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## NEWS RELEASE

### **UOB Asset Management Launches The United Global Emerging Market Portfolios**

*The first Singapore-registered bond fund investing in global emerging market debt to be offered by UOBAM for asset diversification*

**Singapore, 28 June 2001** - From 2 July 2001 onwards, UOB Asset Management (UOBAM) offers investors another exciting investment opportunity - a chance to invest in debt securities issued by the Emerging Markets. Emerging Markets refer to developing countries, spanning Latin America, Asia, Europe and Africa. UOBAM teams up with UK-based sub-manager, Ashmore Investment Management Ltd (Ashmore) to manage the United Global Emerging Market Portfolios (GEMs), the first open-ended bond fund of its kind in Singapore.

As an umbrella fund, GEMs currently offers two sub-funds under a single trust fund structure - the GEMs Investments (S\$) denominated in Singapore Dollars, and the GEMs Investments (US\$) denominated in United States Dollars. The Funds aim to maximise returns, with high yield and capital appreciation over the long term through investments in emerging market bonds and debt instruments. Examples of such instruments include bonds issued by the governments of Mexico, Russia, China, Poland, Korea and Brazil. The Sub-Funds' investments capitalise on opportunities in selected developing countries which are benefiting from positive changes, such as political and economic reforms, increases in capital inflows and investor confidence.

Says Mr Daniel Chan, Managing Director & Chief Investment Officer, UOBAM, "From the Asian currency crisis in 1998, structural problems in Asia are now being resolved. Latin American countries are stabilising and are poised for growth. These factors, coupled with the increasing popularity in bonds, point to the fact that this is an opportune time for the introduction of such a unique product into the market."

Confident of the potential success of GEMs, Mr Chan adds, "The Ashmore team will bring its emerging market expertise and insight into this product. Both parties are committed to work closely on this Fund and its investment objective to reap sizeable returns."

Specialists in emerging market debt since 1992, Ashmore's excellent track record has won itself a string of prestigious awards. It recently won the Global Investor 2001 Award for Investment Excellence - Emerging Market Bonds early this year. Ashmore currently manages approximately US\$1 billion in emerging market debt investments, and is currently managing Lipper's Number One Emerging Markets Fund, called the Emerging Markets Liquid Investment Portfolio (EMLIP), upon which GEMs will be largely based. The Fund is also ranked Number Two in Nelson's International Fixed Income over a year. EMLIP achieved a 1, 3, 5 year annual return of 28.99%, 31.14% and 143.20% respectively at end-2000 with a volatility since launch to May 2001 of 17.63.

Commenting on its investment methodology, Mr Mark Coombs, Managing Director, Ashmore, says, "Using the Ashmore Portfolio Framework, GEMs will be managed through active management, in-depth market analysis and research. The emerging markets are experiencing increased liquidity and transparency, which allows for more active portfolio management. These countries represent such a potential for growth from the mere fact that they make up 84% of the world's population and represent a US\$1.4 trillion bond market."

Says UOBAM's Fund Manager, Mr Kon Chee Keat, "Investing in emerging markets, being in a separate asset class on its own, will act as a useful tool in asset diversification to achieve favourable returns relative to average risks. Emerging market debt should represent 10% to 15% of an investment portfolio, depending on risk appetite and current portfolio allocations."

Adding on to the importance of asset diversification, Mr Glenn Lee, recently-appointed Head of Marketing at UOBAM, says, "An allocation to emerging market debt can reduce overall portfolio volatility and risk. A certain percentage of emerging market debt should be allocated to any investor's portfolio, retail or institutional. Ultimately, one should have a balanced portfolio and never put one's eggs all into one basket."

## **Why Emerging Markets?**

### **1. An Asset Class On Its Own**

Low correlations to other markets, hence adds diversification to an overall investment portfolio. This asset class benefits from a quicker and less ambiguous crisis/recovery cycle, leading to greater efficiency and better performance opportunities.

## **2. Strong Performance Outlook**

Sustained economic growth arising from positive political and economical reforms across the developing countries. For example, deregulation of key industries like transportation and oil, introduction of tight fiscal and monetary policies and stabilisation of exchange rates. Based on a basket of emerging market bonds in the JPM Emerging Market Bond Index, the average spread above US Treasuries is currently around 800 basis points.

## **3. Emerging Market Experts**

Award-winning Fund Managers for Emerging Markets and consistent outperformance by Ashmore's Emerging Market Funds, including their flagship Emerging Markets Liquid Investment Portfolio (EMLIP).

### **Subscription Details**

#### **GEMs Investments (S\$ and US\$)**

Investors can invest in the Singapore Dollar denominated Sub-Fund with a minimum initial investment of S\$1,000. The subsequent investment amount required is S\$500. Similarly, investors can invest in the United States Dollar denominated Sub-Fund with a minimum initial investment of US\$1,000. The subsequent investment amount required is US\$500.

Alternatively, one can choose to invest via the UOBAM Regular Savings Plan that requires monthly investments of S\$100 or US\$100 after the minimum initial investment amount of S\$1,000 or US\$1,000 respectively.

Those who invest in GEMs between 2 July 2001 and 17 August 2001 will enjoy the following incentives:

<b>Investment (S\$ and US\$)</b>	<b>Amount</b>	<b>Incentive</b>	<b>Invest Before 27 July 2001</b>
\$1,000 - \$19,999		1.00% discount*	-
\$20,000 - \$49,999		1.00% discount*	S\$50 Tangs Voucher
\$50,000 - \$99,999		1.50% discount*	S\$100 Tangs Voucher
\$100,000 & Above		1.75% discount*	S\$200 Tangs Voucher
* <i>Discounts are given in the form of bonus units, based on the launch price of S\$1.00 or US\$1.00 per unit</i>			

### **Complimentary Insurance Coverage**

UOBAM has arranged with UOB Life Assurance to provide free life insurance coverage. Its protection in the event of death or total and permanent disability is 25% of your investment's market value, up to \$125,000. This will be denominated in the currency of your investment. For instance, if the value of your investments is US\$100,000, your coverage is for US\$25,000.

The United Global Emerging Market Portfolios will be retailed at all United Overseas Bank (UOB) Group branches and Invest Shops, UOB-Kay Hian, American Express Bank, DollarDex, GK Goh, DMG, Finatiq, Fundsupermart, First Independent, Fraser Securities, JM Sassoon, Lloyds Bank, Philip Securities, RHB-Cathay Securities, Standard Chartered Bank and Vickers Ballas.

A seminar for interested investors will be held on Tuesday, 7 August 2001 at 6.30 pm at The Westin Stamford, The Sophia Room, 2 Stamford Road, Singapore 178882.

For those who wish to register or require more information, please call 1800 22 22 228. Alternatively, interested investors can visit the Fund's web site at [www.uobam.com.sg/uobam/gems](http://www.uobam.com.sg/uobam/gems)