

United Global Portfolios

- United Global Bond Fund (S\$)
- United Renminbi Bond Fund
- United Singapore Bond Fund
- United Global Dividend Balanced Fund

Annual Report

for the financial year ended
30th June 2012

United Global Portfolios

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

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United Global Bond Fund (S\$)

A) Fund Performance

	3 mth	6 mth	1 yr	3 yr	5 yr	10 yr	Since Inception
Fund Performance/ Benchmark Returns	% Growth	% Growth	% Growth	Ann Comp Ret	Ann Comp Ret	Ann Comp Ret	09 November 1998 Ann Comp Ret
United Global Bond Fund (S\$)	1.14	-3.78	3.79	-0.37	1.45	1.60	1.51
Benchmark	2.36	-1.93	7.09	1.50	3.94	3.14	3.50

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: Citi G7 Gov Bond.

The United Global Bond Fund returned 3.79% compared to the benchmark return of 7.09%. We underperformed relative to the benchmark due to our underweight in US treasury and UK Gilt compared to the benchmark, which performed well due to “flight to quality” in these assets. Also our overweight in Italian government bonds contributed negatively to our performance due to the widening of Italian spreads as concerns towards European debt crisis rose. Our exposure to Singapore, overweight in Canadian & Australian bonds and underweight in German bunds were among the positive contributors to our performance relative to the benchmark. In terms of currency, our underweight in Canadian dollar worked well for us, while our underweight in US Dollar and British Pounds against the benchmark contributed to the underperformance.

Economic and Market Review

The markets entered the second half of 2011 with a very slow pace of recovery in the US economy. The “first in history” sovereign rating downgrade of US, along with weak domestic economic data, had raised concerns of a double-dip recession among many economists. But after months of market uncertainties, recovery began to pick up towards end of 2011, with economic data suggesting that growth had strengthened from the meager pace recorded in H1 2011. We entered 2012 on a positive note; but the effect faded with job growth slowing again and key economic data moderating. Although recent slowdown in hiring and economic momentum is looking similar to what happened last year, the data sources are different from 2011.

In 2011, the spring and summer slowdown was associated with the surge in inflation; the CPI had risen to 4.0% seasonally adjusted annualized rate (saar) in the first three quarters of the year and compressed real incomes. Inflation was boosted by the surge in energy, food, and other commodity prices and by Japan’s earthquake, which disrupted the global manufacturing supply chain increasing prices in the auto industry and elsewhere. As a result, even though consumer spending growth weakened in 2011, business spending was booming. However, inflation this year is substantially less pronounced and oil and other commodity prices have been fading. While consumer spending is holding up well, this year’s slowdown is concentrated in business investment. Real business investment slowed from 10.2% saar growth over first three quarters of 2011 to only 1.9% in 1Q12. Businesses may be turning cautious until there is more clarity on the fiscal cliff and its implications on business taxes and Euro zone debt problems.

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The US government faces a critical fiscal situation at year-end after the November elections when many tough budget decisions are due including pending tax increases, expiring programs and spending cuts. The uncertainty generated by the fiscal cliff may start slowing growth in the later part of the year as households and businesses start postponing decisions as they approach the election month. Though the 5-year breakeven rates are currently higher than their four year average, they are still not above the Fed's comfort zone. Hence, we don't think that inflation would hold back a potential QE if the economy deteriorates from here. The Fed has maintained its dovish tone in the last FOMC meeting, mentioning the recovery in the housing market still being vulnerable. The Fed extended its operation twist, which originally started last fall, beyond its June 30 expiration date. Since last August, the Fed has been selling \$400 billion of short-term bonds and using the funds to buy longer-term securities as part of its effort to lower long-term interest rates and spur borrowing and investment. The Central bank prolonged the program through the end of 2012 by \$267bn- to support a slowing US economic recovery. Hence the Fed may refrain from an outright expansion of its balance sheet in the form of QE 3 unless the economic data significantly declines from here.

The US Treasury yields have been quite range bound for the entire year. Headline risks from the Euro zone were one of the key drivers of the rates, giving the US treasury the "safe haven" status for global investors.

In the Euro zone, Greece negotiated a second bailout package along with private sector debt restructuring being completed before the end of last year. Before the investors could shift their focus away from Greece, Spain and Italy became the next victims of the Euro zone's debt crisis. By autumn, Italian and Spanish 10 year bond yields had breached the 6% level and the ECB was forced to restart its Securities Market Program. But it was not until ECB announced two rounds of Long Term Refinancing Operations (LTRO) that the markets took a sigh of relief, which resulted in the market rally in the beginning of 2012. But as the support for the peripheral markets from the ECB's LTRO started to fade, the announcement of revisions to Spain's deficit targets triggered another round of volatility in the markets. Ultimately, Spain requested for a bailout for its banks to a maximum of EUR100billion to be channeled through Spain's Fund for Orderly Bank Restructuring (FROB).

Apprehensions regarding the seniority status of the Spanish bank bailout loans to the sovereign bonds made the 10 year yield cross the threshold of 7%, increasing the probability of a full fledged sovereign bailout. But many of these apprehensions were addressed in the recent EU summit which stated that the bank bailout loan to Spain will initiate through EFSF, making it pari passu (and not senior) with the existing debt. Also a single supervisory mechanism for all Euro zone banks will be established by the end of this year, which would allow ESM to recapitalize banks directly. This is a positive development as it breaks the vicious cycle between the banks and the sovereign, helpful especially to Spain and Ireland. The ECB will serve as an agent to EFSF/ESM in conducting market operations, i.e. government bond buying, curbing the yields below threshold levels. It is also step in the right direction but the limited capacity of ESM (Euro 500 billion) may fail to impress the markets too much. Italy, on the other hand, is also facing dwindling commitment from the political parties supporting the current technocratic government to follow a strict consolidation course. Hence, Prime Minister Mario Monti's ambitious plan (including labor market reforms) may fade away in negotiations and compromises.

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Given the continued volatility in the peripherals, German Bunds continued to be the safe haven of Euro zone, bringing the yields to all time low levels. With the decoupling from the rest of Euro zone and all time low levels of unemployment, the monetary policy remains quite loose for Germany, enhancing the risks of inflation for the country. In recent months, we have also seen the growing size of euro area national banks' claims and liabilities to the TARGET2 payment system. The German Bundesbank has substantial claims while central banks in the peripherals have substantial liabilities. The imbalance poses potential credit risk towards core Europe, especially Germany, in the disorderly event of a country leaving Euro area as the claims and liabilities of the national central banks are with the ECB, not with other central banks. So any ECB losses from refinancing operations with banks in the departing country- in effect the counterpart to TARGET2 balances- would have to be shared by the remaining members of the Euro system.

UK has also been succumbing to the weak external demand, especially from the Euro area counterparts. Exports have been falling while the cost of bank credit is rising. Meanwhile, the government is cutting back and businesses are postponing decisions waiting for more clarity from the Euro zone. Besides the weak labor market, Britain is showing weaknesses in all major sectors. The UK labor market for a number of months has been reasonably stable and not subject to a lot of changes: private sector employment has been growing enough to offset the losses in the public sector. One explanation for the resilient job market in the anemic growth trend is the rise in part time employment. Decline in inflation in the recent months towards Bank of England (BOE)'s long term target is reflecting the unwinding of indirect tax hikes. After halting the QE at GBP325 billion in May 2012, BOE restarted its reserve funded gilt purchase by GBP50 billion for the coming four months.

The Japanese economy registered growth of 1.2% quarter on quarter (qoq) for the first quarter of 2012 driven by private consumption and public investments. Supporting the drivers, were subsidy on energy-efficient cars, reconstruction demand and restocking of inventories. The trade balance was negative as imports remained elevated from increasing needs for fuels to run thermal power plants as the nuclear power plants were turned off. Exports to the European Union countries fell as these countries were caught in the downward spiral of their respective economies.

Canada grew slower than the previous quarter in first quarter of 2012. Real GDP was 1.8% year on year (yoy) in first quarter 2012 compared to 2.2% yoy achieved in fourth quarter 2011. The growth was driven by business and housing investments. Consumption contributed to GDP growth but at a slower pace while net exports subtracted from growth. Considering the more moderate pace of expansion in the most recent quarter, it is no surprise that the central bank maintained an accommodative monetary policy.

The Bank of Canada (BOC) monetary policy meeting in June ended with the central bank keeping the overnight rate unchanged at 1%, a rate that it has maintained since September 2010. The tone of the central bank has softened from prior meeting, sounding less hawkish than before. In the press release following the decision on the policy rate, it mentioned that outlook for the global economic outlook has weakened in recent weeks and some of risks surrounding European crisis are materializing and skewing risks to the downside. Mention was also made of its domestic economy. Domestic economic growth in the first quarter of 2012 was slower than expected and the composition of growth was less balanced with housing activity stronger than expected and households adding to their debt burden in an environment of modest income growth. The BOC expects contribution from government spending to be modest and recovery in net exports to be weak in light of the ongoing challenges. Inflationary pressure is also expected to be modest.

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In recent months, Australia eased monetary policy but put fiscal position on consolidation path. The Reserve Bank of Australia (RBA) concluded the May Monetary Policy Meeting by delivering a bigger than expected cut to the cash rate by 50 bps to 3.75%. The decision was based on weaker than expected economic conditions and moderating inflation. RBA delivered the bigger than expected 50 bps cut after the leaving the policy rate unchanged since November last year when they cut by 25 bps. Rate cuts continued in the June meeting by another 25 bps and the driver seems to be the weakening of financial market sentiment and the central bank noted that Europe would remain a potential source of adverse shocks with prospects crowded by slowing growth, heightened political uncertainty and concerns about the strength of some banks. Policy rate was maintained at the July meeting.

The domestic growth was somewhat below trend for the past year affected by both temporary factors and by the persistently high exchange rate. Structural changes are occurring and labor conditions softened during 2011 though the rate of unemployment remained low. Both households and businesses continue to exhibit cautiousness. Underlying inflation has declined and was a little over 2% over the latest four quarters. Headline inflation also declined from about 3 ½ % last year to about 1 ½ % for the first quarter 2012.

Outlook

The US government faces a critical fiscal situation at year-end after the November elections when many tough budget decisions are due including pending tax increases, expiring programs and spending cuts. The uncertainty generated by the fiscal cliff may start slowing growth in the later part of the year as households and businesses could postpone spending decisions as they approach the election month. Although the 5-year breakeven rates are currently higher than their four year average, they are still not above the Fed's comfort zone. But as the Fed has extended Operation Twist, till the end of the year, the threshold for an outright quantitative easing (QE) has become even higher. Unless the labor market, housing market and other major economic indices significantly weaken from here, any possibility of QE 3 remains low. The US Treasury yields remain quite low since it remains a safe haven for investors as the Euro zone risk remains. Also, the lower end of the curve remains curbed as the Fed has pledged to hold the rate low through at least late 2014. We expect the 10 year treasuries to widen back to 1.8% level and trade range bound between 1.6-2% once more clarity develops around the Euro zone situation. We expect the curve to remain flat as markets turn to the "risk-off" mode unless we see significant positive surprises from the US economy. Our exposure to US Treasuries is neutral, in terms of assets and duration compared to the benchmark, while slightly overweight in US Dollar as the probability of QE 3 has declined after the extension of operation twist.

In Europe, we expect bund yields to continue to be low as safety/liquidity premium from lingering market tensions are capping the yields. Domestic buying from Euro zone should also continue to be strong due to shrinking investment grade sovereigns. However, the key risks towards German credit quality may develop if there is a flight from Euro zone altogether or ECB faces substantial consequences in case Greece exits Euro zone. Also, similar to all previous EU summits, the implementation risk remains high for the timely execution of the measures announced on June 29. Overall, the Euro zone continues to struggle with the ongoing debt crisis, with the risk of continued rising yields in Spain and Italy being on the forefront. Though Spain has already issued around 65% of its total funding needs for 2012, yields above 6.5% remain unsustainable for the country. It is also crucial for the country to achieve its fiscal targets to gain confidence with investors and limit the requirement of the bailout to the financial sector. On the Euro zone, we are neutral on Italy and underweight Germany and France. In terms of duration, we are neutral on France and Italy, while short on Germany.

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Whilst many uncertainties remain, growth in the UK is expected to remain modest, picking up by next year. Given the slow growth along with falling inflation levels we are overweight in UK Gilts and long on duration. In terms of currency we are underweight in both GBP and Euro.

Domestic demand in Japan is holding up growth and assuming no big shock to the global financial system, it is expected to be supportive of the Japanese economic activities. The labor market has been relatively stable with unemployment hovering around 4.5% for the past few months. The pace of improvement may be modest as firms are still cautious amid rising costs, relatively strong Japanese yen and uncertainty about global economic growth. Overall the condition for manufacturing is tough coming from external challenges.

Banks continued to be the big holders of Japanese government bonds (JGBs) financed with high deposits, a consequence of sluggishness in growth and that household portfolios are biased to hold low-risk domestic assets such as deposits which are channeled into JGBs via the banking system. Gross debt to GDP ratio is high and fiscal consolidation has made little progress. In June, the Lower House passed the bill to increase consumption tax from 5% to 8% in April 2014 and 10% in Oct 2015. Though the bill is expected to be passed in the Upper House in August 2012, the implementation of the consumption tax hike is still an uncertainty subject to the growth momentum of the economy. More could be done to address the ballooning public debt. It is nonetheless a step towards resolving the high indebtedness of the public sector.

Japan managed to stay away from deflation for the last few months and this gave some respite to the central bank to take more aggressive loosening measures. This probably is one of the reasons for the support for the Japanese yen. Considering the demographics and fiscal challenges, we are underweight in JGBs and neutral Japanese yen.

Contributing to the slower expansion are deepening external challenges and domestic factors such as the strength of its currency and diminishing productivity growth. The rise in investment spending in the first quarter of 2012 is a reflection that there is little slack in the economy and Canadian's firms efforts in the expansion and upgrading of their capacity. For now, it still enjoys the benefit of proximity and trade links to United States which is still in a better shape than the European continent. Fiscal discipline put Canada in a strong standing and a highly rated sovereign. We are neutral Canadian government bonds and Canadian dollar.

Over the coming one to two years, abstracting the effects of carbon price, inflation will probably be lower than expected and still stay in the 2-3% range. This gives RBA the flexibility to reduce policy rate should economic conditions call for it. As reflected in the Federal Budget for 2012-2013, the government intends to return the budget balance to surplus in 2012/2013. This leaves RBA to pump prime using monetary policy tools should the economy slow down.

The Australian economy is sensitive to global activities through its trade links especially in its exports of commodities and the currency is highly sensible to risk sentiments and trade activities. There are signs that the terms of trade have peaked and increasing talks of whether the commodity super cycle has come to an end. While mining capital expenditure is still increasing, there are pullbacks in capital expenditure under considerations. This well could be due to the pause in further commitments as the risk of slowdown is being assessed.

The government bonds has rallied significantly and priced in further cuts ahead. In view of the above discussed, we are neutral on the bonds and underweight Australian dollar.

