

Why invest in United Income Focus Trust now?



Retirement



Passive Income



Diversification

The fund is diversified and flexible which allows it to remain resilient despite the volatility from market fluctuations, it also allows you to build and grow your income.

It is a globally unconstrained multi-asset strategy that is able to seek the best opportunities across assets and regions.

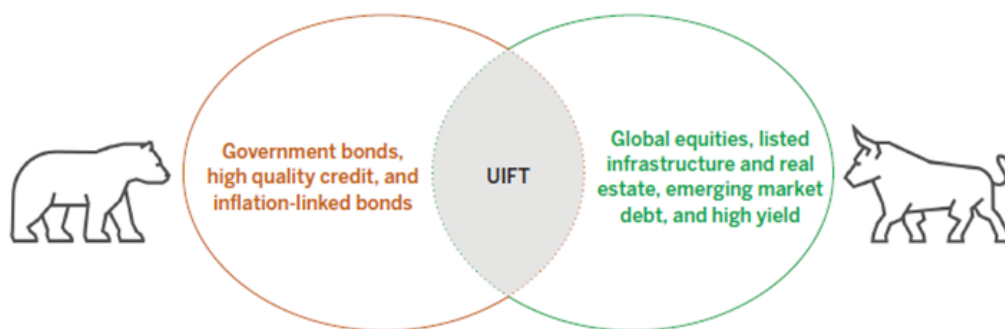
It enables you to achieve more attractive yield at better valuations as they focus on less traditional income sectors and niche asset classes that offer yield enhancement.

This fund also has multiple uncorrelated sources of return to secure your income stream with an all-weather strategy.

How is the fund beneficial to you?

1. Diversification

The fund exploits these global opportunities across asset classes by selecting stocks and bonds that can generate more attractive risk adjusted total returns.

