Economist comments on BNM OPR

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Headline	**UOB Asset prefers emerging markets for its superior growth profile**
Publication	*The Star*
Date	7 October 2016
Page	Business / Bizbytes, Page 6

UOB Asset prefers emerging markets for its superior growth profile

KUALA LUMPUR: The emerging markets are viewed as attractive compared to developed countries due to its superior growth profile and cheaper valuations, according to UOB Asset Management (M) Bhd (UOBAM).

Chief investment officer Francis Eng said although the US Federal Reserve was likely to hike interest rates by year-end, the asset management firm still liked emerging markets.

"In a period of low interest rates, people are constantly searching for returns and emerging markets are known to be bright spots with relatively good growth and cheaper valuations.

"Given the recent events such as Brexit, we have seen fund managers shifting money out of Europe into emerging markets. But as long as there is growth in the emerging markets, it is still attractive in that sense," said Eng after UOB's media briefing on UOBAM's newly launched United Global Quality Equity Fund. It caters for long-term capital appreciation amid the volatile economic backdrop.

Eng noted that the looming interest rate hike would still be supportive of the various asset classes.

"There could be potential volatility in the near term, but amid this volatility, we will focus on quality firms that will help ride through and benefit from global growth trends.

"The United States will still be the market that we look at as firms there are at high growth levels, offer high cash flows and returns to shareholders," he added.

Eng said while demand and supply of oil could look better over the next 12 to 18 months since Opec's decision to cut crude oil production, the fund house anticipates the ringgit to weaken on expectations of interest rate hike. But this would be temporary.

UOBAM does not invest in Malaysian firms as it viewed them as expensive compared to its peers in other countries.

Meanwhile, the United Global Quality Equity Fund is the second global fund launched by UOBAM on Sept 26.

Sub-managed by Wellington Management Singapore Pte Ltd, the open-ended fund targets to raise about RM100mil over a year and will invest a minimum of 90% of its net asset value in the United Global Quality Growth Fund.

Adopting a bottom-up approach, the fund aims to generate positive returns by focusing on global firms with superior business model, strong fundamentals, high organic revenue growth, capital returns to shareholders and traded at a discount to the market based on a free-cash flow valuation.

UOBAM has a fund size of RM6.5bil and manages 39 unit trusts in Singapore, and is one the leading unit trust managers there in terms of assets under management.

Headline	**Stock market likely to improve in next 12 -18 months - UOB**
Publication	*The Edge Financial Daily*
Date	7 October 2016
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Stock market likely to improve in next 12-18 months — UOB

Consumer index has started to pick up after being badly hit

BY SAMANTHA NG & BILLY TOH

KUALA LUMPUR: Citing an improvement in consumer sentiment and the less expensive valuation of the local stock market, a research house yesterday said there is a strong likelihood of the market giving better returns in the next 12 to 18 months.

UOB Asset Management (M) Bhd said consumers have adjusted their spending accordingly after the goods and services tax's (GST) implementation in April 2015.

"The Consumer Sentiment Index has started to adjust to the GST, the weak ringgit and other negative sentiments," said chief investment officer Francis Eng Tuck Meng (pic). "Consumer sentiment has been badly hit, but now it has started to pick up."

Speaking at a press conference after the launch of the United Global Quality Equity Fund, Eng said valuations of the local stock market have also been getting less expensive, which could sustain its momentum in the next 12 to 18 months.

"We (Malaysian shares) have always traded at a premium compared with our peers, but relative to historical values, we are trading nearer to the mean," he said.

Eng is also of the view that oil demand will improve over the next six to 12 months, which could be beneficial for Malaysia. *Reuters* reported that oil prices are near 2016 highs, as optimism on the Opec deal to cut production for the first time in eight years pushed prices to the upper end of the recent trading range. Sentiment was also boosted by US data that showed crude oil stockpiles fell three million barrels last week to 499.74 million barrels, confounding expectations of an increase.

According to Eng, the construction sector is also a sweet spot for the benchmark FBM KLCI, with ongoing projects such as the mass rapid transit Line 2, the Pan Borneo Highway project, and the light rail transit Line 3. The rebound in crude palm oil prices, meanwhile, is a booster for the plantation sector.

Eng also shared that the ringgit is expected to trade at around RM4.15 against the US dollar towards the end of the year. "Some volatility is expected on anticipation of the US rate hike, but post the hike, the volatility is expected to taper off," he said.

On the fund, UOB Asset Management chief executive officer Lim Suet Ling said the targeted return for the new fund is around 8% to 12% and is suitable for investors with a five- to seven-year investment horizon.

"The fund size of the asset management firm is currently about RM6.5 billion. We are targeting [to achieve] around RM100 million from this new fund in the period of one year," she said.

Lim also said the fund adopts a bottom-up approach and aims to generate positive returns by focusing on companies across the globe, with qualities such as superior business model, improving fundamentals, high organic revenue growth, capital return to shareholders in the form of dividend, as well as trades at a discount to the market, based on a free cash flow valuation.

Lim cited a US-based multinational software company, with established software business, providing steady recurring revenues and high free cash flow margins, with further margin improvement driven by cloud services. The company also returns cash to shareholders through both dividends and share repurchases, and is trading at an attractive discount to the market, she added.

The fund is sub-managed by Wellington Management Singapore Pte Ltd and will invest a minimum of 90% of its net asset value in the United Global Quality Growth Fund (Target Fund) managed by UOB Asset Management Ltd in Singapore.

At the moment, the fund is not invested in Malaysian stocks as valuations in the global market, such as in the US and China, are more attractive. The fund is largely overweight in North American and emerging markets while being underweight in Europe and Japan.

"Emerging markets still offer a superior growth profile; in a period of low interest rates, people are hungry for returns. Emerging markets are one of the bright spots that still have relatively good growth," said Eng.

