
NEWS RELEASE

UOB Asset Management United Emerging Markets Bond Fund Quadruples AUM in 12 months

Asian investors seek higher yield from emerging market opportunities

SINGAPORE, 26 September 2012 – UOB Asset Management Ltd’s United Emerging Markets Bond Fund (UEMBF) has quadrupled assets under management (AUM) in 12 months, reflecting the growing investment strength of Asian investors.

UEMBF is currently one of the largest Singapore-based fixed income funds and one of the few funds with an AUM of more than S\$500 million¹.

Mr Chong Jiun Yeh, Chief Investment Officer, Fixed Income and Structured Investments, UOB Asset Management, said “Asian investors continue to turn to emerging market bonds as a relatively stable investment option. Investors are clearly looking for higher income opportunities within the current low interest rate environment.

“Asian investors are choosing funds such as our Emerging Markets Bond Fund as a means of diversifying their investment portfolio. A diversified investment portfolio should have a combination of assets that have low or negative correlation to one another. This investment strategy optimises the returns from investments.”

Mr Chong said he prefers emerging markets within fixed income investment opportunities given the supportive macroeconomic environment. “On a risk-adjusted basis, emerging market yields are more attractive compared with the yields of developed markets,” he said.

¹ As at 31 August 2012, UEMBF’s AUM stood at S\$593 million compared with S\$142 million at 31 August 2011.

UEMBF invests in emerging market bonds including those from Asia and Latin America. The strategy of the fund is to invest in emerging market bonds that offer high yield and capital appreciation over the long term.

Mr Imran Khan, Portfolio Manager of UEMBF, UOB Asset Management, said that UEMBF is likely to continue to attract investor interest. "Interest rates are likely to stay low until 2015 given weak economic data. Emerging sovereign balance sheets also continue to look better compared with their developed market counterparts. This will support the argument for more inflows into emerging market bonds."

UEMBF has performed strongly since its inception in 2001. In March this year, the fund was also recognised at *The Edge*-Lipper Singapore Fund Awards 2012 as the Best Fund in the Bond Emerging Markets Global category over 10 years.

As at 31 August 2012, the fund generated a return of 10.05%², beating the benchmark of the JP Morgan EMBI Global Diversified Index, which returned 7.66%³.

UEMBF, which currently pays monthly distributions of 5% per annum of the net asset value per unit as at the last business day of every month⁴, is distributed in Singapore, Malaysia and Taiwan.

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² Source: Lipper, since fund inception to 31 July 2012, in Singapore dollar terms, on an average annual compounded basis, with dividends and distributions reinvested (if any).

³ Source: Lipper, since fund inception to 31 July 2012, in Singapore dollar terms.

⁴ Please note that the intention of the Managers to make the 5% per annum monthly dividend payout is not guaranteed and there is no assurance that this distribution level will be met. The Managers may in future review the distribution policy depending on prevailing market conditions. Investors should also note that the paying of dividends may have the effect of lowering the Net Asset Value of the Fund. The distributions shall be based on the number of units held as at the distribution date as evidenced by the register of holders. Distributions will be paid out within 30 days from the relevant distribution date. Please refer to the prospectus for more information.

About UOB Asset Management Ltd

UOB Asset Management is a wholly-owned subsidiary of United Overseas Bank Limited. Established in 1986, UOB Asset Management has been managing collective investment schemes and discretionary funds in Singapore for more than 26 years and as of 30 June 2012, manages about S\$19.43 billion in clients' assets. In addition to Singapore, UOB Asset Management also has investment operations in Malaysia and Thailand.

UOB Asset Management offers global investment management expertise to institutions, corporations and individuals, through customised portfolio management services and unit trusts. As at 30 June 2012, UOB Asset Management manages 55 unit trusts in Singapore, with total assets of about S\$3.46 billion under management. UOB Asset Management is one of the largest unit trust managers in Singapore in terms of assets under management.

This document is for general information only. It does not constitute an offer or solicitation to deal in units in the Fund ("Units") or investment advice or recommendation and was prepared without regard to the specific objectives, financial situation or needs of any particular person who may receive it. The information is based on certain assumptions, information and conditions available as at the date of this document and may be subject to change at any time without notice. No representation or promise as to the performance of the Fund or the return on your investment is made. Past performance of the Fund or UOB Asset Management and any past performance, prediction, projection or forecast of the economic trends or securities market are not necessarily indicative of the future or likely performance of the Fund or UOB Asset Management. The value of Units and the income from them, if any, may fall as well as rise. Investments in Units involve risks, including the possible loss of the principal amount invested, and are not obligations of, deposits in, or guaranteed or insured by United Overseas Bank Limited, UOB Asset Management, or any of their subsidiary, associate or affiliate ("UOB Group") or distributors of the Fund. The Fund may use or invest in financial derivative instruments and you should be aware of the risks associated with investments in financial derivative instruments which are described in the Fund's prospectus. The UOB Group may have interests in the Units and may also perform or seek to perform brokering and other investment or securities-related services for the Fund. Investors should read the Fund's prospectus, which is available and may be obtained from UOB Asset Management or any of its appointed agents or distributors, before investing. You may wish to seek advice from a financial adviser before making a commitment to invest in any Units, and in the event that you choose not to do so, you should consider carefully whether the Fund is suitable for you. Applications for Units must be made on the application forms accompanying the Fund's prospectus.

For more information, please visit the UOB Asset Management website at www.uobam.com.sg.

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