

News Release

UOB Asset Management launches first Singapore-focused ESG fund to help investors contribute to the nation's sustainability drive

Singapore, 25 October 2021 – UOB Asset Management (UOBAM) has launched the United Smart Sustainable Singapore Bond Fund (Fund), the first Singapore-focused fund aimed at helping individual and institutional investors contribute to the nation's sustainability drive.

As part of Budget 2021, the Singapore Government announced it would finance up to S\$19 billion of public sector infrastructure projects through green bond issuances¹. Riding on the transition to a lower carbon economy and increased investor appetite, companies are also picking up the pace in raising funds sustainably. The demand for sustainability solutions is also rising among individuals with findings from the *UOB ASEAN Consumer Sentiment Study* showing nine in 10 people expect sustainable investments to become more common in the next three to five years².

As part of meeting this demand, the United Smart Sustainable Singapore Bond Fund invests its assets in high-quality green, social, sustainability and sustainability-linked bonds with strong environmental, social and governance (ESG) mandates. With most of the assets allocated to bonds in Singapore, the Fund's investment themes, namely 'Green, Clean and Smart Singapore'³, 'Preparing for Climate Change'⁴ and 'Sustainable Production'⁵, aim to support the country's green development plans. The Fund's portfolio is also allocated to corporate bond assets based across Asia.

Mr Thio Boon Kiat, Group CEO of UOBAM, said, "Investing for profit and purpose is one of our key tenets at UOBAM. It is also the core motivation of our United Smart Sustainable Singapore Bond Fund, the first ESG fund that enables investors to participate in the shaping of a sustainable Singapore for future generations. As we help steer capital to sustainable investments, we believe we can also help investors benefit from stable income and capital appreciation, so that they can realise both profit and purpose."

¹ Source: "Budget 2021: Building a Sustainable Singapore", <https://www.gov.sg/article/budget-2021-building-a-sustainable-singapore>, 17 February 2021.

² The *UOB ASEAN Consumer Sentiment Study 2021* interviewed more than 3,500 respondents through an online survey across Thailand, Malaysia, Indonesia, Vietnam and Singapore.

³ Refers to innovations and technological solutions aimed at creating a sustainable city.

⁴ Refers to solutions that can reduce and remove harmful impact to the environment.

⁵ Refers to the sustainable production of goods and services and the establishing of resilient supply chains.

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Tapping technology to identify investments and to track and measure ESG impact

The investment approach of the United Smart Sustainable Singapore Bond Fund is based on UOBAM's proprietary ESG rating model. It combines ESG data from reliable third-party data providers such as MSCI and S&P Global Trucost with UOBAM's independent analysis and materiality framework. The model also taps artificial intelligence and machine learning in the evaluation process, including the monitoring of companies' news, to derive more robust ESG scores.

To help investors better understand the Fund's sustainability performance, UOBAM has also created an online impact dashboard that displays the portfolio's quantitative ESG indicators. Examples include the overall ESG score measured against the JP Morgan ESG Asia Credit Index (JESG JACI)⁶, carbon intensity and reduction target, energy / water / waste intensity and supply chain environmental cost intensity.

The dashboard also shows investors the sustainability impact from the investments made through the Fund in comparison with the JESG JACI. For instance, every S\$1 million of revenue generated by the Fund equates to 86 megawatt-hours less in energy consumption compared with the index. The difference can be used to power 261 three-room HDB flats for one month⁷.

The initial minimum subscription sum of United Smart Sustainable Singapore Bond Fund is S\$1,000⁸ or US\$1,000⁹ and is suitable for investors who are seeking income and capital appreciation over the medium to long term.

For more information on the United Smart Sustainable Singapore Bond Fund, please visit www.uobam.com.sg/SSS

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⁶ The JP Morgan ESG Asia Credit Index tracks the total return performance of Asia ex-Japan USD-denominated debt instruments, including floating, perpetual and subordinated bonds issued by sovereign, quasi-sovereign and corporate entities. For more information, please refer to: <https://www.rimes.com/data/j-p-morgan-esg-indices/>.

