

# Pi 7 Global Portfolio

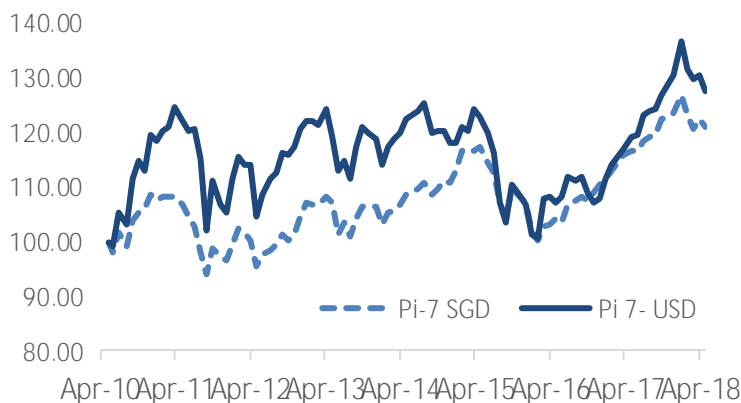
MAY 2018

## INVESTMENT OBJECTIVE & FOCUS

The investment objective of the Pi-7 Global Portfolio is to aim to achieve medium to long term capital appreciation, in line with the respective asset class/market performance. The strategic allocation of this fund is 80% equities, 15% bonds and 5% commodities (excluding cash). For all the three asset classes, we buy into relevant Exchange Traded Funds ("ETFs") to replicate the targeted exposure. For the bonds asset class, we also buy into mutual funds. We impose a 5% deviation limit to the asset class allocation, which are intended to be rebalanced on a quarterly basis. We also reserve the full and absolute discretion to vary the above percentages.

The fund primarily buys into ETFs and underlying funds and collective investment schemes from all asset classes, subject to the code on collective investment schemes. We may also invest into equity funds, balanced funds, fixed income funds and/or money market funds, including equity, balanced, fixed income and/or money market funds managed by Phillip Capital Management. We may use derivatives for hedging and efficient portfolio management purposes in the portfolio and such derivatives are not used to gear

## FUND PERFORMANCE (AS AT 31 MAY 2018)



### TOTAL RETURNS

	SGD	USD
Since Inception	20.88%	27.53%
1 month	-1.21%	-2.20%
Year To Date	-2.33%	-2.40%
1 year	3.56%	7.12%

### ANNUALISED RETURNS

Since Inception	2.40%	3.09%
3 years	0.96%	1.24%
5 years	2.47%	1.33%

### ANNUALISED VOLATILITY (SINCE INCEPTION, SGD)

7.50%

*Fund Performance are cumulative returns and calculated on a Single pricing basis, with any income or dividends reinvested as of 31 May 2018. Source: Bloomberg & Phillip Capital Management (S) Ltd.*

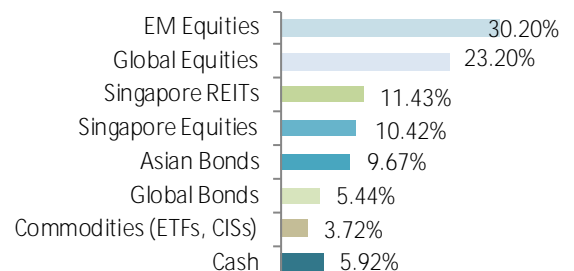
## FUND INFORMATION

Current Fund Size	SGD 23.44 million
NAV Price	SGD 1.2088 USD 0.9038
Inception Date	4th June 2010
Inception Price:	SGD 1.0000/ USD 0.7087
Investment Manager:	Phillip Capital Management (S) Ltd
Currencies Available:	USD and SGD
Bloomberg Ticker (US\$):	PPI7GLU SP
Bloomberg (SG\$):	PPI7GLS SP
ISIN Code (US\$):	SG9999006696
ISIN (SG\$):	SG9999006654
SRS Code:	UR0507
Min. Initial Investment	USD/SGD 5000.00
Min. Sub. Investment:	USD/SGD 1000.00
Min. Holdings:	1000 units
Min. Partial Realisation:	500 units
Dealing Frequency:	Daily
Initial Sales Charge:	Currently NIL, max 5%
Redemption Charge	Currently NIL, max 5%
Switching Fee:	Currently NIL, max 1% Subject to a min. of S\$25
Ann. Management Fee:	1.5% p.a., max 1.5%
Ann. Trustee Fee:	Currently 0.09%, max 0.1%

## TOP 10 HOLDINGS

iShares MSCI Emerging Markets ETF	12.25%
iShares MSCI EM ACC ETF	10.26%
SPDR S&P 500 ETF Trust	8.79%
Lion-Phillip S-REIT ETF	7.37%
Nikko AM Singapore STI ETF	6.54%
SPDR DJIA Trust	4.55%
Phillip SGX APAC Divd Ldrs REIT ETF	4.06%
SPDR Straits Times Index ETF	3.88%
Fullerton Asian Bond Fund	3.48%
iShares 1-3 Years Treasury Bond	3.26%

## ASSET ALLOCATION



**MANAGER'S COMMENTARY**

Numerous worries have been plaguing investors in recent months. Concerns about rising yields and looming trade wars have troubled investors in earlier months, and now we add fund outflows and dramatically weakening currencies in certain emerging markets (Argentina, Turkey) to the mix, as well as worries about Italy's government debt and potential EU exit. To some extent, investor fatigue might have set in given the market volatility.

For the month, the MSCI World Total Return Index rose 1.8%, while the MSCI Emerging Market Total Return Index dropped 2.4%. The domestic FSSTI Total Return Index dropped 4.3% while the FTSE REIT Index total return dropped 2.3%. For bonds, the JP Morgan Global Bond Index rose 1.5%, while the iBoxx Asian Local Bond Index was up 0.2%. The Jeffries CRB Index rose 1.6%. All above returns are in SGD terms.

As a more aggressive portfolio of bonds, commodities and equities, the Pi-7 Global Portfolio was down 1.2% for the month of May.

We believe current market valuations are not excessive, and also that the current economic cycle upturn still has legs, with the caveat that a full-scale trade war does not develop. We also think it is important that the US Federal Reserve does not hike rates too aggressively, as recent currency problems in some emerging markets have shown that fund outflows as a result of a combination of rate hikes and US dollar strengthening can be destabilising.

For equities, we have a balanced allocation to developed market equities and emerging market equities for the Fund. Our belief is that this allocation lends stability to the portfolio. Emerging market equities are expected to have higher long-term potential growth but are susceptible to foreign fund flows which can be volatile. For bonds, we continue to like high-quality bond exposures as a cushion for the overall portfolio.

**IMPORTANT INFORMATION**

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