Opportunities in Fixed Income
About UOB Asset Management

Established in 1986, UOB Asset Management (UOBAM) is a leading Asian asset manager with investment expertise in fixed income and equities across regional and global markets. As a wholly-owned subsidiary of UOB Group, we have a strong presence in Asia with a wide regional network and strategic alliances.

Through our expertise and reach, we offer a comprehensive suite of products and solutions to individuals, institutions and corporations.

UOBAM’s strengths are established on the following building blocks:

<table>
<thead>
<tr>
<th>Commitment to investment and performance excellence</th>
<th>Robust and proprietary risk management framework</th>
<th>Dedication to service excellence</th>
<th>Asian perspective and deep local knowledge</th>
<th>Trusted partner for stability, security and strength</th>
</tr>
</thead>
</table>

Our Awards and Accolades

UOBAM is one of the most awarded asset managers in Asia. Our commitment to investment and performance excellence has been recognised by independent organisations conferring numerous awards for excellent investments as well as overall company performance.

**Our recent company-level awards**

Best Fixed Income Fund House – 2017 Morningstar Awards

Best Performance Award in the Asian Bonds category (10 years), Asia Asset Management 2017 and 2014 Best of the Best Awards

Asia Fund House of the Year (Marquee Award), AsianInvestor Asset Management Awards 2016

* Please refer to uobam.com.sg for a complete listing.
The Leader in Fixed Income

We are committed to achieving consistent performance through rigorous and independent fundamental research with robust management.

What differentiates us:

- One of the largest fixed income teams in Singapore
- A Tier One client of Asian bond brokers
- Proprietary credit research
- Zero bond default record in Asian Fixed Income
- Top allocation and pricing for both primary and secondary issues

Our Winning Team

At UOBAM, we are guided by our values to do what is right for our clients that are in their best interests. Our commitment to excellence is reflected in adding value to our clients’ investments and making a meaningful difference to shape their financial future.

Mr Chong Jiun Yeh
Chief Investment Officer
(Fixed Income and Structured Investments)

- Average 10+ years of investment experience
- 30 fixed income investment professionals

Over 26 years of investment management experience
Our Investment Process and Philosophy

**Fixed income**
We are rigorous and independent in research
To achieve consistent performance is to be rigorous and independent in fundamental research. We aim to generate sustainable total returns by adopting diversified investment strategies and active risk management.

**Our approach**

**Disciplined top-down strategy**
Covers macro-economic and market analyses that include:
- Duration management
- Currency overlay
- Country/sector allocation

**Independent fundamental bottom-up research**
Includes analyses on:
- Credit quality
- Security structure
- Relative valuation
The Case for Fixed Income

Investors are facing an uphill task achieving good and high risk-adjusted returns in an environment of low yields offered by traditional asset classes. Amid rising costs of living, longer life spans, and the increasing need to plan for retirement and other investment goals, the search for yield has become more important.

At UOBAM, we recognise the growing demand among income-seeking investors for the best solutions. Fixed income solutions can offer attractive and reliable income streams, which make this asset class an attractive and viable option for investors.

Where Our Capabilities Meet a World of Opportunities in Fixed Income

Our curated collection of seven fixed income funds allows you to gain access to opportunities around the globe to fulfil investors’ needs.
United SGD Fund

Fund Objective

A short duration strategy with the aim of achieving a yield enhancement over Singapore dollar deposits, while seeking capital preservation by investing mainly in global investment-grade bonds.

Inception Date: June 1998
Acc and Dist Classes Available (Payout of 2% p.a.)
NAV: S$1.846 (as at 30 June 2017)
Why Invest?

**Short-term, high quality credits**

The Fund invests in investment-grade bonds with maturity of three years or less.

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<thead>
<tr>
<th>Average Yield to Maturity</th>
<th>2.90% p.a.</th>
</tr>
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<tr>
<td>Average Portfolio Rating</td>
<td>BBB+</td>
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</tbody>
</table>