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Disclosures

As the Fund is in SGD and the benchmark is in US dollar (USD), we had an overlay of currency hedges during the year, but the effect was largely neutral on the portfolio. To illustrate, we bought USD 3 million against SGD at an exchange rate of 1.2898 in December and subsequently sold at 1.2976 valued three months forward to February 2012. Our global exposure to financial derivatives is calculated based on the commitment approach. This is done by adding the exposure of each financial derivative (for those with and without netting arrangement) and cash collateral values under certain cases.

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United Renminbi Bond Fund

A) Fund Performance

SGD Class

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 03 May 2011 Ann Comp Ret
United Renminbi Bond Fund	3.34	7.98	9.50	N/A	N/A	N/A	7.31
Benchmark	0.34	-1.97	6.09	N/A	N/A	N/A	5.55

Source: Lipper, a Thomson Reuters Company, Bloomberg.

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: 1-year CNH deposit rate

USD Class

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 03 May 2011 Ann Comp Ret
United Renminbi Bond Fund	2.53	10.48	6.14	N/A	N/A	N/A	4.37
Benchmark	-0.41	0.34	2.81	N/A	N/A	N/A	2.59

Source: Lipper, a Thomson Reuters Company, Bloomberg.

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: 1-year CNH deposit rate

For the full year ended 30 June 2012, the Fund's net asset value rose 9.5% in Singapore dollar (SGD) terms versus 6.1% for the HSBC CNH Index.

As at 30 June 2012, 77.0% of the credits purchased were CNH bonds, 12.2% were EUR bonds and 10.8% were USD bonds. The Fund held 12.4% cash as at 30 June 2012.

As at the end of June 2012, the country allocation of the Fund was: 22.1% in **Hong Kong**, 3.9% in **China**, 9.2% in **France**, 8.2% in **Singapore**, 6.7% in **New Zealand**, 5.1% in **Korea**, 5.1% in **Japan** and 4.0% in **Australia**. The Fund had a yield to maturity of 5.5% and duration of 3.8 years.

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Our top 5 holdings were Lanxess Finance BV 3.95% 16/02/2015 (7.7% of NAV), Veolia Environment 4.5% 28/06/2017 (6.7% of NAV), Global Logistic Properties 4% 11/05/18 (6.6% of NAV), Korea Development Bank 3.3% 21/06/2015 (5.1% of NAV) and BECL Investment Holding 4.75% 21/02/2014 (4.3% of NAV). Lanxess (BBB) is a leading specialty Chemicals Company based in Germany. Veolia (BBB+) is a leading environmental services provider based in France. Global Logistic Properties is 50.6% owned by Government of Singapore Investment Corporation. BSH Bosch Und Siemens is an A-rated blue chip German consumer company.

Economic and Market Review

During the period, the Fund's out-performance was due to good credit selection, as we were overweight in good quality non Chinese credits. We pared our holdings of Chinese credits sharply over the past 6 months. As a result, Chinese companies only account for 19.7% of the fund's NAV versus 52.3% at end Dec 2011. We shifted the weights to the developed nation CNH credits.

The CNH market will continue to be heavily influenced by China macro economic developments as this affects the supply of CNH bond as well as expectations of CNH appreciation trend. Given the current economic slowdown in Europe, US and China, hopes of CNH appreciation largely dissipated. In fact, the market is pricing in a depreciation of 1.5% over the next 12 months.

We do not expect China's economy to go into a recession. While economic activity has been slowing down, recent industrial production and financial loan data indicate that the economy continued to grow at a reasonable pace. We think that the Chinese economy is likely to grow 7-8% in H2 2012 from a growth rate of 7.8% in H1 2012.

Economic and Market Outlook

The last twelve months has been a year of sharp contrast for the CNH credit market. The CNH market had a torrid time in H2 2011, posting declines in 5 months out of 6 in H2 2011. In H1 2012, the market had a decent recovery, rising 5 months out of 6 months. The CNH market rose 4.3% during the June 2011 to June 2012 period.

We think that the market's technical and fundamentals for the CNH market are improving as investors are now more discerning of the quality of the issuing company. Hence, we expect that only companies with solid fundamentals or strong government sponsorship will likely to be able to tap the CNH market for funding. This bodes well for the long term development of this market.

We believe that the CNH credit market is likely to continue to slowly gain in value in H2 2012 as new CNH credits are now being issued at a good concession to those trading in the secondary market.

We continue to hold a constructive view on the CNH. In our view, the Chinese Yuan is one of the most under-valued Asia currencies. The CNH performed strongly over the last twelve months, rising by 1.7% during the June 2011 to June 2012 period. This makes the CNH currency the 2nd top performing FX in Asia last year after PHP, which gained 2.9% during the same period. We think that the CNH has the potential to gain at least another 3-4% over the next 6-12 months.

As global growth is likely to weaken further in the first half of 2012 on the back of a slew of negative global macro events, we will remain defensive in our credit selection. We will continue to be biased towards government-linked corporations or companies with strong balance sheet. We will aim to keep CNH credits at around two-thirds of the net asset value (NAV).

Disclosures

As the Fund is denominated in SGD and USD and most of the credits are denominated in CNH, we had an overlay of currency hedges in 2011. 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.

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United Singapore Bond Fund

A) Fund Performance

	3 mth	6 mth	1 yr	3 yr	5 yr	10 yr	Since
Fund Performance/ Benchmark Returns	% Growth	% Growth	% Growth	Ann Comp Ret	Ann Comp Ret	Ann Comp Ret	Inception 26 November 2004 Ann Comp Ret
United Singapore Bond Fund	1.62	2.11	6.16	6.45	4.06	N/A	3.27
Benchmark	1.45	2.10	5.69	4.09	4.30	N/A	3.71

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: Singapore Government Bond Index All UOB.

For the year ended 30 June 2012, the Fund gained 6.2% in Singapore dollar terms compared against 5.7% gain from the benchmark UOB Singapore Government Bond Index.

The Fund outperformed during the period due to capital gains from Singapore Government Securities (SGS) and carry returns from corporate bonds holdings. The Fund was positioned with a long duration bias versus the benchmark going into the period, and enjoyed capital gains from significantly lower SGS yields over the last one year. Over the last year, market rallies on positive developments get shorter and flight to safety drove perceived safe haven assets deeper into the money. As government yields drifted lower, we gradually took profit on the SGS and switched into corporate papers for better carry. In the process, we reduced interest rate risk over time when risk reward payoff from taking on interest rate risk is lowered. Holding the view that the investment environment was still far from benign, the SGS that were sold were replaced with good quality credits which would be better able to ride through the difficult period.

As at 30 June 2012, the Fund was 93% invested with 45% in Singapore government securities. The Fund's yield to maturity was 2.1% and duration was 5.9 years.

Market Review

The past year had seen many rounds of high level meetings of the EU leaders on the resolution of the Euro zone debt crisis. Steps taken and decisions made had cost the political careers of some leaders and there had also been a shift in the mentality from fiscal austerity to pro-growth compact as synchronized cut back in spending pushed the region deeper into recession. Fear of moral hazards and rolling back on reforms are some of the reasons for resistance to more forbearance and debt mutualisation.

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Having said this, bold steps had been taken in the Euro zone and by the European Central Bank though the healing process is still far from over. In the United States, the recovery seen in earlier part of 2012 is losing steam and as we move later into the year, uncertainty from the potential fiscal drag and the Presidential election is pushing back investment and hiring plans. With the challenges ahead in the developed world, government yields of countries like United States and Germany, while depressed, still found buyers. Recovery from financial crisis tends to take longer but the major central banks are maintaining loose monetary policy to ensure that the healing process is in place. The Singapore sovereign is among just a handful of countries remaining with AAA rating from the major international credit rating agencies and is sought after when flight to safety occurs. Yields on the SGS have been moving lower in line with the other highly rated sovereigns and credit spreads on SGD corporates with sound fundamentals had held up quite well.

Outlook and Strategy

For Singapore, the poor Non-Oil Domestic Exports and Industrial Production data suggest that domestic economic activity probably slowed further in Q2 2012 from Q1 2012 (real GDP grew 1.6% year-on-year in Q1 2012). PMI data from Europe, US and China are all suggesting that global growth is now slowing down significantly, with Europe likely to enter into a deep recession. Hence, we believe that Singapore real GDP growth over the next 2-3 quarters will be anemic. Inflation has likely peaked and should moderate to around 3-4% year-on-year in H2 2012 as oil price has fallen significantly since peaking in excess of USD 120 per barrel in mid March. The European crisis will continue to be the key determinant of the performance of the United States Treasury bonds and SGS going forward.

In view of the discussion above and weighing risk-reward payoff, we would have neutral to slightly short duration bias for the Fund. We would continue to have a good balance of corporate credits and Singapore Government Securities in the Fund.

Disclosures

The foreign currency exposure in the Fund is largely hedged using foreign exchange forward contracts. Interest rate risk is partially hedged using interest rate futures. Commitment Approach with Netting Arrangements is used to calculate the global exposure to financial derivative instruments.

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United Global Dividend Balanced Fund

A) Fund Performance

	3 mth	6 mth	1 yr	3 yr	5 yr	10 yr	Since Inception 28 November 2005
Fund Performance/ Benchmark Returns	% Growth	% Growth	% Growth	Ann Comp Ret	Ann Comp Ret	Ann Comp Ret	Ann Comp Ret
United Global Dividend Balanced Fund	-2.18	6.08	-6.55	2.34	-3.68	N/A	-0.84
Benchmark	-2.39	1.71	-1.49	3.23	-2.59	N/A	-0.10

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: 50% MSCI AC World Index & 50% 1 month SIBID.

For the year ended 30 June 2012, the United Global Dividend Balanced Fund **returned -6.6%** on a net asset value basis. Over the same period, the composite benchmark of 50% MSCI AC World Index and 50% 1-month Singapore Interbank Bid Rate (SIBID) fell 1.5%. The exposure to the **United Global Dividend Equity Fund** averaged 56% while that of the **United International Bond Fund** averaged 38% during the period under review. These two funds represent our equity and fixed income weights respectively.

The **United Global Dividend Equity Fund (UGDE)** seeks to offer investors a source of income and capital appreciation by investing in a globally diversified portfolio of equity securities of companies that offer attractive dividend yields, combined with sound operating fundamentals and attractive earnings growth.

For the full year ended 30 June 2012, the net asset value of the UGDE fell 5.9%, compared with the benchmark MSCI AC World Free Index which fell 2.9% in Singapore dollar terms. UGDE's underperformance was attributed to the earlier overweight in Asian Consumer Discretionary, as concerns over global growth weighed down on cyclical sectors. On the other hand, the resilience in Consumer Staples sector, which the fund also had an overweight in, helped reduce the underperformance.

Notable contributors to performance during the period were: **US Bancorp** (Financials), **Progress Energy** (Energy), **GrainCorp** (Consumer Staples), **United Health Group** and **Novo Nordisk** (both Healthcare). Meanwhile, notable absolute detractors from performance included **Volkswagen AG**, **Emperor Watch & Jewellery** and **SJM Holdings** (all Consumer Discretionary), as well as **CNOOC** (Energy).

UGDE pared its exposure to the more cyclical sectors, such as Consumer Discretionary, Industrial and Energy space, soon after mid 2011, when the markets went into a tailspin on concerns over a synchronized slowdown. We reinvested in the more resilient Consumer Staples sector.

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Into late 2011, the UGDE gradually reduced its overweight position in the Consumer Staples sector. We redeployed the proceeds across other sectors with the exception of Financials. We believe that it was prudent to position the fund closer to benchmark sector weights each time market outlook stabilizes. The UGDE's position in the Consumer Staples sector ranged between 20-30% depending on various factors including stock valuation and corporate outlook for these companies.

As of end June 2012, UGDE is still overweight in Consumer Staples. The consumer staples have more stable cash flows and predictable dividends, consistent with the UGDE's income mandate. The Fund is currently underweight the Financial sector and has been so for a couple of years now. We feel that banks around the world would be challenged by recapitalization needs and narrowing margins. The Fund is also underweight Consumer Discretionary and to a lesser degree, Industrials. These sectors are likely to remain operationally challenged as economies around the world muddle through. Many of these businesses are more operationally leveraged, and the slowdown may necessitate some to cut their dividends.

The **United International Bond Fund (UIBF)** invests broadly in a variety of debt asset classes and across many currencies and seeks to achieve a return above cash deposits. UIBF typically has a higher allocation to corporate bonds than to government bonds to reap the higher yields in the former. For the period under review, the UIBF returned -3.7%.

At the end of the period, the UIBF was invested mostly in corporate bonds (63% of the portfolio), convertible bonds (30%) and sovereign bonds (6%). Across the regions, the fund was positioned in Developed markets (33%), Asia ex Singapore (38%), Emerging Markets (22%) and Singapore (7%, including cash).

Market Review

Global equity markets were volatile over the period under review, driven mainly by developments in Europe, especially its credit markets. In late 2011, when yields of the peripheral European economies spiked, equity markets found temporary relief from the ECB's Long-Term Refinancing Operation (LTRO). The coordinated actions from the US Federal Reserve and other major central banks helped alleviate short term liquidity problems with EU financial system. The rally was halted by mid-March 2012 on worries over a possible Greece exit from the Euro zone, Spain's deteriorating fiscal position and an increase in both Italian and Spanish government bond yields extended concerns, and brought into question the broader viability of the Euro bloc.

Since then, the global economies have experienced a synchronized slow down. Europe's recession has both intensified and broadened, engulfing both France and Germany. At the point of writing, the International Monetary Fund has downgraded global GDP growth to 3.5% in 2012 and 3.9% in 2013 and the risk to estimates still appears to be on the downside.

In Asia, exports and industrial production slowed sharply. This was most evident in the larger exporting countries of Taiwan, S. Korea and China. China was one of the weakest markets. The slowdown of the Chinese economy has been much more abrupt than initially anticipated, and a recovery is likely to come more slowly. This shift in growth coupled with inflation pressures has put corporate earnings under intense pressure, weighing on market performance.

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The US has been one of the more resilient regions, a safe haven over this period. Economic indicators signal that the US economic recovery is weakening but that the US should not face the risk of a recession. Although consumer confidence levels are weakening, they are well above 2011 levels. Household finances have been improving and the housing data is slowly recovering. The National Federation of Independent Businesses Hiring Plans Index, while still at low absolute levels, has been rising for three years now, and it has a high inverse correlation of -0.89 with the US unemployment rate. We believe that the US economy's growth should continue to hold up better than many of the other economies elsewhere and expect the US economy to grow by around 2.0-2.5% in 2012.

Outlook and Strategy

In terms of the near term outlook, a continued reduction of tail risks in Europe is good for the equity markets, as this means the chance of financial contagion is greatly reduced. Contagion risk aside, the US would be a country that could weather the European banking crisis better, mainly because its banks had taken earlier active steps to recapitalise. While the US macroeconomic outlook is not robust, unemployment and housing data have stabilised, and inventories remain lean. We expect the US to remain safe haven status for the foreseeable future.

In Europe, the region is still saddled with serious debt troubles, and faces structural challenges. However, there are already signs that the European leaders are making slow but steady progress towards committing to a tighter fiscal integration in the Euro zone. While we do not believe that complete fiscal integration can be achieved immediately, we see markets finding relief that the worst could be behind us.

Global monetary policy is expected to stay extremely accommodative in the foreseeable future. Fed officials constantly reiterated the Fed will not hesitate to add additional stimulus if economic data or financial conditions deteriorated.

