

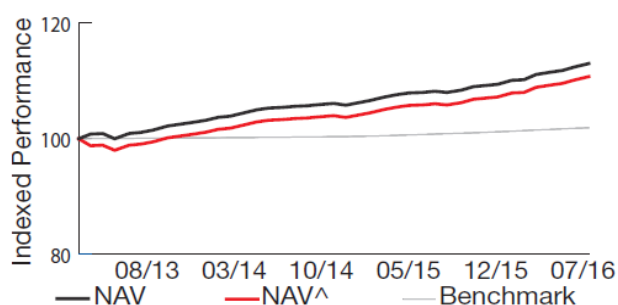
## United SGD Fund

### Fund Performance

The performance of the United SGD Fund Class A (Acc) SGD (the "Fund") increased by 0.53%<sup>1</sup> in the month of July 2016. The Fund's benchmark, the 6-month Singapore Interbank Bid Rate ("SIBID rate"), rose by 0.09%<sup>2</sup>.

#### Performance of SGD Acc

28th March 13 To 29th July 16, Performance Based in Singapore Dollar.



\*The above chart reflects performance from the first month end of the Fund. ^2% sales charge applied.

Benchmark (BM) : 6-month SIBID rate.

Perf	NAV	NAV^	BM
1 month	0.53%	-1.48%	0.09%
3 months	1.35%	-0.68%	0.29%
6 months	2.64%	0.58%	0.59%
1 year	4.44%	2.35%	1.08%
3 years	3.85%	3.16%	0.61%
Since Incept	3.73%	3.11%	0.56%

Source: Lipper, a Thomson Reuters Company • Performance as at 29 Jul 16, SGD basis, with dividends and distributions reinvested, if any. • Performance figures for 1 mth till 1 yr show the % change, while those exceeding 1 yr show the average annual compounded return.

### Market Review

The Fund returned +0.53% month-on-month with NAV at \$1.810 as at end July 2016, up 3.08% year-to-date.

Investor appetite for yield continued to push demand into emerging-market bonds. About \$14 billion poured into emerging-market debt over the past four weeks according to a weekly report on fund flows tracked by Bank of America Merrill Lynch. Investors had looked to alternatives from Brexit-hobbled Europe and record highs in equity indices. Demand for emerging-market debt was fueled, in part, by a global environment with over \$12 trillion in government debt bearing negative interest rates according to Fitch Ratings. The market for new issues in Asia surged to over US\$17 billion issued for July (June: US\$8 billion) with an average book cover ratio of 2.3x according to ANZ.

### Outlook and Strategy

We will continue to monitor developments including increased uncertainties in China's onshore bond markets on the back of corporate default news. We are also on the lookout for the increased likelihood of rating downgrades by rating agencies from weaker corporate fundamentals, with possible waning of technical support as the supply pipeline resumes and credit spreads recovering almost all of its widening on a year-to-date basis. That said, a go-slow US Federal Reserve hike, loose monetary policies by other central banks and an overall lower net bond supply should support credit markets.

The Fund will maintain its defensive positioning with a preference for quality credits with leading market share, of systemic importance, in defensive sectors which are also professionally managed. We look to move up the credit rating scale and increase exposure to developed markets, so as to further insulate the portfolio against spurts of volatility.

<sup>1</sup> Source: Lipper, Performance from 30th June 2016 to 29th July 2016 in SGD terms, on an NAV (Net Asset Value) basis, with dividends and distributions reinvested (if any).

<sup>2</sup> Source: Lipper, Performance from 30th June 2016 to 29th July 2016 in SGD terms.

All statistics quoted in the write-up are sourced from Bloomberg as at 29th July 2016 unless otherwise stated.

## United SGD Fund

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The Fund will continue to buy fairly priced bonds and sell/take-profit on expensive bonds based on relative value. We will focus on companies that have good access to capital markets and have defensive business models. We will also continue to invest in bonds that are maturing, callable or puttable up to 3 years to enhance overall return. The Fund will maintain 3% to 5% in cash for liquidity purposes and hedge foreign currency risk to the Singapore dollar.

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