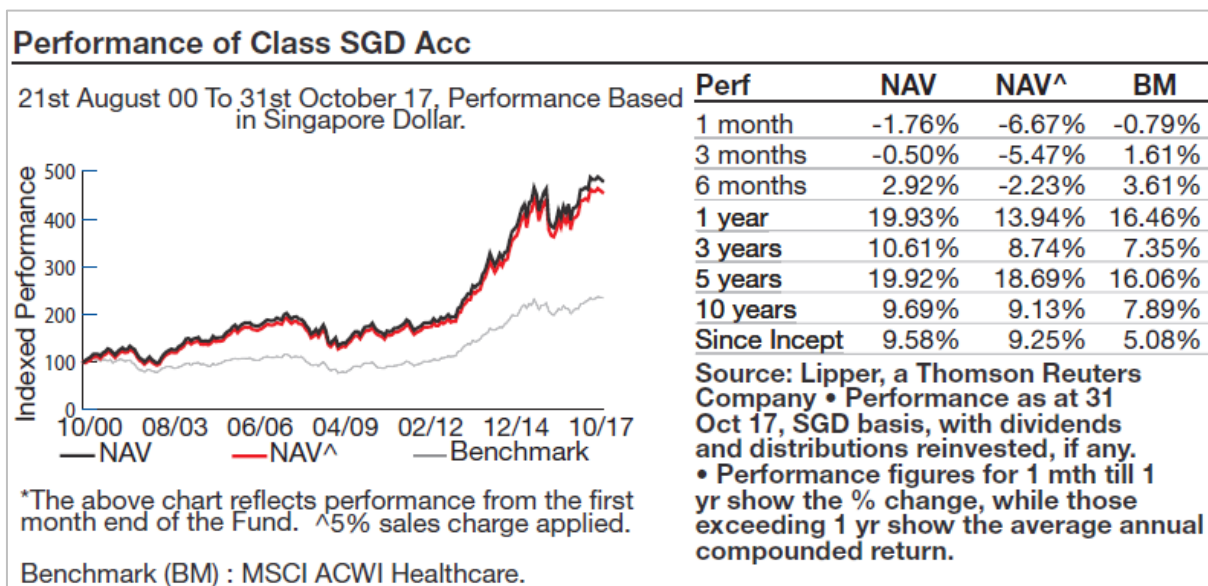


United Global Healthcare Fund

Fund Performance

In October 2017, the performance of the United Global Healthcare Fund (the "Fund") declined 1.76%¹ while its benchmark, MSCI ACWI Healthcare Index, slipped 0.79%².



Performance Attribution

The Fund underperformed the MSCI ACWI Healthcare Index for October.

In the large-cap biopharma space, the portfolio benefited from not holding several benchmark stocks which underperformed during the month. Chugai Pharmaceutical outperformed for the month, as its third-quarter results exceeded expectations thanks to strong exports of the firm's rheumatoid arthritis treatment Actemra.

The Fund's collection of off-benchmark small-cap biopharmaceutical stocks detracted modestly from performance overall, but individual stock performance was mixed. Rigel Pharmaceuticals (autoimmune diseases) was among the strong outperformers, while Akcea Therapeutics (mid-July IPO, cardiometabolic diseases) was among the major detractors.

Stock selection in the mid-cap biopharmaceutical space detracted. Portola Pharmaceuticals' shares trended lower as investors awaited clarity on the US Food and Drug Administration's (FDA's) sign-off on the manufacturing process for the firm's lead drug, Bevyxxa. Stock selection in health care services and medical technology also detracted. Walgreens Boots Alliance sold off after news stories that Amazon had received approval for wholesale pharmacy licenses in several states.

¹ Source: Lipper, Performance from 30 September 2017 to 31 October 2017 in SGD terms, on a NAV (Net Asset Value) basis, with dividends and distributions reinvested (if any).

² Source: Lipper, Performance from 30 September 2017 to 31 October 2017 in SGD terms.

Top 10 holdings of the Fund are UnitedHealth Group, Allergan Plc, Alkermes Plc, Bristol Myers Squibb, Boston Scientific Corporation, Astrazeneca, Eli Lilly, Alnylam Pharmaceuticals, Portola Pharmaceuticals, and Medtronic.

All statistics quoted in the write-up are sourced from Bloomberg as at 31 October 2017 unless otherwise stated.

United Global Healthcare Fund

Outlook and Strategy

Uncertainties about health care policy in the US remain. However, we think long-term industry trends will be the main drivers of performance in the sector. Health care is likely to remain a legislative item despite the defeat of the latest attempt to repeal the Affordable Care Act. We still believe that most of the millions of Americans who obtained insurance coverage in the past few years will retain coverage in some form under most conceivable outcomes. Drug pricing reform has been an overhang on the sector affecting approximately 60% of the opportunity set. However, the FDA has worked closely with the industry to grant broad labels for drugs that demonstrate improved standards of care, and we believe that the FDA will continue to be flexible in approving innovative drugs. While we believe that structural drug pricing reform is unlikely, we are mindful of the impact of any governmental action or political rhetoric. Across the sector, we expect companies to continue to be rewarded for innovation.

In selecting stocks for the portfolio, we tend to favour companies that develop innovative products or provide solutions to the challenges facing the health care system. Such companies should be comparatively well positioned whatever the regulatory environment. Persistent themes in this vein include the shift from fee-for-service to fee-for-outcome models.

We believe that the sector should continue to grow over the long term, thanks to the tailwinds of innovation, an ageing population and the globalisation of demand for cutting-edge Western-style health care. We believe that we are well resourced and favourably positioned to capitalise on that growth.

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