

# UOB Privilege Times

Placing you at the financial forefront

**Where to put your money in  
these uncertain times?**

Head of Economic-Treasury  
Research, Mr. Jimmy Koh shares  
his views in Wealth Speaks  
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equity markets a genuine one?**

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## EXPERIENCE THE PRIVILEGED LIFE.



Dear Valued Client

Welcome to the inaugural issue of our quarterly Privilege Times.

The need for instant gratification has been fuelled by the Internet Age. We want the latest information, in the least amount of time. With this in mind, Privilege Times was conceived, placing you at the forefront of the latest financial and lifestyle highlights.

In this issue, we update you on the current global economic situation. As time is of essence to you, we have sifted out issues we believed would be of utmost concern to you.

The recent global equity rally since March is news you just can't miss. So is the present sizzling hot Singapore residential property market. Prices of luxury condominiums, the segment worst hit by the recession, are now creating new highs. Is the resurgence of the property craze an indication of an economic recovery? Our experts are here to shed light. Jimmy Koh, our Head of Economic-Treasury Research, navigates us through the global financial storm in "Wealth Speaks" (Page 3). We have also gathered our experts from UOB Asset Management to share with us key insights of the markets and question if this rally is sustainable in "Prime Market Feeds" (Page 4).

Certainly, when it comes to worthy investments, time will separate the wheat from the chaff. Good investments, with strong fundamentals, withstand the test of time. It will be helpful for us to stay focused on our financial objectives despite the current challenges. Depending on your risk appetite and taking into account the current economic climate, we have selected some key products in "Product Focus" (Page 5) for your consideration.

You would agree – health comes first. That is why we have collaborated with ParkwayHealth, which owns a group of reputable hospitals like Gleneagles and Mount Elizabeth, to offer you a host of exclusive healthcare privileges. A getaway is the best way to rejuvenate oneself; now you can enjoy a luxurious escape to Banyan Tree Maldives Vabbinfaru, with our compliments! Read up on these exclusive offers within this issue of Privilege Times.

Finally, in the coming quarter, you will find that your Relationship Manager will be introducing you to the UOB Client Engagement Journey – a distinct "UOB way" of engagement with our clients. This process aims to facilitate meaningful engagements for you and your Relationship Manager, and in turn, enhancing your overall banking experience with us. Your Relationship Manager will be most delighted to take you on the UOB Client Engagement Journey, ask us about it today!

Meanwhile, sit back, have a cup of coffee and enjoy a good read!

Yours sincerely

A handwritten signature in black ink, appearing to read 'Eddie Khoo'.

Eddie Khoo  
Executive Vice President  
Personal Financial Services

## WEALTH SPEAKS

## It may sound like an old broken record, but... “Don’t put all your eggs in one basket!”



Mr. Jimmy Koh  
Head of Economic-Treasury Research  
Global Markets & Investment Management

Six months ago, it was the fear of losing everything. Now, it is the fear of losing out in the run. Then, it was the worst crisis since the Great Depression. Today, there are queues at property launches. So, is the world economy really getting better? Is this a dead cat bounce, or as some may say “cyclical bull in a structural bear”? How do we reconcile the dichotomy that the real economy is only just bottoming out, while asset prices are running away?

### What is the investment outlook?

#### The Economy...

Policy makers are of the opinion that the recovery will be gradual, and we also think likewise. Unlike the Asian crisis, where 10% of global GDP was in trouble, today, 60-70% of global GDP is struggling. Also, this is not a traditional economic crisis; it stems from problems in the banking world. Although the Asian banking industry does not have similar structural issues to the West, Asian economies cannot be spared from the economic fall-out. Based on previous episodes, rebuilding of banking balance sheets needs time.

