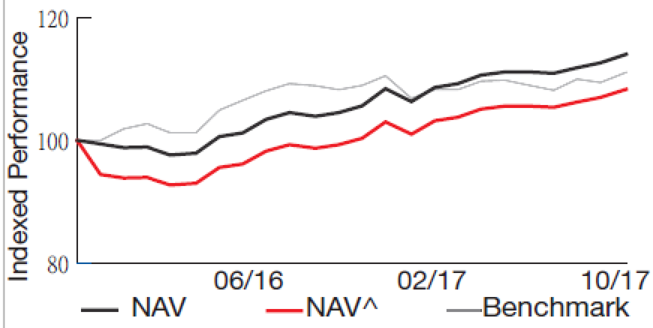
United Income Focus Trust

Fund Performance

The United Income Focus Trust (the “Fund”) gained 1.24%[1] in the month of October 2017 whilst its benchmark, the MSCI All Country World Index and Citi World Government Bond 10+ Years Index (Hedged) advanced 1.52%[2]. During the month, the Fund underperformed the benchmark by 28 basis points (bps).

Performance of Class SGD Acc

30th November 15 To 31st October 17, Performance Based in Singapore Dollar.



Perf	NAV	NAV^	BM
1 month	1.24%	-3.82%	1.52%
3 months	2.80%	-2.34%	2.71%
6 months	3.08%	-2.08%	1.34%
1 year	9.10%	3.64%	2.62%
Since Incept	7.07%	4.25%	5.62%

*The above chart reflects performance from the first month end of the Fund. ^5% sales charge applied

Source: Lipper, a Thomson Reuters Company • Performance of SGD Acc as at 31 Oct 17, 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.

Benchmark (BM) : 25% MSCI All Country World Index and 75% Citi World Government Bond 10+ Years Index (Hedged).

Market Review

Global economic data pointed to an ongoing synchronised global economic recovery, despite political unrest in Spain and the European Central Bank’s (ECB’s) monetary policy announcement. At the ECB’s October 2017 meeting, President Mario Draghi announced that the bank's quantitative easing (QE) program will likely be extended through September 2018 but that the size of monthly asset purchases will be reduced starting in January 2018. In Spain, the Parliament of Catalonia unilaterally declared independence from the country. This led to the Spanish Senate in Madrid to grant Prime Minister Mariano Rajoy special constitutional powers to seize direct administrative control over the region, dissolve its parliament, and force a new election. Economic momentum in the US remained on solid footing as the impacts from hurricanes Harvey and Irma started to subside. Consumer sentiment surged to a 13-year high in October, while core consumer price index (CPI) remained flat as housing and medical costs moderated. Most global government yields fell during the month with the exception of the US. US front-end yields rose amid speculation of a slightly more hawkish next Fed Chair.

Equities were a key contributor to the fund’s performance (+61bps). The yield sensitive sectors such as Utilities (+38bps) led the pack as most global sovereign yields fell during the month. Information Technology (+25bps) also

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

United Income Focus Trust

outperformed driven by strong earnings. Telecommunication Services (-8bps) and Healthcare (-8bps) modestly detracted from performance.

Fixed income also contributed to the Fund's performance in October (+21bps). This was mainly driven by investment grade credit exposure (+15bps) as spreads tightened on the back of positive economic momentum. European financials (+9bps) also contributed to performance as the ECB announcement was widely viewed as marginally positive for risk assets.

Outlook and Strategy

Across the month, the main event was the ECB meeting where, as widely anticipated, the ECB left interest rates unchanged, cut its asset purchase program from 60 billion euros to 30 billion euros a month, and announced that quantitative easing will continue until September 2018, or until there is indication that inflation is on a sustainable path towards the ECB's target level. Central banks seem well aware of the risks of withdrawing monetary stimulus and the need for a very gradual approach. Thus, we don't expect global rates to rise by more than 100bps over the cyclical horizon. This contributes to our moderately bullish view on equities, as do solid economic fundamentals, fiscal tailwinds and US-dollar weakness. Despite this more positive view on markets over the medium term, we remain conscious of a number of risks such as geopolitics, rich valuations, and a potential spike in global rates. We are also seeing signs that China's growth could slow in response to deleveraging, higher interest rates, and a stronger renminbi. However, we don't expect a sharp slowdown given that China's policymakers have proven competent at managing the economy and the consumer is strengthening.

We continue to believe that the fund is well positioned today to participate in market strength, but also for potential weakness, by maintaining the volatility target at 5.0% from last month. Low levels of equity volatility remains a key risk we are assessing, as the chance of a spike in volatility increase over time. Global equities constituted 48.7% of the portfolio with 4.3% in alternatives (listed real estate and infrastructure). We continue to favour diversified global duration over US duration. The fund's duration increased from 4.6 years to 5.2 years as of end-October.