Headline **UOB: M'sian stock market less expensive now**
Publication *The Sun*
Date 7 October 2016
Page SunBiz, Page 1

UOB: M'sian stock market less expensive now

BY ***LEE WENG KHUEN***
sunbiz@thesundaily.com

KUALA LUMPUR: Valuations of the Malaysian stock market have been getting less expensive, which could sustain its momentum in the next 12 to 18 months, coupled with the pick-up in consumer stocks and oil prices, according to UOB Asset Management (Malaysia) Bhd chief investment officer Francis Eng.

It has not come down so much however for UOB to consider investments in Malaysian equities for its latest United Global Quality Equity Fund.

"When you look at the global scale, either the valuation is a little bit higher than the equivalent and in terms of return of excess cash, the global companies that we identified are ahead of our Malaysian companies.

"This is a global fund, we're looking for value globally. I think for Malaysian funds, we tend to be Malaysian-centric and more regional, so for this global fund, quite a number is into the US market, China and Hong Kong," UOB Asset Management Lim Suet Ling told a media briefing here yesterday in conjunction with the fund launch.

UOB is looking to achieve a fund size of RM100 million for the United Global Quality Equity Fund, which looks to offer an annual return of 8% to 12% over a medium term of three years and above.

The manager of the fund adopts a bottom-up, fundamental investment approach to identify high-quality, growth-oriented companies that are trading at a discount to the market.

The fund is 60% invested in the US and North America and 14% in emerging markets.

"Generally, Malaysia is a slightly more expensive market. We have always tended to trade at a premium to our peers. But if you look at it now where Malaysia is trading relative to its historical average, we're quite close to mean, neither expensive nor cheap," he opined.

Eng also noted that the rise in consumer stocks will help drive the recovery of the market.

"Consumption has bottomed out. If you look at the MIER consumer sentiment index, it started to pick up already. Consumers have adjusted to the GST (Goods and Services Tax) and weak ringgit," he added.

Eng favours the construction, palm plantation and consumer sectors.

The rise in oil prices is also a catalyst for the local stock market following The Organisation of Petroleum Exporting Countries' (Opec) decision to cut global production, according to Eng.

"If you look at oil ... oil is a big factor for our market. I think most people are forecasting that oil demand and supply dynamic could look better over 12 to 18 months, so it will be positive for our market," he said.

Eng opined that the growth in the emerging markets will still outpace the developed markets despite rate hikes in the US.

"In the low interest rate environment, people are searching for returns and emerging market is one of the bright spots where you still get relatively good growth.

"And at the time with the Brexit, fund managers are re-looking at their asset allocation and money has been shifting out of Europe, emerging markets will be benefiting from that flow of money," he said.

Headline **UOB eyes equities from US, emerging markets**
Publication *The Malay Mail*
Date 7 October 2016
Page Money, Page 19

UOB eyes equities from US, emerging markets

By Stephanie Augustin
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Lim says UOB will focus on companies that invest their FCFs to grow sources of revenue for organic growth.

KUALA LUMPUR — UOB Asset Management (Malaysia) Bhd's new fund is banking on revenue growth from select North American and emerging market equities, particularly in Hong Kong and China, to drive 8% to 12% returns over the medium term.

Its United Global Quality Equity Fund, launched yesterday, adopts a bottom-up, fundamental investment approach to identify high-quality, growth-oriented companies that are trading at a discount to the market, on a free cash flow (FCF) basis, said the asset manager's chief executive officer Lim Suet Ling.

"We don't give definite numbers, but we tend to aim for between 8% and 12% returns over the medium-term of three years and above.

"The focus is on companies that invest their FCFs back into the company to grow sources of revenue for organic growth, and not just spend it on mergers and acquisitions to expand," she said.

UOB Asset Management (Malaysia)'s assets under management currently stand at RM6.5 billion, and its latest fund, which is sub managed by Wellington Management Singapore Pte Ltd, will invest a minimum of 90% of its net asset value in the United Global Quality Growth Fund (target fund) managed by UOB Asset Management Ltd in Singapore.

"When markets are moving up, we look at companies with high organic revenue growth that can outperform, and generate substantial and sustainable earnings for strong returns. When markets are moving down, we shift our focus to companies with improving margins and are returning excess capital to shareholders.

"With emerging markets experiencing cyclical improvement, and the US seeing stronger consumer spending and manufacturing data, we expect to uncover more investment opportunities in the healthcare, finance, technology and service industries," Lim said.

Meanwhile, Wellington Management Singapore Pte Ltd managing director and Asia ex-Japan equity product management investment director Philip Brooks said the fund's investment decisions account for high leverage in the Chinese market.

"We find consumer-related companies with the greatest level of opportunity, and the financial debt exposure in that component of the marketplace is materially lower. The consumer sector has the best valuations and most opportunities," he said.

Geographically, the largest overweight exposures in the portfolio currently are North American equities (60%) and emerging market stocks (14%).

"We've seen the US economy performing very strongly, but valuations have moved in part to reflect that economic strength — averaging 23x price-to-earnings (PE) ratio.

"Meanwhile, in emerging markets we are starting to see a building economic recovery and valuations are very attractive — averaging 13x PE ratio.

"We also look at how a market is valued relative to its long term history: the US is about there, but almost every other market is relatively cheaper compared to historical PE averages," Brooks added.

The open-ended fund is underweight on Europe, Japan and developed Asian markets.

Benchmarked against the MSCI All Country World Index (representative of the global equity market), it allows for minimum initial investment of A$1,000, RM1,000, S$1,000 or US$1,000 with a minimum additional investment of 100 in each currency.

Headline **Consumer, plantation stocks in focus as 2016 draws to a close**
Publication *The Malay Mail*
Date 7 October 2016
Page Money, Page 16

Consumer, plantation stocks in focus as 2016 draws to a close

By Stephanie Augustin
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KUALA LUMPUR — Consumer companies and palm oil planters are back in focus as the former has adjusted to retail sentiment; while rising crude palm oil prices of over RM2,500 per metric tonne bode well for the latter, according to UOB Asset Management (Malaysia) Bhd chief investment officer Francis Eng.

