b>13,032,549</b>	<b>1.85</b>
<b>SERBIA</b>			
REPUBLIC OF SERBIA 5.25% DUE 21/11/2017	5,000,000	6,498,163	0.92
REPUBLIC OF SERBIA 5.875% DUE 03/12/2018	2,000,000	2,655,365	0.38
<b>TOTAL SERBIA</b>		<b>9,153,528</b>	<b>1.30</b>
<b>SINGAPORE</b>			
UNITED EMERGING MARKETS LOCAL CURRENCY BOND FUND - CLASS SGD ACC	8,049,593	<b>8,307,180</b>	<b>1.18</b>
<b>SOUTH AFRICA</b>			
ESKOM HOLDINGS LIMITED 5.75% DUE 26/01/2021	2,500,000	3,203,716	0.46
ESKOM HOLDINGS LIMITED 6.75% DUE 06/08/2023	2,600,000	3,504,964	0.50
REPUBLIC OF SOUTH AFRICA 4.665% DUE 17/01/2024	4,000,000	5,095,258	0.72
REPUBLIC OF SOUTH AFRICA 6.875% DUE 27/05/2019	4,000,000	5,773,161	0.82
TRANSNET SOC LTD 4% DUE 26/07/2022	2,000,000	2,357,871	0.34
<b>TOTAL SOUTH AFRICA</b>		<b>19,934,970</b>	<b>2.84</b>

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# United Emerging Markets Portfolios

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

## STATEMENTS OF PORTFOLIO

As at 30 June 2014

### United Emerging Markets Bond Fund

	Nominal holdings at 30 June 2014	Fair value at 30 June 2014 \$	Percentage of total net assets attributable to unitholders at 30 June 2014 %
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#### By Geography – Primary (continued)

#### Quoted Bonds and Unit Trust

#### SPAIN

CEMEX ESPANA LUXEMBOURG 9.875%  
DUE 30/04/2019

950,000	1,373,808	0.20
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#### SRI LANKA

BANK OF CEYLON 5.325% DUE 16/04/2018  
REPUBLIC OF SRI LANKA 5.125% DUE 11/04/2019  
REPUBLIC OF SRI LANKA 6.25% DUE 04/10/2020  
REPUBLIC OF SRI LANKA 6.25% DUE 27/07/2021

2,000,000	2,536,906	0.36
800,000	1,018,513	0.14
3,000,000	3,973,697	0.56
3,000,000	3,983,047	0.57

#### TOTAL SRI LANKA

	11,512,163	1.63
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#### TRINIDAD

NATIONAL GAS CO 6.05% DUE 15/01/2036  
PETRO CO TRIN/TOBAGO LTD 9.75%  
DUE 14/08/2019

1,500,000	2,019,573	0.29
2,000,000	3,141,260	0.45

#### TOTAL TRINIDAD

	5,160,833	0.74
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#### TURKEY

REPUBLIC OF TURKEY 3.25% DUE 23/03/2023  
REPUBLIC OF TURKEY 5.125% DUE 25/03/2022  
REPUBLIC OF TURKEY 6.25% DUE 26/09/2022  
REPUBLIC OF TURKEY 7.375% DUE 05/02/2025  
REPUBLIC OF TURKEY 8% DUE 14/02/2034  
TC ZIRAAT BANKASI AS 4.25% DUE 03/07/2019  
TURK EXIMBANK 5.375% DUE 04/11/2016  
TURK EXIMBANK 5.875% DUE 24/04/2019

3,000,000	3,453,601	0.49
2,000,000	2,642,150	0.38
4,000,000	5,658,769	0.80
3,000,000	4,554,960	0.65
3,000,000	4,934,415	0.70
5,200,000	6,455,418	0.92
2,000,000	2,627,938	0.37
2,000,000	2,662,844	0.38

#### TOTAL TURKEY

	32,990,095	4.69
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# United Emerging Markets Portfolios

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## STATEMENTS OF PORTFOLIO

As at 30 June 2014

### United Emerging Markets Bond Fund

	Nominal holdings at 30 June 2014	Fair value at 30 June 2014 \$	Percentage of total net assets attributable to unitholders at 30 June 2014 %
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#### By Geography – Primary (continued)

#### Quoted Bonds and Unit Trust

#### UKRAINE

FINANCING OF INFRASTRUCTURE 9.00%

DUE 07/12/2017	2,000,000	2,424,734	0.34
NAFTOGAZ UKRAINE 9.50% DUE 30/09/2014	1,000,000	1,220,944	0.17
UKRAINE GOVERNMENT 7.50% DUE 17/04/2023	2,000,000	2,337,469	0.33
UKRAINE GOVERNMENT 7.80% DUE 28/11/2022	4,000,000	4,737,270	0.67
UKRAINE GOVERNMENT 7.95% DUE 23/02/2021	2,000,000	2,418,501	0.34
UKRAINE GOVERNMENT 9.25% DUE 24/07/2017	3,500,000	4,439,632	0.63

#### TOTAL UKRAINE

	<b>17,578,550</b>	<b>2.48</b>
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#### UNITED KINGDOM

AFREN PLC 6.625% DUE 09/12/2020	3,000,000	3,874,487	0.55
BIZ FIN PLC (UKREXIMB) 8.375% DUE 27/04/2015	3,000,000	3,515,553	0.50
GENEL ENERGY FINANCE LTD 7.50% DUE 14/05/2019	3,000,000	3,730,600	0.53
OSCHADBANK (SSB #1 PLC) 8.25% DUE 10/03/2016	2,500,000	2,804,963	0.40
OSCHADBANK (SSB #1 PLC) 8.875% DUE 20/03/2018	2,500,000	2,695,881	0.38
STATE EXP-IMP (BIZ FIN) 8.75% DUE 22/01/2018	3,500,000	4,003,305	0.57

#### TOTAL UNITED KINGDOM

	<b>20,624,789</b>	<b>2.93</b>
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#### UNITED STATES

RIO OIL FINANCE TRUST 6.25% DUE 06/07/2024	4,000,000	<b>5,237,227</b>	<b>0.74</b>
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#### URUGUAY

REPUBLIC OF URUGUAY 8% DUE 18/11/2022	1,635,187	2,671,625	0.38
REPUBLICA ORIENT URUGUAY 4.50% DUE 14/08/2024	2,000,000	2,646,389	0.38

#### TOTAL URUGUAY

	<b>5,318,014</b>	<b>0.76</b>
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*The accompanying notes form an integral part of these financial statements.*

# United Emerging Markets Portfolios

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

## STATEMENTS OF PORTFOLIO

As at 30 June 2014

	<b>United Emerging Markets Bond Fund</b>		
	<b>Nominal</b>	<b>Fair value at</b>	<b>Percentage of</b>
	<b>holdings at</b>	<b>30 June</b>	<b>total net assets</b>
	<b>30 June</b>	<b>2014</b>	<b>attributable to</b>
	<b>2014</b>	<b>\$</b>	<b>unitholders at</b>
			<b>30 June</b>
			<b>2014</b>
			<b>%</b>
<b>By Geography – Primary (continued)</b>			
<b>Quoted Bonds and Unit Trust</b>			
<b>VENEZUELA</b>			
BOLIVARIAN REP OF VZLA 7.65% DUE 21/04/2025	2,500,000	2,437,076	0.35
BOLIVARIAN REP OF VZLA 9.00% DUE 07/05/2023	900,000	967,731	0.14
PETROLEOS DE VENEZUELA 5.375%			
DUE 12/04/2027	2,750,000	2,172,677	0.31
PETROLEOS DE VENEZUELA 5.50%			
DUE 12/04/2037	4,500,000	3,418,576	0.48
PETROLEOS DE VENEZUELA 9.75%			
DUE 17/05/2035	3,000,000	3,068,853	0.43
REPUBLIC OF VENEZUELA 6% DUE 09/12/2020	3,000,000	2,889,111	0.41
REPUBLIC OF VENEZUELA 7% DUE 31/03/2038	2,500,000	2,236,178	0.32
REPUBLIC OF VENEZUELA 7.75% DUE 13/10/2019	8,000,000	8,726,550	1.24
REPUBLIC OF VENEZUELA 8.25% DUE 13/10/2024	4,900,000	4,978,497	0.71
REPUBLIC OF VENEZUELA 9.375%			
DUE 13/01/2034	2,000,000	2,121,599	0.30
<b>TOTAL VENEZUELA</b>		<b>33,016,848</b>	<b>4.69</b>
<b>VIETNAM</b>			
SOCIALIST REP OF VIETNAM 4.00%			
DUE 12/03/2028	1,425,000	1,616,593	0.23
SOCIALIST REP OF VIETNAM FRN DUE 13/03/2028	2,000,000	2,182,396	0.31
<b>TOTAL VIETNAM</b>		<b>3,798,989</b>	<b>0.54</b>
<b>Accrued Interest Receivable on Quoted Bonds</b>		<b>9,885,847</b>	<b>1.41</b>
<b>Portfolio of investments</b>		<b>708,166,236</b>	<b>100.66</b>
<b>Other net liabilities</b>		<b>(4,635,558)</b>	<b>(0.66)</b>
<b>Net assets attributable to unitholders</b>		<b>703,530,678</b>	<b>100.00</b>