Source: UOBAM, end June 2017

**Resilience during periods of instability**

<table>
<thead>
<tr>
<th>Event</th>
<th>United SGD Fund</th>
<th>Asia Pacific Bond Funds</th>
<th>Global Bond Funds</th>
<th>Asia Pacific Equity Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Financial Crisis (GFC) (Sep 2008 - Dec 2008)</td>
<td>-1.50</td>
<td>-2.75</td>
<td>-3.12</td>
<td>-3.69</td>
</tr>
<tr>
<td>European Debt Crisis (Jun 2011 - Sep 2011)</td>
<td>-0.69</td>
<td>0.56</td>
<td>0.67</td>
<td>0.78</td>
</tr>
<tr>
<td>Quantitative Easing (QE) Tapering (Jun 2013 - Jul 2013)</td>
<td>-0.06</td>
<td>-0.19</td>
<td>-0.83</td>
<td>-1.33</td>
</tr>
<tr>
<td>China Shares &amp; Oil Price Decline (Oct 2015 - Jan 2016)</td>
<td>-1.06</td>
<td>-2.90</td>
<td>-2.61</td>
<td>-2.46</td>
</tr>
</tbody>
</table>

Maximum Drawdown

- United SGD Fund
- Asia Pacific Bond Funds
- Global Bond Funds
- Asia Pacific Equity Funds

Source: Lipper as at end December 2016, SGD returns
The Fund has delivered stable and consistent returns and registered only one year of negative return since inception.

### Calendar year return (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>1998</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>2.20%</td>
<td>3.22%</td>
<td>2.75%</td>
<td>1.89%</td>
<td>4.27%</td>
<td>1.34%</td>
<td>1.97%</td>
<td>0.61%</td>
<td>2.76%</td>
<td>3.32%</td>
</tr>
<tr>
<td>2008</td>
<td>-0.64%</td>
<td>11.58%</td>
<td>5.91%</td>
<td>0.95%</td>
<td>7.41%</td>
<td>4.14%</td>
<td>2.65%</td>
<td>3.05%</td>
<td>3.24%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Lipper as at end December 2016, SGD terms, on a NAV basis with dividends and distributions reinvested

**Hedge FX exposure to SGD**

The underlying bonds are denominated in different currencies. The Fund seeks to mitigate fluctuations to the portfolio caused by foreign currency movements by hedging the currency exposure to SGD.

**Laddered strategy approach**

Bonds that mature in the current year will be re-invested into higher interest rate bonds. The Fund aims to ride the momentum of rising interest rates to enhance the total return for investors.

### Rising interest rate environment

- **Year 1:**
  - 1 Year
  - 2 Year
  - 3 Year

- **Year 2:**
  - 1 Year
  - 2 Year
  - 3 Year

- **Year 3:**
  - 1 Year
  - 2 Year
  - 3 Year

**Awards**

- ★ Top selling recommended Fund, Fundsupermart Choice Awards 2016
- ★ Best Fund over 3 years (2015) and Best Fund over 5 and 10 years (2013 to 2014) in the Bond Singapore Dollar category, The Edge-Lipper Singapore Fund Awards
United SGD Plus Fund

Fund Objective

To maximise long-term returns through capital appreciation and/or income for investors in SGD terms by investing primarily in fixed income and debt securities.

Inception Date: 2 October 2017
Acc and Dist Classes Available
NAV as at Inception: S$1.00
Why Invest?

Absolute return focus
The Fund has an absolute return focus with an aim to make regular monthly distributions of up to four per cent per annum. It achieves its objective by using a combination of funds and direct securities with the following allocation limits:

- **United SGD Fund**
  - Immediate access to investment-grade solutions
  - Up to 70%

- **United Asian High Yield Bond Fund**
  - Immediate access to high-yield allocation
  - Up to 30%

- **Direct Securities**
  - Providing diversification benefits through:
    - Global diversification
    - Duration opportunities
    - Credit opportunities
  - Up to 20%

- **Opportunistic Exposure**
  - Access to fixed income solutions such as:
    - Emerging markets bonds
    - High-grade corporate bonds
  - Subject to Manager’s discretion
Attractive risk-adjusted returns

The Fund has a tilt towards Asian investment-grade bonds and high yield bonds, which offer better risk-adjusted returns than most asset classes over a 10-year period. The Fund will thus be able to optimise the balance between risk and returns by maintaining low volatility without compromising on returns.