CPO futures contracts on Bursa Malaysia Derivatives have risen slowly but steadily in the last few months. Yesterday, spot prices for October settled at RM2,700, while November and December notched RM2,601 and RM2,556 respectively per metric tonne.

The commodity's year-to-date average of RM2,551 also far outstrips 2015's full-year average of RM2,154 per metric tonne.

Asked to comment on sector picks for the fourth quarter, Eng said: "Consumption has bottomed out, and if you look at the Malaysian Institute of Economic Research's Consumer Sentiments Index, it has started to pick up already.

"We are already seeing it in the performance of some of our consumer-based companies, so we think that will help to drive a recovery in the market."

He was speaking to reporters yesterday after the local asset manager launched its latest global growth fund, United Global Equity Fund here yesterday.

"Meanwhile, with oil being a big factor for the local market, most people are forecasting that oil demand and supply could look better over the next eight to 12 months — that could be another positive for the FBM KLCI.

"We have seen a temporary spike in oil prices following the Organization of the Petroleum Exporting Countries' decision to cut output levels, but now we need to see a follow-through and implementation, which will be good for both the oil industry and Malaysia, which is one of the few net exporters of oil and gas," Eng remarked.

However, high valuations on Malaysian equities means the country's stocks are absent in the open-ended fund which focuses on price-to-free cash flow ratios in picking the 60-90 companies in its portfolio.

"Generally, Malaysia is a slightly more expensive market in terms of companies' valuations, but then again, we have always traded in a premium compared to our peers.

"That said, Malaysian equities are now trading relative to its historical average — we are actually quite close to mean, so we are neither expensive nor cheap," Eng added.

On the other hand, the ringgit's current levels of RM4.147 to the US dollar are nearing UOB's year-end forecast of RM4.15.

"Closer to December, the ringgit may weaken a bit, especially if expectations for the US Federal Reserve rate hike are rife. But we think this weakness will be temporary, as the greenback tends to be sold off following a Fed hike," Eng added.

UOB has yet to reveal its 2017 forecast on the local currency, and will do that in a few months' time, he said.

Headline	**Malaysia dijangka terima impak positif**
Publication	*Berita Harian*
Date	7 October 2016
Page	Bisnes, page 2

Malaysia dijangka terima impak positif

Kadar faedah AS penentu pasaran sedang pesat membangun

Oleh Shahrizan Salian
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Pasaran sedang pesat membangun, termasuk Malaysia dijangka mendapat impak positif daripada jangkaan bahawa Amerika Syarikat (AS) akan sekali lagi menaikkan kadar faedahnya sebelum akhir tahun ini.

Ketua Pegawai Pelaburan UOB Asset Management (Malaysia) Bhd, Francis Eng Tuck Meng, berkata secara dasarnya pertumbuhan di pasaran sedang pesat membangun masih lagi jauh mengatasi pertumbuhan negara lain.

Keadaan itu, katanya, dijangka berterusan terutama apabila nilai dolar AS kembali menjadi stabil selepas kadar faedah negara itu dinaikkan.

Katanya pasaran wajar melihat kenaikan kadar faedah AS yang dijangka diumumkan pada Disember ini, secara lebih positif.

Syarat kadar faedah naik

Beliau menjelaskan, bank pusat AS, iaitu Rizab Persekutuan (Fed) hanya akan menaikkan kadar faedah apabila ekonominya mencatatkan prestasi baik dan jika keadaan itu berlaku, ia secara umumnya bagus juga untuk pertumbuhan global.

"Jika diimbas episod yang berlaku pada Disember tahun lalu, apabila AS menaikkan kadar faedahnya (buat kali pertama dalam tempoh beberapa tahun), memang benar berlaku ketidaktentuan dalam pasaran susulan keputusan itu.

"Bagaimanapun, pasca kenaikan faedah AS, peniaga mula menjual besar-besaran mata wang AS yang menjadikan dolar lemah dan pasaran sedang pesat membangun kembali pulih daripada prestasi agak kurang memberangsangkan sepanjang 2015.

"Justeru, kami berasakan arah aliran semula akan berulang. Sudah pasti akan berlaku ketidaktentuan dalam masa terdekat ini, namun akhirnya pasaran kembali reda," katanya pada taklimat 'Tinjauan Ekuiti Global Di Tengah-Tengah Pasaran Tidak Menentu' di Kuala Lumpur, semalam.

Yang turut hadir ialah Ketua Pegawai Eksekutif UOB Asset Management, Lim Suet Ling.

Mengulas lanjut, Tuck Meng berkata, walaupun kadar faedah AS sekali lagi dinaikkan sebelum akhir tahun ini, pasaran sedang pesat membangun secara asasnya masih menawarkan profil pertumbuhan jauh lebih baik berbanding pasaran negara maju.

Pasaran wajar melihat kenaikan kadar faedah AS yang dijangka diumum Disember ini, secara lebih positif"

Francis Eng Tuck Meng,
Ketua Pegawai Pelaburan UOB Asset Management (Malaysia) Bhd

Katanya, disebabkan profil itu, pelabur menjadi lebih giat untuk mencari pasaran yang boleh menawarkan pulangan baik semasa tempoh kadar faedah rendah.

Peluang keemasan

"Pasaran sedang pesat membangun adalah salah satu pasaran yang menawarkan peluang keemasan kepada pelabur untuk menjana pulangan yang secara relatifnya agak bagus dan dijangka akan terus menarik aliran masuk dana.

"Dalam masa sama, perkembangan yang berlaku di Eropah iaitu Brexit menyaksikan pengurus dana menyusun semula peruntukan aset masing-masing dan kita melihat aliran keluar wang dari Eropah yang dipindahkan ke sini sehingga membolehkan pasaran sedang pesat membangun mendapat manfaat daripada perkembangan itu.

"Justeru, selagi pertumbuhan di pasaran sedang pesat membangun berterusan, ia akan terus menarik aliran masuk dana," katanya.

