

OCBC OFFERING GREATER ACCESS TO ASIAN FIXED INCOME MARKET THROUGH NEW FUND

Kuala Lumpur, 13 March 2007 - Unit trust investors can now expect greater access into the Asian fixed income market with the launch of the Asian Total Return Fund (ATRF) today.

Offered exclusively by OCBC Bank (Malaysia) Berhad, the ATRF aims to provide investors with investment opportunities in a portfolio of bonds and other fixed and floating rate securities issued by governments, government agencies, supra-national and corporate issuers in Asia (not including Japan).

The ARTF is a feeder fund that rides on the benefits offered by its underlying fund, Schroder ISF Asian Bond Fund (SABF), domiciled in Luxemburg. It invests 95-100% into SABF and 0-5% into cash or cash equivalent investments. SABF was launched on 16 October 1998 and has a proven track record.

The manager for ATRF is RHB Unit Trust Management Bhd (RHBUT). The fund aims to offer its investors a regular payout of 3% to 6% per annum, distributed twice a year, through capital gains from the fixed income market.

This is made possible by SABF's unique 3-lever investment strategy that encompasses the management of Interest Rates, Currency and Credit. The fund manager will use all or a combination of these levers to add value to the fund and deliver returns.

According to OCBC Bank's Head of Wealth Management, Mr Lim Wyson, the US Federal Fund rate has peaked and could stabilize or even gradually decline over the next few years, indicating a favourable outlook for the bond market.

“Asian currencies are also catching up with those of the developed nations since the middle of 2005 when the China Yuan was un-pegged. Additionally, Asian corporate bonds show relatively more attractive value than similar rated US corporates. Hence, with the 3-lever strategy in place, the fund will be able to leverage on these promising conditions to perform.

“In fact since its inception, SABF has been consistently outperforming its benchmark, the Citigroup Treasury Agency Index, and has never recorded a loss on a rolling-12 month basis.

“With the launch of the Asian Total Return Fund, both conservative retail customers and sophisticated investors now have access to the Asia ex-Japan Bonds. They have the relative safety of a fixed income investment and are also able to enjoy higher return potential via diversification,” he said.

Mr Michael Tan, Chief Executive Officer of RHB Unit Trust Management Berhad said ATRF adopts an investment strategy that will principally invest in the SABF, thus deriving the full benefits offered by SABF.

Elaborating on SABF’s unique 3-lever investment strategy, he said the Fund relies on Schroder’s credit research capabilities to generate higher returns from investing in higher yielding bonds at acceptable risk.

“Under the interest rate management lever, the fund seeks to lower duration in a rising interest rate environment, and vice versa in a falling environment. As for the currency lever, the fund seeks to benefit from expected currency trends and maximize base currency returns. These 3 levers would work in concert with each other to maximize returns for the fund.

“We aim to generate an annual payout of 3% to 6% p.a., which would be paid to investors semi-annually. If the SABF appreciates further in value, there would also be potential for further capital growth,” he added.

Mr Lim Wyson added that the Asian Total Return Fund is a good example of the Bank's effort to simplify and streamline what is seen as a complex financial product, previously confined to the limits of sophisticated or institutional clients.

"As a banker to the community, we strive to meet the real-life needs of Malaysians. The launch of the ATRF provides customers with an unbeatable opportunity to enjoy consistent returns with low risk, and to leverage on the expertise of Schroder's Investment team," he said.

To participate, a minimum investment of RM2,000 is required. Anyone wishing to find out more may visit any OCBC Bank branch or contact its call centre at 1300-88-5000.

About OCBC Bank

Singapore's longest established local bank, OCBC Bank, currently has assets of S\$151 billion and a network of over 370 branches and representative offices in 15 countries and territories including Singapore, Malaysia, Indonesia, Vietnam, China, Hong Kong SAR, Brunei, Japan, Australia, UK and USA. This network includes more than 250 branches and offices in Indonesia operated by OCBC Bank's subsidiary, PT Bank NISP. OCBC Bank and its banking subsidiaries offer a wide range of specialist financial services, from consumer, corporate, investment, private and transaction banking to global treasury and stockbroking services to meet the needs of its customers across communities.

OCBC Bank's insurance subsidiary, Great Eastern Holdings, is the largest insurance group in Singapore and Malaysia, in terms of assets and market share, and its asset management subsidiary, Lion Capital Management, is one of the largest asset management companies in Southeast Asia. Additional information may be found at www.ocbc.com.

For media queries, please contact :

Julius Evanson
Tel : 03-2783 3661
Fax : 03-2693 5694

Fong Siew Keng
Tel : 03-2783 3642
Fax : 03-2693 5694