

# **Pi Global Portfolios**

## **Annual Report**

Year ended 31 March 2017



**Phillip Capital Management**

(A member of PhillipCapital)

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## **Pi Global Portfolios**

### **MANAGER**

Phillip Capital Management (S) Ltd  
250 North Bridge Road  
#06-00 Raffles City Tower  
Singapore 179101  
(Company Registration No. 199905233W)

### **DIRECTORS OF THE MANAGER**

Lim Hua Min  
Jeffrey Lee Chay Khiong  
Linus Lim Wen Sheong  
Lee Ken Hoon  
Lim Wah Sai  
Louis Wong Wai Kit

### **TRUSTEE & REGISTRAR**

BNP Paribas Trust Services Singapore Limited  
20 Collyer Quay, #01-01  
Singapore 049319  
(Company Registration No. 200800851W)

### **CUSTODIAN AND FUND ADMINISTRATOR**

BNP Paribas Securities Services Singapore Branch  
20 Collyer Quay, #01-01  
Singapore 049319  
(Company Registration No. T08FC7287D)

### **AUDITORS**

KPMG LLP  
16 Raffles Quay #22-00  
Hong Leong Building  
Singapore 048581

### **SOLICITORS TO THE MANAGER**

Chan & Goh LLP  
50 Craig Road, #03-01  
Singapore 089688

### **SOLICITORS TO THE TRUSTEE**

Dentons Rodyk & Davidson LLP  
80 Raffles Place  
#33-00 UOB Plaza 1  
Singapore 048624

# Pi Global Portfolios

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## MANAGER'S INVESTMENT REPORTS

### Pi-5 Global Portfolio

The Fund rose by 8.5% for the full year ending 31 March 2017, including distributions paid. The Fund paid out semi-annual distributions totaling 1 Singapore cents per unit within the year.

The full year period ending March 2017 saw a reversal of the weakness of the previous period, with strong gains recorded in most asset classes. From March 2016 onwards, a rebound in oil prices and also hope of policy support brought some cheer back to badly beaten down markets. Despite two "black swan" political events happening within the year --- the first being an unexpected "Brexit" vote by the United Kingdom, and the second being an equally unexpected election triumph by Donald Trump in the United States presidential election --- markets reacted with optimism after initial sharp pullbacks. Indeed, Donald Trump's election victory sparked a "Trump rally" across equity markets, due to optimism about the incoming US President's likely expansionary fiscal policy, in the form of tax cuts and infrastructure spending. The US Federal Reserve took the chance to raise rates in December 2016, and guided for another probable three hikes in 2017. However, even this did not shake the market rally in developed markets.

Over this one-year period, risk assets, including developed market and emerging market equities as well as commodities, posted strong returns. Bonds were more muted, but still delivered generally positive returns, whether Singapore bonds, global bonds or Asian bonds.

Going into 2017, an emerging consensus in recent months is that the global economic cycle is seeing an upturn, with agencies such as the IMF revising global growth estimates upwards for the year. Positive economic numbers from various key economies, including the US, Europe, China and Japan, seem to point towards a long-awaited upturn in the global economy. This has helped to support the market rally even as the hopes around Trumponomics-driven policies appear to have fizzled out slightly.

Despite the Federal Reserve signaling a sustained rate hike cycle, and signs that many other countries are looking to reverse their accommodative monetary policies, equities overall have been resilient despite fears of market correction. This suggests that such rate hikes have been well-signaled and markets are therefore well-prepared already. More importantly, the rate hike cycle is proceeding precisely because of confidence in the global economy.

We note that there are still risks circling in the background. These include the negative side of Trumponomics which has a protectionist slant, a poor execution of Brexit by the United Kingdom which could lead to a disorderly mess, and also the rise of populism which has previously led to Brexit and the rise of Trump, and which could have a potential impact on key European elections in 2017. The experience of the last few years has showed that market optimism can be fleeting and fragile.

This flows through to our positioning for the Fund. On the equities front, we are focused on having a bigger allocation to developed market equities for the Fund, with a big majority in US equities and a minority in Europe. Our belief is that this allocation lends stability to the portfolio, given that emerging market equities are susceptible to foreign fund flows which can be volatile. For bonds, we continue to like high-quality US dollar-denominated bond exposures.

# Pi Global Portfolios

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## MANAGER'S INVESTMENT REPORTS

### Pi-7 Global Portfolio

The Fund rose by 11.5% for the full year ending 31 March 2017.

The full year period ending March 2017 saw a reversal of the weakness of the previous period, with strong gains recorded in most asset classes. From March 2016 onwards, a rebound in oil prices and also hope of policy support brought some cheer back to badly beaten down markets. Despite two "black swan" political events happening within the year --- the first being an unexpected "Brexit" vote by the United Kingdom, and the second being an equally unexpected election triumph by Donald Trump in the United States presidential election --- markets reacted with optimism after initial sharp pullbacks. Indeed, Donald Trump's election victory sparked a "Trump rally" across equity markets, due to optimism about the incoming US President's likely expansionary fiscal policy, in the form of tax cuts and infrastructure spending. The US Federal Reserve took the chance to raise rates in December 2016, and guided for another probable three hikes in 2017. However, even this did not shake the market rally in developed markets.