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

# United Emerging Markets Portfolios

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

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## STATEMENTS OF PORTFOLIO

As at 30 June 2014

	<b>United Emerging Markets Bond Fund</b>	
	<b>Percentage of total net assets attributable to unitholders at 30 June 2014 %</b>	<b>Percentage of total net assets attributable to unitholders at 30 June 2013 %</b>
<b>By Geography – Primary (Summary)</b>		
<b>Quoted Bonds and Unit Trust</b>		
Argentina	-	0.85
Australia	-	0.76
Azerbaijan	0.37	0.15
Barbados	0.34	0.79
Belarus	0.46	0.36
Belgium	-	0.30
Belize	0.44	0.33
Bermuda	-	0.29
Brazil	3.16	4.20
Canada	1.55	0.37
Chile	1.64	2.89
China	2.93	2.68
Colombia	2.61	3.11
Costa Rica	0.53	0.80
Cote D'Ivoire	0.34	-
Croatia	2.69	0.79
Cyprus	-	0.38
Dominican Republic	1.05	0.29
Egypt	0.35	0.13
El Salvador	1.60	0.72
France	-	0.57
Gabon	0.58	-
Germany	-	0.41
Ghana	0.43	-
Guatemala	0.26	0.95
Honduras	0.66	-
Hong Kong	0.26	2.25
Hungary	3.87	1.74
India	0.35	0.56
Indonesia	5.61	5.15
Iraq	0.24	0.56
Ireland	4.24	5.01
Balance C/F	<b>36.56</b>	<b>37.39</b>

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

# United Emerging Markets Portfolios

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

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## STATEMENTS OF PORTFOLIO

As at 30 June 2014

	<b>United Emerging Markets Bond Fund</b>	
	<b>Percentage of total net assets attributable to unitholders at 30 June 2014 %</b>	<b>Percentage of total net assets attributable to unitholders at 30 June 2013 %</b>
<b>By Geography – Primary (Summary)</b>		
<b>Quoted Bonds and Unit Trust (continued)</b>		
Balance B/F	<b>36.56</b>	37.39
Jamaica	-	0.53
Japan	-	1.66
Kazakhstan	<b>1.54</b>	1.92
Kenya	<b>0.27</b>	-
Kuwait	-	0.43
Latvia	<b>0.44</b>	0.24
Lebanon	<b>3.44</b>	3.42
Lithuania	<b>1.89</b>	1.06
Luxembourg	-	0.32
Malaysia	<b>2.09</b>	1.59
Mexico	<b>6.69</b>	5.10
Mongolia	<b>0.84</b>	0.73
Morocco	<b>0.75</b>	-
Mozambique	<b>0.45</b>	-
Netherlands	<b>2.69</b>	2.62
Nigeria	<b>0.28</b>	-
Pakistan	<b>0.73</b>	0.31
Panama	<b>1.73</b>	1.47
Peru	<b>3.85</b>	3.23
Philippines	<b>4.00</b>	2.80
Poland	<b>3.74</b>	2.02
Qatar	-	0.48
Romania	<b>0.70</b>	0.52
Russia	<b>1.85</b>	4.15
Rwanda	-	0.38
Serbia	<b>1.30</b>	0.59
Singapore	<b>1.18</b>	0.60
South Africa	<b>2.84</b>	1.54
Spain	<b>0.20</b>	0.09
Sri Lanka	<b>1.63</b>	1.65
Supra National	-	0.13
Balance C/F	<b>81.68</b>	76.97

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

# United Emerging Markets Portfolios

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

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## STATEMENTS OF PORTFOLIO

As at 30 June 2014

	<b>United Emerging Markets Bond Fund</b>	
	<b>Percentage of total net assets attributable to unitholders at 30 June 2014 %</b>	<b>Percentage of total net assets attributable to unitholders at 30 June 2013 %</b>
<b>By Geography – Primary (Summary)</b>		
<b>Quoted Bonds and Unit Trust (continued)</b>		
Balance B/F	<b>81.68</b>	76.97
Sweden	-	0.25
Switzerland	-	0.19
Trinidad	<b>0.74</b>	0.73
Turkey	<b>4.69</b>	5.34
Ukraine	<b>2.48</b>	1.13
United Arab Emirates	-	3.20
United Kingdom	<b>2.93</b>	1.65
United States	<b>0.74</b>	1.25
Uruguay	<b>0.76</b>	0.50
Venezuela	<b>4.69</b>	4.15
Vietnam	<b>0.54</b>	0.15
<b>Accrued Interest Receivable on Quoted Bonds</b>	<b>1.41</b>	1.55
<b>Portfolio of investments</b>	<b>100.66</b>	97.06
<b>Other net (liabilities)/assets</b>	<b>(0.66)</b>	2.94
<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 Emerging Markets Portfolios

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

## STATEMENTS OF PORTFOLIO

As at 30 June 2014

	<b>United Emerging Markets Bond Fund</b>		
	<b>Fair value at</b>	<b>Percentage of</b>	<b>Percentage of</b>
	<b>30 June</b>	<b>total net assets</b>	<b>total net assets</b>
		<b>attributable to</b>	<b>attributable to</b>
		<b>unitholders at</b>	<b>unitholders at</b>
	<b>2014</b>	<b>30 June</b>	<b>30 June</b>
	<b>\$</b>	<b>2014</b>	<b>2013</b>
		<b>%</b>	<b>%</b>
<b>By Industry - Secondary</b>			
<b>Quoted Bonds and Unit Trust</b>			
Consumer Discretionary	2,619,802	0.37	0.60
Consumer Staples	2,242,566	0.32	1.94
Energy	98,479,272	13.99	14.01
Financials	94,902,802	13.49	23.80
Government	407,451,872	57.92	40.50
Government Agency	17,778,949	2.51	2.15
Healthcare	-	-	0.17
Industrials	25,506,462	3.63	4.29
Materials	12,391,815	1.76	2.02
Telecommunication Services	3,704,176	0.53	0.79
Unit Trust	16,578,623	2.36	2.74
Utilities	16,624,050	2.37	2.50
<b>Accrued Interest Receivable on Quoted Bonds</b>	<b>9,885,847</b>	<b>1.41</b>	<b>1.55</b>
<b>Portfolio of investments</b>	<b>708,166,236</b>	<b>100.66</b>	<b>97.06</b>
<b>Other net (liabilities)/assets</b>	<b>(4,635,558)</b>	<b>(0.66)</b>	<b>2.94</b>
<b>Net assets attributable to unitholders</b>	<b>703,530,678</b>	<b>100.00</b>	<b>100.00</b>