#### The Financial Markets...

As for the surge in assets prices, whether it is equities or properties, our take is that the worst is behind us; or at least maximum fear is over. Shocks à la Lehman-failure are statistically known as ‘Black Swan’<sup>[1]</sup> occurrences – that is, something unknown and unpredictable. They led to a collapse in confidence, and to liquidity and credit drying up in the financial markets. However, swift and broad policy responses have brought stability back to the system – reflected by the narrowing spread between Fed funds and LIBOR rates. The recent price action is reflecting ‘normalisation’ rather than ‘recovery’, albeit the tendency for financial prices to overshoot. Barring major shocks, we should continue to see ‘normality’ working through the global system.

Indeed, whether it was post 1929 Great Depression, 1974-75 Stagflation, or 1997-98 Asian Crisis, the recovery path was sustained for about 12 months. Against a rock bottom on 9 March 2009 (for most equities), a run should hold till year-end, barring new shocks. Beyond that, investors will have to watch if this is just ‘normalisation’ or ‘recovery’. It remains to be seen, whether this is merely ‘inventory rebuilding’ or ‘real demand’ finally kicking in.

### What should investors do? Diversify your investments.

Realistically, it is impossible to pick levels. The market today is dominated by liquidity and sentiment, which are impossible to quantify. The episode brings back to mind the principle of diversification across various assets classes such as equities, bonds, currencies and commodities – at the risk of sounding like a broken record.

Unless you are already in the market, the easy money has been made. From here, it is going to be a little tricky, and equity investment will not be a smooth ride. For risk-takers who are willing to take a small exposure to equities, select corporates that are cash-rich, have quality earnings, and are low-g geared.

After the absolute ‘fear’ post-Lehman, we are back in a more ‘balanced’ market – which means that doing nothing is not exactly the optimal strategy. Perhaps it is timely to review your long-term financial objectives with our Relationship Managers and consider if your investment strategy and your portfolio are aligned. Ensure your investments are well-diversified to cushion potential downside risks and take advantage of any potential opportunities that could arise.

#### Footnotes:

<sup>[1]</sup>Book entitled “Black Swan” by Nassim Nicholas Taleb

All views expressed herein except for those under footnote<sup>[1]</sup> are from United Overseas Bank Limited, UOB Economic-Treasury Research.

## PRIME MARKET FEEDS

### Insights from UOB Asset Management\*: Quarterly Investment Outlook and Asset Allocation

#### A sustainable recovery in the equity markets

Equity markets have enjoyed a strong rally since March and were consolidating their gains as we move through the third quarter. In our view, the recovery in equity markets that we have seen is a genuine one and we believe that the rally can be extended.

We believe that Asian equity markets have the strong potential to outperform the developed markets in this new cycle. US and European banks need to reduce their still high levels of debt and this is likely to mean muted economic growth in the developed economies for some time. In contrast, Asia's banking system is healthy and Asia's growth prospects<sup>[1]</sup> continue to be among the best in the world. An environment of very low interest rates is also boosting liquidity in Asia and in our opinion, rising liquidity is likely to translate into a reflation of asset prices.

There are of course risks ahead. The huge supply of government debt that is forthcoming from the large fiscal programmes is already creating headwinds for the bond market. If bond yields rise too quickly, the fragile economic recovery could be jeopardised. There are also concerns about inflation picking up again, especially if commodity prices rise further. Concerns about the bond market and inflation could mean that exchange rates become volatile.