Structural issues that challenge the longer term outlook are still persisting. We expect the US debate and media attention over public policy and deficit reduction to dominate the headlines, leading up to the 2012 presidential election. This could dent business confidence, keep companies from expanding and the economy from growing at trend. In the Euro zone, fiscal consolidation and banking system clean up remain longer term challenges. Within the emerging markets, China's property sector and infrastructure spending are key concerns.

Currently, UGDE's key overweight sector is in Consumer Staples, funded by an underweight in various other sectors namely Financials, Consumer Discretionary and Industrials. In terms of the **Consumer Staples**, it is a sector with low beta and a 3% dividend yield. Being a defensive sector, it is expected to post less of a growth slowdown in 2012.

Our investment strategy for the **UIBF** is to continue to be underweight in the developed markets' core government bonds as the low yields on core government bonds reflect excessive risk aversion and have priced in most of the macro risks. Despite the slower growth expectation for US and Asia, we continue to be positive on the outlook for corporate credits in Asia and EM as we expect more policy rate cuts in Asia and EM, in addition to quantitative measures such as RRR cuts in China. In addition, we believe that policy makers will enact reforms to boost domestic demand on a structural basis, especially in China and India.

Reflecting our positive view on both credit conditions and potential cash flow upside from improving sales, China high-yield property credits remain our preferred asset class in Asia, with a bias towards higher quality.

The UIBF will be moving up the credit curve by raising its exposure to investment grades and reducing the weight in high yield corporate credits and convertible bonds as credit markets recover.

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B) Investments at fair value and as a percentage of NAV as at 30 June 2012 under review classified by

i) Country	United Global Bond Fund (S\$)		United Renminbi Bond Fund	
	Fair Value (\$)	% of NAV	Fair Value (\$)	% of NAV
Australia	138,032	12.65	949,549	4.04
Austria	-	-	797,525	3.39
Canada	53,118	4.87	-	-
China	-	-	906,774	3.86
France	79,179	7.26	2,167,883	9.22
Germany	114,077	10.46	-	-
Hong Kong	-	-	5,189,910	22.08
Italy	124,723	11.44	-	-
Japan	-	-	1,188,846	5.06
Netherlands	-	-	2,571,380	10.94
New Zealand	-	-	1,565,537	6.66
Singapore	91,081	8.35	1,933,400	8.22
Slovakia	-	-	375,009	1.59
South Korea	-	-	1,191,934	5.07
Supra National	77,942	7.15	-	-
United Arab Emirates	-	-	916,399	3.90
United Kingdom	48,607	4.46	-	-
United States	257,132	23.57	849,696	3.61
Portfolio of investments	983,891	90.21	20,603,842	87.64
Other net assets	106,822	9.79	2,905,183	12.36
Total	1,090,713	100.00	23,509,025	100.00

i) Country	United Singapore Bond Fund		United Global Dividend Balanced Fund	
	Fair Value (\$)	% of NAV	Fair Value (\$)	% of NAV
Singapore	81,657,550	93.13	35,543,455	100.80
Portfolio of investments	81,657,550	93.13	35,543,455	100.80
Other net assets/ (liabilities)	6,027,915	6.87	(279,512)	(0.80)
Total	87,685,465	100.00	35,263,943	100.00

United Global Portfolios

(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 2012 under review classified by (continued)

	<u>United Global Bond Fund (S\$)</u>		<u>United Renminbi Bond Fund</u>	
	<u>Fair Value (\$)</u>	<u>% of NAV</u>	<u>Fair Value (\$)</u>	<u>% of NAV</u>
ii) Industry				
Consumer Discretionary	-	-	849,696	3.61
Consumer Staples	-	-	1,721,927	7.32
Energy	-	-	1,946,259	8.28
Financials	55,300	5.07	8,903,921	37.89
Government	928,591	85.14	375,009	1.59
Government Agency	-	-	1,191,934	5.07
Industrials	-	-	628,700	2.67
Materials	-	-	2,413,282	10.26
Real Estate	-	-	998,701	4.25
Utilities	-	-	1,574,413	6.70
Portfolio of investments	983,891	90.21	20,603,842	87.64
Other net assets	106,822	9.79	2,905,183	12.36
Total	1,090,713	100.00	23,509,025	100.00

	<u>United Singapore Bond Fund</u>		<u>United Global Dividend Balanced Fund</u>	
	<u>Fair Value (\$)</u>	<u>% of NAV</u>	<u>Fair Value (\$)</u>	<u>% of NAV</u>
ii) Industry				
Consumer Discretionary	1,014,317	1.16	-	-
Financials	21,277,341	24.27	-	-
Government	39,071,120	44.55	-	-
Government Agency	6,193,092	7.06	-	-
Industrials	12,669,488	14.45	-	-
Telecom Service	848,382	0.97	-	-
Utilities	583,810	0.67	-	-
Unit Trust	-	-	35,543,455	100.80
Portfolio of investments	81,657,550	93.13	35,543,455	100.80
Other net assets/ (liabilities)	6,027,915	6.87	(279,512)	(0.80)
Total	87,685,465	100.00	35,263,943	100.00

United Global Portfolios

(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 2012 under review classified by (continued)

	<u>United Global Bond Fund (\$)</u>		<u>United Renminbi Bond Fund</u>	
	Fair Value (\$)	% of NAV	Fair Value (\$)	% of NAV
iii) Asset Class				
Fixed Income	983,891	90.21	20,603,842	87.64
Other net assets	106,822	9.79	2,905,183	12.36
Total	1,090,713	100.00	23,509,025	100.00

	<u>United Singapore Bond Fund</u>		<u>United Global Dividend Balanced Fund</u>	
	Fair Value (\$)	% of NAV	Fair Value (\$)	% of NAV
iii) Asset Class				
Fixed Income/ Unit Trust	81,657,550	93.13	35,543,455	100.80
Other net assets/ (liabilities)	6,027,915	6.87	(279,512)	(0.80)
Total	87,685,465	100.00	35,263,943	100.00

United Global Portfolios

(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 2012 under review classified by (continued)

	<u>United Global Bond Fund (\$\$)</u>		<u>United Renminbi Bond Fund</u>	
	Fair Value (\$)	% of NAV	Fair Value (\$)	% of NAV
iv) Credit rating of debt securities by S & P				
AAA	624,264	57.23	-	-
AA	96,872	8.89	-	-
A	124,723	11.44	4,514,709	19.19
BBB	-	-	5,142,503	21.88
BB	-	-	2,150,424	9.15
NR	138,032	12.65	8,796,206	37.42
Total	983,891	90.21	20,603,842	87.64

	<u>United Singapore Bond Fund</u>		<u>United Global Dividend Balanced Fund</u>	
	Fair Value (\$)	% of NAV	Fair Value (\$)	% of NAV
iv) Credit rating of debt securities by S & P				
AAA	44,216,653	50.42	-	-
AA	3,508,203	4.01	-	-
AA-	1,665,523	1.90	-	-
A+	1,854,946	2.12	-	-
A-	1,557,869	1.78	-	-
NR	28,854,356	32.90	35,543,455	100.80
Total	81,657,550	93.13	35,543,455	100.80

United Global Portfolios

(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 2012 under review classified by (continued)

	<u>United Global Bond Fund (S\$)</u>		<u>United Renminbi Bond Fund</u>	
	Fair Value (\$)	% of NAV	Fair Value (\$)	% of NAV
v) Credit rating of debt securities by Moody's				
Aaa	859,168	78.77	-	-
A	-	-	-	-
A1	-	-	1,191,934	5.07
A2	-	-	1,172,534	4.98
A3	124,723	11.44	407,586	1.73
Ba1	-	-	751,568	3.20
Ba3	-	-	351,179	1.50
Baa1	-	-	1,574,413	6.70
Baa2	-	-	3,753,212	15.96
Baa3	-	-	1,946,259	8.28
NR	-	-	9,455,157	40.22
Total	983,891	90.21	20,603,842	87.64

	<u>United Singapore Bond Fund</u>		<u>United Global Dividend Balanced Fund</u>	
	Fair Value (\$)	% of NAV	Fair Value (\$)	% of NAV
v) Credit rating of debt securities by Moody's				
Aaa	44,216,653	50.42	-	-
Aa1	3,508,203	4.01	-	-
Aa2	1,854,946	2.12	-	-
Aa3	583,810	0.67	-	-
A2	1,557,869	1.78	-	-
A3	3,703,961	4.22	-	-
Baa1	1,008,870	1.15	-	-
Baa2	1,031,306	1.18	-	-
NR	24,191,932	27.58	35,543,455	100.80
Total	81,657,550	93.13	35,543,455	100.80

United Global Portfolios

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

C) Top Ten Holdings

Top Ten holdings as at 30 June 2012 and 30 June 2011

United Global Bond Fund (\$\$)

10 largest holdings at 30 June 2012

	Fair Value (\$)	Percentage of total net assets attributable to unitholders %
US TREASURY 1.5% DUE 30/06/2016	106,351	9.75
US TREASURY 2% DUE 31/01/2016	80,621	7.39
AUSTRALIAN GOVERNMENT BOND 4.75% DUE 15/06/2016	77,443	7.10
SINGAPORE GOVERNMENT BOND 2.5% DUE 01/06/2019	66,081	6.06
EFSF 3.375% DUE 05/07/2021	61,485	5.64
AUSTRALIAN GOVERNMENT BOND 5.50% DUE 21/01/2018	60,589	5.55
BUNDESREPUB DEUTSCHLAND 4.50% DUE 04/01/2013	58,777	5.39
KFW 5.75% DUE 13/05/2015	55,300	5.07
CANADIAN GOVERNMENT BOND 2.75% DUE 01/09/2016	53,118	4.87
BUONI POLIENNALI DEL TES 3.75% DUE 01/03/2021	43,501	3.99

10 largest holdings at 30 June 2011

	Fair Value (\$)	Percentage of total net assets attributable to unitholders %
FRANCE GOVERNMENT BOND 3.50% DUE 25/04/2020	199,683	12.83
BUNDESREPUB DEUTSCHLAND 3.75% DUE 04/01/2017	164,399	10.56
KFW 5.75% DUE 13/05/2015	107,168	6.88
US TREASURY 2.125% DUE 31/05/2015	95,300	6.12
CANADIAN GOVERNMENT 5.25% DUE 01/06/2013	81,901	5.26
BUONI POLIENNALI DEL TES 3.75% DUE 01/03/2021	81,412	5.23
BONOS Y OBLIG DEL ESTADO 5.50% DUE 30/04/2021	80,525	5.17
SINGAPORE GOVERNMENT BOND 3.25% DUE 01/09/2020	76,733	4.93
BUNDESREPUB DEUTSCHLAND 3.25% DUE 04/07/2021	69,373	4.46
SINGAPORE GOVERNMENT BOND 2.375% DUE 01/04/2017	63,972	4.11

United Global Portfolios

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

C) Top Ten Holdings (continued)

United Renminbi Bond Fund

10 largest holdings at 30 June 2012

	Fair Value (\$)	Percentage of total net assets attributable to unitholders %
LANXESS FINANCE BV 3.95% DUE 16/02/2015	1,819,812	7.74
VEOLIA ENVIRONMENT 4.5% DUE 28/06/2017	1,574,413	6.70
GLOBAL LOGISTIC PROPERTIES 4% DUE 11/05/2018	1,543,836	6.57
KOREA DEVELOPMENT BANK 3.3% DUE 21/06/2015	1,191,934	5.07
BECL INVESTMENT HOLDING 4.75% DUE 21/02/2014	998,701	4.25
YANCOAL INTL RES DEV 5.73% DUE 16/05/2022	996,710	4.24
RIGHT CENTURY LTD 1.85% DUE 03/06/2014	957,190	4.07
ORIGIN ENERGY FINANCE LTD 7.875% DUE 16/06/2071	949,549	4.04
RAINBOW DAYS LTD 3% DUE 30/06/2016	944,029	4.02
FORD MOTOR COMPANY 4.875% DUE 26/03/2015	849,696	3.61

10 largest holdings at 30 June 2011

	Fair Value (\$)	Percentage of total net assets attributable to unitholders %
BECL INVESTMENT HOLDING SER HK (REG) 4.75% DUE 21/02/2014	2,574,436	9.69
SHUI ON DEVT HLDG 7.625% DUE 26/01/2015	2,121,026	7.98
BIG WILL INVESTMENTS LTD 7% DUE 29/04/2014	1,980,172	7.45
YANLORD LAND GROUP LTD 10.625% DUE 29/03/2018	1,940,012	7.30
MIE HOLDINGS CORP 9.75% DUE 12/05/2016	1,824,939	6.87
FRANSHION DEVELOPMENT LTD 6.75% DUE 15/04/2021	1,791,958	6.74
GLOBAL LOGISTIC PROPERTIES 4% DUE 11/05/2018	1,547,395	5.82
BEIJING ENTERPRISES WATER 5% DUE 30/6/2016	1,526,949	5.75
RAINBOW DAYS LTD 3% DUE 30/06/2016	1,525,345	5.74
FAR EAST HORIZON LTD 3.9% DUE 03/06/2014	1,040,221	3.91

United Global Portfolios

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

C) Top Ten Holdings (continued)

United Singapore Bond Fund

10 largest holdings at 30 June 2012

	Fair Value (\$)	Percentage of total net assets attributable to unitholders %
SINGAPORE GOVERNMENT BOND 3% DUE 01/09/2024	8,454,116	9.64
SINGAPORE GOVERNMENT BOND 3.25% DUE 01/09/2020	8,102,927	9.24
SINGAPORE GOVERNMENT BOND 3.50% DUE 01/03/2027	8,018,708	9.14
SINGAPORE GOVERNMENT BOND 2.5% DUE 01/06/2019	7,929,770	9.04
SINGAPORE GOVERNMENT BOND 3.125% DUE 01/09/2022	6,565,599	7.49
OCBC NON-CUM PREF SHS 5.10% DUE 29/12/2049	2,248,560	2.56
ST ENGINEERING FIN 1 LTD 4.80% DUE 16/07/2019	2,180,613	2.49
PSA INT'L PTE LTD 4.625% DUE 11/09/2019	2,154,298	2.46
TEMASEK FINANCIAL I LTD 4.3% DUE 25/10/2019	2,129,808	2.43
CITY DEVELOPMENTS LTD 3.82% DUE 13/11/2014	2,075,285	2.37

10 largest holdings at 30 June 2011

	Fair Value (\$)	Percentage of total net assets attributable to unitholders %
SINGAPORE GOVERNMENT BOND 3.25% DUE 01/09/2020	11,509,887	15.16
SINGAPORE GOVERNMENT BOND 4% DUE 01/09/2018	8,249,300	10.87
SINGAPORE GOVERNMENT BOND 3% DUE 01/09/2024	5,730,942	7.55
SINGAPORE GOVERNMENT BOND 3.50% DUE 01/03/2027	4,898,885	6.45
SINGAPORE GOVERNMENT BOND 3.125% DUE 01/09/2022	4,494,793	5.92
OCBC NON-CUM PREF SHS 5.10% DUE 29/12/2049	3,906,972	5.15
SINGAPORE GOVERNMENT BOND 2.5% DUE 01/06/2019	3,119,493	4.11
SINGAPORE GOVERNMENT BOND 2.375% DUE 01/04/2017	2,665,485	3.51
ST ENGINEERING FIN 1 LTD 4.80% DUE 16/07/2019	2,643,440	3.48
HOUSING & DEVELOPMENT BOARD 3.14% DUE 18/03/2021	2,325,453	3.06