Over this one-year period, risk assets, including developed market and emerging market equities as well as commodities, posted strong returns. Bonds were more muted, but still delivered generally positive returns, whether global bonds or Asian bonds.

Going into 2017, an emerging consensus in recent months is that the global economic cycle is seeing an upturn, with agencies such as the IMF revising global growth estimates upwards for the year. Positive economic numbers from various key economies, including the US, Europe, China and Japan, seem to point towards a long-awaited upturn in the global economy. This has helped to support the market rally even as the hopes around Trumponomics-driven policies appear to have fizzled out slightly.

Despite the Federal Reserve signaling a sustained rate hike cycle, and signs that many other countries are looking to reverse their accommodative monetary policies, equities overall have been resilient despite fears of market correction. This suggests that such rate hikes have been well-signaled and markets are therefore well-prepared already. More importantly, the rate hike cycle is proceeding precisely because of confidence in the global economy.

We note that there are still risks circling in the background. These include the negative side of Trumponomics which has a protectionist slant, a poor execution of Brexit by the United Kingdom which could lead to a disorderly mess, and also the rise of populism which has previously led to Brexit and the rise of Trump, and which could have a potential impact on key European elections in 2017. The experience of the last few years has showed that market optimism can be fleeting and fragile.

This flows through to our positioning for the Fund. On the equities front, 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 US dollar-denominated bond exposures.

## Pi Global Portfolios

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Report To Unitholders  
Year ended 31 March 2017

The following contains additional information relating to the Fund.

### 1. Distribution of investments

Please refer to the Statements of Portfolio on pages FS4.

### 2. Schedule of investments by Asset Class

#### Pi-5 Global Portfolio

<b>Asset Class</b>	<b>Fair value at 31 March 2017 S\$</b>	<b>Percentage of total net assets attributable to unitholders at 31 March 2017 %</b>
Exchange traded funds	20,597,108	63.62
Unit Trusts	11,003,621	33.98
Cash and Cash equivalents	1,280,101	3.95
Other Net Current Liabilities	(502,552)	(1.55)
	<u>32,378,278</u>	<u>100.00</u>

#### Pi-7 Global Portfolio

<b>Asset Class</b>	<b>Fair value at 31 March 2017 S\$</b>	<b>Percentage of total net assets attributable to unitholders at 31 March 2017 %</b>
Exchange traded funds	18,851,540	75.37
Unit Trusts	5,416,696	21.65
Cash and Cash equivalents	1,207,566	4.83
Other Net current Liabilities	(463,425)	(1.85)
	<u>25,012,377</u>	<u>100.00</u>

## Pi Global Portfolios

Report To Unitholders  
Year ended 31 March 2017

### 3. Top 10 holdings

#### Pi-5 Global Portfolio

##### 10 largest holdings at 31 March 2017

	Fair value at 31 March 2017 S\$	Percentage of total net assets attributable to unitholders at 31 March 2017 %
IShares USD Corporation Bond UCITS ETF	2,340,059	7.23
United Asian Bond Fund	2,336,537	7.22
SPDR S&P500 ETF Trust	2,246,905	6.94
IShares MSCI Emerging Market UCITS ETF USD DIST	2,122,035	6.55
Phillip Singapore Real Estate Income Fund	2,026,172	6.26
Phillip SGX APAC Dividend Leaders REIT ETF	1,988,310	6.14
Nikko AM Singapore STI ETF	1,783,296	5.51
Nikko AM Shenton Short Term Bond Fund	1,463,450	4.52
SPDR Straits Times Index ETF	1,456,873	4.50
LionGlobal Asia Bond Fund	1,455,309	4.49

##### 10 largest holdings at 31 March 2016

	Fair value at 31 March 2016 S\$	Percentage of total net assets attributable to unitholders at 31 March 2016 %
Phillip Singapore Real Estate Income Fund	3,894,275	10.73
United Asian Bond Fund	2,169,058	5.97
Vanguard Information Technology ETF	1,769,307	4.87
Nikko AM Shenton Short Term Bond Fund	1,434,114	3.95
LionGlobal Asia Bond Fund	1,378,989	3.80
IShares 20+ Year Treasury Bond ETF	1,283,061	3.53
IShares Euro Stoxx 50 UCITS ETF (INC)	1,256,808	3.46
LionGlobal Team Fund - Singapore Fixed Income Investment	1,151,600	3.17
Vanguard REIT ETF	1,150,356	3.17
IShares 1-3 Year Treasury Bond ETF	1,145,037	3.15

