

# UOBAM's Award Winning Funds



UOB Asset Management has done it again!

At two recent separate investment funds awards, UOBAM won a total of 11 awards, bringing their total number of awards won so far to 38.

At the Standard and Poor's Investment Fund Awards Singapore 2002 held in January this year UOBAM bagged 6 top-performing awards for the following funds:

Funds	Best Performing Awards
United Asia Fund	Far East & Pacific Ex Japan Equity Fund over 1 Year Far East & Pacific Ex Japan Equity Fund over 5 Years
United Global Healthcare Fund	Global Healthcare Fund over 1 Year
United Global Internet Fund	Global TMT Fund over 1 Year
United Japan Growth Fund	Japan Equity Fund over 3 Years
United Regional Growth Fund	Far East & Pacific Equity Fund over 3 Years

At the recent Singapore Investment Fund Awards 2001, organized by Standard Chartered Bank, Reuters and The Business Times, UOBAM won the following 5 awards:

Funds	Best Performing Awards
United Global Healthcare Fund	Healthcare/Biotechnology Fund over 1 Year
United Gold & General Fund	Specialist Equities (Others) Fund over 1 Year
United Japan Growth Fund	Japan Equities Fund over 3 Years
United Global Capital Fund	Specialist Equities (Others) Fund over 5 Years
United International Growth Fund	Global Equities (Others) over 5 Years

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**Be Rewarded With a Bonus 100 e-UNIS** when you perform your first Electronic Payment of Shares<sup>2</sup> (EPS) in addition to your first log-on at UOB Personal UniBanking.

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### AT A GLANCE

#### UOB CPF Investment Scheme Account

- Enquiries on CPFIS Cash Balance & Limits, Profit & Loss, CPF Investment Holdings.
- Profit Withdrawal Application
- Funds Transfer to CPF Ordinary Account

<sup>1</sup> If you do not have/ forgotten your PhoneBanking PIN, you can apply/replace your PhoneBanking PIN at any UOB Group ATMs.  
<sup>2</sup> You need to have a UOB Savings/Current account linked to your Personal UniBanking account.  
<sup>3</sup> 250 tickets will be given away per qualifying period. Qualifying periods are 1 April – 5 May 2002 and 6 May – 15 June 2002.

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# Equity and Bond Markets Outlook for 2002, Quarter 2

REGION/ SECTOR	CURRENT QUARTER OUTLOOK			KEY REASONS FOR CURRENT MARKET OUTLOOK
	Under-weight	Neutral	Over-weight	
<b>EQUITIES</b>				
US		▲		<ul style="list-style-type: none"> <li>• US is expected to lead global economic recovery in 2002.</li> <li>• Improving economic scenario and earnings outlook. Marco-economic picture has improved with increased industrial production and manufacturing activity figures.</li> <li>• However, corporate accounting policies remain in the spotlight and companies are under pressure to increase transparency.</li> <li>• Valuations of the US equities are rather high as a result of the recent run-up in the equity markets.</li> </ul>
their				
Europe			▲	<ul style="list-style-type: none"> <li>• Recent positive economic releases, such as Germany's IFO in Jan and Eurozone's PMI in Feb, suggest an earlier than expected pick up of GDP growth by middle of 2002.</li> <li>• Eurozone equities provide an attractive long-term investment opportunity. Valuations relative to the bond market are attractive and there is an increasing focus on shareholder value from the corporate sector.</li> <li>• In addition, pension reforms can be expected in several Eurozone countries over the coming years and this should spur the broadening and deepening of capital markets.</li> </ul>
Japan	▲			<ul style="list-style-type: none"> <li>• The economy is still mired in a protracted recession amid rising unemployment and falling prices</li> <li>• The Banking sector is coming under increasing pressure from its bad debt problems. It also faces a potential run on the banks when blanket deposit insurance is brought to an end.</li> <li>• An upturn in exports is likely to provide the only support for GDP growth this year.</li> </ul>
Asia ex Japan			▲	<ul style="list-style-type: none"> <li>• Market valuations are relatively more attractive.</li> <li>• Asian countries like Korea and China continue to be well supported by strong domestic demand and increased consumer confidence</li> <li>• Abundant liquidity due to global monetary policy easing should support the growth of the Asian markets in 2002</li> <li>• Ongoing government commitment towards economic reforms, greater corporate governance and transparency, should attract investors from institutions and MNCs</li> </ul>
Emerging Markets			▲	<ul style="list-style-type: none"> <li>• Sector most likely to benefit from a rebound in global economic activity</li> <li>• Emerging markets have shown resilience in the face of Argentinian economic collapse</li> <li>• Economic fundamentals in these countries are improving. For example, Mexico received an upgrade in credit ratings recently.</li> </ul>
<b>BONDS</b>				
US		▲		<ul style="list-style-type: none"> <li>• Although much of the recovery has been priced into the US bond market, bonds will continue to struggle as the economic recovery gathers pace</li> <li>• However, inflation has remained subdued, implying that the Fed will not be forced into tightening before summer</li> </ul>
Europe		▲		<ul style="list-style-type: none"> <li>• After a slow start, recent data confirms that the European recovery is becoming more established</li> <li>• With inflation still running above the ECB's target, the bond market will remain under pressure</li> </ul>
Asia		▲		<ul style="list-style-type: none"> <li>• Improving economic outlook and resumption of positive rating news to provide strong support to Asian credits</li> <li>• Japan is still mired in recession and the government lacks concrete proposals to fight deflation</li> </ul>
Emerging Markets			▲	<ul style="list-style-type: none"> <li>• Emerging markets have shown resilience in the face of Argentina economic collapse</li> <li>• Credit fundamentals continue to improve and upgrades in credit ratings are on the cards for some developing countries. For example, Mexico received an upgrade in ratings recently.</li> </ul>