United Global Portfolios

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

C) Top Ten Holdings (continued)

United Global Dividend Balanced Fund

2 largest holdings at 30 June 2012 ⁺

	Fair Value (\$)	Percentage of total net assets attributable to unitholders %
UNITED GLOBAL DIVIDEND EQUITY FUND *	20,772,668	58.91
UNITED INTERNATIONAL BOND FUND	14,770,787	41.89

2 largest holdings at 30 June 2011 ⁺

	Fair Value (\$)	Percentage of total net assets attributable to unitholders %
UNITED SURE FUND	38,420,124	65.90
UNITED INTERNATIONAL BOND FUND	20,066,340	34.42

⁺ There were only 2 holdings as at 30 June 2012 and 30 June 2011

* The Fund changed its name from United Sure Fund to United Global Dividend Equity Fund with effect from 1 June 2012

United Global Portfolios

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

D) Exposure to derivatives

- (i) Fair value of financial derivative contracts and as a percentage of NAV as at 30 June 2012

United Global Bond Fund (S\$)

	Contracts or underlying principal amount \$	Positive fair value \$	% of NAV	Negative fair value \$	% of NAV
Forward foreign exchange contracts	955,532	576	0.05	7,876	0.72

United Renminbi Bond Fund

	Contracts or underlying principal amount \$	Positive fair value \$	% of NAV	Negative fair value \$	% of NAV
Forward foreign exchange contracts	124,215,193	717,983	3.05	658,014	2.80

United Singapore Bond Fund

	Contracts or underlying principal amount \$	Positive fair value \$	% of NAV	Negative fair value \$	% of NAV
Forward foreign exchange contracts	7,656,026	43,330	0.05	48,513	0.06
Futures	5,885,523	-	-	32,214	0.04

United Global Portfolios

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

D) Exposure to derivatives (continued)

- (ii) There were net gains/(losses) on derivative contracts realised during the financial year ended 30 June 2012

	<u>United Global Bond Fund (\$\$)</u> (\$)	<u>United Renminbi Bond Fund</u> (\$)
Net (losses)/gains on derivative contracts	(3,590)	599,428
	<u>United Singapore Bond Fund</u> (\$)	<u>United Global Dividend Balanced Fund</u> (\$)
Net (losses)/gains on derivative contracts	(339,941)	-

- (iii) There were net gains/(losses) on derivative contracts outstanding during the financial year ended 30 June 2012

	<u>United Global Bond Fund (\$\$)</u> (\$)	<u>United Renminbi Bond Fund</u> (\$)
Net (losses)/gains on derivative contracts	(7,300)	59,969
	<u>United Singapore Bond Fund</u> (\$)	<u>United Global Dividend Balanced Fund</u> (\$)
Net (losses)/gains on derivative contracts	(37,397)	-

E) Amount and percentage of net asset value (NAV) invested in other schemes as at 30 June 2012

United Singapore Bond Fund

	Fair Value (\$)	Percentage of total net assets attributable to unitholders %
ASCENDAS INDIA TRUST 5.255% DUE 09/11/2012	253,701	0.29
ASCENDAS INDIA TRUST SERIES 2 5.255% DUE 09/11/2012	761,713	0.87
ASCENDAS REAL ESTATE INVESTMENT TRUST 4% DUE 03/02/2022	1,008,870	1.15
MAPLETREE INDUSTRIAL TRUST 3.75% DUE 08/03/2019	2,047,902	2.33
SUNTEC REITS 3.10% DUE 08/08/2016	1,008,715	1.15

United Global Portfolios

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

E) Amount and percentage of net asset value (NAV) invested in other schemes as at 30 June 2012
(continued)

United Global Dividend Balanced Fund

	Fair Value (\$)	Percentage of total net assets attributable to unitholders %
UNITED GLOBAL DIVIDEND EQUITY FUND	20,772,668	58.91
UNITED INTERNATIONAL BOND FUND	14,770,787	41.89

F) Amount and percentage of borrowings to net asset value (NAV) as at 30 June 2012

N/A

G) Amount of redemptions and subscriptions for the financial year ended 30 June 2012

	<u>United Global Bond Fund (\$\$)</u> (\$)	<u>United Renminbi Bond Fund</u> (\$)
Total amount of redemptions	2,695,795	13,134,242
Total amount of subscriptions	2,208,701	8,172,021

	<u>United Singapore Bond Fund</u> (\$)	<u>United Global Dividend Balanced Fund</u> (\$)
Total amount of redemptions	11,228,991	17,317,488
Total amount of subscriptions	18,096,102	278,581

H) The amount and terms of related-party transactions for the financial year ended 30 June 2012

i) As at 30 June 2012 the Fund maintained current accounts with the related parties as follows:

	<u>United Global Bond Fund (\$\$)</u> (\$)	<u>United Renminbi Bond Fund</u> (\$)
<u>United Overseas Bank Limited</u>		
Bank balances	21,685	46,572
<u>HSBC Group</u>		
Bank balances	-	395,570

United Global Portfolios

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

H) The amount and terms of related-party transactions for the financial year ended 30 June 2012 (continued)

- i) As at 30 June 2012 the Fund maintained current accounts with the related parties as follows:
(continued)

	<u>United Singapore Bond Fund</u> (\$)	<u>United Global Dividend Balanced Fund</u> (\$)
<u>United Overseas Bank Limited</u>		
Bank balances	5,346	289,123

- ii) Purchase/holdings of UOBAM unit trusts by UOB or its affiliated companies as at 30 June 2012

Holdings of United Renminbi Bond Fund as at 30 June 2012 were as follows:

<u>Affiliated Companies</u>	<u>No. of Units</u>	<u>Unit Price USD</u>	<u>Market Value USD</u>
a) United Emerging Markets Bond Fund	1,488,035.89	1.054	1,568,389.83

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

N/A

- iv) As at 30 June 2012 there was no brokerage income earned by UOB Kay Hian Pte Ltd.

I) Expense ratios

	<u>United Global Bond Fund (\$\$)</u>	<u>United Renminbi Bond Fund</u>
30 June 2012 (including preliminary expense)	3.41%	1.59%
30 June 2012 (excluding preliminary expense)	3.41%	1.59%
30 June 2011 (including preliminary expense)	2.74%	1.82%
30 June 2011 (excluding preliminary expense)	2.74%	1.63%

	<u>United Singapore Bond Fund</u>	<u>United Global Dividend Balanced Fund</u>
30 June 2012	0.80%	2.09%
30 June 2011	0.78%	1.88%

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

United Global Portfolios

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

J) Turnover ratios

	<u>United Global Bond Fund (\$\$)</u>	<u>United Renminbi Bond Fund</u>
30 June 2012	164.97%	544.40%
30 June 2011	113.27%	31.64%
	<u>United Singapore Bond Fund</u>	<u>United Global Dividend Balanced Fund</u>
30 June 2012	48.44%	18.35%
30 June 2011	112.84%	0.60%

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

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

N/A

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

- i) top 10 holdings at fair value and as percentage of NAV as at 30 June 2012 and 30 June 2011

United Global Dividend Balanced Fund

10 largest holdings at 30 June 2012

	<u>United Global Dividend Equity Fund</u>	
	Fair Value (\$)	% of NAV
GRAINCORP LTD	984,808	4.20
US BANCORP	936,746	4.00
PROGRESS ENERGY RESOURCES CO	872,449	3.72
UNITEDHEALTH GROUP INC	852,249	3.64
FRESENIUS SE & CO KGAA	762,081	3.25
LOREAL	741,287	3.16
MEAD JOHNSON NUTRITION CO	683,256	2.92
SEADRILL LTD	674,809	2.88
BG GROUP PLC	671,593	2.87
HONEYWELL INTERNATIONAL INC	636,650	2.72

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

United Global Portfolios

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

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

- i) top 10 holdings at fair value and as percentage of NAV as at 30 June 2012 and 30 June 2011 (continued)

United Global Dividend Balanced Fund

10 largest holdings at 30 June 2011

	<u>United Global Dividend Equity Fund</u>	
	Fair Value	% of NAV
	(\$)	
VOLKSWAGEN AG PFD	1,817,796	3.74
GREAT WALL MOTOR COMPANY-H	1,577,753	3.25
CANADIAN NATIONAL RAILWAY CO	1,569,377	3.23
US BANCORP	1,533,899	3.16
AMBEV CIA DE BEDIDAS ADR	1,241,850	2.55
QUIMICA Y MINERA CHIL-SP ADR	1,189,922	2.45
BRITISH AMERICAN TOBACCO PLC	1,157,262	2.38
JPMORGAN CHASE AND CO	1,129,984	2.32
MERCK & CO. INC.	1,125,743	2.32
FANUC LTD	1,016,928	2.09

United Global Dividend Balanced Fund

10 largest holdings at 30 June 2012

	<u>United International Bond Fund</u>	
	Fair Value	% of NAV
	(\$)	
YANCOAL INTL RES DEV 5.73% DUE 16/05/2022	2,429,906	7.11
MORGAN STANLEY 4.75% DUE 22/03/2017	2,298,235	6.72
SOCIETE GENERALE 9.375% DUE 29/09/2049	1,774,002	5.19
BLD INVESTMENTS CB 8.625% DUE 23/03/2015	1,740,029	5.09
PALADIN ENERGY LTD CB 6% DUE 30/04/2017	1,703,732	4.98
ENERCOAL RESOURCES PTE CB 9.25% DUE 05/08/2014	1,667,429	4.88
BUMI INVESTMENT PTE LTD 10.75% DUE 06/10/2017	1,653,447	4.84
SANTOS FINANCE LTD 8.25% DUE 22/09/2070	1,571,690	4.60
MAF GLOBAL SECURITIES 5.25% DUE 05/07/2019	1,530,786	4.48
PETROLEOS DE VENEZUELA 5.25% DUE 12/04/2017	1,452,403	4.25

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

United Global Portfolios

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

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

- i) top 10 holdings at fair value and as percentage of NAV as at 30 June 2012 and 30 June 2011 (continued)

United Global Dividend Balanced Fund

10 largest holdings at 30 June 2011

	<u>United International Bond Fund</u>	
	Fair Value	% of NAV
	(\$)	
CHINA GREEN HOLDINGS LTD 3% DUE 12/04/2013	3,296,004	7.62
WINSWAY COKING COAL HOLDINGS 8.5% DUE 08/04/2016	2,883,624	6.66
OSIM INTL LTD CB 2.75% DUE 05/07/2016	2,877,240	6.65
KAISA GROUP HOLDINGS LTD 13.5% DUE 28/04/2015	2,490,764	5.76
FUFENG GROUP LTD 7.625% DUE 13/04/2016	2,323,586	5.37
TATA STEEL LTD CONV BOND 4.5% DUE 21/11/2014	2,144,154	4.96
ORIGIN ENERGY FINANCE LTD 7.875% DUE 16/06/2071	2,138,665	4.94
HIDILI INDS INTL DEV 8.625% DUE 04/11/2015	1,943,549	4.49
EVERGRANDE REAL ESTATE GROUP 13% DUE 27/01/2015	1,845,254	4.26
DAVOMAS INTERNATIONAL FI 11.0% DUE 08/12/2014	1,813,072	4.19

- ii) expense ratios for the financial year ended 30 June 2012 and 30 June 2011

United Global Dividend Balanced Fund

United Global Dividend Equity Fund

30 June 2012	1.89%
30 June 2011	1.80%

United International Bond Fund

30 June 2012	0.98%
30 June 2011	0.78%

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

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

United Global Portfolios

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

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

iii) turnover ratios for the financial year ended 30 June 2012 and 30 June 2011

United Global Dividend Balanced Fund

United Global Dividend Equity Fund

30 June 2012	83.89%
30 June 2011	63.82%

United International Bond Fund

30 June 2012	588.12%
30 June 2011	352.43%

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

M) Soft dollar commissions/arrangements

There were no soft dollar arrangements, rebates, commissions or other monetary incentives received by UOB Asset Management Ltd.

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

United Global Portfolios

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

REPORT OF THE TRUSTEE

The Trustee is under a duty to take into custody and to hold the assets of the sub-funds of United Global 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 (collectively referred to as the “laws and regulations”), the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting year and report thereon to unitholders in an annual report which shall contain the matters prescribed by the laws and regulations as well as the recommendations of Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” issued by the Institute of Certified Public Accountants of Singapore and the Trust Deed.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Sub-Funds during the financial year covered by these financial statements, set out on pages 35 to 92 comprising the Statements of Total Return, Balance Sheets, Portfolio Statements and Notes to the Financial Statements, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed, laws and regulations and otherwise in accordance with the provisions of the Trust Deed.

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

Authorised signatory

20 September 2012

United Global Portfolios

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

STATEMENT BY THE MANAGER

In the opinion of the directors of UOB Asset Management Ltd, the accompanying financial statements set out on pages 35 to 92, comprising the Statements of Total Return, Balance Sheets, Portfolio Statements and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position of the sub-funds of United Global Portfolios (the “Sub-Funds”) as at 30 June 2012 and the total return/(deficit) for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” issued by the Institute of Certified Public Accountants of Singapore. At the date of this statement, there are reasonable grounds to believe that the 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

THIO BOON KIAT
Authorised signatory

20 September 2012

United Global Portfolios

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

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF UNITED GLOBAL PORTFOLIOS

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

We have audited the accompanying financial statements of sub-funds of United Global Portfolios (the "Sub-Funds") set out on pages 35 to 92, which comprise the Balance Sheets and Portfolio Statements as at 30 June 2012, the Statements of Total Return for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Certified Public Accountants of Singapore, 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal 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 position of the Sub-Funds as at 30 June 2012 and the total return/(deficit) for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore.

