

## News Release

### **UOB Private Bank records three-fold increase in discretionary portfolio management AUM in 2017**

**Singapore, 21 February 2018** - United Overseas Bank Limited (UOB) today reported a three-fold increase in Discretionary Portfolio Management (DPM) assets under management (AUM) for its Private Bank clients in 2017, helping to drive the Bank's total wealth management AUM to S\$104 billion.

DPM solutions are where advisers initiate and execute trades based on agreed criteria compared with traditional advisory mandates, where the client approves each trade before it is executed. According to figures released by the Asian Private Banker, DPM in Asia grew at an industry rate of nine per cent year on year in 2016.

Ms Ong Yeng Fang, Managing Director and Head of UOB Private Bank, said "The guiding principle we have followed as we have enhanced the capabilities of our Private Bank over the last three years has been to manage our clients' wealth as if it were one's own."

"What has contributed to the growth in our Private Banking business is the increasing confidence our clients have in our professional in-house team as they see the investment results we achieve on their behalf," Ms Ong said.

UOB has found that certain client segments in particular prefer DPM solutions:

- Clients too busy managing their own business(es) to follow markets closely;
- Clients who prefer to let professionals make granular investment decisions; and
- Clients who need to delegate investment responsibilities, such as trustees.

UOB's DPM solutions have been constructed to respond to the changing market environment in a more flexible and timely manner. UOB Private Bank portfolio managers are empowered to adjust the asset allocation of the mandates as market conditions change.

UOB uses a process of managing draw-down risk by controlling the maximum percentage a portfolio can fall using various hedging strategies. This requires discipline in risk control and the ability to anticipate and to mitigate market risks.

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Dr Neo Teng Hwee, Chief Investment Officer and Head of Investment Products and Solutions, UOB Private Bank, said, “As we focus on the draw-down risk all the time, we have various hedging tools to mitigate different risks in the market. With markets at current levels and asset valuations looking high, clients with DPM solutions are better positioned to navigate the markets should volatility increase. If markets continue to grow, our clients will also benefit from steady returns.” So far UOB DPM mandates have proven to be resilient during volatile periods and yet able to capture upside opportunities.

UOB offers five DPM strategies to match various risk profiles. These mandates are Asian Fixed Income, Global Income Asia Focused, Global Balanced Asia Focused, Global Growth Asia Focused and Global Equity Asia Focused. The average return of UOB DPM portfolio has ranged from ten to more than 30 per cent since the Bank launched the solution in 2016. Besides standard strategies, UOB DPM also offers bespoke portfolios tailored made for clients to address a specific requirement.

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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, Europe and North America. Since its incorporation in 1935, UOB has grown organically and through a series of strategic acquisitions. UOB is rated among the world’s top banks: Aa1 by Moody’s and AA- by Standard & Poor’s and Fitch Ratings respectively. In Asia, UOB operates through its head office in Singapore and banking subsidiaries in China, Indonesia, Malaysia and Thailand, as well as branches and representative offices across the region.

Over more than eight decades, generations of UOB employees have carried through the entrepreneurial spirit, the focus on long-term value creation and an unwavering commitment to do what is right for our customers and our colleagues.

We believe in being a responsible financial services provider and we are committed to making a difference in the lives of our stakeholders and in the communities in which we operate. Just as we are dedicated to helping our customers manage their finances wisely and to grow their businesses, UOB is steadfast in our support of social development, particularly in the areas of art, children and education.

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