Risk-adjusted returns

Annualised Return (%)

-2% 0% 2% 4% 6% 8% 10%

0% 5% 10% 15% 20% 25% 30%

Annualised Risk

Source: Bloomberg, for the period of 1 May 2007 to 30 April 2017 in USD terms. US Bonds: Barclays US Corporate Index; US HY: Barclays US HY Index; Europe Bonds: Barclays Pan-European Aggregate; Europe HY: Barclays Pan-European HY; Global Bonds: Barclays Global Aggregate Corporate Index; Global HY: Barclays Global HY Index; Asia IG: JP Morgan JACI Investment Grade Index; Asia HY: JP Morgan JACI Non-Investment Grade Index; US Treasury: BofA Merrill Lynch 7-10 year US Treasury Index; Global Equities: MSCI World Index; Emerging Markets Equities: MSCI Emerging Markets Index; Asia Ex Japan Equities: MSCI Asia ex Japan Index; Japan Equities: TOPIX Index; US REITs: FTSE NAREIT All Equity REITs Index; Japan REITs: Tokyo Stock Exchange REIT Index; Europe REITs: FTSE NAREIT Europe REITs Index
United High Grade Corporate Bond Fund

Fund Objective

The Fund seeks to maximise returns over the long term via a portfolio that consists mainly of investment-grade corporate bonds issued globally.

Inception Date: July 2009
Acc Class Available
NAV: S$1.484 (as at 30 June 2017)
Why Invest?

Diversification
The Fund’s global exposure to a wide investment universe and different sectors ensures broad diversification and a good balance between risk and returns.

Core-satellite strategy
The Fund’s core holdings of bonds with strong credit quality are complemented with higher yielding bonds, which provide more aggressive returns.

<table>
<thead>
<tr>
<th>Average Yield to Maturity</th>
<th>3.49% p.a.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Portfolio Rating</td>
<td>BBB+</td>
</tr>
</tbody>
</table>

Source: UOBAM, end June 2017

Awards
★ Best Fund over 3 Years (Global Bond – Corporates), The Edge-Lipper Singapore Fund Awards 2013
United Emerging Markets Bond Fund

Fund Objective

The Fund seeks to maximise returns with high yields and capital appreciation over the long term by investing primarily in Emerging Markets (EM) debt instruments.

Inception Date: August 2001
Acc and Dist Classes Available (Payout of 5% p.a.)
NAV: S$1.366 (as at 30 June 2017)
Why Invest?

**EM economies are less vulnerable than before**

EM countries have witnessed improvements from longer-term stabilised fundamentals and effective government reforms. They are thus less susceptible to external shocks compared to in the past. The market has become more institutionalised.

![GDP growth chart](chart.png)

**Attractive yields**

The Fund buys predominantly EM sovereign debt, and captures best opportunities for yield in the EM debt space.

<table>
<thead>
<tr>
<th>Average Yield to Maturity</th>
<th>5.83% p.a.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Portfolio Rating</td>
<td>BB</td>
</tr>
</tbody>
</table>

Source: UOBAM, end June 2017

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Awards

- ★ Most Consistent Recommended Fund Award (Fixed Income), Fundsupermart Choice Awards 2016
- ★ Multiple awards including Best Fund over 10 years (Fixed Income Funds), TFF-Bloomberg Best Fund Award (2014 to 2016)
- ★ Best Fund over 10 years (Bond Emerging Markets Global category), The Edge-Lipper Singapore Fund Awards 2012
United Singapore Bond Fund

Fund Objective

The portfolio aims to maximise returns over the longer term by investing mainly in bonds denominated in Singapore dollars (issued by entities incorporated or domiciled globally) and bonds denominated in foreign currencies (issued by entities incorporated or domiciled in Singapore).

Inception Date: November 2004
Acc Class Available
NAV: S$1.456 (as at 30 June 2017)
Why Invest?

**Defensive positioning**
Quality credits with leading market share, of systemic importance, in defensive sectors which are professionally managed.

<table>
<thead>
<tr>
<th>Average Yield to Maturity</th>
<th>3.06% p.a.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Portfolio Rating</td>
<td>A</td>
</tr>
</tbody>
</table>

Source: UOBAM, end June 2017

**Invest in the stability of Singapore’s capital markets**
Exposure to Singapore Government Securities and credit issues in SGD captures stability for the Fund while investment into corporate bonds provides yield enhancement.

Source: UOBAM, end June 2017

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**Awards**

★ Best Fund over 5 years (2012) in the Bond Singapore Dollar category, The Edge-Lipper Singapore Fund Awards
United Asian Bond Fund

Fund Objective

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

Inception Date: April 2000
Acc and Dist Classes Available (Payout of 5% p.a.)
NAV: S$1.871 (as at 30 June 2017)
Why Invest?

Vigilance in credit selection and market analysis
The Fund invests in high conviction names that will drive performance, yet avoids credit pitfalls through careful credit selection and differentiation. The Fund favours countries with positive macro-backdrops.

