

## Amundi Singapore Dividend Growth

### 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 February

In February, the MSCI Singapore index appreciated by +1.71%.

Singapore market was an outperformer in the region for the month of February, riding on the strong recovery momentum from the previous month. The gains were driven by strong corporate earnings releases, stability in oil prices and positive spillover effect from investors growing more confident in the Chinese economy as commodity prices rallied. Financials, alongside Telco and Industrials, led the gains despite Ezra’s potential impairment announcement at the start of the month as investors remained optimistic on the rising interest rate play. Oil & Gas names rallied on the back of oil prices stability, while Crude Palm Oil related names underperformed as prices declined. Singapore also unveiled its FY2017 budget, showing indication of a moderate expansionary plan with a 5.2% year-on-year (“YoY”) increase in spending, boosting confidence and further lifting the market.

In terms of economic data releases, January Consumer Price Index rose for the second month at 0.6%, driven by higher transport and healthcare costs. However, the MAS is still not as concerned as demand pressure is still relatively low. Output loses steam in January as production fell -6.0% month-on-month (“MoM”) (+2.2% YoY) after posting a solid rise in December (+6.7% MoM). While electronic output pared back, precision engineering output remained strong as we see a lift in regional capex related to the tech cycle. In terms of forward guidance, the government maintained its mid-term GDP growth target of 2-3% for the year while estimating a narrower budget surplus of 0.4% of GDP in FY2017 relative to previous year.

The portfolio returned +1.56% for the month, underperforming the market by 15 basis points.

Singapore’s strong start to the year has taken most observers by surprise. The upside is partially driven by the improving macro narrative in recent months – in line with a broad pick up not just across the region but globally as well. Macro data points such as manufacturing activity, export recovery, rising consumer prices, along with the higher interest rate outlook, and stabilising oil prices, have all served to rub off positively on investor behaviour.

For the portfolio, we will continue to have a long bias in financials. We are also incrementally more positive on the oil & gas names while being weary of telcos given the higher competitive threat. In the search for alpha enhancing opportunities, we may look to add to the property space as the sector trades at an attractive discount to its RNAV. The prospect of the tightening measures being loosened, is an added catalyst that the sector is looking forward to.

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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