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## NEWS RELEASE

### **UOB Asset Management Offers The United Enhanced Income Fund**

*The first in the market - retail investors will benefit from  
sophisticated trading strategies*

**14 May 2007, Singapore** - Traditionally, sophisticated investors have greater access to a more diversified range of investment products such as equities, bonds, currencies and derivatives. For retail investors, access may not be as easy because of the large sums of money required for participation in these markets as well as their sophisticated nature.

UOB Asset Management Limited's (UOBAM) newly launched United Enhanced Income Fund (the Fund), offers retail investors an opportunity to gain access to these sophisticated markets. By employing trading strategies in the equities, bonds, currency and/or derivatives markets, investors of the Fund can hope to enjoy potentially regular income as well as capital growth, through exposure in these markets.

The investment objective of the Fund is to provide investors with regular payouts, capital growth and optimum risk-adjusted total return. Depending on the performance of the Fund, the aim is to distribute bi-monthly up to 10% p.a. of the net asset value per unit in the Fund (NAV) as at the first observation date. There may even be an annual distribution if the NAV on an observation date is more than the NAV on the previous observation date.

Ooi Boon Peng, UOBAM's Executive Director and Chief Investment Officer of Alternative Investments said: "Unlike most close-ended structured products, the United Enhanced Income Fund will stay open for subscription. This Fund combines the safety of investing in high quality global fixed income products and employing tactical derivative strategies in the equities, fixed income and currencies to capture higher returns. These tactical strategies are based on "positive carry" opportunities identified through quantitative and statistical models. "1

Boon Peng added, "While derivatives do display greater price volatility, this Fund's disciplined model-based approach will help generate low volatility tactical trades. This is a critical factor helping to ensure the positive performance of such strategies. To further protect the investor, the Fund employs a put option struck at 90% of prevailing NAV."

The Fund is traded every Monday, on a weekly basis. The minimum subscription amount is S\$1,000. Investors can also invest regularly through a savings plan of at least S\$100 per month or S\$500 per quarter. They can also invest in the Fund under the Supplementary Retirement Scheme (SRS).

#### Footnote

The derivative strategy that the Fund employs is based on a trading idea that is generally known as "positive carry", where two offsetting positions are held such that one creates an incoming cashflow that is greater than the obligations of the other (for example, borrowing money in a lower yielding currency and investing in a higher yielding currency). Carry trades can be made in any market and is a well-known strategy with institutional investors.

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### **About UOBAM**

UOBAM is a wholly-owned subsidiary of United Overseas Bank Limited. Since its establishment in 1986, UOBAM has been managing collective investment schemes and discretionary funds in Singapore and as of 30 April 2007, it has managed about S\$21.69 billion in clients' assets. UOBAM also has investment operations in Malaysia and Thailand.

UOBAM offers global investment management expertise to institutions, corporations and individuals, through customised portfolio management services and unit trusts. As at 30 April 2007, UOBAM manages 37 unit trusts (with a total of 55 funds and sub-funds altogether) in Singapore, with total assets of about S\$3.83 billion under management. UOBAM is one of the largest unit trust managers in Singapore in terms of assets under management. In terms of market coverage, UOBAM has acquired specialist skills in equity investment in Asian, Australian, European and US markets and in major global sectors. In the bond markets,

UOBAM covers the Organisation of Economic Co-operation and Development (OECD) countries to emerging markets.

UOBAM's investment philosophy is to emphasise securities selection using a bottom-up approach. UOBAM makes regular company visits and supplements its fundamental investment approach with quantitative tools to control risks and aid in the portfolio construction process. Since 1998, UOBAM has also established itself as one of the leading players in Collateralised Debt Obligations ("CDOs"), having managed or acted as a coadvisor in 20 CDO transactions. These CDOs are largely invested in global investment grade and multi-sector credits.

In addition, UOBAM is committed to achieving consistently good performance. Since 1996, UOBAM has won 87 awards for investments in local, regional and global markets, and across global sectors such as Banking and Finance, Technology, Healthcare, as well as Gold and Mining.

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