

News Release

UOB Asset Management and Value3 Advisory to launch AI-enabled credit rating platform in ASEAN for more effective bond investments

Singapore, 13 November 2019 – UOB Asset Management Ltd (UOBAM) and Value3 Advisory Pte. Ltd. (Value3)¹, a financial technology (FinTech) start-up, today announced their collaboration to launch an artificial intelligence (AI)-enabled credit rating, research and reporting service in ASEAN. Through their collaboration, both organisations aim to help bond investors obtain credit insights in real time so as to make more effective investment decisions. UOBAM will also harness AI to enhance the market research and insights capabilities of its fixed income team.

UOBAM will combine its regional investment expertise with Value3's machine learning and natural language processing technologies for thorough predictive analytics of ASEAN corporate bond issuers' financial and non-financial data collected from diverse sources. UOBAM will also provide regional market and industry insights to help Value3 roll out in ASEAN its proprietary AlgoCRED AI-platform², an online portal offering automated credit ratings, research and insights, for the region's corporate bonds, including unrated bonds³. Automated quantitative and qualitative assessments will then be conducted to derive credit ratings, to create credit risk indicators with real-time alerts and to generate detailed credit rating reports.

For the first time, asset managers, financial advisory firms and institutional investors will be able to access independent credit ratings⁴ for unrated bonds in ASEAN by subscribing to the AlgoCRED AI-platform. This will enable the bond investors to evaluate the issuers' creditworthiness and the issuances' investment merits more accurately.

Mr Chong Jiun Yeh, Chief Investment Officer (Equities and Fixed Income) of UOBAM, said, "Across ASEAN, many corporate bond issuers may shy away from seeking ratings for their bond issuances due to the high fees that may be incurred or the time needed to obtain and to maintain the rating. As a result, investors including asset managers such as UOBAM have to rely on internal resources to determine the issuances'

¹ Value3 is a finalist of the 2019 FinTech Awards at the Singapore FinTech Festival.

² Value3's AlgoCRED AI-platform is currently available in Switzerland, covering approximately 1,400 Swiss franc bonds.

³ Refer to bonds that have not received a credit rating from one or more of the three global rating agencies: Fitch, Moody's and Standard & Poor's.

⁴ Corporate bond issuers do not have to pay fees for their issuances to obtain credit ratings on the AlgoCRED AI-platform.

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investment merits. Greater visibility of credit ratings of bond issuers will also help benefit the corporate debt markets in the region.”

Mr Abhinav Mishra, Co-Founder and CEO of Value3, said, “Different financial institutions will typically rely on their own methodology to assign credit ratings to unrated bonds, leading to inconsistent ratings in the market. Through our collaboration with UOBAM, we will bring our proprietary and award-winning AlgoCRED AI-platform to ASEAN to address the demand for standardised credit rating services for unrated bonds. This will help corporate issuers, especially small- and medium-sized enterprises, to be more transparent in their disclosure and to attract more investors for their bonds.”

UOBAM will also work with Value3 to embed environmental, social and governance considerations into an exclusive credit rating model on the AlgoCRED AI-platform to facilitate its own responsible investing efforts.

Mr Chong said, “UOBAM has a strong track record⁵ in fixed income investing and is committed to using technology to deepen our capabilities. Through our collaboration with Value3, we will tap AI to automate our credit research and assessment processes and be far more efficient in our fixed income evaluation and investment management.”

The credit rating, research and reporting service is expected to be launched first in Singapore in December 2019 and subsequently in the other ASEAN markets.

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About UOB Asset Management

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 more than 30 years. We currently manage 56 unit trusts in Singapore and are one of the largest unit trust managers in terms of assets under management. As at 30 September 2019, UOBAM and our subsidiaries manage about S\$35 billion (US\$25.3 billion) in clients' assets.

UOBAM has an extensive presence in Asia with regional business and investment offices in Brunei, Indonesia, Japan, Malaysia, Singapore, Taiwan and Thailand. Our network includes UOB Alternative Investment Management Pte. Ltd and UOB Islamic Asset Management Sdn Bhd in Malaysia. We have two joint ventures: Ping-An Fund Management Company Limited (China) and UOB-

⁵ UOBAM was named best fixed income fund house at various industry awards. Please refer to <https://www.uobam.com.sg/about-us/awards.page> for the full list of awards.

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SM DS Asset Management Pte Ltd (Singapore). In addition, we forged strategic alliances with UTI International (India) and Wellington Management Singapore. UOBAM is one of the most awarded fund management companies, winning the 'Asia Fund House of the Year' at the *AsianInvestor* Asset Management Awards 2019, 'Top Investment Houses in Asian G3 Bonds' – Ranked 4th at *The Asset* Benchmark Research Awards 2019, 'Best Asset Management Firm Singapore' and 'Best Asia Fixed Income Fund House Singapore' at the International Finance Awards 2018 and 'Best Fixed Income Fund House' award at the Morningstar Awards 2017.

About Value3 Advisory

Value3 Advisory Pte Ltd (Value3) is a B2B FinTech company offering a capital market AI-platform for independent, predictive and fully automated credit ratings, research, ESG and analytics.

The platform empowers buy-side investors and risk managers with better decision making with their portfolio selection, risk monitoring and early warning indicators. The sell-side is empowered with the ability to produce better research and gain deeper insights with 80% of their tasks automated in the platform. The platform allows financial institutions, investors and researchers to integrate in-house insights on top of the AI-driven results. The platform also provides capital market investment visibility for SME/MSMEs that are of good quality based on ESG factors and SDG screening criteria.

Value3 combines financial data with unstructured online digital footprints, local and global news, corporate/regulatory events, governance, energy usage, environmental factors, market sentiment, geopolitics, demographics, global inter-linkages, industry trends and patterns of the companies from diverse sources to transform data overload into actionable insights. The platform has the ability to cover both public and private companies of all sizes across more than 30 industries globally. Active clients across Singapore, Europe, and India markets are leveraging the AI-capability of the platform.

Value3 is headquartered in Singapore with presence in Europe and India as well. Value3 is an award winning FinTech and AI company, winning the 'Best FinTech Startup Award' at IMAS Bloomberg Investment Conference 2019 in Singapore, 'Best FinTech Startup under Investment and Wealth Management category' at Nasscom India FinTech Day 2019, 'Most Disruptive FinTech Startup' at Money20/20 Asia 2019 in Singapore, 'Best AI-platform for Capital Markets' at Wealth&Finance 2019 in UK, 'Top-10 Wealth Management solutions' at Banking CIO Outlook 2019 in Europe, and 'Most Innovative FinTech Product Award' at India FinTech Forum 2018.

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