PricewaterhouseCoopers LLP
Public Accountants and Certified Public Accountants

Singapore, 20 September 2012

United Global Portfolios

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

STATEMENTS OF TOTAL RETURN

For the financial year ended 30 June 2012

	Note	United Global Bond Fund (\$S)		United Renminbi Bond Fund	
		2012 \$	2011 \$	2012 \$	2011 \$
For the financial period from 3 May 2011 (date of constitution) to 30 June					
Income					
Interest		2	2	1,199	-
Less: Expenses					
Management fee	11	7,755	9,732	219,484	46,941
Trustee fee	11	5,000	5,000	8,779	1,878
Audit fee		11,300	11,097	11,500	11,500
Registrar fee	11	15,000	14,990	15,000	2,425
Valuation fee	11	1,939	2,433	27,435	5,868
Custody fee		8,269	7,011	5,157	423
Interest expenses		10	10	645	124
Preliminary expenses		-	-	-	52,607
Other expenses		7,100	3,971	60,024	7,310
		56,373	54,244	348,024	129,076
Net loss		(56,371)	(54,242)	(346,825)	(129,076)
Net gains or losses on value of investments					
Net realised gain/(loss) on investments		42,014	(34,453)	1,451,210	(64,811)
Net change in fair value on investments		47,880	23,033	149,243	(123,592)
Net realised (loss)/gain on financial derivatives		(3,590)	27,863	599,428	(3)
Net change in fair value on financial derivatives		(7,300)	(9,925)	59,969	(116,433)
Net foreign exchange (loss)/gain		(860)	(46,071)	(17,461)	98,558
Net gains/(losses) on value of investments		78,144	(39,553)	2,242,389	(206,281)
Total return/(deficit) for the year/period before income tax		21,773	(93,795)	1,895,564	(335,357)
Less : Income tax	3	(821)	(203)	-	-
Total return/(deficit) for the year/period		20,952	(93,998)	1,895,564	(335,357)

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

United Global Portfolios

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

STATEMENTS OF TOTAL RETURN

For the financial year ended 30 June 2012

	Note	United Singapore Bond Fund		United Global Dividend Balanced Fund	
		2012 \$	2011 \$	2012 \$	2011 \$
Income					
Dividends		149,584	188,190	549,459	414,567
Interest		2	8	-	-
Other income		-	-	-	327,494
		149,586	188,198	549,459	742,061
Less: Expenses					
Management fee, net of rebates	11	410,224	486,894	93,842	54,781
Trustee fee	11	32,818	38,952	17,143	27,566
Audit fee		11,300	11,377	11,300	11,311
Registrar fee	11	15,000	15,000	15,000	14,990
Valuation fee	11	102,556	121,724	53,573	86,145
Custody fee		17,457	24,790	325	490
Interest expenses		-	-	196	569
Other expenses		66,525	61,457	64,816	110,168
		655,880	760,194	256,195	306,020
Net (loss)/income		(506,294)	(571,996)	293,264	436,041
Net gains or losses on value of investments					
Net realised gain/(loss) on investments		3,327,621	6,104,262	(5,019,920)	(2,467,809)
Net change in fair value on investments		2,457,770	(2,974,262)	464,962	9,761,204
Net realised (loss)/gain on financial derivatives		(339,941)	450,928	-	-
Net change in fair value on financial derivatives		(37,397)	51,243	-	-
Net foreign exchange gain/(loss)		2,610	(27,313)	5,100	(13,871)
Net gain/(loss) on value of investments		5,410,663	3,604,858	(4,549,858)	7,279,524
Total return/(deficit) for the year before income tax		4,904,369	3,032,862	(4,256,594)	7,715,565
Less : Income tax	3	-	-	(58,094)	(70,476)
Total return/(deficit) for the year before distribution		4,904,369	3,032,862	(4,314,688)	7,645,089
Less : Distribution	4	-	-	(1,684,958)	(2,727,893)
Total return/(deficit) for the year		4,904,369	3,032,862	(5,999,646)	4,917,196

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

United Global Portfolios

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

BALANCE SHEETS

As at 30 June 2012

	Note	United Global Bond Fund (S\$)		United Renminbi Bond Fund	
		2012	2011	2012	2011
		\$	\$	\$	\$
ASSETS					
Portfolio of investments		983,891	1,549,623	20,603,842	27,036,645
Sales awaiting settlement		-	-	1,630,609	-
Receivables	5	2,116	9,947	2,994,680	79,177
Fair value of financial derivatives	7	576	779	717,983	888
Cash and bank balances		143,315	26,124	442,142	591,342
Total Assets		1,129,898	1,586,473	26,389,256	27,708,052
LIABILITIES					
Purchases awaiting settlement		-	-	2,066,715	920,700
Payables	6	31,309	18,914	155,502	94,349
Fair value of financial derivatives	7	7,876	10,704	658,014	117,321
Net assets attributable to unitholders	8	1,090,713	1,556,855	23,509,025	26,575,682
Total Liabilities		1,129,898	1,586,473	26,389,256	27,708,052

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

United Global Portfolios

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

BALANCE SHEETS

As at 30 June 2012

	Note	<u>United Singapore</u>		<u>United Global Dividend</u>	
		<u>Bond Fund</u>		<u>Balanced Fund</u>	
		2012	2011	2012	2011
		\$	\$	\$	\$
ASSETS					
Portfolio of investments		81,657,550	70,210,759	35,543,455	58,486,464
Receivables	5	288,798	4,980	308,462	173,669
Fair value of financial derivatives	7	43,330	51,243	-	-
Cash and bank balances		6,587,892	5,958,877	309,710	442,001
Total Assets		88,577,570	76,225,859	36,161,627	59,102,134
LIABILITIES					
Purchases awaiting settlement		590,490	-	-	-
Payables	6	220,888	311,874	781,440	606,461
Proposed distribution of income	4	-	-	116,244	193,177
Fair value of financial derivatives	7	80,727	-	-	-
Net assets attributable to unitholders	8	87,685,465	75,913,985	35,263,943	58,302,496
Total Liabilities		88,577,570	76,225,859	36,161,627	59,102,134

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

United Global Portfolios

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

PORTFOLIO STATEMENTS

As at 30 June 2012

	United Global Bond Fund (\$S)		
	Nominal holdings at 30 June 2012	Fair value at 30 June 2012 \$	Percentage of total net assets attributable to unitholders at 30 June 2012 %
By Geography - Primary Quoted Bonds			
AUSTRALIA			
AUSTRALIAN GOVERNMENT BOND 4.75% DUE 15/06/2016	55,000	77,443	7.10
AUSTRALIAN GOVERNMENT BOND 5.50% DUE 21/01/2018	40,000	60,589	5.55
TOTAL AUSTRALIA		138,032	12.65
CANADA			
CANADIAN GOVERNMENT BOND 2.75% DUE 01/09/2016	40,000	53,118	4.87
FRANCE			
FRANCE GOVERNMENT BOND 3.25% DUE 25/10/2021	25,000	43,298	3.97
FRANCE GOVERNMENT BOND 4.50% DUE 25/04/2041	10,000	18,930	1.74
FRENCH TREASURY NOTE 2% DUE 12/07/2015	10,000	16,951	1.55
TOTAL FRANCE		79,179	7.26
GERMANY			
BUNDESREPUB DEUTSCHLAND 4.50% DUE 04/01/2013	35,000	58,777	5.39
KFW 5.75% DUE 13/05/2015	40,000	55,300	5.07
TOTAL GERMANY		114,077	10.46

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

United Global Portfolios

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

PORTFOLIO STATEMENTS

As at 30 June 2012

	United Global Bond Fund (\$S)		
	Nominal holdings at 30 June 2012	Fair value at 30 June 2012 \$	Percentage of total net assets attributable to unitholders at 30 June 2012 %
By Geography - Primary (continued)			
Quoted Bonds			
ITALY			
BUONI POLIENNALI DEL TES 3.75% DUE 01/03/2021	30,000	43,501	3.99
BUONI POLIENNALI DEL TES 3.75% DUE 01/08/2016	25,000	39,428	3.61
BUONI POLIENNALI DEL TES 4.50% DUE 01/08/2018	16,000	25,258	2.32
BUONI POLIENNALI DEL TES 4.75% DUE 01/02/2013	10,000	16,536	1.52
TOTAL ITALY		124,723	11.44
SINGAPORE			
SINGAPORE GOVERNMENT BOND 2.5% DUE 01/06/2019	60,000	66,081	6.06
SINGAPORE GOVERNMENT T-BILLS 91 DUE 05/07/2012	25,000	25,000	2.29
TOTAL SINGAPORE		91,081	8.35
SUPRA NATIONAL			
EFSF 3.375% DUE 05/07/2021	35,000	61,485	5.64
EFSF EMTN 4.625% DUE 04/02/2015	10,000	16,457	1.51
TOTAL SUPRA NATIONAL		77,942	7.15
UNITED KINGDOM			
UK TREASURY 3.75% DUE 07/09/2021	5,000	11,823	1.09
UK TREASURY 4.25% DUE 07/12/2040	15,000	36,784	3.37
TOTAL UNITED KINGDOM		48,607	4.46

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

United Global Portfolios

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

PORTFOLIO STATEMENTS

As at 30 June 2012

	United Global Bond Fund (\$\$)		
	Nominal holdings at 30 June 2012	Fair value at 30 June 2012 \$	Percentage of total net assets attributable to unitholders at 30 June 2012 %
By Geography - Primary (continued)			
Quoted Bonds			
UNITED STATES			
US TREASURY 0.50% DUE 15/08/2014	13,000	16,553	1.52
US TREASURY 1.5% DUE 30/06/2016	81,000	106,351	9.75
US TREASURY 2% DUE 15/02/2022	10,000	13,197	1.21
US TREASURY 2% DUE 31/01/2016	60,000	80,621	7.39
US TREASURY 2.125% DUE 31/05/2015	20,000	26,629	2.44
US TREASURY 3.125% DUE 15/02/2042	10,000	13,781	1.26
TOTAL UNITED STATES		257,132	23.57
Portfolio of investments		983,891	90.21
Other net assets		106,822	9.79
Net assets attributable to unitholders		1,090,713	100.00

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

United Global Portfolios

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

PORTFOLIO STATEMENTS

As at 30 June 2012

	United Global Bond Fund (S\$)	
	Percentage of total net assets attributable to unitholders at 30 June 2012 %	Percentage of total net assets attributable to unitholders at 30 June 2011 %
By Geography - Primary (Summary)		
Quoted Bonds		
Australia	12.65	-
Canada	4.87	5.26
France	7.26	19.17
Germany	10.46	27.59
Italy	11.44	10.48
Singapore	8.35	9.04
Spain	-	7.32
Supra National	7.15	-
United Kingdom	4.46	6.40
United States	23.57	14.28
Portfolio of investments	90.21	99.54
Other net assets	9.79	0.46
Net assets attributable to unitholders	100.00	100.00

	United Global Bond Fund (S\$)		
	Fair value at 30 June 2012 \$	Percentage of total net assets attributable to unitholders at 30 June 2012 %	Percentage of total net assets attributable to unitholders at 30 June 2011 %
By Industry - Secondary			
Quoted Bonds			
Financials	55,300	5.07	6.88
Government	928,591	85.14	92.66
Portfolio of investments	983,891	90.21	99.54
Other net assets	106,822	9.79	0.46
Net assets attributable to unitholders	1,090,713	100.00	100.00

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

United Global Portfolios

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

PORTFOLIO STATEMENTS

As at 30 June 2012

	United Renminbi Bond Fund		
	Nominal holdings at 30 June 2012	Fair value at 30 June 2012 \$	Percentage of total net assets attributable to unitholders at 30 June 2012 %
By Geography - Primary Quoted Bonds			
AUSTRALIA			
ORIGIN ENERGY FINANCE LTD 7.875% DUE 16/06/2071	600,000	949,549	4.04
AUSTRIA			
RAIFFEISEN BANK INTL 4.55% DUE 23/03/2014	4,000,000	797,525	3.39
CHINA			
BIG WILL INVESTMENTS LTD 7% DUE 29/04/2014	3,000,000	555,595	2.36
COUNTRY GARDEN HOLDINGS CO 11.75% DUE 10/09/2014	250,000	351,179	1.50
TOTAL CHINA		906,774	3.86
FRANCE			
AIR LIQUIDE FINANCE 3% DUE 19/09/2016	3,000,000	593,470	2.52
VEOLIA ENVIRONMENT 4.5% DUE 28/06/2017	8,000,000	1,574,413	6.70
TOTAL FRANCE		2,167,883	9.22

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

United Global Portfolios

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

PORTFOLIO STATEMENTS

As at 30 June 2012

	United Renminbi Bond Fund		
	Nominal holdings at 30 June 2012	Fair value at 30 June 2012 \$	Percentage of total net assets attributable to unitholders at 30 June 2012 %
By Geography - Primary (continued)			
Quoted Bonds			
HONG KONG			
BECL INVESTMENT HOLDING 4.75% DUE 21/02/2014	5,000,000	998,701	4.25
FAR EAST HORIZON LTD 3.9% DUE 03/06/2014	3,500,000	664,580	2.83
LAFARGE SHUI ON CEMENT 9.0% DUE 14/11/2014	3,000,000	628,700	2.67
RAINBOW DAYS LTD 3% DUE 30/06/2016	5,000,000	944,029	4.02
RIGHT CENTURY LTD 1.85% DUE 03/06/2014	5,000,000	957,190	4.07
YANCOAL INTL RES DEV 5.73% DUE 16/05/2022	800,000	996,710	4.24
TOTAL HONG KONG		5,189,910	22.08
JAPAN			
ORIX CORP 4% DUE 29/11/2014	4,000,000	792,034	3.37
SUMITOMO MITSUI FINANCE 3% DUE 12/09/2014	2,000,000	396,812	1.69
TOTAL JAPAN		1,188,846	5.06
NETHERLANDS			
ING VERZEKERINGEN 6.25% DUE 21/06/2021	500,000	751,568	3.20
LANXESS FINANCE BV 3.95% DUE 16/02/2015	9,000,000	1,819,812	7.74
TOTAL NETHERLANDS		2,571,380	10.94

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

United Global Portfolios

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

PORTFOLIO STATEMENTS

As at 30 June 2012

	United Renminbi Bond Fund		
	Nominal holdings at 30 June 2012	Fair value at 30 June 2012 \$	Percentage of total net assets attributable to unitholders at 30 June 2012 %
By Geography - Primary (continued)			
Quoted Bonds			
NEW ZEALAND			
ASB FINANCE LTD 1.875% DUE 10/07/2017	500,000	800,800	3.41
FONTERRA COOPERATIVE GROUP 1.1% DUE 27/06/2014	4,000,000	764,737	3.25
TOTAL NEW ZEALAND		1,565,537	6.66
SINGAPORE			
GLOBAL LOGISTIC PROPERTIES 3.375% DUE 11/05/2016	2,000,000	389,564	1.65
GLOBAL LOGISTIC PROPERTIES 4% DUE 11/05/2018	8,000,000	1,543,836	6.57
TOTAL SINGAPORE		1,933,400	8.22
SLOVAKIA			
SLOVAK REPUBLIC 4.375% DUE 21/05/2022	300,000	375,009	1.59
SOUTH KOREA			
KOREA DEVELOPMENT BANK 3.3% DUE 21/06/2015	6,000,000	1,191,934	5.07
UNITED ARAB EMIRATES			
EMIRATES NBD PJSC 4.875% DUE 12/03/2015	2,000,000	407,586	1.73
MAF GLOBAL SECURITIES 5.25% DUE 05/07/2019	400,000	508,813	2.17
TOTAL ARAB EMIRATES		916,399	3.90

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

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PORTFOLIO STATEMENTS

As at 30 June 2012

	United Renminbi Bond Fund		
	Nominal holdings at 30 June 2012	Fair value at 30 June 2012 \$	Percentage of total net assets attributable to unitholders at 30 June 2012 %
By Geography - Primary (continued)			
Quoted Bonds			
UNITED STATES			
FORD MOTOR COMPANY 4.875% DUE 26/03/2015	4,200,000	849,696	3.61
Portfolio of investments		20,603,842	87.64
Other net assets		2,905,183	12.36
Net assets attributable to unitholders		23,509,025	100.00

