

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 May

The Singapore equities market continue to rally in May, debunking the “sell in May and go away” myth. The market’s resilient gain was led by financials where domestic banks reported positive results and saw improvement in asset quality. The rising expectations of a Fed interest rate hike in June 2017 further supported the financials share price performances. Conversely, the property developers eased slightly as they gave back some of their gains after a strong performance in April, along with telcos and industrials which were the laggards in May. On the other hand, the Offshore and Marine sector remained relatively flat despite OPEC and non-OPEC members, led by Russia, agreed to extend oil production cut for nine months into 2018. The market saw further support as the Ministry of Trade and Industry (“MTI”) revised up the Q1 2017 GDP growth numbers to 2.7% year-on-year (“YoY”), amid a resilient pace of growth. MTI continue to maintain its earlier forecast for Singapore’s economy to grow 1-3% YoY in 2017, but investors are currently upgrading their forecasts to above 2% (higher end of the range).

In terms of economic data release, there were some pullbacks across the board as data came in lower than estimates. April’s Non-Oil Domestic Export fell 0.7% YoY as exports decelerated in the pharmaceutical segment. April’s Consumer Price Index came in at a softer touch of 0.4% YoY, declined from 0.7% in March. However, April’s Industrial Production rose 6.7% YoY, coming ahead of consensus estimates as tech upswing cycle continue to thread forward. March retail sales also registered strong positive growth, up by 2.1% YoY compared to a decline of 2.5% in February. April’s Purchasing Managers’ Index remained in the expansionary segment, recording at 51.1.

The portfolio returned 1.78% for the month, underperforming the market by 91 basis points.

Growth outlook for Singapore equities market remain resilient as the domestic market ride on the persistent global recovery momentum and China growth stabilisation trends. Strong fundamentals and inexpensive valuations continue to be supportive of the market, especially with companies seeing positive earnings revision and is expected to remain sustainable going forward. While we do not see any potential structural headwinds in the near-term, we should remain cautious on probable short-term pullbacks given its strong performance since the start of the year. Some profit-taking in the market would be inevitable. However, a potential concern would be the recent soft economic data released by China, which could be detrimental to Singapore’s economy given its reliance and dependence on global trade activities.

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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