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

# United Emerging Markets Portfolios

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

## STATEMENTS OF PORTFOLIO

As at 30 June 2014

### United Emerging Markets Local Currency Bond Fund

	Nominal holdings at 30 June 2014	Fair value at 30 June 2014 \$	Percentage of total net assets attributable to unitholders at 30 June 2014 %
<b>By Geography – Primary Quoted Bonds</b>			
<b>BRAZIL</b>			
NOTA DO TESOURO NACIONAL 10.00% DUE 01/01/2017	2,000	<b>1,094,373</b>	<b>13.19</b>
<b>COLOMBIA</b>			
REPUBLIC OF COLOMBIA 4.375% DUE 21/03/2023	200,000,000	122,370	1.47
REPUBLIC OF COLOMBIA 7.75% DUE 14/04/2021	200,000,000	152,853	1.84
REPUBLIC OF COLOMBIA 9.85% DUE 28/06/2027	200,000,000	172,438	2.08
<b>TOTAL COLOMBIA</b>		<b>447,661</b>	<b>5.39</b>
<b>HUNGARY</b>			
HUNGARY GOVERNMENT BOND 6.00% DUE 24/11/2023	67,380,000	422,166	5.09
HUNGARY GOVERNMENT BOND 6.75% DUE 24/11/2017	50,000,000	309,772	3.73
<b>TOTAL HUNGARY</b>		<b>731,938</b>	<b>8.82</b>
<b>MALAYSIA</b>			
MALAYSIAN GOVERNMENT 3.26% DUE 01/03/2018	1,000,000	383,982	4.63
MALAYSIAN GOVERNMENT 3.492% DUE 31/03/2020	1,000,000	381,209	4.59
<b>TOTAL MALAYSIA</b>		<b>765,191</b>	<b>9.22</b>
<b>MEXICO</b>			
MEX BONOS DESARR FIX RT 7.75% DUE 29/05/2031	35,000	385,534	4.64
MEX BONOS DESARR FIX RT 8% DUE 07/12/2023	30,000	337,965	4.07
<b>TOTAL MEXICO</b>		<b>723,499</b>	<b>8.71</b>
<b>NIGERIA</b>			
NIGERIA GOVERNMENT BOND 4.00% DUE 23/04/2015	30,000,000	<b>217,545</b>	<b>2.62</b>

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

# United Emerging Markets Portfolios

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

## STATEMENTS OF PORTFOLIO

As at 30 June 2014

### United Emerging Markets Local Currency Bond Fund

	Nominal holdings at 30 June 2014	Fair value at 30 June 2014 \$	Percentage of total net assets attributable to unitholders at 30 June 2014 %
<b>By Geography – Primary (continued)</b>			
<b>Quoted Bonds</b>			
<b>PERU</b>			
PERU BONO SOBERANO 7.84% DUE 12/08/2020	300	154,103	1.86
<b>PHILIPPINES</b>			
REPUBLIC OF PHILIPPINES 3.90% DUE 26/11/2022	10,000,000	282,714	3.41
<b>POLAND</b>			
POLAND GOVERNMENT BOND 4.75% DUE 25/04/2017	500,000	217,063	2.62
POLAND GOVERNMENT BOND 5.75% DUE 23/09/2022	1,000,000	480,004	5.78
<b>TOTAL POLAND</b>		<b>697,067</b>	<b>8.40</b>
<b>ROMANIA</b>			
ROMANIA GOVERNMENT BOND 5.85% DUE 26/04/2023	500,000	214,161	2.58
ROMANIA GOVERNMENT BOND 5.90% DUE 26/07/2017	500,000	210,793	2.54
<b>TOTAL ROMANIA</b>		<b>424,954</b>	<b>5.12</b>
<b>RUSSIA</b>			
RUSSIA FOREIGN BOND 7.85% DUE 10/03/2018	5,000,000	182,088	2.20
RUSSIA GOVERNMENT BOND - OFZ 7.05% DUE 19/01/2028	5,000,000	164,561	1.98
RUSSIA GOVERNMENT BOND - OFZ 7.60% DUE 14/04/2021	3,000,000	106,974	1.29
RUSSIA GOVERNMENT BOND - OFZ 7.60% DUE 20/07/2022	5,000,000	177,557	2.14
RUSSIA GOVERNMENT BOND - OFZ 8.15% DUE 03/02/2027	5,000,000	181,081	2.18
<b>TOTAL RUSSIA</b>		<b>812,261</b>	<b>9.79</b>

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



# United Emerging Markets Portfolios

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

## STATEMENTS OF PORTFOLIO

As at 30 June 2014

### United Emerging Markets Local Currency Bond Fund

	Nominal holdings at 30 June 2014	Fair value at 30 June 2014 \$	Percentage of total net assets attributable to unitholders at 30 June 2014 %
<b>By Geography – Primary (continued)</b>			
<b>Quoted Bonds</b>			
<b>SOUTH AFRICA</b>			
REPUBLIC OF SOUTH AFRICA 6.25% DUE 31/03/2036	1,500,000	131,055	1.58
REPUBLIC OF SOUTH AFRICA 6.50% DUE 28/02/2041	1,500,000	131,441	1.58
REPUBLIC OF SOUTH AFRICA 7.00% DUE 28/02/2031	1,000,000	98,902	1.19
REPUBLIC OF SOUTH AFRICA 7.75% DUE 28/02/2023	2,000,000	229,146	2.76
REPUBLIC OF SOUTH AFRICA 8.75% DUE 28/02/2048	2,000,000	227,171	2.74
<b>TOTAL SOUTH AFRICA</b>		<b>817,715</b>	<b>9.85</b>
<b>TURKEY</b>			
TURKEY GOVERNMENT BOND 10.50% DUE 15/01/2020	200,000	128,087	1.54
TURKEY GOVERNMENT BOND 6.30% DUE 14/02/2018	400,000	221,190	2.66
TURKEY GOVERNMENT BOND 8.30% DUE 07/10/2015	300,000	176,194	2.12
TURKEY GOVERNMENT BOND 8.50% DUE 14/09/2022	400,000	233,008	2.81
<b>TOTAL TURKEY</b>		<b>758,479</b>	<b>9.13</b>
<b>Accrued Interest Receivable on Quoted Bonds</b>		<b>196,736</b>	<b>2.37</b>
<b>Portfolio of investments</b>		<b>8,124,236</b>	<b>97.88</b>
<b>Other net assets</b>		<b>175,929</b>	<b>2.12</b>
<b>Net assets attributable to unitholders</b>		<b>8,300,165</b>	<b>100.00</b>

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

# United Emerging Markets Portfolios

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

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## STATEMENTS OF PORTFOLIO

As at 30 June 2014

	<b><u>United Emerging Markets</u></b> <b><u>Local Currency Bond Fund</u></b> Percentage of total net assets attributable to unitholders at 30 June 2014 %
<b>By Geography – Primary (Summary)</b>	
<b>Quoted Bonds</b>	
Brazil	13.19
Colombia	5.39
Hungary	8.82
Malaysia	9.22
Mexico	8.71
Nigeria	2.62
Peru	1.86
Philippines	3.41
Poland	8.40
Romania	5.12
Russia	9.79
South Africa	9.85
Turkey	9.13
<b>Accrued Interest Receivable on Quoted Bonds</b>	2.37
	<hr/>
<b>Portfolio of investments</b>	97.88
<b>Other net assets</b>	2.12
	<hr/>
<b>Net assets attributable to unitholders</b>	100.00
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*The accompanying notes form an integral part of these financial statements.*

# United Emerging Markets Portfolios

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

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## STATEMENTS OF PORTFOLIO

As at 30 June 2014

	<u>United Emerging Markets Local Currency Bond Fund</u>	
	Fair value at	Percentage of
	30 June	total net assets
	2014	attributable to
	\$	unitholders at
		30 June
		2014
		%
<b>By Industry - Secondary</b>		
<b>Quoted Bonds</b>		
Government	7,927,500	95.51
<b>Accrued Interest Receivable on Quoted Bonds</b>	196,736	2.37
<b>Portfolio of investments</b>	8,124,236	97.88
<b>Other net assets</b>	175,929	2.12
<b>Net assets attributable to unitholders</b>	8,300,165	100.00

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

# United Emerging Markets Portfolios

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

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year/period ended 30 June 2014

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

### 1. General

United Emerging Markets Portfolios (the “Fund”) is a Singapore registered umbrella fund constituted by a Trust Deed between UOB Asset Management Ltd (the “Manager”) and HSBC Institutional Trust Services (the “Trustee”). The Deed is governed by the laws of the Republic of Singapore.