Headline **Pasaran baharu jadikan rantau ekonomi menarik**
Publication *Utusan Malaysia*
Date 7 October 2016
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Pasaran baharu jadikan rantau ekonomi menarik

KUALA LUMPUR 6 Okt. - Pasaran baharu muncul masih menjadi rantau ekonomi yang menarik kepada pelabur walaupun berdepan persekitaran mencabar termasuk kemungkinan berlaku Brexit dan Rizab Persekutuan Amerika Syarikat (AS) menaikkan kadar faedah.

Ketua Pelaburan UOB Asset Management (Malaysia) Berhad (UOBAM Malaysia), Francis Eng berkata, walaupun kadar faedah dinaikkan, pasaran baharu muncul masih mampu menawarkan pertumbuhan yang lebih baik berbanding negara-negara membangun lain.

Beliau berkata, dalam suasana kadar faedah yang rendah, pelabur kini mencari pulangan yang lebih baik.

"Dengan itu, pasaran baharu muncul merupakan antara peluang yang cerah dengan pertumbuhan baik, pada masa sama dengan Brexit di United Kingdom akan memberi kelebihan kepada pasaran baharu muncul untuk menarik aliran masuk duit," katanya dalam sidang akhbar mengenai dana baharu, United Global Quality Equity Fund di sini hari ini.

Yang turut hadir Ketua Pegawai Eksekutif UOBAM Malaysia, Lim Suet Ling dan Pengarah Urusan merangkap Pengarah Pelaburan Pengurusan Produk Ekuiti, Asia Ex Jepun Wellington Management Singapura Pte. Ltd., Philip Brooks.

Dana itu dilancarkan bagi memenuhi permintaan pelabur untuk memperoleh kenaikan modal jangka panjang dalam persekitaran pasaran yang tidak menentu dan menawarkan pelabur pulangan menarik dalam tempoh lima hingga tujuh tahun. Pulangan itu melalui pelaburan dalam syarikat peneraju pasaran yang mempunyai bahagian pasaran yang semakin meningkat.

Pelaburan itu akan diuruskan bersama oleh Wellington Management Singapore Pte. Ltd. Dana tersebut akan melabur sekurang-kurangnya 90 peratus daripada nilai aset bersihnya dalam United Global Quality Growth Fund (Dana Sasaran) yang diuruskan oleh UOB AM di Singapura.

Menurut Suet Ling, dana itu menyasarkan untuk mengumpul RM100 juta dalam tempoh setahun.

"Dengan pasaran baharu muncul mengalami pemulihan kitaran ekonomi dan data perbelanjaan pengguna serta pembuatan yang lebih kukuh di AS, kami jangka dapat mendedahkan lebih banyak peluang pelaburan dalam industri penjagaan kesihatan, kewangan, teknologi dan perkhidmatan," katanya.

Headline	**Sasar saiz dana cecah RM100j**
Publication	*Harian Metro*
Date	7 October 2016
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Kuala Lumpur

Sasar saiz dana cecah RM100j

UOB Asset Management (Malaysia) Berhad (UOBAM) menyasarkan saiz dana RM100 juta bagi dana United Global Quality Equity dalam tempoh setahun.

Ketua Pegawai Eksekutifnya, Lim Suet Ling berkata, dana yang dilancarkan itu juga bagi memperoleh kenaikan modal jangka panjang dalam persekitaran pasaran yang tidak menentu.

Katanya, syarikat berkualiti tinggi dan berorientasikan pertumbuhan lazimnya mengatasi prestasi secara konsisten dalam tempoh panjang dan menyediakan kestabilan kepada pelabur dalam pasaran yang tidak menentu.

"Dana ini menawarkan pelabur pulangan menarik dalam tempoh lima hingga tujuh tahun dengan melabur dalam syarikat peneraju pasaran yang mempunyai bahagian pasaran semakin meningkat.

"Apabila pasaran meningkat, kami meninjau syarikat yang menunjukkan pertumbuhan pendapatan organik yang tinggi yang dapat mengatasi prestasi serta menjana pendapatan ketara dan mampan untuk mendapat pulangan mantap," katanya.

Menurutnya, apabila pasaran menurun, pihaknya mengalih tumpuan kepada syarikat yang mempunyai margin lebih baik dan mengembalikan lebihan modal kepada pemegang saham.

Lim berkata, persekitaran makro ekonomi yang baik menambah kepada daya tarikan dana yang mana syarikat berkualiti tinggi dan berorientasikan pertumbuhan adalah penerima manfaat terbesar dalam pemulihan ekonomi.

LIM

Headline **Malaysia share value reaching historical standard**
Publication *Nanyang Siang Pau*
Date 7 October 2016
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邢德明：虽略比区域高

马股趋近历史平均值

（吉隆坡6日讯）大华资产管理高级总监兼投资总监邢德明认为，马股的估值水平已越来越靠近历史平均水平，且趋近于平均值，因此属于既不便宜但也不昂贵。

邢德明出席大华全球优质股票基金推介礼时坦言，比起区域股市，马股的估值的确是稍微高于市场。

"但一直以来，马股都是以溢价交易。"

他补充，溢价一直都在，不过，马股的估值如今已经越来越靠近历史平均水平，而且靠近平均值。所以，说不上是便宜，但也不昂贵。

邢德明正面看待未来12至18个月的富时隆综指（KLCI）表现，因消费情绪开始重拾动力，且油价表现也向好。

"石油输出国组织（OPEC）宣布减产，有助于提振油价，而我国是少数的石油净出口国，因此对我们来说，无疑是好事。"

同时，他也表示青睐建筑、油气和消费领域的股项。

一同出席推介礼的，还包括大华资产管理（大马）总执行长林雪莲，以及威灵顿管理新加坡私人有限公司董事总经理卜思飞。

美升息代表经济好

邢德明认为，投资者应该更正面地看待美国升息的举动，因只有美国经济好转，美联储才会升息，而美国经济有改善，对全球增长来说也是正面。

他以美联储在去年12月升息为例，虽然升息前市场有些波动，但确定升息后，市场最后还是会复苏。

"所以我相信，同样的趋势会重演。"

