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UOB Asset Management partners with Sumitomo Mitsui Asset Management to launch Asia Pacific Real Estate Fund

First collaboration between the two asset management firms

Singapore, 13 June 2013 – UOB Asset Management (UOBAM) and Sumitomo Mitsui Asset Management (SMAM) have joined forces to offer a new Asia Pacific real estate unit trust for retail investors in Singapore. Combined, UOBAM and SMAM have assets under management of more than S\$150 billion.

The unit trust, called United Asia Pacific Real Estate Income Fund (the Fund), focuses primarily on investing in Real Estate Investment Trusts (REITs) in the Asia Pacific region – a segment that has been benefitting from the increasing wealth and growing population in Asia. SMAM is the sub-manager of the Fund's portfolios in Australia, Japan, and New Zealand, markets in which the Japanese asset management firm has on-the-ground expertise.

John Doyle, Chief Investment Officer at UOBAM said, "Asia has remained a sweet spot in terms of real estate, underpinned by robust economic growth and low interest rates and the REITs sector has been a clear beneficiary of this environment. We believe this positive trend will continue as Asia's rising affluence and growing intra-regional trade drive demand for real estate, not just in the residential segment but also in the retail, office and industrial space."

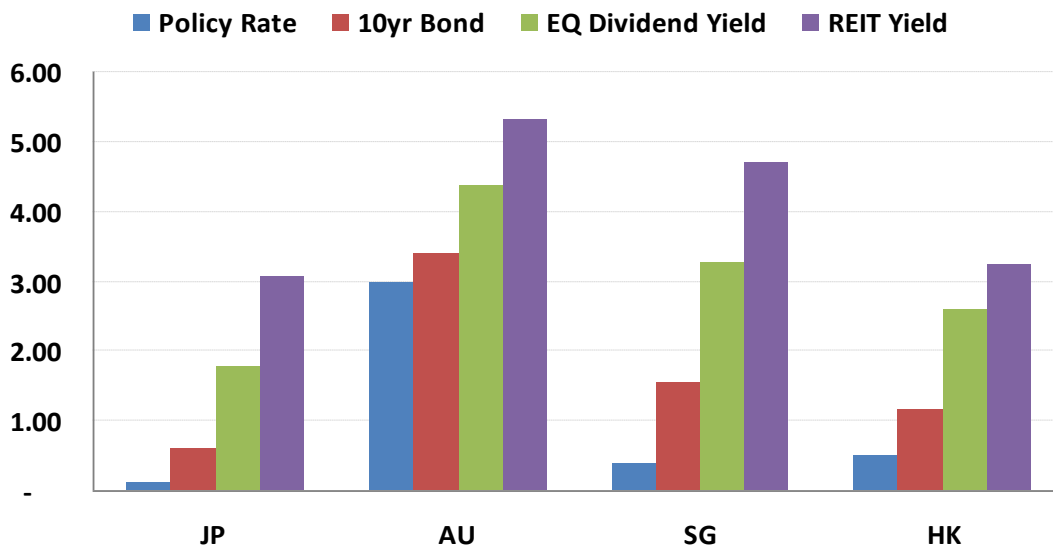
The Fund aims to offer a potential distribution of five per cent per annum, to be paid on a quarterly basis, by investing in a diversified portfolio of real estate segments across the region to ensure a stable stream of income through market cycles. At present, Asia Pacific REITs generate an average distribution yield of about four per cent¹, which is higher than the ten-year government bonds in their respective countries.

Ng Hui Min, Director at UOBAM and Fund Manager of United Asia Pacific Real Estate Income Fund, said, "REITs in the region have been providing relatively better returns than government bonds. Even if the costs of borrowing were to increase, we believe Asia Pacific REITs are still an attractive investment

¹ Source: S&P Asia Pacific REIT Index, April 2013

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option as they have manageable gearing levels and relatively long debt tenure, which would help to cushion the impact of a gradual rise in interest rate.”



Source: UOBAM, March 2013

Growing REITs market in the Asia Pacific region offers investors more choices

There are currently more than 100 REITs in the Asia Pacific region with a total market capitalisation of more than US\$200 billion². REITs are typically perceived as low risk investments and a more defensive asset class that offer a source of stable income. They can also offer investors access to quality assets which may otherwise not be available. In Australia, for example, REITs own 80 per cent of the prime shopping centres.

“The Asia Pacific REITs market is expected to grow in both depth and breadth as property developers in emerging markets in the region increasingly accept the concept of asset monetisation. We expect Thailand and the Philippines to be the next in line to join the ranks of Australia, Hong Kong, Japan and Singapore as established REIT markets. What this means is that we will potentially have a bigger universe of REITs to choose from for the Fund,” Ms Ng said.

² Source: JP Morgan and Bloomberg, March 2013

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Unlike buying physical properties, there is no need to lock in millions to invest in the Fund. Retail investors can invest a minimum of S\$1,000 to gain exposure to a diversified real estate portfolio in the Asia Pacific region.

Trading for the United Asia Pacific Real Estate Fund is expected to start on 17 June 2013.

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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 27 years and as of 31 March 2013 manages about S\$26.8 billion in clients' assets. UOBAM manages 53 unit trusts in Singapore and is one of the largest unit trust managers in Singapore in terms of assets under management.

UOBAM has an extensive presence in Asia with regional business and investment offices in Malaysia, Thailand, Brunei, Taiwan and Japan. UOBAM has forged strategic alliances with HI Asset Management (Korea) and UTI International (India). In addition, we have joint ventures in Malaysia and China.

Through its network, UOBAM offers a comprehensive suite of products to its client base of individuals, institutions and corporations. These products include but are not limited to retail unit trusts, exchange-traded funds and customized portfolio management services.

About Sumitomo Mitsui Asset Management

Established in 2002, SMAM is one of Japan's leading asset management firms with assets under management of approximately US\$110 billion as at November 2012.

SMAM has overseas subsidiaries in the United Kingdom, the United States and Hong Kong, and a representative office in Shanghai dedicated to research on equities and economic developments in the People's Republic of China. SMAM and its group of companies worldwide (SMAM Group) provides investors with asset management services by leveraging its solid research platform, particularly focused on Japan and Asia-Pacific, with around 500 staff (including 140 investment professionals) worldwide. SMAM Group's experienced fund managers take advantage of original and in-depth analysis by in-house researchers in generating investment ideas to produce competitive investment performances.

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