With effect from 18 July 2013, the Fund comprises of two sub-funds namely, United Emerging Markets Bond Fund and United Emerging Markets Local Currency Bond Fund (collectively refer to “Sub-Funds”).

The primary activity of the Sub-Funds are that of investment trading. The Sub-Funds’ investment objectives are stated below:

#### United Emerging Markets Bond Fund

The sub-fund’s investment objective is to maximise returns, with high yield and capital appreciation over the longer term, by investing primarily in emerging markets debt investments and products.

#### United Emerging Markets Local Currency Bond Fund

The sub-fund’s investments objective is to achieve a total return consisting of income and capital appreciation over the longer term by investing primarily in a diversified portfolio of debt instruments which are issued by governments, quasi-government bodies, international and multi-national organisations, banks, financial institutions, corporations and/or other entities located, incorporated or having significant business operations or assets in Emerging Markets. The sub-fund’s investments in these debt instruments will primarily be denominated in the local currency of an Emerging Market at the time of investment.

Subscriptions and redemptions of the units are denominated in Singapore Dollar and United States Dollar. Investors may subscribe in United States Dollar at the applicable rate of exchange from Singapore Dollar.

# United Emerging Markets Portfolios

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

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year/period ended 30 June 2014

### 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” issued by the Institute of Singapore Chartered Accountants.

On 1 July 2013, the Sub-Funds have adopted Singapore Financial Reporting Standard 113 ‘Fair value measurement’ (“FRS 113”) which is effective for annual periods beginning on or after 1 January 2013. The standard improves consistency and reduces complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across FRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within FRS. If an asset or a liability measured at fair value has a bid price and an ask price, the standard requires valuation to be based on a price within the bid-ask spread that is most representative of fair value and allows the use of mid-market pricing or other pricing conventions that are used by market participants as a practical expedient for fair value measurement within a bid-ask spread.

On adoption of the standard, United Emerging Market Bond Fund changed its valuation inputs for quoted financial assets and liabilities for quoted debt securities to market mid prices to be consistent with the inputs for the calculation of the their per unit trading value for subscriptions and redemptions. In the prior year, the sub-funds utilised bid and ask prices for its quoted financial assets and liabilities in accordance with Singapore Financial Reporting Standard 39 ‘Financial Instruments: Recognition and Measurement’ (“FRS 39”). The change in valuation inputs is considered to be a change in estimate in accordance with Singapore Financial Reporting Standard 8 ‘Accounting policies, Changes in Accounting Estimates and Errors’ (“FRS 8”) and is applied prospectively.

(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 Statements of Total Return in the year in which they arise.

# United Emerging Markets Portfolios

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

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year/period ended 30 June 2014

### 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 sales of investments are computed on the basis of the difference between the weighted average cost and selling price gross of transaction costs, and are taken up in the Statements of Total Return.

(d) Basis of valuation of investments

The fair value of financial assets and liabilities traded in active markets is based on market mid prices for the quoted debt securities on the reporting date. Accrued interest or discount or premium on debt securities at the reporting date are included in the fair value of debt securities. Interest income on debt securities is presented within net gains or losses on investments on the Statement of Total Return.

The fair value of investments held in underlying funds is the quoted net asset value of the underlying fund as determined by the underlying fund's administrator. Net changes in fair value of investments are included in the Statement of Total Return in the year/period in which they arise.

(e) Foreign currency translation

(i) *Functional and presentation currency*

The Sub-Funds' 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 Sub-Funds are 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 Sub-Funds operate. The financial statements are presented in Singapore dollars, which is the Sub-Funds' 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 Statements of Total Return. Translation differences on non-monetary financial assets and liabilities are also recognised in the Statements of Total Return within the net gain or loss on investments.

# United Emerging Markets Portfolios

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year/period ended 30 June 2014

### 2. Significant accounting policies (continued)

(f) Expenses charged to the Sub-Funds

All direct expenses relating to the Sub-Funds are charged directly to the Statements of Total Return against the values of the respective sub-funds. In addition, certain expenses shared by all unit trusts managed by the Manager are allocated to each sub-fund based on the respective sub-fund's net asset value.

(g) Financial derivatives

Financial derivatives including forwards and swaps may be entered into for the purposes of hedging existing positions in a portfolio, efficient portfolio management, optimising returns of the Sub-Funds or a combination of one or more of these purposes as determined by the Manager and in accordance with the provision of the Trust Deed and the Code on Collective Investment Schemes.

Financial derivatives outstanding on the reporting date are valued at the forward rates or at the current market prices using the "mark-to-market" method, as applicable, and the resultant gains and losses are taken up in the Statements of Total Return. Interest expense on credit default swaps at fair value through profit or loss is recognised in the Statements of Total Return within net realised gain/(loss) on financial derivatives in the period in which they arise.

(h) Distributions

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 Sub-Funds. Distributions are accrued for at the reporting date if the necessary approvals have been obtained and a legal or constructive obligation has been created.

### 3. Income tax

	<b>United Emerging Markets Bond Fund</b>		<b>United Emerging Markets Local Currency Bond Fund</b>
			<b>For the financial period from 18 July 2013 (date of constitution) to 30 June</b>
	<b>2014</b>	<b>2013</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Overseas income tax	<b>3</b>	-	<b>4,702</b>
Capital gain tax	-	-	<b>3,613</b>

# United Emerging Markets Portfolios

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year/period ended 30 June 2014

### 3. Income tax (continued)

The Sub-Funds were granted the status of a Designated Unit Trust (“DUT”) in Singapore and, therefore, the following income is not taxable in accordance with Section 35(12) of the Income Tax Act (Cap 134) including:

- (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);
- (iii) dividends derived from outside Singapore and received in Singapore.
- (iv) gains or profits derived from foreign exchange transactions, transactions in futures contracts, transactions in interest rate or currency forwards, swaps or option contracts and transactions in forwards, swaps or option contracts relating to any securities or financial index; and
- (v) distributions from foreign unit trusts derived from outside Singapore and received in Singapore.

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

The Sub-Funds are required to recognise a tax liability when it is probable that the tax laws of foreign countries require a tax liability to be assessed on the sub-funds’ gains on investments sourced from such foreign countries, assuming the relevant taxing authorities have full knowledge of all the facts and circumstances. The tax liability is then measured at the amount expected to be paid to the relevant taxation authorities using the tax laws and rates that have been enacted or substantively enacted by the end of the reporting period. There is sometimes uncertainty about the way enacted tax law is applied to offshore investment funds. This creates uncertainty about whether or not a tax liability will ultimately be paid by the sub-funds. Therefore when measuring any uncertain tax liabilities management considers all of the relevant facts and circumstances available at the time which could influence the likelihood of payment, including any formal or informal practices of the relevant tax authorities.

As at 30 June 2014 and 2013, the Sub-Funds have uncertain tax exposure with respect to gains on investment of which the tax liability is estimated to be nil. While this represents the Manager’s best estimate, the estimated value could differ significantly from the amount ultimately payable.

### 4. Receivables

	<b>United Emerging Markets Bond Fund</b>		<b>United Emerging Markets Local Currency Bond Fund</b>
	<b>2014</b>	<b>2013</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Amounts receivable for creation of units	<b>843,700</b>	3,956,658	-
Other receivable	<b>66,997</b>	280,029	<b>3,169</b>
	<b>910,697</b>	4,236,687	<b>3,169</b>



# United Emerging Markets Portfolios

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year/period ended 30 June 2014

### 5. Payables

	<b>United Emerging Markets Bond Fund</b>		<b>United Emerging Markets Local Currency Bond Fund</b>
	<b>2014</b>	<b>2013</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Amounts payable for cancellation of units	<b>8,883,704</b>	9,311,548	-
Amount due to Manager	<b>3,410,316</b>	7,521,897	<b>27,937</b>
Amount due to Trustee	<b>74,501</b>	161,672	<b>1,858</b>
Other creditors and accrued expenses	<b>25,150</b>	490,451	<b>33,777</b>
	<b>12,393,671</b>	17,485,568	<b>63,572</b>

### 6. Fair value of financial derivatives

Financial derivatives contracts comprise future contracts and forward foreign exchange contracts for the sale and purchase of foreign currencies. The contract or underlying principal amounts of these financial derivatives and their corresponding gross positive or negative fair values at the reporting date are analysed below.

