

Asian Bond

UOB Asset Management Ltd

United Asian Bond Fund

FUND OBJECTIVE

UOB ASSET MANAGEMENT LTD

The fund seeks to provide stable current income and capital appreciation by investing in high-yielding debt securities issued by Asian corporations, financial institutions, governments and their agencies (including money market instruments).



ABOUT THE FUND MANAGER

Established in 1986, UOBAM is a leading manager with more than 20 years of experience in investing in equities and fixed income instruments of regional and global markets. The firm possesses an experienced team of 70 investment professionals, conducting independent rigorous fundamental research within a proven investment process and framework. UOBAM is headquartered in Singapore, with regional business and investment offices in Malaysia, Thailand, Brunei, Taiwan and Japan.

In terms of market coverage, UOBAM has acquired specialist skills in equity investment in global markets and in major global sectors. In the bond markets, UOBAM covers the Organisation of Economic Co-operation and Development (OECD) countries to emerging markets. UOBAM's investment philosophy is to emphasise on securities selection using a bottom-up approach. UOBAM makes regular company visits and supplements its fundamental investment approach with quantitative tools to control risks and to aid in the portfolio construction process. UOBAM has also established itself as one of the leading players in structured credits and investment solutions, managing third party investments in equities and bonds.

The portfolio manager is Mr Chia Tse Chern, Director. Tse Chern joined UOBAM in 2008. Tse Chern graduated with a Bachelor of Business (Financial Analysis) from Nanyang Technological University in 1998 and holds a Masters of Applied Economics (Distinction) from Australian National University. Tse Chern covers Asia Macro, local rates and sovereign credits. Prior to joining UOBAM, Tse Chern was an Economist with Credit Suisse, covering Southeast Asia and India. He has 10 years of industry experience.

OUR COMMENTS

The United Asian Bond Fund was the second-strongest performing Asian bond fund over a cumulative five-year period to end March 2011, with a 4.3% annualised return over the period substantially stronger than the 2.3% peer average return. The fund ranked first over cumulative three-year and four-year periods ended March 2011. In addition, the fund scored highly in terms of risk, and ranked first among its peers in terms of both the extent of drawdown as well as downside volatility registered over the past three years (end March 2008 to end March 2011). The fund registered a maximum drawdown of -10.1% over three years, significantly better than the -17.8% peer average drawdown. The fund's downside deviation over the period was just 4.2%, versus the 7.7% peer average.

The fund's strong historical performance comes along with relatively low risk, suggesting superior fund management ability, and the fund's unrestricted mandate allows it to invest across various credit ratings within Asian fixed income. The fund, as of 31 December 2010, holds a reasonable exposure to the high yield segment (23.6% of the fund's assets were in securities rated BB or B) to capture higher investment returns even in a relatively low yield environment. As of 31 December 2010, the fund had a yield-to-maturity of 6.3%, indicating that the fund managers were still able to find reasonable investment opportunities despite the low interest rate environment. Investors in the fund should note that the fund managers actively manage currency risk, and the fund is managed from an SGD-perspective.

FUNDSUPERMART COMPILATIONS. PERFORMANCE FIGURES IN SGD TERMS, BASED ON BID PRICES AND DIVIDENDS RE-INVESTED. ANALYSIS BASED ON MOTHER FUND WHERE FEEDER INCEPTED AFTER END-MARCH 2008.

