



## United Global Healthcare Fund

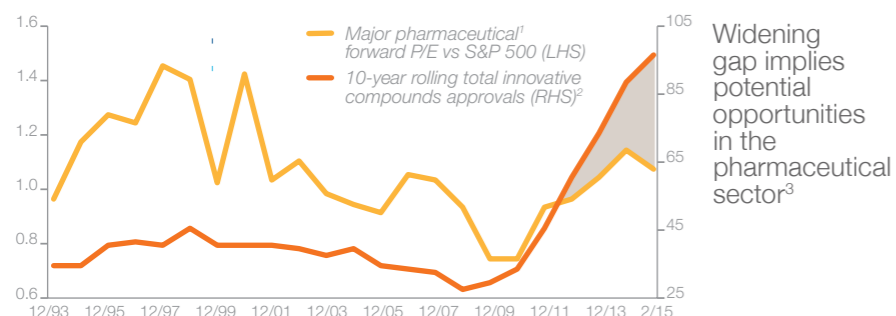
Invest in innovation for a healthier portfolio

# Healthcare's continuous innovation is an investment opportunity for your future

Give your portfolio a healthy boost with the United Global Healthcare Fund

## 1 The healthcare revolution is unfolding

Current valuations do not reflect higher rate of new drugs approval



Huge industry growth prospect with exciting innovations

### CANCER

Immuno-oncology therapies are producing clinical evidence of effectiveness and are potential blockbusters once they get wider approval.

### CYSTIC FIBROSIS

First-in-class drugs should substantially increase both life expectancy and quality of life for patients with cystic fibrosis.

### GENE THERAPY

Gene therapy is gaining scientific momentum and could mitigate dozens of conditions ranging from congenital blindness and blood disorders to terminal brain diseases.

## 2 The industry is rethinking its business model

Healthcare delivery transitions from cost-intensive primary care to preventative care



Emergency-on-call



Primary care team

TRADITIONAL FACE-TO-FACE PRIMARY CARE

Wearable technology and care apps allow proactive monitoring



Big data analyses health trends for early intervention

Concierge medicine increases doctor-patient time



NEW PREVENTATIVE CARE

The Affordable Care Act in the US shifts focus to keeping patients healthy

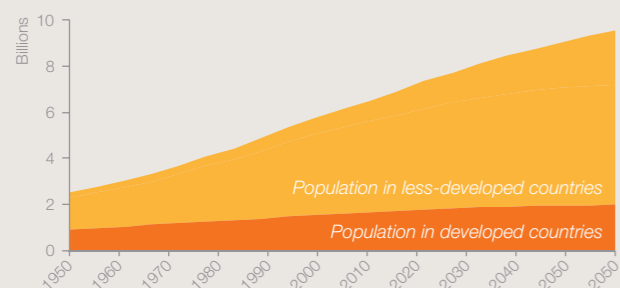
- Pay-for-performance tied to care metrics and cost reduction

- Healthcare providers scale by horizontal integration into long-term care or vertical integration into health insurance
- Larger healthcare systems can harvest big data for population health management

## 3 Healthcare spend is rising globally due to demographics and economic growth

Increased population

World population expected to rise over 30% by 2050<sup>4</sup>



Per capita healthcare spending increases sharply

Historically, it shows that cost of healthcare increases by close to 100% from ages 18 - 44 to 45 - 64<sup>5</sup> in the United States

| Age Category (Years) | Average Spending (USD) |         |         |         |
|----------------------|------------------------|---------|---------|---------|
|                      | 1987                   | 1997    | 2000    | 2010    |
| Under 6              | \$1,982                | \$1,166 | \$1,424 | \$1,641 |
| 6 to 17              | \$1,291                | \$1,309 | \$1,415 | \$1,888 |
| 18 to 44             | \$2,041                | \$2,264 | \$2,413 | \$3,230 |
| 45 to 64             | \$3,961                | \$4,384 | \$4,511 | \$6,429 |

Expenses for healthcare and prescribed medicine, by Population Characteristics; United States, selected years 1987 - 2010

Rising demand from emerging markets

Healthcare spending in emerging markets will grow by 11.4% - 14.4% compounded annual growth rate for the next 5 years<sup>6</sup>