#### United Emerging Markets Bond Fund

	<b>30 June 2014</b>		
	<b>Contract or underlying principal amount \$</b>	<b>Positive fair value \$</b>	<b>Negative fair value \$</b>
<b>Forward foreign exchange contracts</b>	<b>8,511,503</b>	-	<b>26,579</b>
<b>Treasury bill futures</b>	<b>31,749,817</b>	<b>41,198</b>	<b>323,448</b>
		<b>41,198</b>	<b>350,027</b>

	<b>30 June 2013</b>		
	<b>Contract or underlying principal amount \$</b>	<b>Positive fair value \$</b>	<b>Negative fair value \$</b>
Forward foreign exchange contracts	252,034,217	783,835	1,000,335
Treasury bill futures	2,875,672	-	93,339
		<b>783,835</b>	<b>1,093,674</b>

# United Emerging Markets Portfolios

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

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year/period ended 30 June 2014

### 6. Fair value of financial derivatives (continued)

#### United Emerging Markets Local Currency Bond Fund

		30 June 2014	
	Contract or underlying principal amount \$	Positive fair value \$	Negative fair value \$
<b>Forward foreign exchange contracts</b>	<b>1,248,778</b>	<b>2,496</b>	<b>9,549</b>

### 7. Units in issue

During the year ended 30 June 2014 and 30 June 2013 the number of units issued, redeemed and outstanding were as follows:

	<b>United Emerging Markets Bond Fund</b>		<b>United Emerging Markets Local Currency Bond Fund</b>
	<b>2014</b>	<b>2013</b>	<b>For the financial period from 18 July 2013 (date of constitution) to 30 June 2014</b>
Units at the beginning of the year	<b>1,117,763,636</b>	328,249,308	-
Units created	<b>29,027,458</b>	1,053,068,986	<b>8,049,593</b>
Units cancelled	<b>(629,423,624)</b>	(263,554,658)	-
Units at the end of the year	<b>517,367,470</b>	1,117,763,636	<b>8,049,593</b>
Net assets attributable to unitholders (\$)	<b>703,530,678</b>	1,486,803,728	<b>8,300,165</b>
Net asset value per unit (\$)	<b>1.359</b>	1.330	<b>1.031</b>

For subscriptions and redemptions and for various fee calculations as well as for reporting purpose, quoted debt securities are stated at the mid market price on the valuation day for the purpose of determining net asset value per unit. Prior to 1 July 2013, the investments were valued at the relevant bid market prices as at the reporting date for reporting purpose. In addition, distributions are accrued for at the reporting date if the necessary approvals have been obtained and a legal or constructive obligation has been created, for the purpose of determining the accounting net asset values in the financial statements.

# United Emerging Markets Portfolios

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year/period ended 30 June 2014

### 7. Units in issue (continued)

A reconciliation of the net assets attributable to unitholders per unit per the financial statements and the net assets attributable to unitholders per unit for issuing / redeeming units at the financial year end date is prepared below:

	United Emerging Markets Bond Fund		United Emerging Markets Local Currency Bond Fund
	2014	2013	2014
	\$	\$	\$
Net assets attributable to unitholders per financial statements	1.359	1.330	1.031
Effect of adopting bid prices at fair value	-	0.006	-
Effect of distribution	(0.005)	(0.008)	-
Effect for movement in the net asset value between the last dealing date and the end of the reporting period*	0.011	0.015	-
Effect of preliminary expenses write-off	-	-	0.001
Net assets attributable to unitholders for issuing/redeeming	1.365	1.343	1.032

\* The net asset value for the purpose of processing unit subscription and redemption was established in accordance with the methodology indicated in the Sub-Funds' Prospectus. This item reflects the movement in net asset value between such date and the end of the reporting period.

### 8. Distribution to unitholders

#### United Emerging Markets Bond Fund

	2014		2013	
	Per 100 units	Amount	Per 100 units	Amount
	\$	\$	\$	\$
July interim distribution	0.565	6,110,819	0.602	2,185,381
August interim distribution	0.545	5,475,906	0.608	2,470,690
September interim distribution	0.546	4,778,548	0.841	4,100,154
October interim distribution	0.551	4,490,461	0.844	5,049,420
November interim distribution	0.543	4,154,783	0.847	6,039,190
December interim distribution	0.547	3,944,186	0.851	6,666,409
January interim distribution	0.547	3,644,550	0.854	8,087,751
February interim distribution	0.554	3,477,329	0.851	8,674,858
March interim distribution	0.555	3,249,705	0.838	9,473,442
April interim distribution	0.559	3,141,992	0.842	9,745,332
May interim distribution	0.573	3,109,483	0.832	9,546,577
June interim distribution	0.569	2,942,502	0.784	8,757,064
		<u>48,520,264</u>		<u>80,796,268</u>

## **NOTES TO THE FINANCIAL STATEMENTS**

For the financial year/period ended 30 June 2014

### **9. Financial risk management**

The Sub-Funds' activities expose them to a variety of financial risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Sub-Funds' overall risk management programme seeks to minimise potential adverse effects on the Sub-Funds' financial performance. The Sub-Funds 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 Sub-Funds at any time as part of the overall financial risk management to reduce the Sub-Funds' risk exposures.

The Sub-Funds' assets principally consist of financial instruments such as fixed interest investments, money market investments and cash. They are held in accordance with the published investment policies of the Sub-Funds. 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 Sub-Funds' investments are substantially dependent on changes in market prices. The Sub-Funds' 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 Sub-Funds. Guidelines are set to reduce the Sub-Funds' risk exposures to market volatility such as diversifying the portfolio by investing across various geographies, alternatively, the Sub-Funds may be hedged using derivative strategies.

#### **(i) Foreign exchange risk**

The Sub-Funds have securities denominated in currencies other than the Singapore dollars and they 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 Sub-Funds.

# United Emerging Markets Portfolios

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

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year/period ended 30 June 2014

### 9. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

The table below summarises the Sub-Funds' exposure to foreign currencies as of the end of the financial year.

United Emerging Markets Bond Fund

**As at 30 June 2014**

	SGD \$	USD \$	Others \$	Total \$
<b>Assets</b>				
Portfolio of investments	16,578,623	682,143,393	9,444,220	<b>708,166,236</b>
Sales awaiting settlement	-	5,357,570	-	<b>5,357,570</b>
Receivables	241,709	655,792	13,196	<b>910,697</b>
Cash and bank balances	1,802,246	14,605,605	10,042	<b>16,417,893</b>
Margin deposits	-	357,251	741,686	<b>1,098,937</b>
Financial derivatives at fair value	-	41,198	-	<b>41,198</b>
<b>Total Assets</b>	<b>18,622,578</b>	<b>703,160,809</b>	<b>10,209,144</b>	<b>731,992,531</b>
<b>Liabilities</b>				
Purchases awaiting settlement	-	7,825,786	4,949,867	<b>12,775,653</b>
Payables	12,319,581	74,090	-	<b>12,393,671</b>
Proposed distribution	2,640,546	301,956	-	<b>2,942,502</b>
Financial derivatives at fair value	-	-	323,448	<b>323,448</b>
<b>Total Liabilities</b>	<b>14,960,127</b>	<b>8,201,832</b>	<b>5,273,315</b>	<b>28,435,274</b>
<b>Forward foreign exchange contracts (notional value)</b>	<b>-</b>	<b>8,511,503</b>	<b>(8,538,082)</b>	
<b>Net currency exposure</b>	<b>3,662,451</b>	<b>703,470,480</b>	<b>(3,602,253)</b>	

# United Emerging Markets Portfolios

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year/period ended 30 June 2014