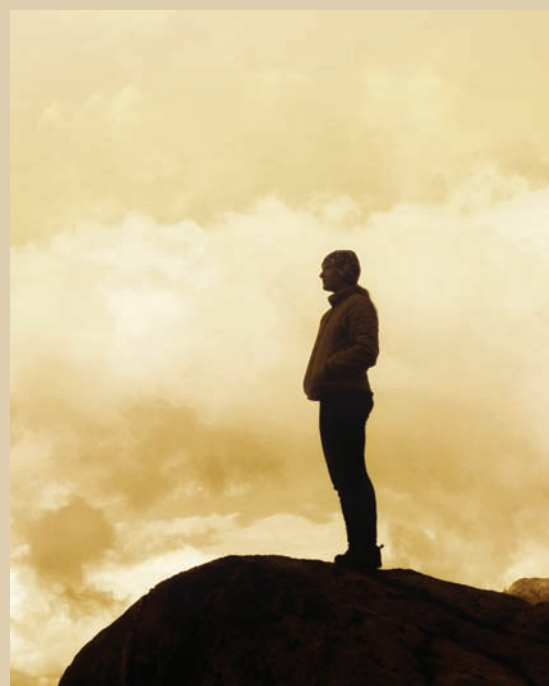
We have moved to an overweight position in Equities and Commodities and are underweight in Bonds. In Equities, we continue to prefer Emerging Markets over the next one to two years, as they are showing clear signs of decoupling from the Developed Markets. In the short-term, we would expect markets like the US, Europe and Japan, that have lagged significantly over the past couple of quarters, to start to catch up. In Bonds, we continue to prefer Investment Grade bonds. In Commodities, we stay overweight in Gold and Energy.

#### Footnotes:

<sup>[1]</sup>Source: Consensus Economics, 8 June 2009

\*UOB Asset Management Ltd is a wholly-owned subsidiary of United Overseas Bank Limited.

All views expressed herein except for those under footnote<sup>[1]</sup> are from UOB Asset Management Ltd.



## UNIT TRUSTS

### DIVERSIFYING YOUR PORTFOLIO

We understand how overwhelming it may be with the deluge of unit trusts out there. To assist you in narrowing down your search, we present to you a shortlist of six potentially rewarding funds by UOB Asset Management\*. Depending on your risk appetite, financial objectives and needs, we hope to uncover investment opportunities with the following funds:

Unit Trusts	Product Provider	Product Name	Fund's Investment Objective as per Product Providers
<b>Equity Fund:</b> Singapore	UOB Asset Management Ltd	United Growth Fund	The Fund aims to achieve medium- to long-term capital appreciation and to receive regular income distributions during the investment period through investing in shares of companies listed or quoted on the Singapore Exchange Securities Trading Limited ("SGX-ST")
<b>Equity Fund:</b> Greater China	UOB Asset Management Ltd	United Greater China Fund	The Fund aims to achieve long-term capital growth through investing in securities of companies that have businesses in Hong Kong, China and Taiwan. The main markets invested are listed or traded on the Hong Kong, Shanghai, Shenzhen and Taiwan Stock Exchanges.
<b>Equity Fund:</b> Asia Focused	UOB Asset Management Ltd	United Asia Fund	The Fund aims to achieve long-term capital growth mainly through investing in securities of corporations in, or corporations listed or traded on stock exchanges in, or corporations which derive a significant proportion of their revenue or profit from or have a significant proportion of their assets in Asia (excluding Japan).
<b>Equity Fund:</b> Sectorial	UOB Asset Management Ltd	United Global Healthcare Fund	The Fund aims to achieve long-term capital growth by investing in securities issued by companies involved principally in the development, production or distribution of products, equipment and/or services related to healthcare in any part of the world.
<b>Equity Fund:</b> Sectorial	UOB Asset Management Ltd	United Gold & General Fund	The Fund aims to achieve long-term capital appreciation by investing in companies involved in the exploration of precious metals, energy and base metals.
<b>Bond Fund</b>	UOB Asset Management Ltd	United Asian Bond Fund (Previously known as "UOB Optimix Asian Bond Fund")	The Fund aims 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).

**Speak to your UOB Relationship Manager to seize the potential opportunities and learn more about UOB's full suite of investment solutions today.**

Footnotes:

\*The Funds are managed by UOB Asset Management Ltd and distributed by United Overseas Bank Limited. UOB Asset Management Ltd is a wholly-owned subsidiary of United Overseas Bank Limited.

All views expressed herein are from United Overseas Bank Limited, Personal Financial Services and UOB Asset Management Ltd.