ESTIMATED 50% TOTAL GROWTH OF GLOBAL LIFE SCIENCES MARKET IN THE NEXT 5 YEARS

## United Global Healthcare Fund

Invest in a healthier portfolio

### + Highest risk-adjusted returns

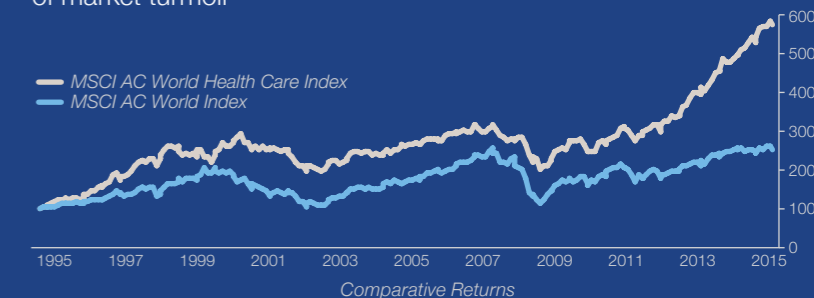
The healthcare sector has provided one of the highest risk adjusted returns against other sectors and MSCI AC World Index<sup>7</sup> (MSCI ACWI)

| Category                            | Annual Compounded Return (p.a.) | Annualised Standard Deviation (monthly) | Return/Risk |
|-------------------------------------|---------------------------------|---|-------------|
| MSCI ACWI/Health Care NR            | 19.79                           | 9.41                                    | 2.10        |
| MSCI ACWI/Consumer Discretionary NR | 17.11                           | 11.54                                   | 1.48        |
| MSCI ACWI/Information Technology NR | 14.28                           | 12.10                                   | 1.18        |
| MSCI ACWI/Consumer Staples NR       | 12.55                           | 8.56                                    | 1.47        |
| MSCI ACWI/Industrials NR            | 11.13                           | 11.90                                   | 0.94        |
| MSCI AC World NR USD                | 11.11                           | 9.93                                    | 1.12        |
| MSCI ACWI/Financials NR             | 9.12                            | 13.42                                   | 0.68        |
| MSCI ACWI/Utilities NR              | 4.44                            | 9.48                                    | 0.47        |

Historical performance of key sectors over the past 5 years (June 2010 - June 2015)

### + Healthcare is an evergreen investment

The healthcare sector has historically been able to hold up in times of market turmoil<sup>8</sup>



### + Reap healthy returns from a well-diversified sector

Sub-sectors of healthcare:



Pharmaceuticals



Biotechnology



Medical Products



Health Services

### + Award winning fund and sub-manager

The Fund has received more than **30 industry accolades**<sup>9</sup> across the region since its inception in August 2000.



Wellington Management (comprising the sub-manager and its affiliates) is one of the world's largest sub-advisors of active mutual funds<sup>10</sup>, with global investment capabilities and assets under management of US\$936 billion as at end June 2015.

### + Sound investment methodology

The Fund looks to invest in companies with the following characteristics:



- Low valuation relative to historical range
- Future earnings growth not reflected in stock price
- Unrecognised or undervalued assets
- Strong existing and expected new product flow

<sup>1</sup>Defined as mid-/large-cap companies that develop, produce and market drugs or pharmaceuticals for use as medications. <sup>2</sup>The term "innovative compounds approvals" refers to the first US commercial approval for a particular disease state of a drug with a mechanism of action that has not previously been brought to bear on that disease state. <sup>3</sup>Sources: Credit Suisse (through 2013) and Wellington Management (2013 - present) | <sup>4</sup>Source: United Nations, World Populations Prospects 2012 | <sup>5</sup>Source: Health, United States CNC, 31 December 2013 | <sup>6</sup>Source: IMS Health Market Prognosis, June 2013 | <sup>7</sup>Source: Lipper, UOBAM, June 2015, Performance in US Dollar (USD) terms, on a Price Index Level with dividends and distributions reinvested. Analysis based on MSCI ACWI Health Care NR, MSCI ACWI Information Technology NR, MSCI ACWI Consumer Staples NR, MSCI ACWI World NR, MSCI ACWI Energy NR, MSCI ACWI Consumer Discretionary NR, MSCI ACWI Industrials NR, MSCI ACWI Utilities NR and MSCI ACWI Financials NR | <sup>8</sup>Source: Bloomberg, June 2015 | <sup>9</sup>These awards relate to past performance and are not a reliable indicator of future or likely performance. Please refer to uobam.com.sg for more information on the award categories. <sup>10</sup>Source: Pensions & Investments, P&I Research Center, as at end December 2014.

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