

UOB and Unifem set up 'ethical' fund.

stimes0020010911dvbc008m0

By BRAEMA MATHI.

628 Words

12 November 1999

Straits Times

English

(c) 1999 Singapore Press Holdings Limited

CALL them do-good funds.

United Overseas Bank (UOB) and the United Nations Development Fund For Women Singapore have come up with a way of investing money in unit trusts that is a win-win situation for the bank, the women-centred group and investors.

Under this scheme, the bank's 30 fund managers advise customers to invest their money in companies that are pro-women and pro-family. The minimum sum for such investments is \$500.

The bank said customers could expect to enjoy returns of between 10 and 15 per cent over the next 10 years on their investments.

Unifem Singapore will get a third of the bank's management fee of 1.5 per cent on the fund. This means that if this fund reaches \$100 million after a year, Unifem Singapore will receive about \$500,000.

Dr Kanwaljit Soin, the chairman of Unifem Singapore, said: "UOB was enlightened enough and keen to get the funds off the ground."

Unifem Singapore was formed in January last year to further the work of the main body in this region. To date, it has served 8,000 patients in Indonesia and Thailand and taught basic literacy to children in Bintan.

UOB's asset management unit will rely on Unifem Singapore, investment brokerage firms and research companies for updates on companies that are pro-women and pro-family in their policies and management practices.

The unit manages the United Global Unifem Singapore Fund, which was launched yesterday. It is expecting to attract at least \$50 million to the fund in the next six weeks.

Ms Lim Suet Ling, the unit's senior portfolio manager, noted that American surveys have shown that such companies actually did better financially as managements were more progressive in their outlook and workers happier.

Ms Madeleine Lee, a committee member of Unifem Singapore, who came up with the idea for "ethical funds" a year ago, said they have been compiling a list of companies which have such policies as well as those which do not.

Mr Daniel Chan, the managing director of the unit, said that its fund managers who visit companies to make financial assessments would now also assess companies on other criteria. These include the number of women holding senior positions, their child-care facilities, benefits such as maternity or paternity leave and any discriminatory policy against women and families.

At yesterday's launch, Ambassador-at-Large Professor Tommy Koh, a committee member of Unifem, observed that in spite of the recession last year, asset management funds stood at \$200 billion in Singapore and was two trillion dollars in America.

"It is time to invest in UOB asset management's unit trusts and marry money and virtue - they make good partners."

What is a unit trust fund:

THE individual relies on fund managers to help him invest his money in companies that have

good track records. He then earns his dividends which he can re-invest, receive in cash or, in the case of the United Global Unifem Singapore Fund, contribute to Unifem Singapore.

How the Unifem Fund works:

Firms will be screened for their pro-women and pro-family policies and for financial soundness. Fund managers will advise clients on minimum investments, dividends and promotions.

What is the return after a year (at 10 to 15 per cent a year):

For a minimum sum of \$500, the expected dividend is about \$50.

Those who invest before Nov 30 will get a discount of 0.5 per cent on their investments.

This means that they will pay \$500 for an investment worth \$502.50.

Application forms are available at all UOB and Standard Chartered bank counters.

(c) 1999 Singapore Press Holdings Limited.