而且尽管美国升息，但他认为，新兴市场仍有能力交出优秀的增长表现。

邢德明解释，这是因为在低利率的环境下，投资者都向往得到回酬，而新兴市场依旧是个增长不俗的"亮点"。

邢德明（左起）、林雪莲和卜思飞一起出席基金推介礼，并分享全球股市展望。

Headline **Malaysia stocks expensive but still look good for the next 18 months**
Publication *Sinchew Daily*
Date 7 October 2016
Page Bizbytes, Page 3

大華資產 建築消費種植有看頭

馬股雖貴 未來18月續看俏

（吉隆坡6日讯）马股估值虽昂贵，惟大华资产管理仍看好马股未来12至18个月的走势，并认为建筑、消费及种植领域仍有看头。

大华资产管理首席策略员刑德明在“大华全球优质股票基金”汇报会上表示，虽然马股估值较为昂贵，但这是向来的现象。

他也认为，建筑、消费及种植3大领域有一定的看头。

他指出，近期政府将会公布数项大型合约，因此可刺激建筑股走势。

至于消费股方面，消费者习惯了消费税，亦习惯了马币目前的走势，消费模式已经调整。

“大马经研院（MIER）数据也显示，消费情绪有回扬的现象，有利于消费股。”

新兴市场展望仍正面

他也表示，近期原棕油价格有回扬的现象，也可从中提振种植股。

今年初至9月30日为止，原棕油价格从411.40美元（约1700令吉）走高582美元（约2405令吉），起42%。

“马股虽然目前处于低靡，但未来12至18个月的展望仍正面。”

询及全球市场展望，该公司首席执行员林雪莲指出，整体市场而言，新兴市场（Emerging Market）的展望仍处于正面，因新兴市场的经济成长仍比七大工业国来得强。

七大工业国分别为加拿大，法国，德国，意大利、日本、英国与美国。上述国家2015年的经济成长介于0.64%至2.43%，新兴市场的经济成长为3.6%。

有关英国脱欧及美国升息状况，林雪莲相当正面看待上述两项因素。她说，英国脱欧导致基金经理需重新部署投资策略，进而会把部分资金转移至新兴市场。至于，美国升息，短期内虽然会震荡市场走势，不过，联储局基于美国经济成长，才会采取升息措施。

“美国经济成长，那么全球经济自然也会受惠。”

询及投资策略，林雪莲指出，大华资产管理会注重优质及成长型的公司，因这类公司在长期而言，可在动荡的市场提供稳定的回酬。

“我们将会注重保健、金融、科技及服务领域。”

她说，当市场回扬之时，高内部成长及稳定的盈利，相关公司亦可超越大市。

推大华全球优质股票基金

针对大华资产管理今日推出的大华全球优质股票基金，林雪莲指出，大华全球优质股票基金所投资的公司需具备5大条件，分别为优质商业模式、基本面改善、内部营业额成长高、资本回退股东及低现金流估值。

Headline	**UOB: Stock market to improve in the next 12-18 months on stronger consumer confidence**
Publication	*Oriental Daily*
Date	7 October 2016
Page	Business/ Bizbytes, Page 1

大华唱好马股 种植建筑消费股看俏

吉隆坡6日讯｜基于本地消费情绪逐渐好转及国际原油价格料回升，大马大华资产管理公司首席投资员邢德明表示，看好大马股市未来12至18个月的表现，并唱好种植、建筑和消费股。

邢德明指出，在消费税等不利因素消散后，大马经济研究院（MIER）的消费者情绪指数（CSI）已呈上升趋势，加上石油输出国组织（OPEC）达成8年来首次减产协议，国际原油价格预计将持续上扬，因此，他对马股抱持正面的看法。

另外，邢德明表示，棕油价格从近期的低点呈涨势，因此浮现了投资机会。同时，早前政府颁发的建筑合约将开始动工，所以他也看好本地建筑股，以及因消费情绪回升而受惠的消费股。

邢德明是在大华全球优质股票基金推介礼后的记者会，发表上述谈话。列席者包括，大马大华资产管理执行董事林雪莲和威灵顿管理新加坡有限公司卜思飞。

此外，邢德明说，「虽然美国股市近期屡创新高，但根据我们的研究显示，美国股市现阶段仍处于长期平均水平的中值；而欧洲、日本及新兴市场的数据则显示，它们的估值相对便宜。」