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

United Global Portfolios

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

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As at 30 June 2012

	United Renminbi Bond Fund	
	Percentage of total net assets attributable to unitholders at 30 June 2012 %	Percentage of total net assets attributable to unitholders at 30 June 2011 %
By Geography - Primary (Summary)		
Quoted Bonds		
Australia	4.04	2.68
Austria	3.39	-
China	3.86	23.53
France	9.22	-
Hong Kong	22.08	49.19
Indonesia	-	1.32
Japan	5.06	-
Kuwait	-	2.65
Malaysia	-	3.47
Netherlands	10.94	-
New Zealand	6.66	2.85
Singapore	8.22	16.04
Slovakia	1.59	-
South Korea	5.07	-
United Arab Emirates	3.90	-
United States	3.61	-
Portfolio of investments	87.64	101.73
Other net assets/(liabilities)	12.36	(1.73)
Net assets attributable to unitholders	100.00	100.00

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

United Global Portfolios

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

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As at 30 June 2012

	United Renminbi Bond Fund		
	Fair value at 30 June 2012 \$	Percentage of total net assets attributable to unitholders at 30 June 2012 %	Percentage of total net assets attributable to unitholders at 30 June 2011 %
By Industry - Secondary Quoted Bonds			
Consumer Discretionary	849,696	3.61	-
Consumer Staples	1,721,927	7.32	6.42
Energy	1,946,259	8.28	10.87
Financials	8,903,921	37.89	65.00
Government	375,009	1.59	3.47
Government Agency	1,191,934	5.07	-
Industrials	628,700	2.67	-
Materials	2,413,282	10.26	3.23
Real Estate	998,701	4.25	-
Utilities	1,574,413	6.70	12.74
Portfolio of investments	20,603,842	87.64	101.73
Other net assets/(liabilities)	2,905,183	12.36	(1.73)
Net assets attributable to unitholders	23,509,025	100.00	100.00

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

United Global Portfolios

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PORTFOLIO STATEMENTS

As at 30 June 2012

	United Singapore Bond Fund		
	Nominal holdings at 30 June 2012	Fair value at 30 June 2012 \$	Percentage of total net assets attributable to unitholders at 30 June 2012 %
By Industry - Primary			
Quoted Bonds			
CONSUMER DISCRETIONARY			
OVERSEAS UNION ENTERPRISE LTD 4.30% DUE 15/04/2014	1,000,000	1,014,317	1.16
FINANCIALS			
ASCENDAS INDIA TRUST 5.255% DUE 09/11/2012	250,000	253,701	0.29
ASCENDAS INDIA TRUST SERIES 2 5.255% DUE 09/11/2012	750,000	761,713	0.87
ASCENDAS REAL ESTATE INVESTMENT TRUST 4% DUE 03/02/2022	1,000,000	1,008,870	1.15
CAPITALAND LTD 3.125% DUE 05/03/2018	750,000	795,292	0.91
CAPITAMALLS ASIA TREASURY STP DUE 12/01/2022	1,500,000	1,547,915	1.76
CCTN MTN PTE LTD 3.64% DUE 18/02/2015	1,000,000	1,031,306	1.18
CITY DEVELOPMENTS LTD 3.82% DUE 13/11/2014	2,000,000	2,075,285	2.37
CITYDEV NAHDAH PTE LTD 3.565% DUE 15/12/2013	1,000,000	1,019,450	1.16
CMT MTN PTE LTD 3.731% DUE 21/03/2018	700,000	917,162	1.05
CMT MTN PTE LTD 4.321% DUE 08/04/2015	400,000	538,239	0.61
DBS BANK LTD SINGAPORE DUE 21/02/2022	1,000,000	1,006,564	1.15
FCL TREASURY PTE LTD 3.7% DUE 05/04/2019	750,000	758,952	0.87
HK LAND TREASURY SINGAPORE 3.65% DUE 05/10/2015	1,500,000	1,557,869	1.78
KEPPEL LAND LTD 1.875% DUE 29/11/2015	1,500,000	1,443,218	1.65
Balance carried forward		14,715,536	16.80

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

United Global Portfolios

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As at 30 June 2012

	United Singapore Bond Fund		Percentage of total net assets attributable to unitholders at 30 June 2012 %
	Nominal holdings at 30 June 2012	Fair value at 30 June 2012 \$	
By Industry - Primary (continued)			
Quoted Bonds			
FINANCIALS (continued)			
Balance brought forward		14,715,536	16.80
MAPLETREE INDUSTRIAL TRUST 3.75% DUE 08/03/2019	2,000,000	2,047,902	2.33
OCBC NON-CUM PREF SHS 5.10% DUE 29/12/2049	21,600	2,248,560	2.56
STREET SQUARE PTE LTD 3.02% DUE 05/05/2014	1,250,000	1,256,628	1.43
SUNTEC REITS 3.10% DUE 08/08/2016	1,000,000	1,008,715	1.15
TOTAL FINANCIALS		21,277,341	24.27
GOVERNMENT			
SINGAPORE GOVERNMENT BOND 2.5% DUE 01/06/2019	7,200,000	7,929,770	9.04
SINGAPORE GOVERNMENT BOND 3% DUE 01/09/2024	7,500,000	8,454,116	9.64
SINGAPORE GOVERNMENT BOND 3.125% DUE 01/09/2022	5,700,000	6,565,599	7.49
SINGAPORE GOVERNMENT BOND 3.25% DUE 01/09/2020	7,000,000	8,102,927	9.24
SINGAPORE GOVERNMENT BOND 3.50% DUE 01/03/2027	6,800,000	8,018,708	9.14
TOTAL GOVERNMENT		39,071,120	44.55

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

United Global Portfolios

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

PORTFOLIO STATEMENTS

As at 30 June 2012

	United Singapore Bond Fund		
	Nominal holdings at 30 June 2012	Fair value at 30 June 2012 \$	Percentage of total net assets attributable to unitholders at 30 June 2012 %
By Industry - Primary (continued)			
Quoted Bonds			
GOVERNMENT AGENCY			
HOUSING & DEVELOPMENT BOARD 2.815% DUE 26/07/2021	1,750,000	1,865,467	2.13
HOUSING & DEVELOPMENT BOARD 3.14% DUE 18/03/2021	1,250,000	1,362,705	1.55
TEMASEK FINANCIAL I LTD 3.265% DUE 19/02/2020	750,000	835,112	0.95
TEMASEK FINANCIAL I LTD 4.3% DUE 25/10/2019	1,500,000	2,129,808	2.43
TOTAL GOVERNMENT AGENCY		6,193,092	7.06
INDUSTRIALS			
F&N TREASURY PTE LTD 4.55% DUE 05/08/2013	250,000	260,025	0.30
KEPPEL CORP LTD 3.1% DUE 12/10/2020	1,500,000	1,501,146	1.71
KEPPEL CORPORATION LTD 3.145% DUE 14/02/2022	250,000	247,991	0.28
PSA INT'L PTE LTD 4.625% DUE 11/09/2019	1,500,000	2,154,298	2.46
PSA INTERNATIONAL PTE LTD 3.875% DUE 11/02/2021	1,000,000	1,353,905	1.55
SENBCORP FINANCIAL SERVICES 5% DUE 21/04/2014	1,750,000	1,852,286	2.11
SINGAPORE AIRLINES 3.22% DUE 09/07/2020	2,000,000	2,037,511	2.32
SINGAPORE POST LIMITED 3.5% DUE 30/03/2020	1,000,000	1,081,713	1.23
ST ENGINEERING FIN 1 LTD 4.80% DUE 16/07/2019	1,500,000	2,180,613	2.49
TOTAL INDUSTRIALS		12,669,488	14.45

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

United Global Portfolios

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

PORTFOLIO STATEMENTS

As at 30 June 2012

United Singapore Bond Fund

	Nominal holdings at 30 June 2012	Fair value at 30 June 2012 \$	Percentage of total net assets attributable to unitholders at 30 June 2012 %
By Industry - Primary (continued)			
Quoted Bonds			
TELECOM SERVICE			
SINGTEL GROUP TREASURY 4.5% DUE 08/09/2021	600,000	848,382	0.97
UTILITIES			
SP POWERASSETS LTD 4.84% DUE 22/10/2018	500,000	583,810	0.67
Portfolio of investments		81,657,550	93.13
Other net assets		6,027,915	6.87
Net assets attributable to unitholders		87,685,465	100.00

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

United Global Portfolios

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

PORTFOLIO STATEMENTS

As at 30 June 2012

	United Singapore Bond Fund	
	Percentage of total net assets attributable to unitholders at 30 June 2012	Percentage of total net assets attributable to unitholders at 30 June 2011
	%	%
By Industry - Primary (Summary)		
Quoted Bonds		
Consumer Discretionary	1.16	1.36
Financials	24.27	19.23
Government	44.55	56.92
Government Agency	7.06	3.06
Industrials	14.45	11.92
Telecom Service	0.97	-
Utilities	0.67	-
Portfolio of investments	93.13	92.49
Other net assets	6.87	7.51
Net assets attributable to unitholders	100.00	100.00

	United Singapore Bond Fund		
	Fair value at 30 June 2012	Percentage of total net assets attributable to unitholders at 30 June 2012	Percentage of total net assets attributable to unitholders at 30 June 2011
	\$	%	%
By Geography - Secondary			
Quoted Bonds			
Singapore	81,657,550	93.13	92.49
Portfolio of investments	81,657,550	93.13	92.49
Other net assets	6,027,915	6.87	7.51
Net assets attributable to unitholders	87,685,465	100.00	100.00

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

United Global Portfolios

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

PORTFOLIO STATEMENTS

As at 30 June 2012

	United Global Dividend Balanced Fund		
	Holdings at 30 June 2012	Fair value at 30 June 2012 \$	Percentage of total net assets attributable to unitholders at 30 June 2012 %
By Industry - Primary			
UNIT TRUST			
UNITED GLOBAL DIVIDEND EQUITY FUND*	20,814,296	20,772,668	58.91
UNITED INTERNATIONAL BOND FUND	15,338,304	14,770,787	41.89
Portfolio of investments		35,543,455	100.80
Other net liabilities		(279,512)	(0.80)
Net assets attributable to unitholders		35,263,943	100.00

	Percentage of total net assets attributable to unitholders at 30 June 2012 %	Percentage of total net assets attributable to unitholders at 30 June 2011 %
By Industry - Primary (Summary)		
UNIT TRUST		
UNITED GLOBAL DIVIDEND EQUITY FUND*	58.91	65.90
UNITED INTERNATIONAL BOND FUND	41.89	34.42
Portfolio of investments	100.80	100.32
Other net liabilities	(0.80)	(0.32)
Net assets attributable to unitholders	100.00	100.00

As the Sub-Fund invests only into the above two underlying unit trusts governed by the laws of Republic of Singapore, hence no secondary representation is provided.

* The fund changed its name from United Sure Fund to United Global Dividend Equity Fund with effect from 1 June 2012.

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

United Global Portfolios

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2012

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

1. General

United Global Portfolios (the “Fund”) is a Singapore registered umbrella fund constituted under a Trust Deed dated 24 September 1998 between UOB Asset Management Ltd (the “Manager”) and HSBC Institutional Trust Services (Singapore) Limited (the “Trustee”). The Deed is governed by the laws of the Republic of Singapore.

The Fund comprises of four sub-funds namely, United Global Bond Fund (S\$), United Renminbi Bond Fund, United Singapore Bond Fund and United Global Dividend Balanced Fund which are denominated in Singapore dollars (collectively refer to “Sub-Funds”).

The sub-fund changed its name from United Sure Balanced Income Fund to United Global Dividend Balanced Fund with effect from 1 June 2012.

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

United Global Bond Fund (S\$)

The investment objective of this sub-fund is to maximise returns over the longer term by investing mainly in sovereign bonds rated ‘A’ by Standard & Poor’s or ‘A2’ by Moody’s (or its equivalent rating) and above. There is no target industry or sector.

United Renminbi Bond Fund

The investment objective of this sub-fund is to generate fixed income returns and benefit from the potential appreciation of the Renminbi over the medium term.

United Singapore Bond Fund

The investment objective of this sub-fund is to maximise returns over the longer term by investing mainly in SGD-denominated bonds and/or foreign currency-denominated bonds (including, without limitation, zero coupon bonds, callable bonds, equity-linked bonds and convertible bonds) and fixed income/debt securities of all maturities issued in Singapore by the Government, statutory bodies, public and private entities, SGD-denominated and/or foreign-currency denominated money market instruments, bond funds (including funds managed by the Manager) and/or time deposits in accordance with the CPF Investment Guidelines. There is no target industry or sector.

United Global Dividend Balanced Fund

The investment objective of this sub-fund is to provide investors with regular distributions and long-term growth through investments in global equities, global fixed income and money market instruments.

United Global Portfolios

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2012

2. Significant accounting policies

(a) Basis of accounting

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

The financial statements are expressed in Singapore dollars.

(b) Recognition of income

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

(c) Investments

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

(i) *Initial recognition*

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

(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/period in which they arise.

(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 net of transaction costs, and are included in the Statements of Total Return.

(d) Basis of valuation of investments

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price for these investments held by the Sub-Funds is the current market quoted bid price, or net asset values as appropriate. Accrued interest is included in the fair value of fixed income instruments.

United Global Portfolios

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2012

2. Significant accounting policies (continued)

(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 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/period-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 fair value net gains or losses.

(f) Financial derivatives

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

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

(g) 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 Fund based on the respective Fund's net asset value.

United Global Portfolios

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2012

2. Significant accounting policies (continued)

(h) Distribution Policy

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

3. Income tax

	<u>United Global Bond Fund (S\$)</u>		<u>United Global Dividend Balanced Fund</u>	
	2012	2011	2012	2011
	\$	\$	\$	\$
Singapore income tax	-	-	58,094	70,476
Overseas income tax	821	203	-	-
Total income tax	821	203	58,094	70,476

The Sub-Funds were granted the status of Designated Unit Trusts and, therefore, the following income is exempt from tax in accordance with Section 35(12) of the Income Tax Act (Cap 134):

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

The Singapore income tax represents tax deducted at source for Singapore sourced dividends. The overseas income tax represents tax withheld on foreign sourced income.

The Fund is 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 Fund's 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 Fund. 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.

United Global Portfolios

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2012

3. Income tax (continued)

As at 30 June 2012 and 2011, the Fund has uncertain taxes 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. Distribution

	United Global Dividend Balanced Fund	
	2012	2011
	\$	\$
Distribution of income paid at 22 cents per unit (2011: 25 cents) during the financial year	1,568,714	2,534,716
Proposed distribution of income payable at 22 cents per unit (2011: 25 cents)	116,244	193,177
	1,684,958	2,727,893

5. Receivables

	United Global Bond Fund (S\$)		United Renminbi Bond Fund	
	2012	2011	2012	2011
	\$	\$	\$	\$
Amounts receivable for creation of units	2,116	9,947	2,983,163	79,177
Interest receivable	-	-	1	-
Other receivables	-	-	11,516	-
	2,116	9,947	2,994,680	79,177

	United Singapore Bond Fund		United Global Dividend Balanced Fund	
	2012	2011	2012	2011
	\$	\$	\$	\$
Amounts receivable for creation of units	151,696	4,980	-	500
Margin account with broker	137,102	-	-	-
Dividend receivable	-	-	207,727	-
Income receivable	-	-	100,735	173,169
	288,798	4,980	308,462	173,669

United Global Portfolios

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2012

6. Payables

	<u>United Global Bond Fund (\$)</u>		<u>United Renminbi Bond Fund</u>	
	2012	2011	2012	2011
	\$	\$	\$	\$
Amounts payable for cancellation of units	13,169	-	65,338	6,095
Amount due to Manager	1,868	2,627	61,865	52,808
Amount due to Trustee	1,233	1,246	2,200	1,878
Other creditors and accrued expenses	15,039	15,041	26,099	33,568
	31,309	18,914	155,502	94,349

	<u>United Singapore Bond Fund</u>		<u>United Global Dividend Balanced Fund</u>	
	2012	2011	2012	2011
	\$	\$	\$	\$
Amounts payable for cancellation of units	60,699	152,971	372,223	169,591
Amount due to Manager	136,545	135,269	126,538	209,943
Amount due to Trustee	8,604	8,593	3,681	6,024
Other creditors and accrued expenses	15,040	15,041	278,998	220,903
	220,888	311,874	781,440	606,461

7. Fair value of financial derivatives

Financial derivatives contracts comprise 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 balance sheet date are analysed below.

