



ARCHIVED
MEDIA RELEASE

OCBC SECURITIES OFFERS INNOVATIVE FUND MANAGEMENT SERVICE TO SMALLER INVESTORS

Product fills market gap in current investment product offerings

Singapore, 12 July 2001 --- OCBC Securities Private Limited ("OSPL"), a wholly-owned subsidiary of Oversea-Chinese Banking Corporation Limited ("OCBC Bank"), announces today the launch of a unique discretionary fund management service, called Managed Account ("MA").

For the first time in Singapore, smaller investors now have access to a professionally managed fund - a service previously only available to high net worth clients of private bankers. With a minimum deposit of S\$50,000 in cash and/or marketable shares¹, investors who do not yet qualify for private banking services can have a professionally-managed investment portfolio.

Unlike conventional equity funds that adopt a buy-and-hold strategy, the MA offers maximum investment flexibility as it is equipped with a range of investment tools to be profitable under all market conditions. This includes short selling in bear markets; investing in equity derivatives in volatile conditions; holding cash; and going "long" on equities during bullish periods.

MA's investment objective is to achieve a positive return, rather than relative growth performance compared to a market index. While it is not a guaranteed return fund, MA targets an average annual return of 12 per cent per annum. Clients' monies are actively managed by OSPL's in-house fund management team who aim to achieve a satisfactory and positive return in every calendar year, irrespective of the market conditions.

Scoring an industry-first, the MA will make its investment process transparent to the investor. Clients will be able to view their portfolios through their Internet accounts. By accessing their MA accounts at www.iocbc.com, clients can instantly update themselves on the position of their portfolios - valued on a real-time basis. Furthermore, clients can refer to the explanatory notes posted by the Fund Manager outlining the reasons behind the investment decisions. Such a level of transparency and service is currently unsurpassed in the industry.

"For the first time, smaller investors will have access to professional fund management services which were traditionally not available to them. Through the Managed Account, our clients will have the opportunity of knowing exactly what is transacting in their portfolios at any one time. With this level of transparency, we hope to capture and sustain clients' interest in their investments. In the process, we also want to help our clients gain a positive investing learning experience," said Mr Leong Mun Wai, Managing Director of OSPL.

¹ Marketable shares can be local or foreign shares which are liquid, traded and in demand.

"The structure of MA targets to deliver absolute returns rather than relative returns compared to an index. Such a structure allows for greater investment flexibility and agility at different phases of the market cycle, and should lead to a superior overall result," said Mr Peter Chan, Investment Director and Chief Financial Adviser, OSPL.

There are no front-end or administrative fees involved in setting up an MA. A management fee of 1.5% per annum and a performance fee are payable at the end of each calendar year. The performance fee is calculated at one-tenth of the excess return above 6% per annum.

Clients who are interested to open a Managed Account may contact OCBC Securities at 1800 338 8688.

About OCBC Bank

OCBC Bank is a Singapore-based financial services group offering a broad range of financial services, including consumer, corporate and international banking, investment management, global treasury, stock-broking and eFinancial services. With total assets of S\$60 billion, OCBC Bank ranks as the second largest local bank in Singapore in terms of market capitalisation.

Established in 1932, OCBC Bank currently employs 6,400 staff globally and operates 89 branches and representative offices in 13 countries worldwide, with one of the most extensive networks among regional banks. For the financial year ended 31 December 2000, OCBC Bank achieved a profit attributable to shareholders of S\$840 million, representing a 16.4% increase over the previous year.

OCBC Bank's mission is to be a world-class financial institution in Asia Pacific. A leading eCommerce financial player, OCBC Bank is being transformed into a 'click-and-mortar' bank while its wholly-owned subsidiary Bank of Singapore Limited (BOS) is positioned to pursue global innovative eCommerce initiatives in the buyer-advocate space. By leveraging on its rich heritage, innovative spirit and forward-looking management, OCBC Bank is committed to helping its customers, shareholders and staff grow from strength to strength.

About OCBC Securities

OCBC Securities Private Limited ("OSPL"), wholly owned by OCBC Bank, is a member of the Singapore Exchange (SGX). The stock broking firm services a large base of institutional investors including reputable British, Japanese, American and European securities houses, fund managers, investment trusts, insurance companies, foreign banks and publicly listed corporations.

OSPL's retail operations are supported by a team of 300 Trading Representatives servicing retail and high net worth clients. In addition to personalised service, retail clients can have access to six regional markets via iOCBC, the Internet broking service of OSPL.