FUND INFORMATION

Launch Date	8 March 2000
Annual Management Fee	1.00%
Annual Expense Ratio as at 31 Dec 2010*	1.24%
CPF Investment Scheme	N.A.
Fund Size as at 31 Mar 2011*	SGD 41.07 million
The fund size in the "Fund Information" section refers to that of the feeder fund, if the fund has a feeder fund structure. *Source: UOB Asset Management Ltd	

RISK AS AT END MARCH 2011

3-year Annualised Volatility**	6.91
3-year Annualised Sharpe Ratio**	0.90
Our Risk Classification	4 - Moderately Low Risk
**3-Year volatility and Sharpe Ratio figures are based on bid prices, adjusted for dividends re-invested and in SGD	

PERFORMANCE AS AT END MARCH 2011

52-week High	SGD 1.69
52-week Low	SGD 1.59
52-week high/low figures are based on bid prices without dividends, in the fund's denominated currency and compiled by Fundsupermart	

PERIOD	1 YR	2 YR	3 YR	5 YR	10 YR
Annualised Returns To Date (%)	0.8	11.3	7.8	3.7	4.8
Performance figures are based on offer-to-bid prices, dividends re-invested, in SGD and compiled by Fundsupermart					

3 MTH	6 MTH	1 YR	2 YR	3 YR	5 YR	10 YR
ABSOLUTE RETURNS TO DATE (%)						
1.7	0.9	4.0	27.8	29.0	23.6	64.9

ANNUALISED RETURNS TO DATE (%)						
N.A.	N.A.	4.0	13.1	8.9	4.3	5.1

PERIOD	2006	2007	2008	2009	2010
Annual Returns (%)	-2.1	-1.7	-7.9	25.0	6.9
Performance figures are based on bid prices, dividends re-invested, in SGD and compiled by Fundsupermart					

TOP HOLDINGS AS AT END MARCH 2011

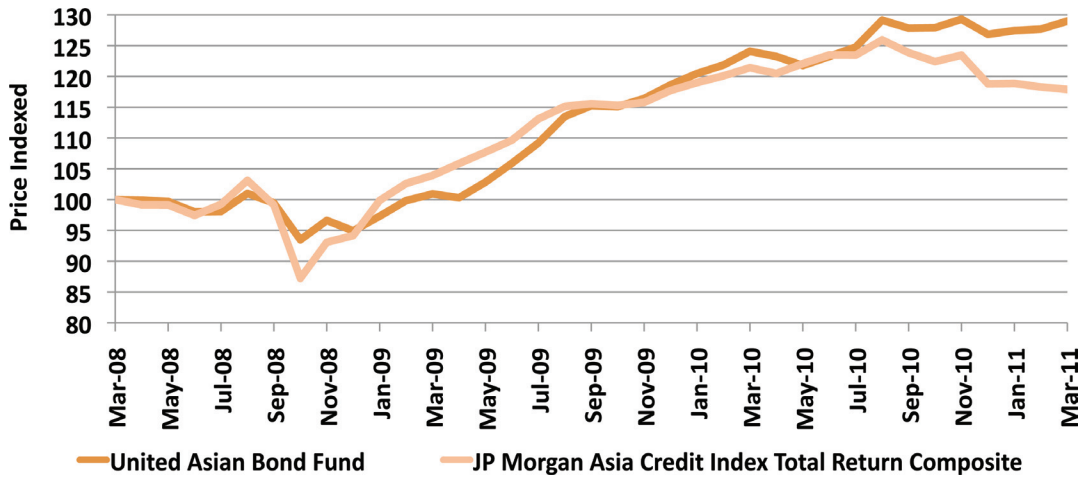
BECL Investment Hld 4.7% 21/2/14
Bumi Investment Pte Ltd 10.7% 6/10/17
China Overseas Finance 5.5% 10/11/20
Shui On Devt Hldg 7.6% 26/1/15
Shui On Land Ltd 6.8% 23/12/13