### 9. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

United Emerging Markets Bond Fund

As at 30 June 2013

	SGD \$	USD \$	Others \$	Total \$
<b>Assets</b>				
Portfolio of investments	45,449,350	1,374,155,420	23,672,230	1,443,277,000
Sales awaiting settlement	-	7,026,550	-	7,026,550
Receivables	3,542,961	693,726	-	4,236,687
Cash and bank balances	6,724,768	53,643,545	17,963	60,386,276
Margin deposits	-	1,736,772	-	1,736,772
<b>Total Assets</b>	<b>55,717,079</b>	<b>1,437,256,013</b>	<b>23,690,193</b>	<b>1,516,663,285</b>
<b>Liabilities</b>				
Purchase awaiting settlement	-	3,307,086	-	3,307,086
Payables	15,990,163	1,202,842	292,563	17,485,568
Proposed distribution	7,953,917	803,147	-	8,757,064
Financial derivatives at fair value	-	93,339	-	93,339
<b>Total Liabilities</b>	<b>23,944,080</b>	<b>5,406,414</b>	<b>292,563</b>	<b>29,643,057</b>
<b>Forward foreign exchange contracts (notional value)</b>	<b>12,586,850</b>	<b>105,185,188</b>	<b>(117,988,538)</b>	
<b>Net currency exposure</b>	<b>44,359,849</b>	<b>1,537,034,787</b>	<b>(94,590,908)</b>	

# United Emerging Markets Portfolios

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year/period ended 30 June 2014

### 9. Financial risk management (continued)

#### (a) Market risk (continued)

##### (i) Foreign exchange risk (continued)

#### United Emerging Markets Local Currency Bond Fund

##### **As at 30 June 2014**

	BRE \$	SGD \$	ZAR \$	PLN \$	HUF \$	RUB \$	Others \$	Total \$
<b>Assets</b>								
Portfolio of investments	1,149,586	-	840,129	717,029	756,482	834,658	3,826,352	<b>8,124,236</b>
Receivables	-	-	-	-	-	-	3,169	<b>3,169</b>
Cash and bank balances	-	48,487	-	-	-	-	194,898	<b>243,385</b>
	<b>1,149,586</b>	<b>48,487</b>	<b>840,129</b>	<b>717,029</b>	<b>756,482</b>	<b>834,658</b>	<b>4,024,419</b>	<b>8,370,790</b>
<b>Liabilities</b>								
Payables	-	63,193	-	-	-	-	379	<b>63,572</b>
	<b>-</b>	<b>63,193</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>379</b>	<b>63,572</b>
<b>Forward foreign exchange contracts (notional value)</b>	<b>(254,247)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>247,194</b>	
<b>Net currency exposure</b>	<b>895,339</b>	<b>(14,706)</b>	<b>840,129</b>	<b>717,029</b>	<b>756,482</b>	<b>834,658</b>	<b>4,271,234</b>	

Investments, which is the significant item in the Statements of Financial Position is exposed to currency risk and interest rate risk. Currency risk sensitivity analysis is prepared and disclosed only for monetary assets and liabilities. The table below summarises the sensitivity of the Sub-Funds' monetary assets and liabilities to changes in foreign exchange movements as at 30 June 2014 and 2013. The analysis is based on the assumptions that the functional currency increased/decreased to the relevant foreign exchange rates as disclosed below. This represents the Manager's best estimate of a reasonable possible shift in the foreign exchange rates, having regard to historical volatility of those rates.

#### United Emerging Markets Bond Fund

Currency	2014		2013	
	Net impact to net assets attributable to unitholders \$	%	Net impact to net assets attributable to unitholders \$	%
USD	<b>42,208,229</b>	<b>6</b>	92,222,087	6

# United Emerging Markets Portfolios

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year/period ended 30 June 2014

### 9. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

United Emerging Markets Local Currency Bond Fund

Currency	2014	
	Net impact to net assets attributable to unitholders	
	\$	%
BRE	98,487	11
PLN	71,703	10
HUF	83,213	11
RUB	75,119	9
ZAR	100,815	12

(ii) 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.

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of financial assets and liabilities and future cash flow. The Sub-Funds hold interest bearing securities that expose the Sub-Funds to fair value interest rate risk. The Sub-Funds hold securities of varying maturities and interest rate sensitivities. Movement in market interest rates will affect the valuation of the Sub-Funds' securities by varying degrees. The Sub-Funds' policy requires the Manager to manage this risk by measuring the mismatch of the interest rate sensitivity gap of financial assets and liabilities and calculating the average duration of the portfolio of fixed interest securities. The average effective duration of the Sub-Funds' portfolio is a measure of the sensitivity of the fair value of the Sub-Funds' fixed interest securities to changes in market interest rates.



# United Emerging Markets Portfolios

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

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year/period ended 30 June 2014

### 9. Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

The table below summarises the Sub-Funds' exposure to interest rate risks. They include the Sub-Funds' assets and trading liabilities at fair value, categorised by the earlier of contractual re-pricing or maturity dates. All variable rate financial instruments are reset within a month.

The Sub-Funds may use Treasury-bill future contracts to hedge against the interest risk.

United Emerging Markets Bond Fund

**As at 30 June 2014**

	Variable rates \$	Fixed rates \$	Non-interest bearing \$	Total \$
<b>Assets</b>				
Portfolio of investments	41,045,244	640,656,522	26,464,470	<b>708,166,236</b>
Sales awaiting settlement	-	-	5,357,570	<b>5,357,570</b>
Receivables	-	-	910,697	<b>910,697</b>
Cash and bank balances	16,417,893	-	-	<b>16,417,893</b>
Margin deposits	1,098,937	-	-	<b>1,098,937</b>
Financial derivatives at fair value	-	-	41,198	<b>41,198</b>
<b>Total Assets</b>	<b>58,562,074</b>	<b>640,656,522</b>	<b>32,773,935</b>	<b>731,992,531</b>
<b>Liabilities</b>				
Purchases awaiting settlement	-	-	12,775,653	<b>12,775,653</b>
Payables	-	-	12,393,671	<b>12,393,671</b>
Proposed distribution	-	-	2,942,502	<b>2,942,502</b>
Financial derivatives at fair value	-	-	350,027	<b>350,027</b>
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>28,461,853</b>	<b>28,461,853</b>

# United Emerging Markets Portfolios

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year/period ended 30 June 2014

### 9. Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

United Emerging Markets Bond Fund

As at 30 June 2013

	Variable rates \$	Fixed rates \$	Non-interest bearing \$	Total \$
<b>Assets</b>				
Portfolio of investments	126,065,410	1,253,450,164	63,761,426	1,443,277,000
Sales awaiting settlement	-	-	7,026,550	7,026,550
Receivables	-	-	4,236,687	4,236,687
Cash and bank balances	60,386,276	-	-	60,386,276
Margin deposits	1,736,772	-	-	1,736,772
Financial derivatives at fair value	-	-	783,835	783,835
<b>Total Assets</b>	<u>188,188,458</u>	<u>1,253,450,164</u>	<u>75,808,498</u>	<u>1,517,447,120</u>
<b>Liabilities</b>				
Purchase awaiting settlement	-	-	3,307,086	3,307,086
Payables	-	-	17,485,568	17,485,568
Proposed distribution	-	-	8,757,064	8,757,064
Financial derivatives at fair value	-	-	1,093,674	1,093,674
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>30,643,392</u>	<u>30,643,392</u>

# United Emerging Markets Portfolios

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year/period ended 30 June 2014

### 9. Financial risk management (continued)

#### (a) Market risk (continued)

##### (ii) Interest rate risk (continued)

#### United Emerging Markets Local Currency Bond Fund

As at 30 June 2014

	Variable rates \$	Fixed rates \$	Non-interest bearing \$	Total \$
<b>Assets</b>				
Portfolio of investments	-	7,927,500	196,736	<b>8,124,236</b>
Receivables	-	-	3,169	<b>3,169</b>
Cash and bank balances	243,385	-	-	<b>243,385</b>
Financial derivatives at fair value	-	-	2,496	<b>2,496</b>
	<b>243,385</b>	<b>7,927,500</b>	<b>202,401</b>	<b>8,373,286</b>
<b>Liabilities</b>				
Payables	-	-	63,572	<b>63,572</b>
Financial derivatives at fair value	-	-	9,549	<b>9,549</b>
	<b>-</b>	<b>-</b>	<b>73,121</b>	<b>73,121</b>