Overall, we are still constructive on the longer term outlook for markets, but believe it is prudent to be prepared to implement a more cautious stance should market risks increase.

Contact Details

SINGAPORE
UOB Asset Management Ltd

Address 80 Raffles Place UOB Plaza 2 Level 3 Singapore 048624
Tel 1800 222 2228 (Local) • (65) 6222 2228 (International)
Fax (65) 6532 3868
Email uobam@uobgroup.com
Website uobam.com.sg

MALAYSIA
UOB Asset Management (Malaysia) Berhad

Address Level 22, Vista Tower, The Intermark
No. 348 Jalan Tun Razak, 50400 Kuala Lumpur
Tel (03) 2732 1181
Fax (03) 2164 8188
Website uobam.com.my

THAILAND
UOB Asset Management (Thailand) Co., Ltd

Address 23A, 25 Floor, Asia Centre Building, 173/27-30, 32-33
South Sathon Road, Thungmahamek, Sathon, Bangkok 10120, Thailand
Tel (66) 2786 2000
Fax (66) 2786 2377
Website uobam.co.th

BRUNEI
UOB Asset Management (B) Sdn Bhd

Address FF03 to FF05, The Centrepoint Hotel, Gadong,
Bandar Seri Begawan BE 3519, Brunei Darussalam
Tel (673) 2424806
Fax (673) 2424805

TAIWAN
UOB Asset Management (Taiwan) Co., Ltd

Address Union Enterprise Plaza, 16th Floor, 109 Minsheng East Road, Section 3,
Taipei 10544
Tel (886)(2) 2719 7005
Fax (886)(2) 2545 6591

JAPAN
UOB Asset Management (Japan) Ltd

Address 13F Sanno Park Tower, 2-11-1 Nagatacho, Chiyoda-ku,
Tokyo 100-6113 Japan
Tel (813) 3500-5981
Fax (813) 3500-5985

Important Notice and Disclaimers

All information in this publication is based upon certain assumptions and analysis of information available as at the date of the publication and reflects prevailing conditions and UOB Asset Management Ltd ("UOBAM")'s views as of such date, all of which are subject to change at any time without notice. Although care has been taken to ensure the accuracy of information contained in this publication, UOBAM makes no representation or warranty of any kind, express, implied or statutory, and shall not be responsible or liable for the accuracy or completeness of the information.

Potential investors should read the prospectus of the fund(s) (the "Fund(s)") which is available and may be obtained from UOBAM or any of its appointed distributors, before deciding whether to subscribe for or purchase units in the Fund(s). Returns on the units are not guaranteed. The value of the units and the income from them, if any, may fall as well as rise. Please note that the graphs, charts, formulae or other devices set out or referred to in this document cannot, in and of itself, be used to determine and will not assist any person in deciding which investment product to buy or sell, or when to buy or sell an investment product. An investment in the Fund(s) is subject to investment risks and foreign exchange risks, including the possible loss of the principal amount invested. Investors should consider carefully the risks of investing in the Fund(s) and may wish to seek advice from a financial adviser before making a commitment to invest in the Fund(s). Should you choose not to seek advice from a financial adviser, you should consider carefully whether the Fund(s) is suitable for you. Investors should note that the past performance of any investment product, manager, company, entity or UOBAM mentioned in this publication, and any prediction, projection or forecast on the economy, stock market, bond market or the economic trends of the markets is not necessarily indicative of the future or likely performance of any investment product, manager, company, entity or UOBAM or the economy, stock market, bond market or economic trends of the markets. Nothing in this publication shall constitute a continuing representation or give rise to any implication that there has not been or that there will not be any change affecting the Funds. All subscription for the units in the Fund(s) must be made on the application forms accompanying the prospectus of that fund.

The above information is strictly for general information only and is not an offer, solicitation advice or recommendation to buy or sell any investment product or invest in any company. This publication should not be construed as accounting, legal, regulatory, tax, financial or other advice. Investments in unit trusts are not obligations of, deposits in, or guaranteed or insured by United Overseas Bank Limited, UOBAM, or any of their subsidiary, associate or affiliate or their distributors. The Fund(s) may use or invest in financial derivative instruments and you should be aware of the risks associated with investments in financial derivative instruments which are described in the Fund(s)' prospectus.

In the event of any discrepancy between the English and Mandarin versions of this publication, the English version shall prevail.

UOB Asset Management Ltd Co. Reg. No. 198600120Z