Source: UOB Asset Management Ltd



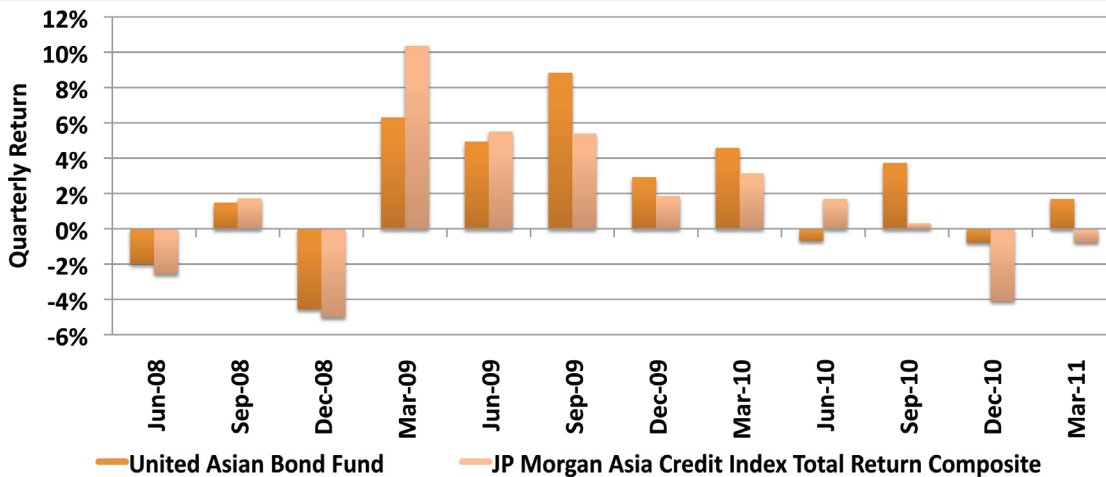
BOND PORTFOLIO

CHART 1: PRICE INDEXED PERFORMANCE OF FUND OVER THE LAST 3 YEARS



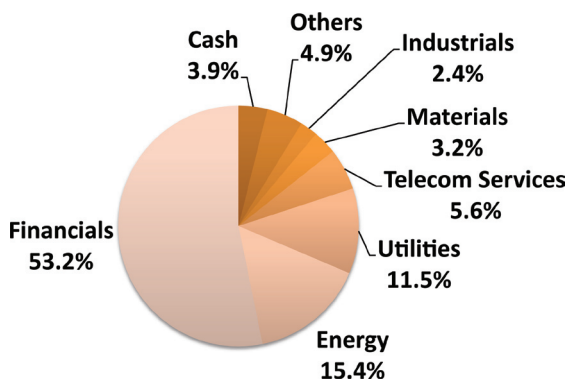
Based on bid prices, dividends re-invested and in SGD.
Source: Fundsupermart & UOB Asset Management Ltd

CHART 2: OUT/UNDERPERFORMANCE OF FUND VERSUS BENCHMARK



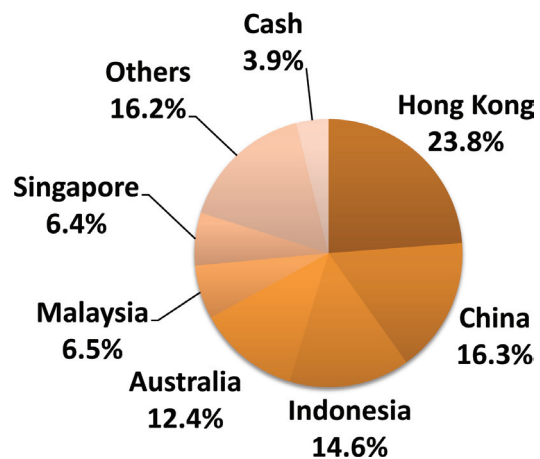
Source: Fundsupermart & UOB Asset Management Ltd

CHART 3: SECTOR ALLOCATION AS AT END MARCH 2011



Source: UOB Asset Management Ltd

CHART 4: COUNTRY ALLOCATION AS AT END MARCH 2011



Source: UOB Asset Management Ltd

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In India, iFAST Corporation has inked a joint venture agreement to establish an independent unit trust distribution platform for retail investors and Independent Financial Advisers (IFAs). iFAST Corporation is the majority shareholder of this joint venture. Fundsupermart.com went live with its transaction platform in September 2009.

Starting from January 2009, Fundsupermart Magazine is an international publication distributed in Singapore, Hong Kong and Malaysia.

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