

### Investment Objective

Amundi Singapore Dividend Growth (the “Fund”) is established as a direct investment portfolio investing primarily in securities of companies which are listed on the Singapore Stock Exchange. The investment objective is to seek long-term capital growth and to make regular income distributions during the investment period.

### What happened in January

In January, the MSCI Singapore index appreciated by +5.65%.

The Singapore equity market rebounded strongly in the month of January after tailing off in the latter half of December. Positive sentiments drove stock prices upwards throughout the month as Singapore posted a relatively strong +9.1% quarter-on-quarter (+1.8% year-on-year) GDP growth in the final quarter of 2016. Although the surge in economic activity was not as spectacular as compared to 2015, it helped regain some confidence amongst investors and provide greater optimism in Singapore’s path to recovery. The offshore and marine sector posted a strong recovery with oil prices stabilising and OPEC agreeing on a way to monitor oil production or supply cuts. Financials contributed positively to the gains as the rising interest rate play continues. Property developers had a great rebound too as we saw funds rotated back into the sector given that most of the property stocks were oversold over the past months.

In terms of economic data releases, Singapore’s December Consumer Price Index (“CPI”) rose for the first time in more than two years by +0.2% year-on-year (“YoY”), mainly driven by the rise in oil and education prices. December Domestic Exports of Non-Oil rose by +9.4% month-on-month as well, and Industrial Production increased +21.3% YoY, driven by higher electronic exports. Singapore’s labour market, however, is on a downtrend where the unemployment rate hit at six-year high of 2.2%.

The portfolio returned +6.87% for the month, outperforming the market by 122 basis points.

Singapore avoided a recession last year as signs of trade picked up in Q3 2016, supporting growth in the export-reliant economy and spilling positivity over into 2017. While GDP growth and CPI data showed signs of recovery, the vulnerable Singapore market could still be dampened and derailed by geopolitical tensions and rise in protectionism – especially after Donald Trump took office on 20<sup>th</sup> January 2017 and is determined to impose trade protectionism measures. Labour conditions in Singapore continue to be an increasing concern should it not turn for the better as well. Nonetheless, investors will continue to look for stocks with attractive valuations and have a preference for quality names. Property developers may expect a mild upturn given that most of the negativity has been priced in. However, caution should still be exercised. Careful stock selection is needed to better defend against the threat of three rate hikes (expectation) in 2017. Elsewhere, banks remained well-supported in the higher interest rate environment, translating into better net interest margins.

Unless otherwise stated, all performances are in SGD terms, bid-to-bid.

## Important Information:

This document is provided for information purposes only and does not constitute an offer or solicitation to purchase or sell units in the Fund. The prospectus and the Product Highlights Sheet for the above Authorised Fund are available and may be obtained from the Manager or its authorised distributors. Investors should read the relevant prospectus and Product Highlights Sheet before deciding to invest in the Fund. All applications for the Fund must be made on application forms accompanying the prospectus. Past performance and any forecasts made are not indicative of future performance of the Fund. Any opinion or view presented is subject to change without notice. The information on this factsheet is intended for general circulation without taking into account the specific investment objectives, financial situation or particular needs of any particular investor. An investor may wish to seek advice from a financial adviser regarding the suitability of the Fund taking into account the specific investment objectives, financial situation or particular needs of any person in receipt of the recommendation, before making a commitment to purchase units in the Fund. In the event an investor chooses not to do so, the investor should consider whether the Fund is suitable for him. Investments in the Fund are subject to investment risks, including the possible loss of the principal amount invested. Value of the units in the Fund and the income accruing to the units, if any, may fall or rise. Some of the information contained herein has been obtained from sources believed to be reliable but has not been independently verified, although Amundi Singapore Limited and its affiliated companies believe it to be fair and not misleading. As the Fund may invest in financial derivatives as part of the investment strategy, it will be subject to risks associated with such investments. Additional risk factors are described in the prospectus. References to specific securities are presented to illustrate the application of our investment philosophy only and are not to be considered recommendations by Amundi. It should not be assumed that investments in the securities identified were or will always be profitable. This document is not intended for citizens or residents of the United States of America or to any «U.S. Person», as this term is defined in SEC Regulation S under the U.S. Securities Act of 1933 and in the Prospectus of the Fund.

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