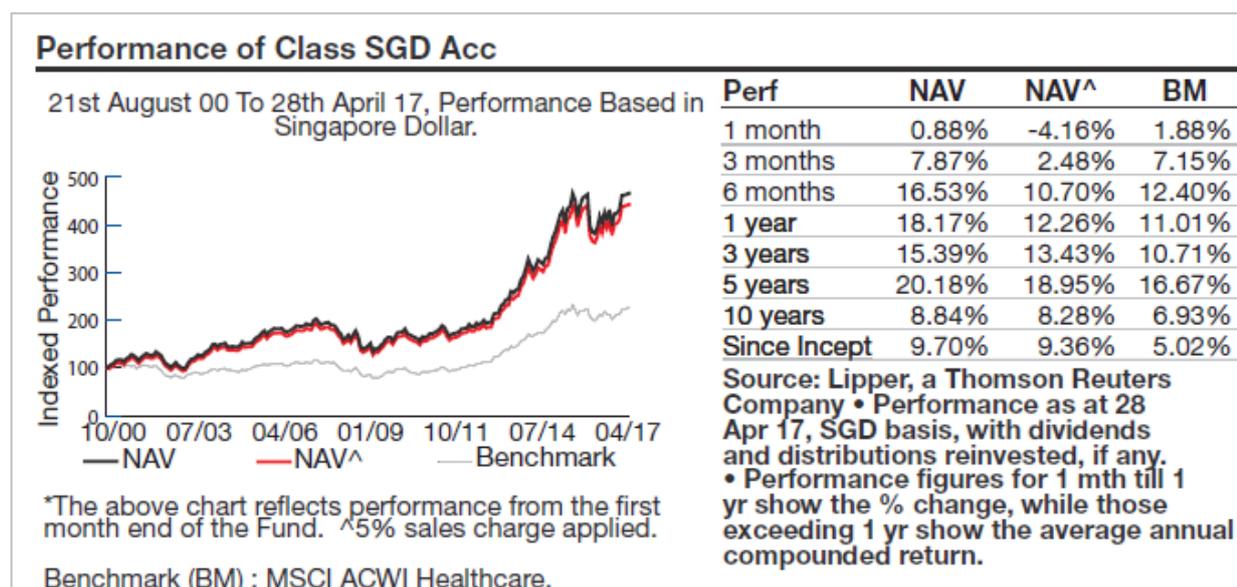


## United Global Healthcare Fund

### Fund Performance

In the month of April 2017, the performance of the United Global Healthcare Fund (the "Fund") rose by 0.88%<sup>1</sup> while its benchmark, MSCI ACWI Healthcare Index, increased 1.88%<sup>2</sup>.



### Performance Attribution

The Fund underperformed the MSCI ACWI Healthcare Index for the month.

Security selection in mid-cap biopharmaceuticals detracted from performance, though this was partly offset by the Fund's overweight to the relatively strongly performing sub-sector. The shares of a US-based oncology-focused company came under pressure after some modestly disappointing pipeline news and lower-than-expected pricing on a new drug launch. Meanwhile, Agios Pharmaceuticals stock moved lower following a \$250 million equity raise. The portfolio's collection of off-benchmark small-cap biopharmaceutical stocks detracted as Infinity Pharmaceuticals (oncology) weighed on overall performance.

In health care services, stock selection detracted. A provider of cloud-based medical records and network services reported disappointing first-quarter results and lowered guidance. The miss was attributed to a larger-than-expected drop in patient visits and modestly lower payments per visit. The medical technology space was additive to overall performance. Boston Scientific's shares outperformed as the medical device maker reported strong quarterly results, with revenue growth across all segments and regions.

In the large-cap biopharma space, the Fund benefited from not holding several benchmark stocks that underperformed during the month, including Johnson & Johnson, Pfizer and GlaxoSmithKline. Stock selection in

<sup>1</sup> 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).

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

<sup>3</sup> Top 10 holdings of the Fund are UnitedHealth Group, Allergan Plc, Bristol Myers, Alkermes Plc, Boston Scientific Corporation, AstraZeneca, Eli Lilly, Medtronic Plc, Portola Pharmaceuticals, and Incyte Corp

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

## United Global Healthcare Fund

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the space detracted from performance. Incyte's shares fell on news of a regulatory delay in the approval process for the firm's phase 3 rheumatoid arthritis drug

### Outlook and Strategy

While we expect the lack of clarity about the path forward for policy to continue for some time, we remain convinced that full repeal of the Affordable Care Act (ACA) will not occur without the introduction of an alternative plan to accommodate the more than 20 million Americans newly insured by the ACA. Changes in health care policy and regulation have affected, and will almost certainly continue to affect, the performance of health care stocks in the short and medium term. Over the longer term, however, we think market forces – such as greater transparency and better alignment of incentives – and an intensifying focus on evidenced-based medicine and value-based care will have a more significant impact.

To that end, we seek to populate our portfolio with stocks of companies which offer differentiated innovation and a true value proposition, specifically one that optimises for both quality and affordability. We believe these are the companies that should thrive over the long term in an environment of regulatory and political changes, with the greater exertion of market forces.

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