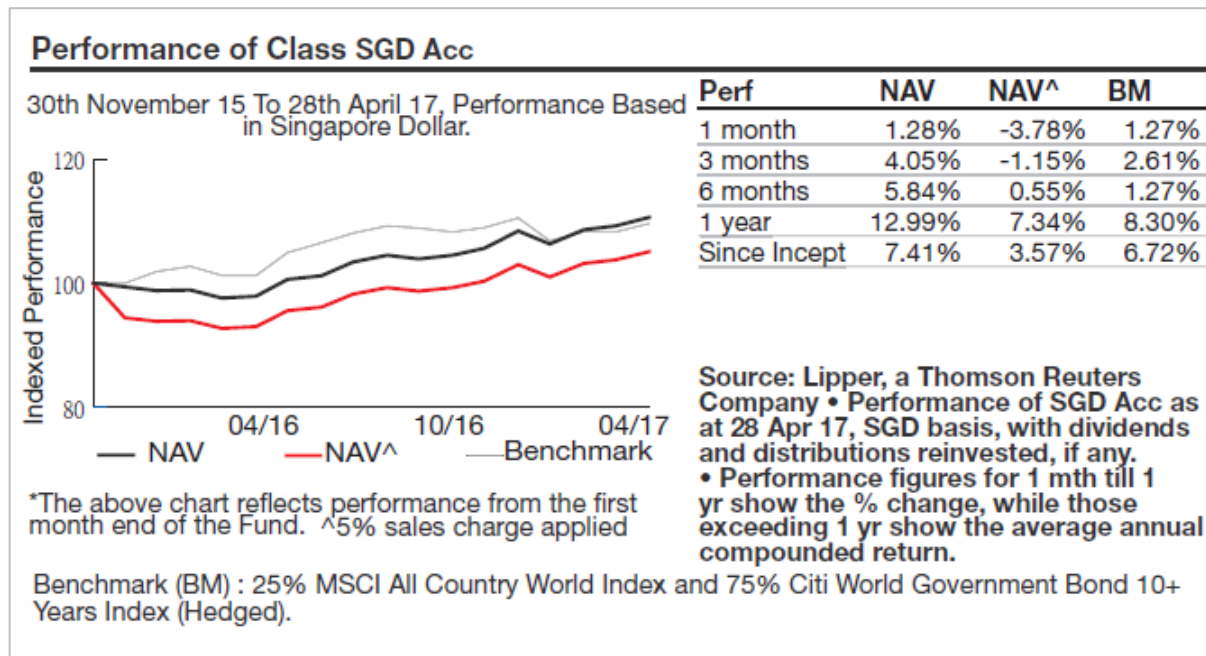


United Income Focus Trust

Fund Performance

The performance of the United Income Focus Trust (the "Fund") rose 1.28%¹ in the month of April 2017 whilst its benchmark, the MSCI All Country World Index and Citi World Government Bond 10+ Years Index (Hedged) gained 1.27%².



Market Review

Geopolitical tensions rose to the forefront of investors' minds in April 2017, beginning with the US missile strike on targets in Syria and the swift condemnation of the attack from Russia. Worries over North Korea surfaced later in the month after the US moved a strike group closer to the Korean Peninsula and US President Trump commented on the possibility of a major conflict with the hermit kingdom. Despite these fears, market participants took comfort in the continued solid improvements of global economic data, and diminished political tail risk in France. Polls following the first round of the French presidential election showed that centrist Emmanuel Macron to defeat far-right candidate Marine Le Pen in the May 7th run-off election.

The fund benefitted from positive returns across asset classes driven by 83 basis point (bps) gains in global equities. Within equities, we saw gains across various sectors, most notably financials (+32bps), consumer discretionary (+15bps), and consumer staples (+15bps). This was partly offset by modest losses from materials (-4bps) and energy (-3bps) as the slide in oil prices weighed on many of the exploration and production companies. Our exposure to the real estate sector in the US also supported the fund's positive

¹ Source: Lipper, Performance from 31 March 2017 to 28 April 2017 in SGD terms, on a NAV (Net Asset Value) basis, with dividends and distributions reinvested (if any).

² Source: Lipper, Performance from 31 March 2017 to 28 April 2017 in SGD terms.

All statistics quoted in the write-up are sourced from Bloomberg as at 28 April 2017 unless otherwise stated.

United Income Focus Trust

performance (+15bps) on the back of healthy housing trends with rising home prices and a sharp rebound in existing home sales. Our equity risk management positions contributed +5bps in April 2017.

Fixed income also contributed to the fund's positive performance for the month (+73bps). Credit exposure, specifically Investment grade credit (+39bps) and high yield credit (+10bps), contributed strongly to performance as credit spreads tightened in the month of April 2017 in an environment of solid growth and reduced political risk. Global sovereign bond exposure also helped performance (+42bps) as softening US data, rising geopolitical risks, and Chinese growth concerns contributed to a decline in most global sovereign yields. A benign outcome for the first round of the French presidential election and a relatively strong start to the first quarter US earning season allowed yields to rebound partially from intra-month lows

Outlook and Strategy

We continue to expect a solid global growth expansion even though momentum may fade marginally in coming months. US growth remains on a satisfactory path, with investment spending taking the lead and bolstered by steady consumption growth. In Europe, the election of Emmanuel Macron has eliminated a major tail risk and inserted some near-term certainty into the market. Despite improving macro fundamentals across regions and a positive view on markets over the medium term (1-3 years), we remain conscious of the high levels of uncertainty that persist. We continue to be mindful of the political uncertainty in Europe, most notably Brexit negotiations after the trigger of Article 50 and the upcoming German elections (and possibly Italian elections). Having said that, we continue to monitor Europe closely as we may see opportunities on the back of positive cyclical surprises, and where geopolitical uncertainty may allow for attractive entry points.

As of 30 April 2017, after modest movements in the past four months, our volatility target has returned to 6% where it was at the end of 2016 – representing a modestly cautious stance, but also suppressed market volatility. Global equities constituted 53% of the portfolio at April month-end with 6.5% in alternatives (listed real estate and infrastructure). While our total equity exposure has moved little over the last few months, we have adjusted the regional exposures slightly further in favour of Japan and Asia Pacific region, while reducing exposure to North American equities modestly. We reduced our exposure to crossover credit (lower quality investment grade/ higher quality high yield) by 5% and shifted that exposure to European financials. The fund reduced duration to 5.5 years in April 2017 (from 8.2 years in March) with a yield of 4.5%. We believe that US yields will be trading in a range in the foreseeable future and will dynamically adjust exposures based on where we are in that range.

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