

# Pi 7 Global Portfolio

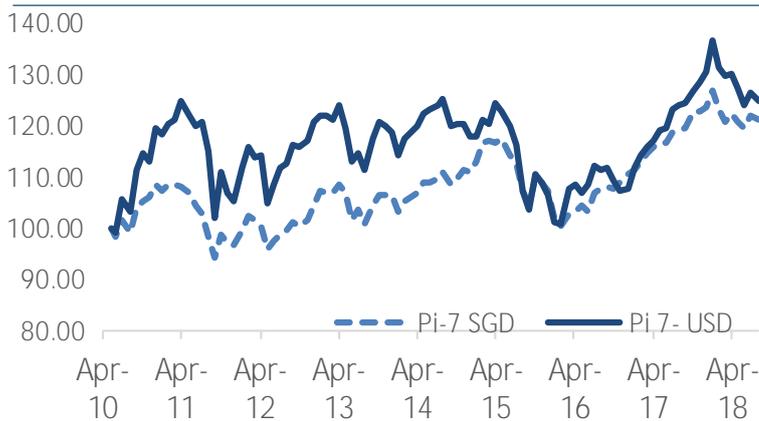
OCTOBER 2018

## 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 the overall portfolio.

## FUND PERFORMANCE (AS AT 31 OCT 2018)



TOTAL RETURNS	SGD	USD
Since Inception	14.12%	16.27%
1 month	-6.07%	-7.32%
Year To Date	-7.79%	-11.02%
1 year	-6.99%	-8.50%
ANNUALISED RETURNS		
Since Inception	2.32%	2.67%
3 years	1.33%	1.71%
5 years	1.42%	-0.79%
ANNUALISED VOLATILITY (SINCE INCEPTION, SGD)	7.39%	

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

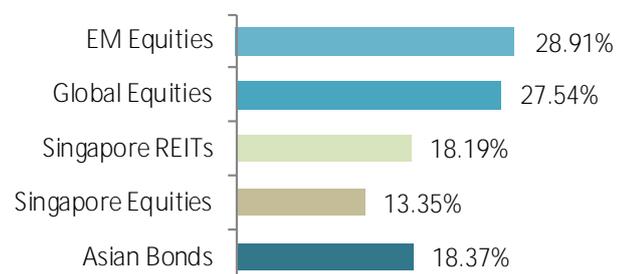
## FUND INFORMATION

Current Fund Size	SGD 4.17 million
NAV Price	SGD 1.1412 USD 0.8240
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

Xtrackers MSCI Emerging Markets	20.60%
United Asian Bond Fund	18.31%
Spdr DJIA ETF	17.89%
Lion-Phillip S-REIT ETF	11.40%
Spdr S&P 500 ETF Trust	9.65%
iShares MSCI EM UCITS ETF	8.33%
Nikko Am Singapore STI ETF	7.26%
Phillip S-Apac Divd Ldr REIT ETF	6.80%
Spdr STI ETF	6.09%
Vanguard FTSE AS EX JA HD ETF	0.07%

## ASSET ALLOCATION



**MANAGER'S COMMENTARY**

Global equity markets saw a broad-based correction in October on the back of trade and rate hike worries. Developed markets such as the US, which had until September been resilient in the face of such worries, finally also succumbed to weakness ahead of the US mid-term elections in early November. Bonds were a safe haven, though, through the equity market volatility.

For the month, the MSCI World Total Return Index dropped 6.0%, while the MSCI Emerging Market Total Return Index was down 7.4%. The domestic FSSTI Total Return Index dropped 7.3% while the FTSE REIT Index total return dropped 4.2%. For bonds, the JP Morgan Global Bond Index rose 1.4%, while the iBoxx Asian Local Bond Index was flat. The Jeffries CRB Index dropped 0.8%. All above returns are in SGD terms.

As a more aggressive portfolio of bonds, commodities and equities, the Pi-7 Global Portfolio was down 6.1% for the month of October.

Recent mixed quarterly result releases for various companies as well as data indicating weakening consumer and business confidence corroborate the market narrative of likely global economic slowdown arising from rising interest rates and an unabated trade war between China and the US.

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.

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