令吉年杪目标4.15

邢德明对美国升息的看法是，美国升息代表该国的经济已回稳，对全球市场是一项正面消息。

「根据美联储去年杪加息的例子来看，虽然该举动在短期内会导致市场波动，但是，新兴市场随后也逐步回升，相信若美联储在今年杪升息，市场的反应料会与去年类似。」

邢氏也预计，金融市场将更能接受希拉莉成为美国的来届总统。

此外，他对令吉走势的展望为，美国升息预期将使令吉走软，而令吉汇率在年杪料维持在1美元兑4.15令吉的水平。

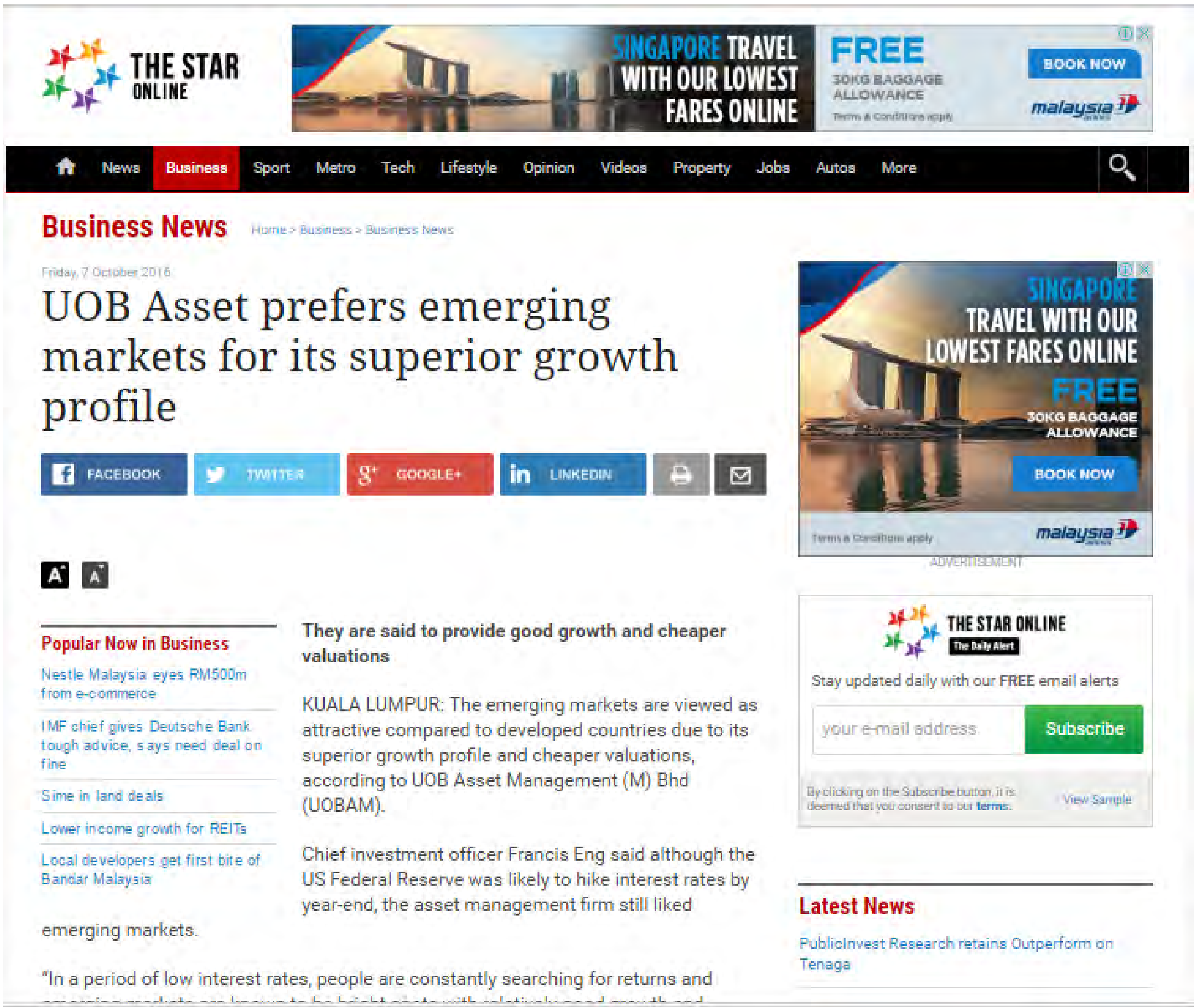
推新兴市场基金

另一方面，林雪莲指出，大马大华资产管理今天推出的新基金，主要投资在新兴市场，特别是中国和香港。

针对市场担心中国经济成长放缓，将打击该国的股市，林雪莲对此指出，全球市场仍有许多的成长空间，当然，中国正处于过度时期，该国的经济结构正从制造业，逐渐转向服务业，而这些都需要时间来调整。

大华全球优质股票基金主要投资于高成长的优质股，从全球近3000家企业，筛选出60至90家公司作为投资目标，投资的领域包括医疗、服务和科技领域。

Headline	**UOB Asset prefers emerging markets for its superior growth profile**
Publication	*The Star online*
Date	7 October 2016
Page	Business



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Friday, 7 October 2016

UOB Asset prefers emerging markets for its superior growth profile

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They are said to provide good growth and cheaper valuations

KUALA LUMPUR: The emerging markets are viewed as attractive compared to developed countries due to its superior growth profile and cheaper valuations, according to UOB Asset Management (M) Bhd (UOBAM).

Chief investment officer Francis Eng said although the US Federal Reserve was likely to hike interest rates by year-end, the asset management firm still liked emerging markets.

"In a period of low interest rates, people are constantly searching for returns and

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"In a period of low interest rates, people are constantly searching for returns and emerging markets are known to be bright spots with relatively good growth and cheaper valuations.

“Given the recent events such as Brexit, we have seen fund managers shifting money out of Europe into emerging markets. But as long as there is growth in the emerging markets, it is still attractive in that sense,” said Eng after UOB’s media briefing on UOBAM’s newly launched United Global Quality Equity Fund. It caters for long-term capital appreciation amid the volatile economic backdrop.

Eng noted that the looming interest rate hike would still be supportive of the various asset classes.

“There could be potential volatility in the near term, but amid this volatility, we will focus on quality firms that will help ride through and benefit from global growth trends.

“The United States will still be the market that we look at as firms there are at high growth levels, offer high cash flows and returns to shareholders,” he added.

Eng said while demand and supply of oil could look better over the next 12 to 18 months since Opec’s decision to cut crude oil production, the fund house anticipates the ringgit to weaken on expectations of interest rate hike. But this would be temporary.

UOBAM does not invest in Malaysian firms as it viewed them as expensive compared to its peers in other countries.

Meanwhile, the United Global Quality Equity Fund is the second global fund launched by UOBAM on Sept 26.

Sub-managed by Wellington Management Singapore Pte Ltd, the open-ended fund targets to raise about RM100mil over a year and will invest a minimum of 90% of its net asset value in the United Global Quality Growth Fund.

Adopting a bottom-up approach, the fund aims to generate positive returns by focusing on global firms with superior business model, strong fundamentals, high organic revenue growth, capital returns to shareholders and traded at a discount to the market based on a free-cash flow valuation.

UOBAM has a fund size of RM6.5bil and manages 59 unit trusts in Singapore, and is one the leading unit trust managers there in terms of assets under management.