Source: Market outlook and portfolio weighting recommendations are compiled from a survey with participating fund managers.

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# BULLISH ON ASIA EX JAPAN



Although the Japanese economy continues to be mired in its structural problems, the rest of the Asian economies have become stronger and better positioned for the economic up-turn on the back of the expected US economic recovery this year.

The key reasons to be bullish on Asia ex Japan:

- As a sign of strength, the Asian financial markets have weathered the current economic slowdown better than was the case during the Asian Financial Crisis.
- Deregulation, greater corporate governance and transparency would once again make Asia the number one investment choice for institutions and MNCs.

### Strategy: Asia ex Japan Equity Funds

Asia ex Japan Equity Funds offer investors the most cost efficient and diversified method of participating in the growth of the Asian equity markets.

Below is the performance table of the **Top 3 Performing Asia ex Japan Funds** currently distributed by UOB.

	YTD % Chg	6 mths % Chg	1 Yr % Chg	3 Yrs % Chg	Ann Returns (%)	Ann Volatility	Ann Sharpe	Expense Ratios (%) <sup>2</sup>	Fund Start Date
Aberdeen Pacific Equity <sup>1</sup>	6.7	16.4	8.7	54.6	9.2	20.3	0.5	1.2	12/05/1997
Schroder Asian Growth Fund <sup>1</sup>	2.3	22.2	1.2	37.4	7.3	24.7	0.3	1.5	05/10/1991
UOBAM United Asia <sup>1</sup>	7.4	31.0	13.4	46.9	7.2	24.8	0.3	2.1	24/04/1992
Mean <sup>3</sup>	5.8	20.5	3.4	35.1	-0.5	26.8	0.0		

Source: Micapal, Standard and Poor's, Bid-Bid, SGD, Net Inc as at 28 Feb 2002.

<sup>1</sup> The list of criteria used to rank the funds extends beyond the ones listed in the table.  
<sup>2</sup> Based on William Mercer, "Performance Evaluation Summary for Unit Trusts included under the CPFIS for period ending Dec 2001".  
<sup>3</sup> Mean of 11 Asia ex Japan funds distributed by UOB  
<sup>4</sup> Available for CPFIS OA Investments

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- Strong domestic demand has helped to support key economies in the region such as Korea and China.

- Although Asian equity markets have seen a strong run-up to date, the valuation for Asian equity markets are still way off their highs and relatively more attractive than the other equity markets such as the US and Europe.

- Export-oriented Asian economies such as Singapore and Taiwan would benefit from the US economic recovery.

The funds are ranked based on a rating system, which measures their performance against the average over a list of quantitative criteria. These funds have consistently outperformed the average as well as other Asia ex Japan funds distributed by UOB.

**Our Pick:**  
**Aberdeen Pacific Equity Fund** was awarded Best Performing Asia ex Japan Fund over 3 years during the recent Singapore Investment Fund Awards 2001. Based on the table, the fund achieved the highest annualised returns of 9%p.a. with the lowest volatility.

**UOBAM United Asia Fund** had shown strong and consistent performance especially over the 1-year period. The fund was awarded the Best Performing Asia ex Japan Fund over 1 year and 5 years by Standard and Poor's (S&P) Investment Fund Awards Singapore 2002.

**Schroder Asian Growth Fund** is also among the top-performing Asia ex Japan funds. The fund won the coveted Top Performing Asia ex Japan Fund over 10 years Award for the two investment funds award ceremonies held in Singapore based on its consistent performance.

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We will guide and help you tap into one of the widest range of investment products. These include award-winning Unit Trusts, Life Assurance policies, CPF Investment Schemes and Supplementary Retirement Schemes (SRS).

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