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UOB launches new back-to-basics investment solution to help more consumers invest wisely

UOB survey finds one in two consumers uncertain about how to invest

Singapore, 13 October 2014 – United Overseas Bank Limited (UOB) today launched a new back-to-basics investment solution called the *UOB Income Builder* for consumers who find investing a daunting task.

According to a new survey¹ conducted by UOB, half of the consumers in Singapore do not invest because they are afraid of making a loss (66 per cent), do not understand how to invest (60 per cent), and do not understand investment products well enough (55 per cent).

Recognising these challenges, UOB has created an investment solution which uses the basic investing principles of time, diversification and compounding² to give consumers more confidence when investing.

Mr Dennis Khoo, Head of Personal Financial Services for Singapore at UOB, said, “While market cycles cannot be controlled, we believe market risks can be managed better by investing on a regular basis over a long period of time in a diversified portfolio. Such a strategy is a more prudent and disciplined way of investing as compared with one that focuses on short-term gains.”

Currently, a significant portion of UOB customers’ assets are in fixed deposits, savings and current accounts. However, with the cost of living rising and returns on cash declining³, Mr Khoo said an asset allocation that is heavily skewed towards cash products may not be ideal.

“Consumers need to shift their mindset from saving to saving and investing. Today’s low-yield landscape means consumers who hold too much cash may see their savings diminish in value over the long term,” Mr Khoo said.

¹ The survey was conducted in August 2014. Participants in the survey are between the age of 23 and 40 with savings of S\$100,000 or less.

² The ability of an asset to generate earnings, which are then reinvested in order to generate their own earnings.

³ In the last 15 years, the average annual real deposit rates for Singapore have dropped from 0.3 per cent between 2000 and 2007 to negative 3.1 per cent between 2008 and 2014. Source: JP Morgan

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***UOB Income Builder* comprises three investment funds to help consumers invest for their future**

The *UOB Income Builder* comprises three investment funds that have been hand-picked by the Bank's investment specialists. The three chosen funds are Blackrock Multi-Asset Income Fund, JP Morgan Global Income Fund and Schroder Global Multi-Asset Income Fund.

These funds adopt a flexible asset-allocation approach that allows fund managers to move investments among different asset classes quickly. This approach helps to mitigate the risks from volatile market conditions.

The funds also span geographies and asset classes, such as equities, bonds and Real Estate Investment Trusts (REITs), to provide investors with a well-diversified portfolio - in line with a fundamental investment rule of not putting all one's eggs in one basket.

Mr Khoo said, "Ultimately, we want to help our customers achieve a regular income stream which they can use to support their aspirations and to supplement their savings when they stop working. The funds in the *UOB Income Builder* are structured for this purpose because they offer investors a monthly or quarterly payout which they can then reinvest to generate even more savings for their future. Additionally, the funds use a diversified portfolio strategy which helps to make them more resilient to market cycles in the long term."

Financial kit to provide consumers with a step-by-step guide on investing

The *UOB Income Builder* comes with a financial kit featuring easy-to-use interactive videos and tools such as an online investment calculator to help consumers determine how much and how long they need to invest to meet their financial goals.

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About United Overseas Bank

United Overseas Bank Limited (UOB) is a leading bank in Asia with a global network of more than 500 offices in 19 countries and territories in Asia Pacific, Western Europe and North America. Since its incorporation in 1935, UOB has grown organically and through a series of strategic acquisitions. In Asia it operates through its branches and representative offices as well as banking subsidiaries in China, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

UOB plays an active role in the community, focusing on the arts, education and children. For more than three decades UOB has held the prestigious UOB Painting Of The Year Competition and Exhibition. In recognition of its contributions to the arts, UOB was conferred the National Arts Council's Distinguished Patron of the Arts Award for the ninth consecutive year in 2013. UOB

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also encourages its employees across the region to be involved in its regular volunteer activities. This includes the annual UOB Heartbeat Run/Walk which is held in Singapore, Malaysia, Indonesia, Thailand and mainland China.

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