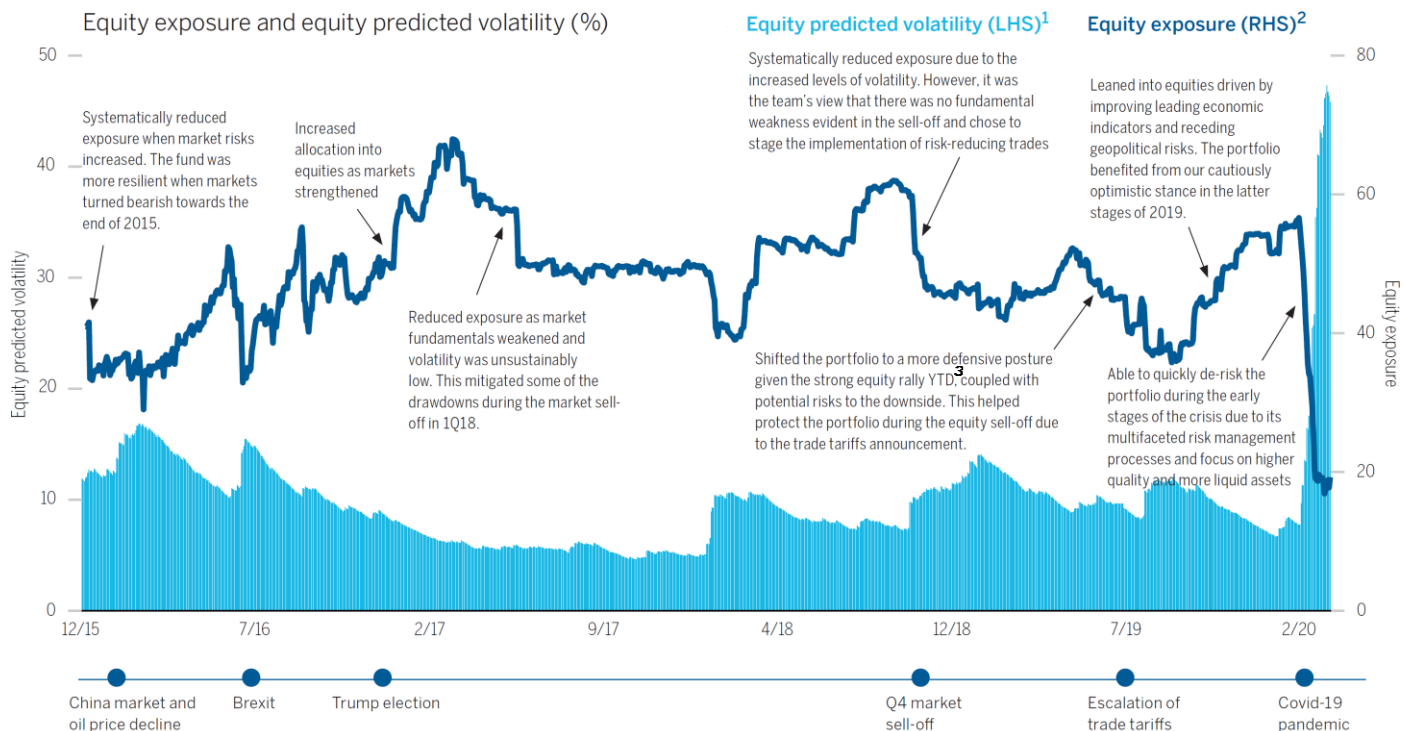


High quality fixed income assets may cushion the portfolio during periods of market stress (for example, during a recession), while inflation sensitive assets may cushion during periods of rising inflation

Some asset classes can be expected to perform better during periods of sustained growth. Over time these assets should contribute to capital growth

2. Dynamic Equity Allocation

To participate in rising markets, and preserve capital during periods of significant market weakness. Dynamic investing approach allows the fund to flexibly tilt towards more attractive opportunities and mitigate risk. The fund is well positioned to adapt quickly by increasing equity exposures using our dynamic asset allocation process.



¹Chart data: 7 December 2015 – 31 March 2020 | ²Chart data: 11 December 2015 – 31 March 2020

³ YTD: Year to date

Source: Wellington Management

3. Disciplined

Investors received a regular monthly income of 5.28 cents per unit per annum¹ (which works out to be 0.44cents per unit per month) since February 2016. It provides a regular flow of passive income to build up overtime or an additional income for retirement.

What can the fund offer you in this current market?

The ability to dynamically shift exposure in response to rapidly evolving markets

Genuine diversification across a range of asset classes expected to perform well at different stages of the cycle, potentially providing resilience in volatile markets

Disciplined and multilayer risk management to help mitigate an array of asset- and environment-specific risks like the potentially asymmetric characteristics of high yield

The potential to confidently rerisk after a downturn and select attractive investment opportunities

Outlook for United Income Focus Trust

We think that COVID-19 and plunging oil prices will result in a global recession, the duration of which will depend on numerous factors (eg. virus containment, monetary and fiscal stimulus). While this implies further potential downside for risk assets in the near term, over a longer time horizon there are reasons to remain invested whilst considering adding quality assets at much cheaper valuations.

Tactically we are at our lowest equity exposure with the objective of protecting portfolio capital if markets continue to fall. We continue to be biased towards high quality companies that we believe are less likely to face near term solvency issues. Regionally we prefer US equities as its economy was in the strongest position heading into the virus outbreak and the equity market has tended to be less volatile and more liquid than others. Recent volatility has delivered multiple opportunities across sectors and regions.

We view UIFT as a dynamic core exposure, and have constructed it in such a way that it can get defensive quickly during periods of market stress. This posture, which we find ourselves in today should be beneficial in mitigating any downside of further market falls should they occur. Conversely, the fund can also adapt quickly if we see markets stabilizing and begin to climb higher.

It is our expectation that due to the extent of monetary and fiscal support currently being provided by governments and central banks, the recovery in financial markets when it arrives will be swift and steep – even if the real economy takes a little longer. This is one benefit of the dynamic nature of UIFT. Similar to how we reduced risk quickly as the crisis grew, we can equally re-risk as the crisis shows signs of receding. This affords our clients the comfort of worrying less about timing. We would recommend clients remain invested and to the extent possible think about dollar-averaging their exposures.

Notes

¹ Investors should note that distributions (if any) will only be made in respect of the distribution classes of the Fund. The making of distributions is at the absolute discretion of the Managers and that distributions are not guaranteed. The making of any distribution shall not be taken to imply that further distributions will be made. The Managers reserve the right to vary the frequency and/or amount of distributions. The declaration or payment of distributions (whether out of income, capital gains, capital or otherwise) may have the effect of lowering the net asset value of the Fund. Moreover, distributions out of the capital of a Fund may amount to a reduction of the relevant holder's original investment. Such distributions may also result in reduced future returns to the relevant holders.

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