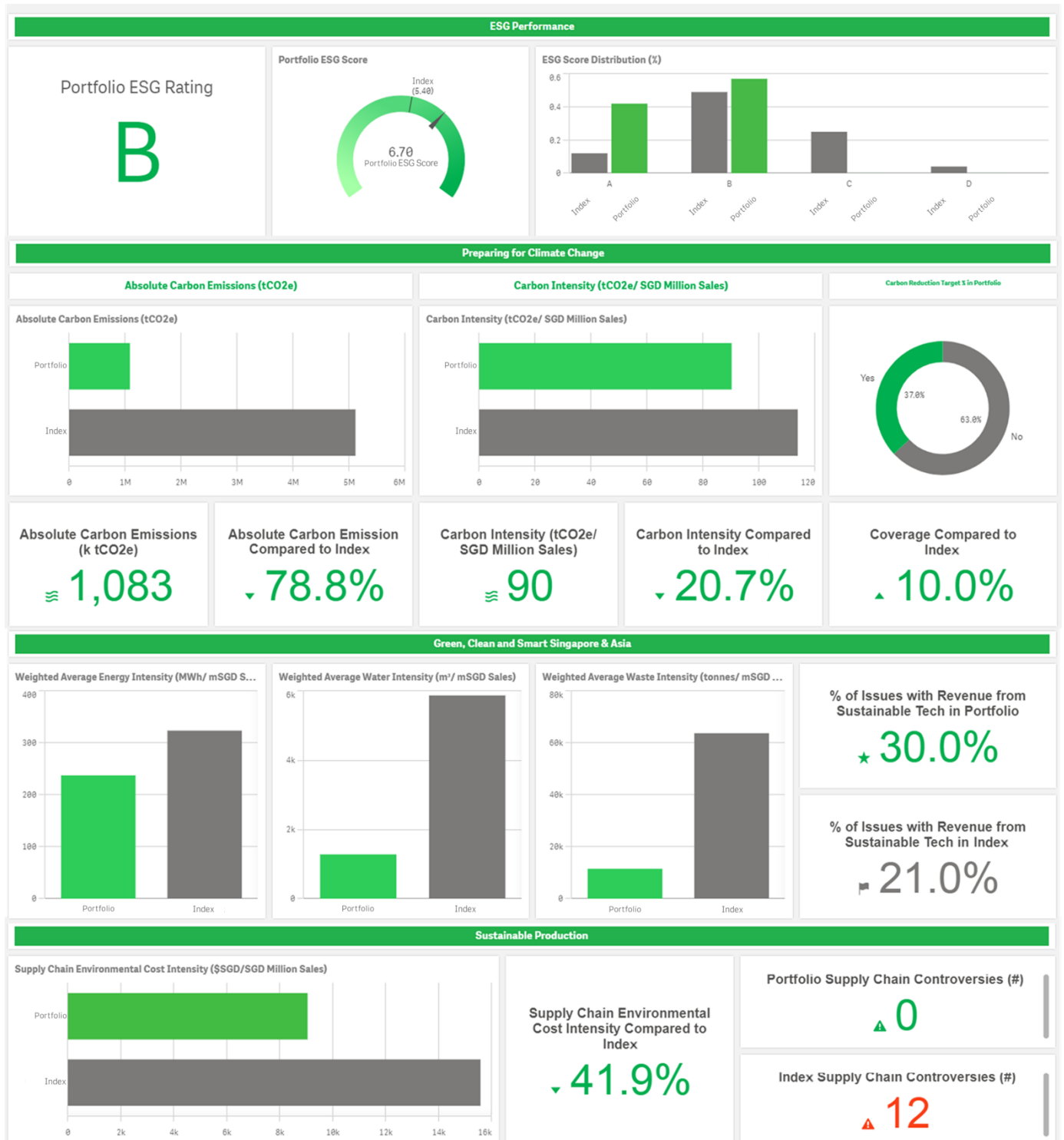
⁷ UOBAM's calculations are based on the National Environment Agency's Household Energy Consumption Study 2017. For more information, please refer to NEA news release: "Four in Five Households Motivated to Save Energy If They Can Save Money: NEA Study", 5 May 2018, <https://www.nea.gov.sg/media/news/news/index/four-in-five-households-motivated-to-save-energy-if-they-can-save-money-nea-study>.

⁸ Applies to Class A SGD Acc (Hedged), Class A SGD Dist, Class A SGD Dist (Hedged).

⁹ Applies to Class A USD Acc (Hedged).

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Appendix: Sample of the United Smart Sustainable Bond Fund's Impact Dashboard



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Source: UOBAM, September 2021

Index: JP Morgan ESG Asia Credit Index

The scale of the portfolio ESG score is from zero (minimum) to 10 (maximum). Portfolio ESG rating is based on UOBAM's methodology.

ESG score distribution:

A – Very good sustainability performance and ESG leaders

B – Good sustainability performance and potential ESG leaders

C – Average sustainability performance

D – Below average sustainability performance

About UOB Asset Management Ltd

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 are one of the largest unit trust managers in terms of assets under management. As at 31 August 2021, we managed 60 unit trusts in Singapore and together with our subsidiaries, managed more than S\$37.9 billion in clients' assets.

UOBAM has an extensive presence in Asia with regional business and investment offices in Brunei, Indonesia, Japan, Malaysia, Singapore, Taiwan, Thailand and Vietnam. Our network includes UOB Islamic Asset Management Sdn Bhd in Malaysia. We have a joint venture with Ping An Fund Management Company Limited (China) and we have also forged strategic alliances with UTI International (India) and Wellington Management Singapore.

UOBAM is one of the most awarded fund management companies, winning several awards at the Asia Asset Management Best of the Best Awards 2021 and 2020. UOBAM was named 'Best Asset Management House (Singapore)' in 2021 and 'Best Asset Management House (Regional)' in 2020. Our robo-adviser, UOBAM Invest, also won 'Best Fintech Innovation in Asset Management' in Malaysia and Singapore respectively in 2021 and 2020, as well as 'Best Digital Wealth Management' in Thailand in 2021. UOBAM Brunei has also been named 'Best Sukuk Manager' in 2021 after two consecutive wins of 'Best Investor Education' in 2020 and 2019.

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Important notes and disclaimer

For more information on the list of awards won by UOBAM, visit uobam.com.sg

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This advertisement has not been reviewed by the Monetary Authority of Singapore.

UOB Asset Management Ltd. Company Reg. No. 198600120Z