

News Release

UOB Asset Management expands into Indonesia with the completion of its acquisition of PT PG Asset Management

Singapore, 4 September 2019 – UOB Asset Management Ltd (UOBAM) is building its presence in Indonesia’s fast-growing asset management industry following the completion of its acquisition of a 75 per cent stake in PT PG Asset Management (PGAM). Headquartered in Jakarta, Indonesia, with a branch in Surabaya, PGAM has expertise in mutual funds across equity, debt and money market securities, offering its products and services to both retail and institutional investors.

Through PGAM, UOBAM will offer to local investors its investment expertise across various asset classes, as well as in areas such as Islamic investments, smart beta¹ and multi-asset strategies. UOBAM also aims to establish its new subsidiary as a centre of excellence that provides in-depth insights into the local market and specialised solutions in Indonesia-focused funds and investment mandates for investors across its network.

With its acquisition of PGAM, UOBAM has now grown its regional network to eight markets across Asia, namely Brunei, mainland China, Indonesia, Japan, Malaysia, Singapore, Taiwan and Thailand. In particular, UOBAM is strengthening its franchise in ASEAN through its expansion into Indonesia, the region’s largest market.

One-third of Indonesia’s population of close to 270 million comprises millennials² who are the driving force of domestic consumption and economic growth. The country’s favourable demographics and positive economic outlook³ bode well for the local asset management industry. According to data from the Financial Services Authority of Indonesia, the country’s mutual fund industry rose 11 per cent year on year to IDR507.09 trillion (S\$49.4 billion) in 2018. As at end July 2019, the industry was valued at IDR536.88 trillion (S\$52.2 billion).

¹ ‘Smart beta’ investing refers to the portfolio construction methodology of investing in solutions outside of conventional indices that capture inefficiencies through factors such as quality, value low volatility and size, in order to enhance risk-adjusted excess returns.

² Source: “Indonesia: Unleashing The Power Of Consuming Class”, UOB Global Economics and Markets Research, 28 August 2019.

³ UOB expects Indonesia’s economy to grow at 6.5 per cent by 2030, compared with the current levels of around five per cent. Source: “Indonesia: Unleashing The Power Of Consuming Class”, UOB Global Economics and Markets Research, 28 August 2019.

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Mr Thio Boon Kiat, Group CEO of UOBAM, said, “We see immense potential in Indonesia’s asset management industry, driven by its economic development, increasing affluence and rising demand from individuals and institutions for investment solutions to protect and to grow their assets. Through our expansion into Indonesia, we will be able to offer our wide range of solutions and services to meet the needs of local investors. This acquisition in Indonesia also gives us the opportunity to participate in the growth of ASEAN’s largest economy, which will in turn drive our business growth.”

As part of knowledge transfer, UOBAM will also share with PGAM its experience and best practices from research, fund development and management to advisory and sales. These include the use of technology to increase efficiency in areas such as data optimisation and product distribution to serve better the investment needs of Indonesia’s digitally-savvy population.

Incorporated in 2011, PGAM is an asset management company in Indonesia and holds an investment management licence issued by Otoritas Jasa Keuangan, the financial services authority in Indonesia. PT Multikem Suplindo, the other shareholder of PGAM, is a wholly-owned subsidiary of Celebes Capital.

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About UOB Asset Management

UOB Asset Management Ltd (UOBAM) is a wholly-owned subsidiary of United Overseas Bank Limited. Established in 1986, UOBAM has been managing collective investment schemes and discretionary funds in Singapore for more than 30 years. We currently manage 55 unit trusts in Singapore and are one of the largest unit trust managers in terms of assets under management. As at 30 June 2019, UOBAM and our subsidiaries manage about S\$33.6 billion (US\$24.9 billion) in clients' assets.

UOBAM has an extensive presence in Asia with regional business and investment offices in Brunei, Indonesia, Japan, Malaysia, Singapore, Taiwan and Thailand. Our network includes UOB Alternative Investment Management Pte. Ltd and UOB Islamic Asset Management Sdn Bhd in Malaysia. We have two joint ventures: Ping-An Fund Management Company (China) and UOB-SM DS Asset Management Pte Ltd (Singapore). In addition, we forged strategic alliances with UTI International (India) and Wellington Management Singapore. UOBAM is one of the most awarded fund management companies, winning the ‘Asia Fund House of the Year’ at the *AsianInvestor* Asset Management Awards 2019, ‘Best Asset Management Firm Singapore’ and ‘Best Asia Fixed Income Fund House Singapore’ at the International Finance Awards 2018 and ‘Best Fixed Income Fund House’ award at the Morningstar Awards 2017.

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