## DEPOSITS

### UOB Global Currency Premium Account Privileged rates from the first dollar<sup>[1]</sup> you place

Be empowered by the first foreign currency savings account that offers you greater flexibility and control while maximising returns on your every dollar.

Choose from any of the five currencies – AUD, EUR, GBP, NZD and USD and enjoy a premium interest rate starting from your first dollar. Whether it is meeting your financial or business objectives, UOB Global Currency Premium Account offers you convenience and the rewards of attractive daily interest earnings.

Promotional Currency	Promotional Rates*	Minimum Top-up Amount (Fresh Funds only)
USD	1.20%p.a.	USD100,000
AUD	2.80%p.a.	AUD100,000
GBP	0.50%p.a.	GBP100,000

All rates quoted are as of 1 September 2009. Interest rates may fluctuate daily and are subject to change at the Bank's discretion. Please contact your Relationship Manager or visit [uobprivilegebanking.com.sg](http://uobprivilegebanking.com.sg) for prevailing rates.

**From 1 September to 31 October 2009, Privilege Banking clients who top up a minimum of \$100,000 in USD, AUD or GBP currency will enjoy promotional interest rates<sup>[2]</sup> on the top-up amount in your UOB Global Currency Premium Account.**

**The UOB Global Currency Premium Account can also be linked to your overall Assets Under Management (AUM) with UOB. To discover how UOB Privilege Banking can make your money work harder for you, speak to your UOB Relationship Manager today.**

Footnotes:

<sup>[1]</sup>A minimum initial deposit of \$10,000 in the applicable currency is required for the opening of each UOB Global Currency Premium Account ("Account"). Applicable interest will be accorded from the very first dollar in the Account, based on Account balance.

<sup>[2]</sup>Promotion is available to UOB Privilege Banking clients only. Promotional interest rates are valid during the promotional period from 1 September to 31 October 2009, both dates inclusive, subjected to the minimum top-up amounts in the respective promotional currencies. Interest rates shall revert to the prevailing Account interest rates after the Promotional Period. This promotion is applicable on fresh funds to Bank only. An Accountholder shall not be entitled to the Promotional Interest Rate, for the period of time within the Promotional Period, during which the fresh funds in his Account fall below the minimum amount of \$100,000 in the respective currency, whether as a result of withdrawals or deductions or otherwise. Full Promotional Terms and Conditions apply.

Global Currency Premium Account interest rates may fluctuate daily and are subject to change at the Bank's absolute discretion without prior notice. The Bank reserves the right in its sole and absolute discretion and without prior notice or reason to the Client, to add, vary, change or remove any foreign currency available to the Client for the opening of the Global Currency Premium Account. All deposits placed in the Account may be subject to exchange rate risks and exchange controls which may have impact on the convertibility of your currency. Once the foreign exchange rate is contracted, the Client is bound by it and may not change or cancel the transaction.

UOB Terms and Conditions Governing Account and Services and Additional Terms and Conditions Governing Accounts and Services apply.

## INSURANCE

### Live your life the way you want with UOB Life Dynamic Choice\*

UOB Life Dynamic Choice provides you with an opportunity to receive potentially attractive returns<sup>[1]</sup> to realise your investment goals and future plans.

#### • Potential attractive returns<sup>[1]</sup> on your investment

UOB Life Dynamic Choice ensures that **100% of your single premium** and single premium top-up is invested into an underlying investment-linked policy (ILP) fund, Global Growth Bond Fund, to receive potentially attractive returns<sup>[1]</sup>.

#### • Insurance coverage<sup>[2]</sup> without insurance charge

As a single-premium investment-linked insurance plan, UOB Life Dynamic Choice enables you to enhance your investment opportunities while enjoying insurance coverage<sup>[2]</sup> without insurance charge for Death and Total and Permanent Disability before age 65. The benefits for Death and Total and Permanent Disability before age 65 are directly dependent on the performance of the underlying investment-linked policy (ILP) fund.