Headline	**Emerging Markets Remain Attractive For Global Investors, Says UOB Asset Management**
Publication	*Bernama*
Date	7 October 2016
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Emerging Markets Remain Attractive For Global Investors, Says UOB Asset Management

KUALA LUMPUR, Oct 6 (Bernama) -- Emerging markets remain attractive to global investors on the back of an imminent US interest rate hike by year-end and the impending Brexit, says UOB Asset Management (Malaysia) Bhd today.

Its Senior Director and Chief Investment Officer Francis Eng said assets in the emerging markets offer a superior growth profile compared to those in some of the developed countries as investors are looking for better returns.

Continued economic growth in emerging markets would also help boost the region's attractiveness to global investors, he added.....

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KUALA LUMPUR, Oct 6 (Bernama) -- Emerging markets remain attractive to global investors on the back of an imminent US interest rate hike by year-end and the impending Brexit, says UOB Asset Management (Malaysia) Bhd today.

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Headline	**Pasaran Pesat Membangun Terus Menarik Pelabur Global, Kata UOB Asset Management**
Publication	*Bernama*
Date	7 October 2016
Page	Business

Pasaran Pesat Membangun Terus Menarik Pelabur Global, Kata UOB Asset Management

KUALA LUMPUR, 6 Okt (Bernama) -- Pasaran pesat membangun kekal menarik kepada pelabur global berikutan jangkaan kenaikan kadar faedah oleh Amerika Syarikat menjelang akhir tahun ini serta impak Brexit, kata UOB Asset Management (Malaysia) Bhd hari ini.

Pengarah Kanan dan Ketua Pegawai Pelaburan Francis Eng berkata aset di pasaran pesat membangun menawarkan profil pertumbuhan yang lebih tinggi berbanding di beberapa negara maju memandangkan pelabur mahukan pulangan yang lebih baik.

Pertumbuhan ekonomi yang berterusan dalam pasaran pesat membangun, juga akan membantu meningkatkan daya tarikan terhadap rantau ini dalam kalangan pelabur global, katanya.....

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Headline	**UOB: M'sian stock market less expensive now**
Publication	*The Sundaily Online*
Date	7 October 2016
Page	Business

KUALA LUMPUR: Valuations of the Malaysian stock market have been getting less expensive, which could sustain its momentum in the next 12 to 18 months, coupled with the pick-up in consumer stocks and oil prices, according to UOB Asset Management (Malaysia) Bhd chief investment officer Francis Eng.

It has not come down so much however for UOB to consider investments in Malaysian equities for its latest United Global Quality Equity Fund.

"When you look at the global scale, either the valuation is a little bit higher than the equivalent and in terms of return of excess cash, the global companies that we identified are ahead of our Malaysian companies.

"This is a global fund, we're looking for value globally. I think for Malaysian funds, we tend to be Malaysian-centric and more regional, so for this global fund, quite a number is into the US market, China and Hong Kong," UOB Asset Management Lim Suet Ling told a media briefing here yesterday in conjunction with the fund launch.

UOB is looking to achieve a fund size of RM100 million for the United Global Quality Equity Fund, which looks to offer an annual return of 8% to 12% over a medium term of three years and above.

The manager of the fund adopts a bottom-up, fundamental investment approach to identify high-quality, growth-oriented companies that are trading at a discount to the market.

The fund is 60% invested in the US and North America and 14% in emerging markets.

“Generally, Malaysia is a slightly more expensive market. We have always tended to trade at a premium to our peers. But if you look at it now where Malaysia is trading relative to its historical average, we’re quite close to mean, neither expensive nor cheap,” he opined.

Eng also noted that the rise in consumer stocks will help drive the recovery of the market.

“Consumption has bottomed out. If you look at the MIER consumer sentiment index, it started to pick up already. Consumers have adjusted to the GST (Goods and Services Tax) and weak ringgit,” he added.

Eng favours the construction, palm plantation and consumer sectors.

The rise in oil prices is also a catalyst for the local stock market following The Organisation of Petroleum Exporting Countries’ (Opec) decision to cut global production, according to Eng.

“If you look at oil ... oil is a big factor for our market. I think most people are forecasting that oil demand and supply dynamic could look better over 12 to 18 months, so it will be positive for our market,” he said.

Eng opined that the growth in the emerging markets will still outpace the developed markets despite rate hikes in the US.

“In the low interest rate environment, people are searching for returns and emerging market is one of the bright spots where you still get relatively good growth.

“And at the time with the Brexit, fund managers are re-looking at their asset allocation and money has been shifting out of Europe, emerging markets will be benefiting from that flow of money,” he said.

Headline	**UOB: Stock market to improve in next 12-18 months on stronger consumer confidence**
Publication	*The Edge Markets Online*
Date	7 October 2016
Page	Corporate

KUALA LUMPUR (Oct 6): UOB Asset Management (Malaysia) Bhd sees potential of higher stock market returns in the next 12 to 18 months, as consumer sentiments improve.

Its chief investment officer Francis Eng Tuck Meng expects the FBM KLCI to stage a better performance, as consumers have adjusted their spending accordingly, after the goods and services tax (GST) implementation in April 2015. At 2.08 p.m., the KLCI was up 3.77 points or 0.23% at 1,666.69 points.

"The Consumer Sentiment Index (CSI) has started to adjust to the GST, the weak ringgit and other negative sentiments. Consumer sentiment has been badly hit, but now it has started to pick up," Eng told a press conference, after the launch of the United Global Quality Equity Fund this morning. The new fund seeks long-term capital appreciation, amid rising market volatility.

Eng is also of the view that oil demand will improve over the next six to 12 months. Bloomberg today reported oil has gained about 11% since the Organisation of Petroleum Exporting Countries agreed last week, to cut production for the first time in eight years.

According to Eng, the construction sector is also a sweet spot for the benchmark KLCI, with ongoing projects such as the MRT Line 2, the Pan-Borneo Highway project and the LRT

Line 3. The rebound in crude palm oil (CPO) prices is another positive for the plantation sector.