As at 30 June 2014 and 2013, should interest rates have lowered or risen by respective percentages as disclosed below with all other variables remaining constant, the increase or decrease in net assets attributable to unitholders for the year would be as follows:

#### United Emerging Markets Bond Fund

Currency	2014		2013	
	Net impact to net assets attributable to unitholders \$	%	Net impact to net assets attributable to unitholders \$	%
USD	<b>23,875,019</b>	<b>0.5</b>	97,839,866	1

# United Emerging Markets Portfolios

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

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year/period ended 30 June 2014

### 9. Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

United Emerging Markets Local Currency Bond Fund

Currency	2014	
	Net impact to net assets attributable to unitholders	
	\$	%
BRE	89,429	1.38
HUF	53,925	1.26
PLN	107,709	2.66
RUB	84,363	1.79

The Sub-Funds have direct exposure to interest rate changes on the valuation and cash flows of its interest bearing assets and liabilities. However, it may also be indirectly affected by the impact of changes on the earnings of certain companies in which the Sub-Funds invest and impact on the valuation of certain over-the-counter derivative products that use market interest rates as an input. Therefore, the above sensitivity analysis may not fully indicate the total effect on the Sub-Funds' net assets attributable to holders of future movements in interest rates.

(b) Liquidity risk

The Sub-Funds are exposed to daily cash redemptions and disbursements for the settlements of purchases. The Manager therefore ensures that the Sub-Funds maintain sufficient cash and cash equivalents and that these are 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 Sub-Funds' investments in listed securities are considered to be readily realisable as they are listed on established regional stock exchanges. The Sub-Funds' investments in other funds are considered to be readily realisable as the net asset value is struck daily, and units are redeemable on demand at the published price.

# United Emerging Markets Portfolios

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year/period ended 30 June 2014

### 9. Financial risk management (continued)

#### (b) Liquidity risk (continued)

The Manager may from time to time employ derivatives to implement a portfolio strategy to reduce risk or for the purpose of efficient portfolio management. Market liquidity of complex derivatives are significantly less than traditional investment instruments and such positions may therefore require a longer time to reverse than would be typically be expected for traditional investment instruments. No such investments were held at the reporting date.

The tables below analyse the Sub-Funds' financial liabilities and net settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the Statements of Financial Position 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.

#### United Emerging Markets Bond Fund

##### **As at 30 June 2014**

	<b>Less than 3 months \$</b>
Purchases awaiting settlement	<b>12,775,653</b>
Payables	<b>12,393,671</b>
Proposed distribution	<b>2,942,502</b>
Derivative financial instruments	
- inflows	<b>8,511,502</b>
- outflows	<b>(8,861,529)</b>

##### **As at 30 June 2013**

	<b>Less than 3 months \$</b>
Purchase awaiting settlement	3,307,086
Payables	17,485,568
Proposed distribution	8,757,064
Derivative financial instruments	
- inflows	94,871,231
- outflows	(95,964,905)

# United Emerging Markets Portfolios

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year/period ended 30 June 2014

### 9. Financial risk management (continued)

#### (b) Liquidity risk (continued)

United Emerging Markets Local Currency Bond Fund

**As at 30 June 2014**

	Less than 3 months \$
Payables	63,572
Derivative financial instruments	
- inflows	745,416
- outflows	<u>(754,965)</u>

#### (c) Credit risk

Credit risk is the risk that counterparty will fail to perform contractual obligations, either in whole or in part, under a contract.

Concentrations of credit risk are minimised primarily by:

- ensuring counterparties, together with the respective credit limits, are approved,
- ensuring that transactions are undertaken with a large number of counterparties, and
- ensuring that the majority of transactions are undertaken on recognised exchanges.

As such, the Sub-Funds do not have a concentration of credit risk that arises from an exposure to a single counterparty. Furthermore, the Sub-Funds do not have a material exposure to group of counterparties which are expected to be affected similarly by changes in economic or other conditions.

The Sub-Funds invest in financial assets, which have an investment grade as rated by Moody's. The credit ratings are reviewed regularly.

# United Emerging Markets Portfolios

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

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year/period ended 30 June 2014

### 9. Financial risk management (continued)

#### (c) Credit risk (continued)

The table below analyses the Sub-Funds' investments by credit ratings, expressed as a percentage of net assets attributable to unitholders.

#### United Emerging Markets Bond Fund

##### **As at 30 June 2014**

	<b>Aaa</b>	<b>Aa2</b>	<b>Aa3</b>	<b>A1</b>	<b>A2</b>
Debt securities					
Fixed rate securities	-	-	2%	2%	4%
Variable rate securities	-	-	-	-	-
	<b>A3</b>	<b>Baa1</b>	<b>Baa2</b>	<b>Baa3</b>	<b>Ba1</b>
Debt securities					
Fixed rate securities	3%	7%	7%	25%	8%
Variable rate securities	1%	1%	-	1%	*
	<b>Ba2</b>	<b>Ba3</b>	<b>B1</b>	<b>B2</b>	<b>B3</b>
Debt securities					
Fixed rate securities	2%	2%	4%	2%	1%
Variable rate securities	-	*	1%	-	-
	<b>Caa1</b>	<b>Caa2</b>	<b>Caa3</b>	<b>Non rated</b>	
Debt securities					
Fixed rate securities	4%	*	4%	14%	
Variable rate securities	-	-	-	2%	

\* denotes amount less than 0.50%

# United Emerging Markets Portfolios

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year/period ended 30 June 2014

### 9. Financial risk management (continued)

#### (c) Credit risk (continued)

##### United Emerging Markets Bond Fund

As at 30 June 2013

	<b>Aaa</b>	<b>Aa2</b>	<b>Aa3</b>	<b>A1</b>	<b>A2</b>
Debt securities					
Fixed rate securities	*	*	1%	2%	3%
Variable rate securities	-	-	-	-	1%
	<b>A3</b>	<b>Baa1</b>	<b>Baa2</b>	<b>Baa3</b>	<b>Ba1</b>
Debt securities					
Fixed rate securities	1%	9%	10%	19%	9%
Variable rate securities	1%	1%	1%	1%	*
	<b>Ba2</b>	<b>Ba3</b>	<b>B1</b>	<b>B2</b>	<b>B3</b>
Debt securities					
Fixed rate securities	1%	2%	3%	3%	3%
Variable rate securities	*	*	*	*	-
			<b>Caa1</b>	<b>Caa3</b>	<b>Non rated</b>
Debt securities					
Fixed rate securities			1%	1%	17%
Variable rate securities			-	-	3%

##### United Emerging Markets Local Currency Bond Fund

As at 30 June 2014

	<b>Aaa</b>	<b>Aa2</b>	<b>Aa3</b>	<b>A1</b>	<b>A2</b>
Debt securities					
Fixed rate securities	-	-	-	-	8%
	<b>A3</b>	<b>Baa1</b>	<b>Baa2</b>	<b>Baa3</b>	<b>Ba1</b>
Debt securities					
Fixed rate securities	9%	14%	15%	9%	9%
					<b>Non rated</b>
Debt securities					
Fixed rate securities					32%

\* denotes amount less than 0.50%



# United Emerging Markets Portfolios

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

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year/period ended 30 June 2014

### 9. Financial risk management (continued)

#### (c) Credit risk (continued)

All transactions in listed securities are settled/paid upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

The non-rated securities comprise of government bonds issued in emerging market countries.

Credit risk also arises from cash and cash equivalents and derivative positions held with financial institutions. The table below summarises the credit rating of banks and custodians in which the Sub-Funds' assets are held as at 30 June 2014 and 2013.

The credit ratings are based on the Bank Financial Strength ratings published by the rating agency.