#### Fund Details

<b>Fund Objective</b>	The investment objective of the Fund is to maximise returns over the long-term through investments in a portfolio which consists mainly of investment-grade corporate bonds <sup>[3]</sup> issued globally
<b>Launch Date</b>	8 July 2009
<b>Subscription</b>	Cash
<b>Initial Investment</b>	S\$10,000
<b>Premium Allocation Rate</b>	100%
<b>Initial Sales Charge</b>	3%
<b>Management Fee</b>	Currently 1.25% per annum; maximum 2% per annum
<b>Administration Fee</b>	0.125% per annum
<b>Other Fees</b>	Custodian, Registrar, Audit, Trustee, Valuation and accounting, other fees and charges apply
<b>Fund Manager</b>	UOB Asset Management Ltd

**Live your life the way you want it. Speak to your UOB Relationship Manager to find out more about UOB Life Dynamic Choice today.**

Footnotes:

<sup>[1]</sup>The performance of the investment-linked policy (ILP) fund is not guaranteed and the value of the units in the ILP fund and the income accruing to the units, if any, may fall or rise. Past performance is not necessarily indicative of the future performance of the ILP fund.

<sup>[2]</sup>No insurance charge is levied on your policy and your investment is 100% invested in the ILP fund. The death benefit, which is the higher of the following, will be payable in one lump sum:

- 101% of the (Single Premium plus any top-up premiums less any withdrawal amount); or
- Net Asset Value (NAV), which is the total value of all the units based on the Bid Price at the appropriate valuation date.

<sup>[3]</sup>The Global Growth Bond Fund feeds into the United High Grade Corporate Bond Fund which is managed by UOB Asset Management Ltd. This Fund is rated medium to high risk.

\*Please refer to the fund summary and benefit illustration for complete details of this policy. UOB Life Dynamic Choice is underwritten by UOB Life Assurance Limited and distributed by United Overseas Bank Limited.



## UP & COMING

### Asian Market Outlook Seminar and Introduction to United Asia Consumer Fund *Jointly-organised with UOB Asset Management*

Date : Wednesday, 23 September 2009  
 Venue : The Fullerton Hotel, Ballroom 2  
 Time : 6.30pm  
 Speakers : Mr. Paul Ho, Director, UOB Asset Management Ltd  
 Mr. Anselm Chua, Senior Associate, UOB Asset Management Ltd

Tune in to the insights of the current financial market outlook with focus on the Asian consumer sector over a gourmet experience at The Fullerton. Learn how to maximise your investment growth in Asia with the United Asia Consumer Fund.

Exclusively for Privilege Banking clients only. To reserve a seat, simply call our 24-hour Privilege Banking service line at 1800 355 1118.

## PAST EVENT

### INFINITE GOLFING EXPERIENCE

To reward our valued clients, UOB Privilege Banking and UOB Visa Infinite Card jointly hosted the annual Visa Access Golf Experience amidst the lush greenery of Sentosa Golf Club on 4 June 2009.

Participants were given quick tips at a golf clinic conducted by golf professionals before the start of the game. The highlight of the game was the grand prize – the sleek Porsche Cayman S Sport for the skillful hole-in-one player at Hole 2. Refreshment treats such as decadent ice cream and cooling vodka drinks were also located at designated holes to help our clients beat the hot tropical heat.

In the evening, participants were invited to the ballroom of Sentosa Golf Club where gastronomic delights and fine wine awaited. Artiste Allan Wu, who was the presenter for the evening, dazzled the participants with entertaining banter during the prize presentations. If the smiles on the faces of all were anything to go by, the event marked another infinitely successful networking session for clients and Relationship Managers.



