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UOB Asset targets RM30mil from new fund

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Chief executive officer Lim Suet Ling said by combining its robo-advisory technology with periodic rebalancing by its portfolio managers, UOBAM can ensure efficient management of UUWPF, one that is aligned with market movements.

KUALA LUMPUR: UOB Asset Management (Malaysia) Bhd (UOBAM) is targeting RM30 million asset under management for its new United UWealth Pop Fund (UUWPF) within its initial offering period ending April 14.

UOB Kay Hian Wealth Advisors Sdn Bhd chief executive officer Alvin Tan said the fund was a multi-asset solution that invests in a diversified portfolio of equity and fixed income funds and exchange-traded funds, designed to help retail investors ride on the economic recovery.

"In terms of number of investors, we actually don't have a limit because this is an open-ended fund. We also want to make as general-to-public as possible as well. So, we make the investment sum as low as RM1,000 and we have a regular saving plans for investors of a minimum of RM100.

"For youngsters who like to save and invest, this is a good opportunity for them to enter the market. Hence, that basically the design of this particularly Pop Fund," he told a virtual media briefing at the launch of the fund today.

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The UUWPF is exclusive distributed by UOB Kay Hian.

Tan said the company aims to deliver professionally-managed, customised and best-in-class total financial solutions to meet each investor's personal needs through its investment platform.

"Our platform consists of diversified wealth management solutions with a full range of products such as unit trusts, private retirement schemes, fixed income, bonds, and structured products. The partnership with UOBAM supports our objective to become a leading independent wealth advisory firm in Asia," he said.

Suitable for retail investors with a moderate risk profile, UOBAM said the UUWPF seeks to provide annual income dividends and capital appreciation over a medium- to long-term investment horizon.

"The fund uses a fund-of-funds strategy 1, investing at least 80 per cent of its net asset value into equity and fixed income funds and ETFs, instead of investing directly in securities such as stocks and bonds. The balance is invested into liquid assets such as money market instruments and deposits," it said.

Through UOBAM's robo-advisory algorithm, which integrates the firm's proprietary capital market assumptions 2, the portfolio managers optimise UUWPF's investments with an allocation across sectors and geographies, such as the United States, Europe and Asia, including Japan and Malaysia.

"The investments within the portfolio chosen are liquid, well-diversified and have low fees to maximise returns for retail investors," it added.

UOBAM chief executive officer Lim Suet Ling said by combining the company's robo-advisory technology with periodic rebalancing by its portfolio managers, UOBAM can ensure efficient management of UUWPF.

"This way, the investment portfolio will provide steady income streams and potential capital gains, while remaining resilient even in times of market volatility," she said.

To drive economic recovery and keep it on a safe trajectory, she said central banks globally were expected to maintain their ultra-easy monetary policies and are unlikely to increase interest rates.

"By investing in a diversified multi-asset portfolio, retail investors can benefit from the yield of fixed income assets and the potential for capital returns on equities," she said.

UOBAM chief investment officer Francis Eng expects to see a rebound in the global economy after a global recession last year due to the Covid-19 pandemic.

"Things are improving. In 2021, we will see greater speed in terms of the rollout of the Covid-19 vaccine that will set economy on the path of normalcy.

"In 2020, while the economy went into recession, financial market did quite well against the backdrop of the recession because of the unprecedented government policies, both in terms of fiscal, as well as monetary stimulus.

"These helped underpin a very sharp rebound in asset prices, and we think the stimulus continues and will continue to support asset prices going into this year," he added.