#### United Emerging Markets Bond Fund

##### **As at 30 June 2014**

	<b>Credit rating</b>	<b>Source of credit rating</b>
<u>Bank</u>		
State Street Bank & Trust Co.	<b>B-</b>	<b>Moody's</b>
United Overseas Bank Limited	<b>B</b>	<b>Moody's</b>
<u>Custodian</u>		
State Street Bank & Trust Co.	<b>B-</b>	<b>Moody's</b>
<u>Counterparties of forward foreign exchange contracts</u>		
Barclays Bank PLC	<b>C-</b>	<b>Moody's</b>
<u>Margin deposit</u>		
JP Morgan Chase Bank NA	<b>C</b>	<b>Moody's</b>

# United Emerging Markets Portfolios

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

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year/period ended 30 June 2014

### 9. Financial risk management (continued)

#### (c) Credit risk (continued)

##### United Emerging Markets Bond Fund

As at 30 June 2013

	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
<u>Counterparties of forward foreign exchange contracts</u>		
Australia & New Zealand Banking Group Ltd	B-	Moody's
Barclays Bank PLC	C-	Moody's
Citibank NA	D+	Moody's
State Street Bank & Trust Co.	B	Moody's
Standard Chartered Bank	B-	Moody's
UBS AG	C-	Moody's
<u>Margin deposit</u>		
J.P. Morgan Chase Bank NA	C	Moody's

##### United Emerging Markets Local Currency Bond Fund

As at 30 June 2014

	Credit rating	Source of credit rating
<u>Bank</u>		
Citibank NA	C-	Moody's
United Overseas Bank Limited	B	Moody's
HSBC Group	B	Moody's
<u>Custodian</u>		
The Hongkong and Shanghai Banking Corporation Limited	B	Moody's
<u>Counterparties of forward foreign exchange contracts</u>		
State Street Bank & Trust Co.	B-	Moody's
BNP Paribas	C-	Moody's

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

# United Emerging Markets Portfolios

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year/period ended 30 June 2014

### 9. Financial risk management (continued)

#### (d) Capital management

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

#### (e) Fair value estimation

The Sub-Funds classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table analyses within the fair value hierarchy the Sub-Funds' financial assets and liabilities (by class) measured at fair value at 30 June 2014 and 2013:

#### United Emerging Markets Bond Fund

As at 30 June 2014	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Assets</b>				
<b>Financial assets at fair value through profit or loss</b>				
- Quoted bonds	-	691,587,613	-	691,587,613
- Unit Trust	16,578,623	-	-	16,578,623
- Financial derivatives	41,198	-	-	41,198
<b>Total</b>	<b>16,619,821</b>	<b>691,587,613</b>	<b>-</b>	<b>708,207,434</b>
<b>Liabilities</b>				
- Financial derivatives	323,448	26,579	-	350,027

# United Emerging Markets Portfolios

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year/period ended 30 June 2014

### 9. Financial risk management (continued)

#### (e) Fair value estimation (continued)

The following table analyses within the fair value hierarchy the Sub-Funds' financial assets and liabilities (by class) measured at fair value at 30 June 2014 and 2013:

#### United Emerging Markets Bond Fund

As at 30 June 2013	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Assets</b>				
<b>Financial assets at fair value through profit or loss</b>				
- Quoted bonds	-	1,402,580,281	-	1,402,580,281
- Unit Trust	40,696,719	-	-	40,696,719
- Financial derivatives	-	783,835	-	783,835
<b>Total</b>	40,696,719	1,430,364,116	-	1,444,060,835
<b>Liabilities</b>				
- Financial derivatives	93,339	1,000,335	-	1,093,674

#### United Emerging Markets Local Currency Bond Fund

As at 30 June 2014	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Assets</b>				
<b>Financial assets at fair value through profit or loss</b>				
- Quoted bonds	-	8,124,236	-	8,124,236
- Financial derivatives	-	2,496	-	2,496
<b>Total</b>	-	8,126,732	-	8,126,732
<b>Liabilities</b>				
- Financial derivatives	-	9,549	-	9,549

# United Emerging Markets Portfolios

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

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year/period ended 30 June 2014

### 9. Financial risk management (continued)

#### (e) Fair value estimation (continued)

Investments in open-ended investment funds whose net asset value is struck daily, price information is published and readily available and units are subscribed and redeemable on demand at the published price, are classified within Level 1. The quoted price for these financial instruments is not adjusted.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include investment-grade corporate bonds and over-the-counter derivatives.

Except for cash and cash balances which are classified as Level 1, the Sub-Funds' assets and liabilities not measured at fair value at 30 June 2014 and 2013 have been classified as Level 2. The carrying amounts of these assets and liabilities approximate their fair values as at the Statement of Financial Position date.

### 10. Related party transactions

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

Management and valuation fees are paid to the Manager, while trustee and custodian fees are paid to the Trustee and the registrar fee is paid to HSBC Institutional Trust Services (Singapore) Limited, a subsidiary of HSBC Holdings Plc. These fees paid or payable by the Sub-Funds shown in the Statements 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.

# United Emerging Markets Portfolios

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year/period ended 30 June 2014

### 10. Related party transactions (continued)

- (b) As at the end of the financial year, the Sub-Funds maintained the following accounts with the related parties:

	<b>United Emerging Markets Bond Fund</b>		<b>United Emerging Markets Local Currency Bond Fund</b>
	<b>2014</b>	<b>2013</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<u>United Overseas Bank Limited</u>			
Bank balances	<b>4,402</b>	385,323	<b>22,707</b>
<u>HSBC Group</u>			
Bank balances	-	-	<b>220,678</b>

- (c) The following transactions took place during the financial year between the Sub-Funds and related parties as terms agreed between the parties:

	<b>United Emerging Markets Bond Fund</b>		<b>United Emerging Markets Local Currency Bond Fund</b>
	<b>2014</b>	<b>2013</b>	<b>For the financial period from 18 July 2013 (date of constitution) to 30 June 2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<u>United Overseas Bank Limited</u>			
Bank charges	<b>157</b>	112	-
<u>HSBC Group</u>			
Bank charges	-	-	<b>28</b>

# United Emerging Markets Portfolios

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year/period ended 30 June 2014

### 11. Financial ratios

	United Emerging Markets Bond Fund		United Emerging Markets Local Currency Bond Fund
			For the financial period from 18 July 2013 (date of constitution) to 30 June 2014
	2014	2013	
Expense ratio <sup>1</sup> (with preliminary expenses)	1.99%	1.95%	2.66%
Expense ratio <sup>1</sup> (without preliminary expenses)	1.99%	1.95%	2.20%
Turnover ratio <sup>2</sup>	51.05%	64.02%	52.50%

<sup>1</sup> The expense ratios have been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the Sub-Funds' expense ratios at 30 June 2014 was based on total operating expenses divided by the average net asset value respectively for the year. The total operating expenses do not include (where applicable) brokerage and other transaction costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Sub-Funds do not pay any performance fee. The average net asset value is based on the daily balances.

The expense ratio for the Fund has been calculated based on annualised total operating expenses in accordance with the IMAS guidelines.

Total operating expenses and average net asset value are as below:

	United Emerging Markets Bond Fund		United Emerging Markets Local Currency Bond Fund
			For the financial period from 18 July 2013 (date of constitution) to 30 June 2014
	2014	2013	
	\$	\$	\$
Total operating expenses			
- including preliminary expenses	19,970,904	21,608,174	167,681
- excluding preliminary expenses	19,970,904	21,608,174	131,393
Average net asset value	1,004,425,573	1,110,495,258	7,970,838

# United Emerging Markets Portfolios

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

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## NOTES TO THE FINANCIAL STATEMENTS

For the financial year/period ended 30 June 2014

### 11. Financial ratios (continued)

	United Emerging Markets Bond Fund		United Emerging Markets Local Currency Bond Fund
			For the financial period from 18 July 2013 (date of constitution) to
	2014	2013	30 June 2014
	\$	\$	\$
Total value of sales or purchases of the underlying investments	512,749,174	710,949,299	4,184,310
Average net asset value	1,004,425,573	1,110,495,258	7,970,838

### 12. Comparatives

There is no comparative information available for United Emerging Markets Local Currency Bond Fund as it was constituted on 18 July 2013 and this is the first set of financial statements prepared since its inception.

<sup>2</sup> The portfolio turnover ratios are calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the portfolio turnover ratio was based on the lower of total value of purchases or sales of the underlying investments divided by the average daily net asset value respectively as below:



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