Teeing off with a scenic view



Speech by David Lee from Visa International

## EXQUISITE PRIVILEGES

### BECAUSE YOUR HEALTH COMES FIRST

Enjoy a host of exclusive privileges at hospitals under ParkwayHealth, a leading healthcare group based in Singapore, operating 16 hospitals in Asia as well as patient assistance centres throughout the world.

Privileges<sup>^</sup> include:

- 10% off Aesthetic Services\* at ParkwayShenton Lifestyle Clinic located at The Paragon
- 10% off Health Screening packages\* at all Executive Health Screening Centres<sup>[1]</sup> in Singapore
- Exclusive access<sup>[2]</sup> to Executive Service Lounges at Executive Health Screening Centres in Singapore
- 10% off<sup>[3]</sup> General Consultation Services at Accident & Emergency (A&E) departments at all ParkwayHealth Hospitals in Singapore
- Invitations to Healthcare Events and Seminars

Please call ParkwayHealth Patient Assistance Centre (PPAC) 24-hour Medical Helpline at +65 6735 5000 for more information and appointments.

For your added convenience, there is a UOB Privilege Banking Centre located at Mount Elizabeth Hospital to serve your banking needs.

Footnotes:

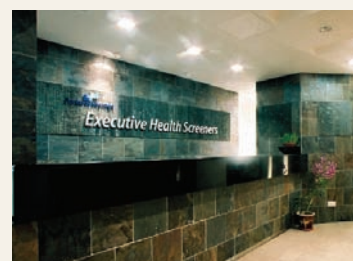
<sup>[1]</sup>Health Screening Centres located at Mount Elizabeth Hospital, The Arcade, Gleneagles Hospital and East Shore Hospital.

<sup>[2]</sup>Only applicable to Executive Health Screening Centres at The Arcade and Gleneagles Hospital and subject to availability.

<sup>[3]</sup>Excludes all surcharges and Specialist services. Offer is available at the A&E departments in Mount Elizabeth Hospital, Gleneagles Hospital and East Shore Hospital only.

<sup>^</sup>Merchant's Terms and Conditions apply.

\*Prior appointment is required for all consultations.



Picture by ParkwayHealth

## A LUXURIOUS RETREAT\* AWAITS YOU

Enjoy a luxurious Banyan Tree getaway on us\* when you share your Privilege Banking experience with your friends or loved ones. The more successful referrals you make, the more enticing the reward.

### UOB Privilege Banking Client Referral Programme Exclusively from now to 31 December 2009

Tier	Your Reward
3 Referrals <sup>^†</sup>	Two nights' stay at Banyan Tree Bintan*, with return ferry and land transfers for two persons
5 Referrals <sup>^†</sup>	Two nights' stay at Banyan Tree Phuket*, with return flights and land transfers for two persons
8 Referrals <sup>^†</sup>	Three nights' stay at Banyan Tree Maldives Vabbinfaru*, with return flights, land transfers and daily breakfast for two persons

**Let us send you\* on your next holiday when you refer your friends today. To find out more, speak to your UOB Relationship Manager or apply online at [uobprivilegebanking.com.sg](http://uobprivilegebanking.com.sg).**

Footnotes:

<sup>^</sup>Rewards are accorded based on per successful referral.

<sup>†</sup>Alternatively, Clients with each successful referral may choose to receive a set of shopping vouchers from a selection of departmental stores in the region with the following stipulated value per referral: Takashimaya Singapore (SGD200), Isetan Malaysia (MYR500), SOGO Indonesia (IDR1.3 million), SOGO Taiwan (TWD5,000) or Jiu Guang (SOGO) Shanghai (CNY1,000). The amount of shopping vouchers per choice of departmental store will be accorded based on the number of successful referrals. A combination of travel and/or shopping vouchers may be accorded to Client should the number of successful referrals not fall within the designated tiers.

\*Terms and Conditions apply. Please visit [uobprivilegebanking.com.sg](http://uobprivilegebanking.com.sg) for more details.



Picture by Banyan Tree Hotels and Resorts

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