United Global Bond Fund (\$)

	30 June 2012			30 June 2011		
	Contract or underlying principal amount	Positive fair value	Negative fair value	Contract or underlying principal amount	Positive fair value	Negative fair value
	\$	\$	\$	\$	\$	\$
Forward foreign exchange contracts	955,532	576	7,876	1,286,087	779	10,704

United Global Portfolios

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2012

7. Fair value of financial derivatives (continued)

United Renminbi Bond Fund

	30 June 2012			30 June 2011		
	Contract or underlying principal amount \$	Positive fair value \$	Negative fair value \$	Contract or underlying principal amount \$	Positive fair value \$	Negative fair value \$
Forward foreign exchange contracts	124,215,193	717,983	658,014	18,767,602	888	117,321

United Singapore Bond Fund

	30 June 2012			30 June 2011		
	Contract or underlying principal amount \$	Positive fair value \$	Negative fair value \$	Contract or underlying principal amount \$	Positive fair value \$	Negative fair value \$
Forward foreign exchange contracts	7,656,026	43,330	48,513	4,469,400	51,243	-
Futures	5,885,523	-	32,214	-	-	-

United Global Dividend Balanced Fund

The Sub-Fund did not have any outstanding derivative contracts as at 30 June 2012 (30 June 2011: Nil).

United Global Portfolios

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8. Net assets attributable to unitholders

	<u>United Global Bond Fund (\$S)</u>		<u>United Renminbi Bond Fund</u>	
	2012 \$	2011 \$	2012 \$	For the financial period from 3 May 2011 (date of constitution) to 30 June 2011 \$
At the beginning of the financial year/period	1,556,855	2,342,790	26,575,682	-
Operations				
Change in net assets attributable to unitholders resulting from operations	20,952	(93,998)	1,895,564	(335,357)
Unitholders' contributions/ (withdrawals)				
Creation of units	2,208,701	681,737	8,172,021	31,907,463
Cancellation of units	(2,695,795)	(1,373,674)	(13,134,242)	(4,996,424)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(487,094)	(691,937)	(4,962,221)	26,911,039
Total (decrease)/increase in net assets attributable to unitholders	(466,142)	(785,935)	(3,066,657)	26,575,682
At the end of the financial year/period	1,090,713	1,556,855	23,509,025	26,575,682
Units in issue (Note 9)	1,022,114	1,514,108	21,749,674	26,935,273
	\$	\$	\$	\$
Net assets attributable to unitholders per unit	1.06	1.02	1.08	0.98

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8. Net assets attributable to unitholders (continued)

	<u>United Singapore</u> <u>Bond Fund</u>		<u>United Global Dividend</u> <u>Balanced Fund</u>	
	2012	2011	2012	2011
	\$	\$	\$	\$
At the beginning of the financial year	75,913,985	100,846,970	58,302,496	77,262,630
Operations				
Change in net assets attributable to unitholders resulting from operations	4,904,369	3,032,862	(5,999,646)	4,917,196
Unitholders' contributions/ (withdrawals)				
Creation of units	18,096,102	29,090,586	278,581	1,060,783
Cancellation of units	(11,228,991)	(57,056,433)	(17,317,488)	(24,938,113)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	6,867,111	(27,965,847)	(17,038,907)	(23,877,330)
Total increase/(decrease) in net assets attributable to unitholders	11,771,480	(24,932,985)	(23,038,553)	(18,960,134)
At the end of the financial year	87,685,465	75,913,985	35,263,943	58,302,496
Units in issue (Note 9)	69,733,896	64,209,073	51,961,588	77,581,197
	\$	\$	\$	\$
Net assets attributable to unitholders per unit	1.25	1.18	0.67	0.75

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9. Units in issue

	<u>United Global Bond Fund (\$\$)</u>		<u>United Renminbi Bond Fund</u>	
	2012	2011	2012	For the financial period from 3 May 2011 (date of constitution) to 30 June 2011
Units at the beginning of the year/period	1,514,108	2,163,621	26,935,273	-
Units created	1,984,795	647,233	7,723,284	31,929,665
Units cancelled	(2,476,789)	(1,296,746)	(12,908,883)	(4,994,392)
Units at the end of the year/period	1,022,114	1,514,108	21,749,674	26,935,273

	<u>United Singapore Bond Fund</u>		<u>United Global Dividend Balanced Fund</u>	
	2012	2011	2012	2011
Units at the beginning of the year	64,209,073	88,086,736	77,581,197	109,408,973
Units created	14,576,502	24,863,748	413,241	1,414,046
Units cancelled	(9,051,679)	(48,741,411)	(26,032,850)	(33,241,822)
Units at the end of the year	69,733,896	64,209,073	51,961,588	77,581,197

10. Financial risk management

The Sub-Funds' activities expose it 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 equity investments, 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.

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For the financial year ended 30 June 2012

10. Financial risk management (continued)

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

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For the financial year ended 30 June 2012

10. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

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

United Global Bond Fund (S\$)

As at 30 June 2012

	SGD \$	GBP \$	EUR \$	USD \$	Others \$	Total \$
Assets						
Portfolio of investments	91,081	48,607	340,621	257,132	246,450	983,891
Receivables	2,116	-	-	-	-	2,116
Cash and bank balances	105,313	-	272	37,690	40	143,315
Total Assets	198,510	48,607	340,893	294,822	246,490	1,129,322
Liabilities						
Payables	31,309	-	-	-	-	31,309
Net assets attributable to unitholders	1,090,713	-	-	-	-	1,090,713
Total Liabilities	1,122,022	-	-	-	-	1,122,022
Net assets	(923,512)	48,607	340,893	294,822	246,490	
Notional value of forward foreign exchange contracts	(107,011)	(59,613)	(98,130)	23,977	233,477	
Net currency exposure	(1,030,523)	(11,006)	242,763	318,799	479,967	

United Global Portfolios

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10. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

United Global Bond Fund (S\$) (continued)

As at 30 June 2011

	SGD \$	GBP \$	EUR \$	USD \$	Others \$	Total \$
Assets						
Portfolio of investments	140,705	99,590	897,912	222,347	189,069	1,549,623
Receivables	9,947	-	-	-	-	9,947
Cash and bank balances	20,949	-	541	4,634	-	26,124
Total Assets	171,601	99,590	898,453	226,981	189,069	1,585,694
Liabilities						
Payables	18,914	-	-	-	-	18,914
Net assets attributable to unitholders	1,556,855	-	-	-	-	1,556,855
Total Liabilities	1,575,769	-	-	-	-	1,575,769
Net assets	(1,404,168)	99,590	898,453	226,981	189,069	
Notional value of forward foreign exchange contracts	(142,272)	(29,551)	(428,695)	163,416	427,177	
Net currency exposure	(1,546,440)	70,039	469,758	390,397	616,246	

United Global Portfolios

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For the financial year ended 30 June 2012

10. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

United Renminbi Bond Fund

As at 30 June 2012

	SGD \$	USD \$	RMB \$	Others \$	Total \$
Assets					
Portfolio of investments	-	2,231,711	15,870,214	2,501,917	20,603,842
Sales awaiting settlement	-	1,630,609	-	-	1,630,609
Receivables	2,983,163	-	-	11,517	2,994,680
Cash and bank balances	136,978	233,027	16,609	55,528	442,142
Total Assets	3,120,141	4,095,347	15,886,823	2,568,962	25,671,273
Liabilities					
Purchases awaiting settlement	-	506,720	-	1,559,995	2,066,715
Payables	154,211	1,291	-	-	155,502
Net assets attributable to unitholders	23,509,025	-	-	-	23,509,025
Total Liabilities	23,663,236	508,011	-	1,559,995	25,731,242
Net assets	(20,543,095)	3,587,336	15,886,823	1,008,967	
Notional value of forward foreign exchange contracts	3,736,419	1,209,177	5,587	(4,891,214)	
Net currency exposure	(16,806,676)	4,796,513	15,892,410	(3,882,247)	

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For the financial year ended 30 June 2012

10. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

United Renminbi Bond Fund (continued)

As at 30 June 2011

	SGD \$	USD \$	RMB \$	Others \$	Total \$
Assets					
Portfolio of investments	-	8,721,341	17,602,571	712,733	27,036,645
Receivables	59,144	20,033	-	-	79,177
Cash and bank balances	490,178	86,026	15,138	-	591,342
Total Assets	549,322	8,827,400	17,617,709	712,733	27,707,164
Liabilities					
Purchases awaiting settlement	-	920,700	-	-	920,700
Payables	93,593	756	-	-	94,349
Net assets attributable to unitholders	26,575,682	-	-	-	26,575,682
Total Liabilities	26,669,275	921,456	-	-	27,590,731
Net assets	(26,119,953)	7,905,944	17,617,709	712,733	
Notional value of forward foreign exchange contracts	25,334	(12,846,727)	15,742,795	(3,037,835)	
Net currency exposure	(26,094,619)	(4,940,783)	33,360,504	(2,325,102)	

United Global Portfolios

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For the financial year ended 30 June 2012

10. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

United Singapore Bond Fund

As at 30 June 2012

	USD \$	SGD \$	Total \$
Assets			
Portfolio of investments	10,122,407	71,535,143	81,657,550
Receivables	137,102	151,696	288,798
Cash and bank balances	50,177	6,537,715	6,587,892
Total Assets	10,309,686	78,224,554	88,534,240
Liabilities			
Purchases awaiting settlement	-	590,490	590,490
Payables	-	220,888	220,888
Net assets attributable to unitholders	-	87,685,465	87,685,465
Total Liabilities	-	88,496,843	88,496,843
Net assets/ (liabilities)	10,309,686	(10,272,289)	
Notional value of forward foreign exchange contracts	(7,693,423)	7,656,026	
Net currency exposure	2,616,263	(2,616,263)	

As at 30 June 2011

	USD \$	SGD \$	Total \$
Assets			
Portfolio of investments	4,596,598	65,614,161	70,210,759
Receivables	-	4,980	4,980
Cash and bank balances	24,263	5,934,614	5,958,877
Total Assets	4,620,861	71,553,755	76,174,616
Liabilities			
Payables	-	311,874	311,874
Net assets attributable to unitholders	-	75,913,985	75,913,985
Total Liabilities	-	76,225,859	76,225,859
Net assets/ (liabilities)	4,620,861	(4,672,104)	
Notional value of forward foreign exchange contracts	(4,418,157)	4,469,400	
Net currency exposure	202,704	(202,704)	

United Global Portfolios

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2012

10. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

United Global Dividend Balanced Fund

As at 30 June 2012

	USD \$	SGD \$	Total \$
Assets			
Portfolio of investments	-	35,543,455	35,543,455
Receivables	-	308,462	308,462
Cash and bank balances	11,245	298,465	309,710
Total Assets	11,245	36,150,382	36,161,627

Liabilities

Payables	-	781,440	781,440
Proposed distribution of income	310	115,934	116,244
Net assets attributable to unitholders	-	35,263,943	35,263,943

Total Liabilities	310	36,161,317	36,161,627
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Net currency exposure

10,935 (10,935)

As at 30 June 2011

	USD \$	SGD \$	Total \$
Assets			
Portfolio of investments	-	58,486,464	58,486,464
Receivables	-	173,669	173,669
Cash and bank balances	2,105	439,896	442,001
Total Assets	2,105	59,100,029	59,102,134

Liabilities

Payables	-	606,461	606,461
Proposed distribution of income	1,967	191,210	193,177
Net assets attributable to unitholders	-	58,302,496	58,302,496

Total Liabilities	1,967	59,100,167	59,102,134
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Net currency exposure

138 (138)

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For the financial year ended 30 June 2012

10. Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

Investments, which is the significant item on the balance sheet is exposed to currency risk, other price risk and interest rate risk. Price risk sensitivity analysis includes the impact of currency risk on non-monetary investments. Consequently, 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 2012 and 2011. The analysis is based on the assumptions that the functional currency increased or 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.

Currency	2012		2011	
	Net impact to net assets attributable to unitholders	%	Net impact to net assets attributable to unitholders	%
	\$		\$	
United Global Bond Fund (S\$)				
GBP	(770)	7	8,405	12
EUR	19,421	8	42,278	9
USD	19,128	6	23,424	6
United Renminbi Bond Fund				
USD	287,791	6	296,447	6
RMB	953,545	6	2,001,630	6
United Singapore Bond Fund				
USD	156,976	6	12,162	6

United Global Dividend Balanced Fund

Currency risk sensitivity analysis has not been disclosed for United Global Dividend Balanced Fund since this Sub-Fund's financial assets and liabilities are significantly denominated in Singapore dollars, being the functional currency of this Sub-Fund.

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10. Financial risk management (continued)

(a) Market risk (continued)

(ii) Price risk

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

The table below summarises the impact of increases/decreases from the Sub-Fund's underlying investments in equities and other funds on the Sub-Fund's net assets attributable to unitholders at 30 June 2012 and 2011. The analysis is based on the assumption that the index components within the benchmark and the price of the underlying increased/decreased by a reasonable possible shift, with all other variables held constant and that the fair value of the Sub-Fund's investments moved according to the historical correlation with the index or proportionately to the price change.

United Global Dividend Balanced Fund

Benchmark component	2012		2011	
	Net impact to net assets attributable to unitholders \$	%	Net impact to net assets attributable to unitholders \$	%
MSCI AC World Index [Benchmark of United Global Dividend Equity Fund]	4,029,898	20	7,991,386	20

(iii) Interest rate risk

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

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.

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For the financial year ended 30 June 2012

10. Financial risk management (continued)

(a) Market risk (continued)

(iii) 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.