Eng also shared that the ringgit is expected to trade at around RM4.15 against the U.S. dollar towards the end of the year. “Some volatility is expected on anticipation of the U.S. rate hike, but post the hike, the volatility is expected to taper off."

On the United Global Quality Equity Fund, UOB Asset Management chief executive officer Lim Suet Ling said the targeted return for the new fund is around 8% to 12% and is suitable for investors with a five- to seven-year investment horizon.

“The fund size of the asset management firm is currently about RM6.5 billion. We are targeting (to achieve) around RM100 million from this new fund in the period of one year,” she said.

Lim also said the fund adopts a bottom-up approach and aims to generate positive returns by focusing on companies across the globe, with qualities such as superior business model, improving fundamentals, high organic revenue growth, capital return to shareholders in the form of dividend, as well as trades at a discount to the market, based on a free-cash flow valuation.

Lim cited a U.S.-based multinational software company, with established software business, providing steady recurring revenues and high free cash flow margins, with further margin improvement driven by cloud services. The company also returns cash to shareholders through both dividends and shares repurchases, and is trading at an attractive discount to the market, she added.

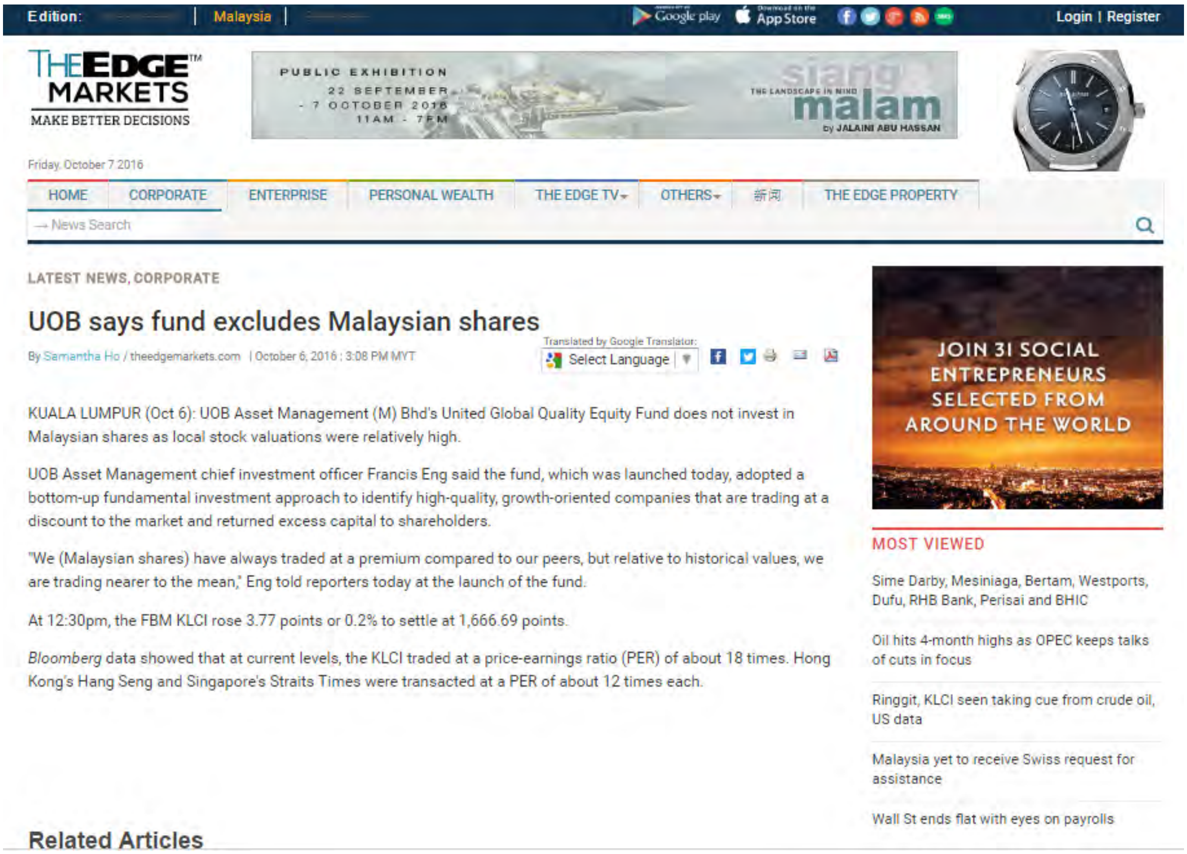
The United Global Quality Equity Fund is sub-managed by Wellington Management Singapore Pte Ltd and will invest a minimum of 90% of its net asset value in the United Global Quality Growth Fund (Target Fund) managed by UOB Asset Management Ltd in Singapore.

Philip Brooks, managing director from Wellington Management Singapore Pte Ltd, said the fund looks at the price that needs to be paid for the free-cash flow of the company.

“Currently, 60% of the fund is invested in North America, with another 14% in emerging markets,” he said.

The fund is benchmarked against the Morgan Stanley Capital International All Country World Index (MSCI ACWI), which is representative of the global equity market.

Headline	**UOB says fund excludes Malaysian shares**
Publication	*The Edge Markets Online*
Date	7 October 2016
Page	Corporate



KUALA LUMPUR (Oct 6): UOB Asset Management (M) Bhd's United Global Quality Equity Fund does not invest in Malaysian shares as local stock valuations were relatively high.

UOB Asset Management chief investment officer Francis Eng said the fund, which was launched today, adopted a bottom-up fundamental investment approach to identify high-quality, growth-oriented companies that are trading at a discount to the market and returned excess capital to shareholders.

"We (Malaysian shares) have always traded at a premium compared to our peers, but relative to historical values, we are trading nearer to the mean," Eng told reporters today at the launch of the fund.

At 12:30pm, the FBM KLCI rose 3.77 points or 0.2% to settle at 1,666.69 points.

Bloomberg data showed that at current levels, the KLCI traded at a price-earnings ratio (PER) of about 18 times. Hong Kong's Hang Seng and Singapore's Straits Times were transacted at a PER of about 12 times each.