<table>
<thead>
<tr>
<th>Average Yield to Maturity</th>
<th>4.09% p.a.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Portfolio Rating</td>
<td>BBB+</td>
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Source: UOBAM, end June 2017

Stable and consistent returns

Returns (%)

Source: Lipper as at end June 2017, SGD terms, on a NAV basis with dividends and distributions reinvested

Awards

★ Best Performance for Asian Bonds (10 years) – Asia Asset Management 2017 and 2014 Best of the Best Awards
★ Best-in-class for the Top Fund Award, Asia Bond, Benchmark Fund of the Year Awards 2016
★ Best Fund over 3, 5 & 10 years (2013 to 2014) in the Bond Asia Pacific category, The Edge-Lipper Fund Awards
United
Asian High Yield
Bond Fund

Fund Objective

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

Inception Date: April 2013
Acc and Dist Classes Available (Payout of 7% p.a.)
NAV: $1.196 (as at 30 June 2017)
Why Invest?

Equity-like returns with bond-like risks
The portfolio is designed to deliver returns that are comparable to that of equities, but with lower risks and volatility.

Returns over time for Asian High Yield and Asian Equities

<table>
<thead>
<tr>
<th>Time</th>
<th>Asian High Yield</th>
<th>Asian Equities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec-05</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td>Dec-07</td>
<td>50%</td>
<td>150%</td>
</tr>
<tr>
<td>Dec-09</td>
<td>100%</td>
<td>200%</td>
</tr>
<tr>
<td>Dec-11</td>
<td>150%</td>
<td>250%</td>
</tr>
<tr>
<td>Dec-13</td>
<td>200%</td>
<td>300%</td>
</tr>
<tr>
<td>Dec-15</td>
<td>250%</td>
<td></td>
</tr>
</tbody>
</table>

Annualised Return
Asian HY = 9.31%  Asian EQ = 7.54%

High income bonds
The Fund has a bias towards higher rated high yield credits.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Details</th>
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<td>BB-</td>
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</table>

Source: UOBAM, end June 2017
Low duration
The Fund maintains an average duration of close to three years*, offering downside protection in today’s rising interest rate environment.

Duration breakdown

![Duration Breakdown Chart](chart-image)

- < 1 Year: 29.54%
- 1-3 Years: 28.71%
- 3-5 Years: 6.61%
- 5-7 Years: 4.53%
- 7-10 Years: 4.87%
- >10 Years: 2.52%

Figures in the chart are rounded to the nearest two decimal places
Source: UOBAM as at 30 June 2017

Awards

- ★ Best Performance for Asian Bonds (10 years) – Asia Asset Management 2017 and 2014 Best of the Best Awards
- ★ Platinum Award for United Asian High Yield Bond Fund (High Yield category), Fund Selector Asia 2017
### Global

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Inception Date</th>
<th>Fund Size</th>
<th>Unit Class</th>
<th>3Y Annualised Return</th>
<th>3Y Annualised Standard Deviation</th>
<th>Morningstar Rating</th>
<th>Lipper Leader Preservation Rating</th>
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<tr>
<td>United SGD Fund</td>
<td>June 1998</td>
<td>S$1.25 bil</td>
<td>SGD Acc/Dist USD (H) Acc/Dist</td>
<td>2.82%</td>
<td>0.23</td>
<td>4 stars</td>
<td>5</td>
</tr>
<tr>
<td>United SGD Plus Fund</td>
<td>October 2017</td>
<td>Newly launched fund</td>
<td>SGD Acc/Dist USD Acc/Dist</td>
<td>4.88%</td>
<td>1.21</td>
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<tr>
<td>United High Grade Corporate Bond Fund</td>
<td>July 2009</td>
<td>S$24.52 mil</td>
<td>SGD USD</td>
<td>5.11%</td>
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<td>United Markets Bond Fund</td>
<td>August 2001</td>
<td>S$33.934 mil</td>
<td>SGD USD Pricing</td>
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<td>0.88</td>
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<td>November 2004</td>
<td>S$213.80 mil</td>
<td>SGD USD</td>
<td>6.12%</td>
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<td>April 2000</td>
<td>S$201.07 mil</td>
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<td>United Asian High Yield Bond Fund</td>
<td>April 2013</td>
<td>S$95.68 mil</td>
<td>SGD Acc/Dist USD Acc/Dist</td>
<td>13.46%</td>
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<th>3Y Annualised Return</th>
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