United Global Bond Fund (S\$)

As at 30 June 2012

	Variable rates \$	Fixed rates \$	Non-interest bearing \$	Total \$
Assets				
Portfolio of investments	-	983,891	-	983,891
Receivables	-	-	2,116	2,116
Fair value of financial derivatives	-	-	576	576
Cash and bank balances	143,315	-	-	143,315
Total Assets	143,315	983,891	2,692	1,129,898
Liabilities				
Payables	-	-	31,309	31,309
Fair value of financial derivatives	-	-	7,876	7,876
Net assets attributable to unitholders	-	-	1,090,713	1,090,713
Total Liabilities	-	-	1,129,898	1,129,898

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For the financial year ended 30 June 2012

10. Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

United Global Bond Fund (S\$) (continued)

As at 30 June 2011

	Variable rates \$	Fixed rates \$	Non-interest bearing \$	Total \$
Assets				
Portfolio of investments	-	1,549,623	-	1,549,623
Receivables	-	-	9,947	9,947
Fair value of financial derivatives	-	-	779	779
Cash and bank balances	26,124	-	-	26,124
Total Assets	26,124	1,549,623	10,726	1,586,473
Liabilities				
Payables	-	-	18,914	18,914
Fair value of financial derivatives	-	-	10,704	10,704
Net assets attributable to unitholders	-	-	1,556,855	1,556,855
Total Liabilities	-	-	1,586,473	1,586,473

United Global Portfolios

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For the financial year ended 30 June 2012

10. Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

United Renminbi Bond Fund

As at 30 June 2012

	Variable rates \$	Fixed rates \$	Non-interest bearing \$	Total \$
Assets				
Portfolio of investments	949,549	19,654,293	-	20,603,842
Sales awaiting settlement	-	-	1,630,609	1,630,609
Receivables	-	-	2,994,680	2,994,680
Fair value of financial derivatives	-	-	717,983	717,983
Cash and bank balances	442,142	-	-	442,142
Total Assets	1,391,691	19,654,293	5,343,272	26,389,256
Liabilities				
Purchases awaiting settlement	-	-	2,066,715	2,066,715
Payables	-	-	155,502	155,502
Fair value of financial derivatives	-	-	658,014	658,014
Net assets attributable to unitholders	-	-	23,509,025	23,509,025
Total Liabilities	-	-	26,389,256	26,389,256

As at 30 June 2011

	Variable rates \$	Fixed rates \$	Non-interest bearing \$	Total \$
Assets				
Portfolio of investments	-	27,036,645	-	27,036,645
Receivables	-	-	79,177	79,177
Fair value of financial derivatives	-	-	888	888
Cash and bank balances	591,342	-	-	591,342
Total Assets	591,342	27,036,645	80,065	27,708,052
Liabilities				
Purchases awaiting settlement	-	-	920,700	920,700
Payables	-	-	94,349	94,349
Fair value of financial derivatives	-	-	117,321	117,321
Net assets attributable to unitholders	-	-	26,575,682	26,575,682
Total Liabilities	-	-	27,708,052	27,708,052

United Global Portfolios

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2012

10. Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

United Singapore Bond Fund

As at 30 June 2012

	Variable rates \$	Fixed rates \$	Non-interest bearing \$	Total \$
Assets				
Portfolio of investments	-	81,657,550	-	81,657,550
Receivables	-	-	288,798	288,798
Fair value of financial derivatives	-	-	43,330	43,330
Cash and bank balances	6,587,892	-	-	6,587,892
Total Assets	6,587,892	81,657,550	332,128	88,577,570
Liabilities				
Purchases awaiting settlement	-	-	590,490	590,490
Payables	-	-	220,888	220,888
Fair value of financial derivatives	-	-	80,727	80,727
Net assets attributable to unitholders	-	-	87,685,465	87,685,465
Total Liabilities	-	-	88,577,570	88,577,570

As at 30 June 2011

	Variable rates \$	Fixed rates \$	Non-interest bearing \$	Total \$
Assets				
Portfolio of investments	-	70,210,759	-	70,210,759
Receivables	-	-	4,980	4,980
Fair value of financial derivatives	-	-	51,243	51,243
Cash and bank balances	5,958,877	-	-	5,958,877
Total Assets	5,958,877	70,210,759	56,223	76,225,859
Liabilities				
Payables	-	-	311,874	311,874
Net assets attributable to unitholders	-	-	75,913,985	75,913,985
Total Liabilities	-	-	76,225,859	76,225,859

United Global Portfolios

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10. Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

United Global Dividend Balanced Fund

As at 30 June 2012

	Variable rates \$	Fixed rates \$	Non-interest bearing \$	Total \$
Assets				
Portfolio of investments	-	-	35,543,455	35,543,455
Receivables	-	-	308,462	308,462
Cash and bank balances	309,710	-	-	309,710
Total Assets	309,710	-	35,851,917	36,161,627
Liabilities				
Payables	-	-	781,440	781,440
Proposed distribution of income	-	-	116,244	116,244
Net assets attributable to unitholders	-	-	35,263,943	35,263,943
Total Liabilities	-	-	36,161,627	36,161,627

As at 30 June 2011

	Variable rates \$	Fixed rates \$	Non-interest bearing \$	Total \$
Assets				
Portfolio of investments	-	-	58,486,464	58,486,464
Receivables	-	-	173,669	173,669
Cash and bank balances	442,001	-	-	442,001
Total Assets	442,001	-	58,660,133	59,102,134
Liabilities				
Payables	-	-	606,461	606,461
Proposed distribution of income	-	-	193,177	193,177
Net assets attributable to unitholders	-	-	58,302,496	58,302,496
Total Liabilities	-	-	59,102,134	59,102,134

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10. Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

As at 30 June 2012, 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 period would be as follows:

	2012		2011	
	Net impact to net assets attributable to unitholders		Net impact to net assets attributable to unitholders	
	\$	%	\$	%
<u>United Global Bond Fund (S\$)</u>				
EUR	19,143	1	119,422	2
USD	12,034	1	19,300	2
GBP	55,018	7	49,237	12
<u>United Renminbi Bond Fund</u>				
USD	141,490	1	940,161	2
RMB	3,593,016	8	607,289	1
<u>United Singapore Bond Fund</u>				
SGD	5,150,530	1	4,848,886	1
<u>United Global Dividend Balanced Fund</u>				
SGD	601,171	1	746,468	1

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 invests 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 unitholders 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 it is able to obtain cash from the sale of investments held to meet its liquidity requirements. Reasonable efforts will be taken to invest in securities which are traded in a relatively active market and which can be readily disposed of.

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For the financial year ended 30 June 2012

10. Financial risk management (continued)

(b) Liquidity risk (continued)

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

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 balance sheet date.

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

United Global Bond Fund (\$\$)

As at 30 June 2012

	Less than 3 months \$
Derivative financial instruments	
- inflows	867,112
- outflows	(874,988)
Payables	31,309
Net assets attributable to unitholders	1,090,713

As at 30 June 2011

	Less than 3 months \$
Derivative financial instruments	
- inflows	721,428
- outflows	(732,132)
Payables	18,914
Net assets attributable to unitholders	1,556,855

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For the financial year ended 30 June 2012

10. Financial risk management (continued)

(b) Liquidity risk (continued)

United Renminbi Bond Fund

As at 30 June 2012

	Less than 3 months \$	3 months to 1 year \$
Derivative financial instruments		
- inflows	54,848,133	2,540,086
- outflows	(55,505,236)	(2,540,997)
Purchases awaiting settlement	2,066,715	-
Payables	155,502	-
Net assets attributable to unitholders	23,509,025	-

As at 30 June 2011

	Less than 3 months \$	3 months to 1 year \$
Derivative financial instruments		
- inflows	18,262,053	11,528,831
- outflows	(6,760,712)	(11,618,662)
Purchases awaiting settlement	920,700	-
Payables	94,349	-
Net assets attributable to unitholders	26,575,682	-

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For the financial year ended 30 June 2012

10. Financial risk management (continued)

(b) Liquidity risk (continued)

United Singapore Bond Fund

As at 30 June 2012

	Less than 3 months \$
Derivative financial instruments	
- inflows	2,737,664
- outflows	(2,786,177)
Purchase awaiting settlement	590,490
Payables	220,888
Net assets attributable to unitholders	<u>87,685,465</u>

As at 30 June 2011

	Less than 3 months \$
Payables	311,874
Net assets attributable to unitholders	<u>75,913,985</u>

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2012

10. Financial risk management (continued)

(b) Liquidity risk (continued)

United Global Dividend Balanced Fund

As at 30 June 2012

	Less than 3 months \$
Payables	781,440
Proposed distribution of income	116,244
Net assets attributable to unitholders	35,263,943

As at 30 June 2012

	Less than 3 months \$
Payables	606,461
Proposed distribution of income	193,177
Net assets attributable to unitholders	58,302,496

(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.

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For the financial year ended 30 June 2012

10. 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 Global Bond Fund (\$\$)

As at 30 June 2012

	A3	Aaa	Aa2
Debt securities			
Fixed rate securities	11%	79%	-

As at 30 June 2011

	A3	Aaa	Aa2
Debt securities			
Fixed rate securities	-	82%	18%

United Renminbi Bond Fund

As at 30 June 2012

	A1	A2	A3	Ba1	Ba2
Debt securities					
Fixed rate securities	5%	5%	2%	3%	-

	Ba3	Baa1	Baa2	Baa3	Non rated
Debt securities					
Fixed rate securities	2%	7%	16%	8%	40%

As at 30 June 2011

	A1	A2	A3	Ba1	Ba2
Debt securities					
Fixed rate securities	-	-	3%	7%	11%

	Ba3	Baa1	Baa2	Baa3	Non rated
Debt securities					
Fixed rate securities	3%	-	-	5%	73%

United Global Portfolios

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For the financial year ended 30 June 2012

10. Financial risk management (continued)

(c) Credit risk (continued)

United Singapore Bond Fund

As at 30 June 2012

	A2	A3	Aa1	Aa2	Aa3
Debt securities					
Fixed rate securities	2%	4%	4%	2%	1%
		Aaa	Baa1	Baa2	Non rated
		50%	1%	1%	28%

As at 30 June 2011

	A2	A3	Aa1	Aa2	Aa3
Debt securities					
Fixed rate securities	-	6%	3%	-	-
		Aaa	Baa1	Baa2	Non rated
		60%	-	1%	22%

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.

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 2012 and 2011.

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

The non-rated securities comprise of debt securities issued mainly by Singapore Companies.

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For the financial year ended 30 June 2012

10. Financial risk management (continued)

(c) Credit risk (continued)

United Global Bond Fund (S\$)

As at 30 June 2012

	Credit rating	Source of credit rating
Bank		
State Street Bank and Trust Co.	B	Moody's
United Overseas Bank Limited	B	Moody's
Custodian		
State Street Bank and Trust Co.	B	Moody's
Counterparties of forward foreign exchange contracts		
Citibank N.A.	D+	Moody's

As at 30 June 2011

	Credit rating	Source of credit rating
Bank		
State Street Bank and Trust Co.	B	Moody's
United Overseas Bank Limited	B	Moody's
Custodian		
State Street Bank and Trust Co.	B	Moody's
Counterparties of forward foreign exchange contracts		
Citibank N.A.	C-	Moody's

United Global Portfolios

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2012

10. Financial risk management (continued)

(c) Credit risk (continued)

United Renminbi Bond Fund

As at 30 June 2012

	Credit rating	Source of credit rating
Bank		
HSBC Group	B	Moody's
United Overseas Bank Limited	B	Moody's
Custodian		
HSBC Group	B	Moody's
Counterparties of forward foreign exchange contracts		
Bank of America N.A.	D+	Moody's
HSBC Group	B	Moody's
Standard Chartered Bank	B-	Moody's
State Street Bank and Trust Co.	B	Moody's
UBS AG	C-	Moody's

As at 30 June 2011

	Credit rating	Source of credit rating
Bank		
HSBC Group	B+	Moody's
United Overseas Bank Limited	B	Moody's
Custodian		
HSBC Group	B+	Moody's
Counterparties of forward foreign exchange contracts		
Bank of America N.A.	C-	Moody's
Citibank N.A.	C-	Moody's
HSBC Group	B+	Moody's

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2012

10. Financial risk management (continued)

(c) Credit risk (continued)

United Singapore Bond Fund

As at 30 June 2012

	Credit rating	Source of credit rating
Bank		
State Street Bank and Trust Co.	B	Moody's
United Overseas Bank Limited	B	Moody's
Custodian		
State Street Bank and Trust Co.	B	Moody's
Counterparties of forward foreign exchange contracts		
HSBC Group	B	Moody's

As at 30 June 2011

	Credit rating	Source of credit rating
Bank		
State Street Bank and Trust Co.	B	Moody's
United Overseas Bank Limited	B	Moody's
Custodian		
State Street Bank and Trust Co.	B	Moody's
Counterparties of forward foreign exchange contracts		
HSBC Group	B+	Moody's

United Global Portfolios

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For the financial year ended 30 June 2012

10. Financial risk management (continued)

(c) Credit risk (continued)

United Global Dividend Balanced Fund

As at 30 June 2012

	Credit rating	Source of credit rating
Bank		
State Street Bank and Trust Co.	B	Moody's
United Overseas Bank Limited	B	Moody's
Custodian		
State Street Bank and Trust Co.	B	Moody's

As at 30 June 2011

	Credit rating	Source of credit rating
Bank		
State Street Bank and Trust Co.	B	Moody's
United Overseas Bank Limited	B	Moody's
Custodian		
State Street Bank and Trust Co.	B	Moody's

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

United Global Portfolios

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2012

10. 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.

11. 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 fee is paid to the Trustee and the registrar fee is paid to HSBC Institutional Trust Services (Singapore) Limited, a subsidiary of HSBC Holdings Plc. Management fees paid to the Manager in respect of United Global Dividend Balanced Fund is net of management fee rebate received from the Manager. These fees paid or payable by the Fund 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.

- (b) As at the end of the financial year/period, the Sub-Funds maintained current accounts with related parties as follows:

	United Global Bond Fund (S\$)		United Renminbi Bond Fund	
	2012	2011	2012	2011
	\$	\$	\$	\$
<u>United Overseas Bank Limited</u> Bank balances	21,685	5,308	46,572	9,311
<u>HSBC Group</u> Bank balances			395,570	582,031
	United Singapore Bond Fund		United Global Dividend Balanced Fund	
	2012	2011	2012	2011
	\$	\$	\$	\$
<u>United Overseas Bank Limited</u> Bank balances	5,346	40,213	289,123	436,087

United Global Portfolios

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2012

11. Related party transactions (continued)

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

	United Global Bond Fund (S\$)		United Renminbi Bond Fund	
	2012	2011	2012	2011
	\$	\$	\$	\$
<u>United Overseas Bank Limited</u>				
Interest expense	10	10	-	-
Bank charges	75	30	-	-
<u>HSBC Group</u>				
Interest expense	-	-	645	124
Bank charges	-	-	2,636	340
	United Singapore Bond Fund		United Global Dividend Balanced Fund	
	2012	2011	2012	2011
	\$	\$	\$	\$
<u>United Overseas Bank Limited</u>				
Interest expense	-	-	-	348
Bank charges	30	30	30	(57)

For the financial period from 3 May 2011 (date of constitution) to 30 June

United Global Portfolios

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2012

12. Financial ratios

	<u>United Global Bond Fund (S\$)</u>		<u>United Renminbi Bond Fund</u>	
	2012	2011	2012	2011
Expense ratio ¹ (including preliminary expenses)	3.41%	2.74%	1.59%	1.82%
Expense ratio ¹ (excluding preliminary expenses)	3.41%	2.74%	1.59%	1.63%
Turnover ratio ²	164.97%	113.27%	544.40%	31.64%

	<u>United Singapore Bond Fund</u>		<u>United Global Dividend Balanced Fund</u>	
	2012	2011	2012	2011
Expense ratio ¹	0.80%	0.78%	2.09%	1.88%
Turnover ratio ²	48.44%	112.84%	18.35%	0.60%

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

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

