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UOB Asset Mgmt launches United Japan Discovery Fund

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UOB Asset Management Malaysia CEO Lim Suet Ling

KUALA LUMPUR: UOB Asset Management (M) Bhd (UOBAM Malaysia) has launched the United Japan Discovery Fund to capitalise on the long-term growth opportunities for Japan's small and mid-capitalisation stocks.

The fund aims to provide stable growth and long-term capital appreciation for investors in Malaysia.

The asset management company expects that Japan's drive to promote the privatisation of large government-backed companies would potentially provide a more competitive landscape for smaller-scale businesses.

Industries driven by domestic demand such as infrastructure, retail trade, transportation, and information and communications are likely to benefit from this deregulation policy.

UOBAM Malaysia CEO Lim Suet Ling said on Monday such structural reforms in addition to Japan's

economic recovery are shoring up attractive long-term opportunities for investors.

“Japan’s economic recovery, large-scale monetary easing, structural reforms to promote privatisation and the corporate sector’s increasing commitment to corporate governance reform will deliver long-term outperformance in the small and mid-cap stocks.

“The launch of the Fund is timely given that Japan is emerging out of deflation. Moreover, Japanese small and mid-cap stocks that typically operate in domestic demand sectors are less affected by external factors such as the slowdown of the Chinese economy,” Lim said in a statement.

The United Discovery Japan Fund is benchmarked against the Morgan Stanley Capital International (MSCI) Japan small and medium-sized capitalisation index, and invests 90% of its portfolio in the United Japan Small and Mid Cap Fund (the target fund) managed by UOB Asset Management Ltd in Singapore.

The target fund invests in companies of small and mid-cap companies listed, domiciled, or having substantial (that is more than 50%) operations in Japan.

The initial minimum investment for the United Japan Discovery Fund is RM10,000. It is suitable for investors with a high-risk tolerance and a long-term investment horizon. It is available at all United Overseas Bank (M) Bhd branches.