
NEWS RELEASE

UOB Asset Management Ltd and OSK-UOB Unit Trust Management Berhad set up Islamic fund management joint venture

Securities Commission Malaysia has granted the joint venture capital markets services licence to carry out Islamic fund management business in Malaysia

SINGAPORE, 30 June 2010 – UOB Asset Management Ltd (UOBAM) and OSK-UOB Unit Trust Management Berhad (OSK-UOB UTM) have entered into a joint venture agreement to form OSK-UOB Islamic Fund Management Berhad (OSK-UOB IFMB).

UOBAM and OSK-UOB UTM hold 30% and 70% respectively in OSK-UOB IFMB, which has a paid-up capital of RM10million.

The Islamic financial sector has been rapidly growing in the past ten years with growth rates of 10% - 15% annually¹. The growth of the Islamic unit trust industry in a global context is not limited to Islamic countries as evidenced by the increasing demand for the same in non-Muslim countries.

Although investors are showing an increasing appetite for a variety of Islamic financial products and services, there are only a handful of these financial products in the market. OSK-UOB IFMB is set up with the aim of providing quality services and innovative Islamic financial products to serve the growing market demand of local and foreign investors.

Malaysia was selected as the base for the Islamic Joint Venture as it is one of the world's leading Islamic finance hubs, home to the largest Islamic banking assets with a current value of US\$86billion and has accounted for 63% of global sukuk issued since 2006².

The joint venture has been granted the Capital Markets Services Licence (CMSL) by the Securities Commission Malaysia to carry out Islamic fund management business activities in Malaysia.

OSK-UOB IFMB will offer funds in various forms, which may include Shariah-based equity funds, balanced funds, Sukuk funds, money market funds, feeder funds, index funds and any other Shariah-compliant funds that may be developed from time to time.

¹ David Oakley, Shannon Bond, Cynthia O'Murchu, and Celve Jones, "Islamic Finance Explained," *Financial Times*, 30 May 2008.

² Hamisah Hamid, "Malaysia Maintaining a Pole Position in Islamic Finance", *Business Times*, 31 May 2010

The portfolio of Islamic securities will be managed by professional managers in accordance with the Shariah principles. At the initial stage, OSK-UOB IFMB intends to launch equity-based and ASEAN-centric Islamic financial products before moving to providing more sophisticated unit trust funds.

Mr Thio Boon Kiat, UOBAM's Managing Director and Group Chief Investment Officer said, "Over the years, UOBAM has built up a track record in developing and managing Islamic mandates and products. Through this joint venture, by leveraging on the well-established asset management and distribution network capabilities of UOBAM and OSK-UOB UTM, we will be able to scale up our resources and commitment to offer a wider, more comprehensive and innovative set of Islamic investment solutions and opportunities which will better serve our clients."

Mr Ho Seng Yee, Chief Executive Officer, OSK-UOB UTM, said, "Being on the ground in Malaysia for years, we have been witnessing close up the many exciting new opportunities and developments on the Islamic finance front for our investors. We are happy to be part of a joint venture with an established asset manager like UOBAM and we hope to grow OSK-UOB IFMB into a leading Islamic finance asset manager for retail and discretionary investment mandates over time."

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About UOB Asset Management Ltd

UOBAM is a wholly-owned subsidiary of United Overseas Bank Limited. Established in 1986, UOBAM has been managing collective investment schemes and discretionary funds in Singapore for 24 years and as of 31 May 2010 manages about S\$14.8 billion in clients' assets. UOBAM is one of the largest unit trust managers in Singapore in terms of assets under management.

UOBAM offers global investment management expertise to institutions, corporations and individuals, through customised portfolio management services and unit trusts. UOBAM is one of the largest unit trust managers in Singapore in terms of assets under management. As at 31 May 2010, UOBAM manages 50 unit trusts in Singapore, with total assets of about S\$3.01 billion 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 is committed to achieving consistently good performance. Since 1996, UOBAM has won 110 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.

For two consecutive years since 2008, UOBAM has been named the Best Fund Group (Overall) in Singapore at The Edge-Lipper Singapore Fund Awards 2008 & 2009. This award recognises consistent risk-adjusted performance across three main asset classes – Equities, Bonds and Mixed Assets.

Notably, in 2010, UOBAM was awarded Best Onshore Fund House (Singapore) at the AsianInvestor 2010 Investment Performance Awards and the Best Retail House (Singapore) at the Asia Asset Management Best of the Best Awards 2009.

Amongst the other awards won in The Edge-Lipper Singapore Fund Awards 2010, UOBAM's United Afdaal Asia Pacific Equity Fund, which invests into Asia Pacific equities in accordance with the Islamic investment criteria, won recognition as the Best Fund over 3 years in the Equity Asia Pacific category.

For more information, please visit UOBAM website: uobam.com.sg

About OSK-UOB Unit Trust Management Berhad

Incorporated on 16 August 1995, OSK-UOB Unit Trust Management Berhad is a joint-venture company between the OSK Group and the UOB Group with a shareholding structure of 70% and 30% respectively. It is ranked amongst the top 10 leaders in the investment fund management business and as at 31 May 2010, is managing funds of over RM5.3 billion.

The company has been in the industry for over fourteen years and its personnel collectively have over 25 years of experience in the industry covering all aspects of the unit trust industry. It has 13 strategic locations nationwide to serve its business partners and investors.

The company is well known for providing competitive investment performance and has won a total of 31 awards from the Edge Lipper Malaysian Unit Trust Fund Awards and Standard & Poor's Investment Funds Awards which includes 2 Achievement Awards for year 2008 from the Asian Investor.

The company currently manages 48 Unit Trust Funds under its stable. Many of the Funds are award-winning funds with good performance track records. The Funds are grouped under different categories based on its investment mandates and they range from equities, bonds, money market, balanced funds, capital protected funds, lifestyle funds, asset class funds and more. The spectrum of Funds caters to the low-risk appetite investors to the very high risk investors. The Funds offerings are further categorized into single country funds, Islamic funds, regional funds and off shore funds. Each Fund is managed on the basis of specific objectives and follows a well-defined and consistent strategy.

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