

### Investment Scenario & Strategy (2nd Quarter, 2004)

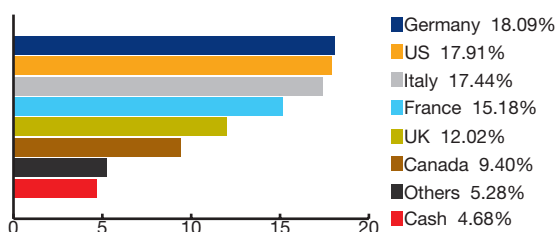
- For the quarter, the USD fund returned 2.4% bid to bid against the benchmark return of 2.19%. The out-performance resulted from under-weighting Japan.
- Overall bond markets were friendly in the first quarter as the pace of economic growth slowed from year-end. However the pace of economic momentum still continues to point to relatively strong growth.
- Looking forward, most central banks have indicated that interest rates are likely to go higher. Wide breadths of economic indicators provide reasons to be optimistic on growth prospects. Low inflation and wage growth coupled with high productivity allow central banks to be patient on raising rates but the direction for interest rates is likely to be upwards. We have positioned the Fund cautiously in light of the possible higher interest rate environment. Currency markets are volatile and currency positions will also be added opportunistically to enhance returns.

### 投资环境与策略 (2004年第二季)

- 此基金在第1季度取得2.4%的涨幅，其指标的升幅则为2.19%。基金表现比其指标好可归因于对日本减码。
- 随着经济成长自去年年底放缓后，整体债券市场在第1季度的表现仍为有利。不过，经济成长的势头仍趋向强劲，而可能冲击债券市场的表现。
- 各地央行指出，利率可能上升；很多经济指标显示，成长前景将更乐观。通货膨胀及工资成长处于低位，再加上高生产力，致使央行暂时不对利率做出调整，但利率上调的可能性看来势在必行。我们为基金组合作出了谨慎安排，以面对更高利率的环境。货币市场呈波动；我们也将适当时机增加货币部位，以便提升基金的收益。

### Asset Allocation (As at 31 Mar 2004)

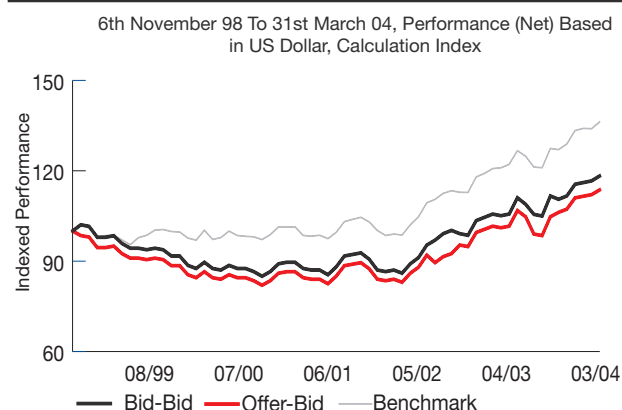
#### By Country



### Top Holdings (As at 31 Mar 2004)

WELLS FARGO BANK 6.45% 01/02/2011  
 DEUTSCHLAND REPUBLIC 5.25% 04/07/2010  
 BUNDESREPUB DEUT 6.25% 26/04/2006  
 ITALIAN GOVT BOND 4.25% 01/11/2009  
 UK GOVT 9% 12/07/2011

### Performance



Performance	Bid-Bid	Offer-Bid	Benchmark
1 month	1.43%	-1.84%	1.73%
3 months	2.40%	-0.93%	2.19%
6 months	5.97%	2.40%	6.97%
1 year	12.58%	8.54%	12.63%
3 years	10.53%	8.89%	11.39%
5 years	3.85%	3.01%	6.70%
Since Inception	3.06%	2.40%	5.60%

Source: Lipper • Performance are in USD as at 31 Mar 04 • Performance figures for 1 mth till 1 yr show the % change, those exceeding 1 yr show the annual compounded return  
 Benchmark : Citi G7 Gov Bond USD.

### Fund Info

#### Fund Objective

The fund seeks to maximise returns over the long-term by investing mainly in sovereign bonds rated at least "A" by Standard & Poor's or A2 by Moody's or its equivalent rating.

### Fund Details

#### LAUNCH DATE

September 1998

#### FUND SIZE

US\$3.66 million

#### BID/OFFER PRICE

US\$1.0650/1.0950  
 (as at 31 Mar 04)

#### SUBSCRIPTION

Cash

#### INITIAL INVESTMENT

US\$1,000

#### SUB INVESTMENT

US\$500

#### MANAGEMENT FEE

0.50% p.a.

#### SUBSCRIPTION FEE

2.0%

#### MINIMUM RSP

#### Nil

#### TRUSTEE

HSBC Trustee

### Contact Details

Visit our website  
[www.uobam.com.sg](http://www.uobam.com.sg)  
 Call our 24hr hotline  
 1800 22 22 228

Copies of the prospectus of the funds (the "Funds") are available and may be obtained from the Manager or any of its appointed distributors. Investors should read the relevant prospectus before deciding to purchase units in the Funds. All applications for units in the Funds must only be made on application forms accompanying the relevant prospectus. Past performance and any forecasts made are not necessarily indicative of future or likely performance of the Funds. The value of the units and the income from the Funds may fall as well as rise. The above information is strictly for information purposes only and should not be construed as an offer or solicitation to deal in the Funds. Reference to individual companies is for illustration only and is not a recommendation to buy or sell. Investment in unit trusts are not obligations of, deposits in, guaranteed or insured by United Overseas Bank Limited, UOB Asset Management Limited, any of its affiliates or distributors. An investment in unit trusts is subject to investment risk and foreign exchange risks, including the possible loss of the principal amount invested. Investors may wish to seek advice from a financial advisor before making a commitment to invest in units of the Funds. In the event an investor chooses not to seek advice from a financial advisor, the investor should consider whether the Funds are suitable for him.