## Pi Global Portfolios

Report To Unitholders  
Year ended 31 March 2017

### 3. Top 10 holdings (continued)

#### Pi-7 Global Portfolio

##### 10 largest holdings at 31 March 2017

	Fair value at 31 March 2017 S\$	Percentage of total net assets attributable to unitholders at 31 March 2017 %
IShares MSCI Emerging Market UCITS ETF USD DIST	2,280,626	9.12
SPDR S&P Dividend ETF	1,881,755	7.52
IShares MSCI Emerging Market UCITS ETF USD ACC	1,778,296	7.11
Phillip Singapore Real Estate Income Fund	1,545,092	6.18
SPDR S&P500 ETF Trust	1,537,985	6.15
Nikko AM Singapore STI ETF	1,391,650	5.56
Phillip SGX APAC Dividend Leaders REIT ETF	1,372,585	5.49
United Asian Bond Fund	1,280,144	5.12
IShares MSCI Pacific Ex-Japan UCITS ETF USD DIST	1,163,252	4.65
SPDR Straits Times Index ETF	1,070,883	4.28

##### 10 largest holdings at 31 March 2016

	Fair value at 31 March 2016 S\$	Percentage of total net assets attributable to unitholders at 31 March 2016 %
Phillip Singapore Real Estate Income Fund	3,334,200	11.48
Vanguard Information Technology ETF	1,548,143	5.33
IShares MSCI Emerging Markets UCITS ETF ACC	1,470,592	5.06
IShares MSCI AC Far East Ex-Japan UCITS ETF	1,438,392	4.95
IShares MSCI Emerging Markets Minimum Volatility ETF/DUP	1,397,088	4.81
Hang Seng Investment Index Funds Series - H-Share Index ETF	1,237,414	4.26
IShares MSCI India Index ETF	1,228,690	4.23
United Asian Bond Fund	1,191,522	4.10
IShares MSCI Emerging Markets UCITS ETF DIST	1,168,176	4.02
IShares Euro Stoxx 50 UCITS ETF (INC)	1,054,322	3.63



## Pi Global Portfolios

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Report To Unitholders  
Year ended 31 March 2017

### 4. Exposure to derivatives as at 31 March 2017

- i. Market value of financial derivative contracts and as a percentage of the scheme's NAV as at 31 March 2017

Nil

- ii. Net gains or losses on financial derivative contracts realised during the year ended 31 March 2017

Nil

- iii. Net gains or losses on outstanding financial derivative contracts marked to market as at 31 March 2017

Nil

The global exposure relating to derivative instruments is calculated using the commitment approach.

### 5. Global exposure to financial derivatives

The global exposure to financial derivatives is computed using the commitment approach which is calculated as the sum of:

- a. the absolute value of the exposure of each individual financial derivative not involved in netting or hedging arrangement;
- b. the absolute value of the net exposure of each individual financial derivative after netting or hedging arrangements; and
- c. the sum of the values of cash collateral received pursuant to:
  - i. the reduction of exposure to counterparties of OTC financial derivatives; and
  - ii. EPM techniques relating to securities lending and repurchase transactions, and that are reinvested.

### 6. Amount and percentage of total fund size invested in other unit trusts, mutual funds and collective investment schemes as at 31 March 2017

Please refer to the Statements of Portfolio on page FS4.

### 7. Amount and percentage of borrowings of total fund size as at 31 March 2017

Nil

## Pi Global Portfolios

Report To Unitholders  
Year ended 31 March 2017

### 8. Amount of units created and cancelled for the year ended 31 March 2017

	Phillip Pi-5 Global Portfolio S\$	Phillip Pi-7 Global Portfolio S\$
Units created	5,198,277	4,316,831
Units cancelled	(11,768,542)	(11,549,050)

### 9. Portfolio turnover ratio

Please refer to Note 11 of Notes to the Financial Statements.

### 10. Expense ratio

Please refer to Note 11 of Notes to the Financial Statements.

### 11. Performance as at 31 March 2017

#### Pi-5 Global Portfolio

Cumulative (%*)	S\$	US\$
3 Months	2.79	6.29
6 Months	4.13	1.62
1 Year	8.55	4.62
3 Years	5.83	-4.80
5 years	11.03	-0.12
Since inception (4 June 2010)	12.03	13.08
Annualised (%*)	S\$	US\$
3 Years	1.91	-1.63
5 years	2.11	-0.02
Since inception (4 June 2010)	1.68	1.82

#### Pi-7 Global Portfolio

Cumulative (%*)	S\$	US\$
3 Months	3.85	7.37
6 Months	5.95	3.38
1 Year	11.45	7.41
3 Years	8.29	-2.55
5 years	12.83	1.52
Since inception (4 June 2010)	14.62	15.73
Annualised (%*)	S\$	US\$
3 Years	2.69	-0.86
5 years	2.44	0.30
Since inception (4 June 2010)	2.02	2.16

Note: \* Cumulative returns are based on a bid to bid basis, with net dividends

## Pi Global Portfolios

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Report To Unitholders  
Year ended 31 March 2017

reinvested.  
Source: Bloomberg

### 12. Related party transactions

Please refer to Note 10 of Notes to the Financial Statements.

### 13. Any other material information that will adversely impact the valuation of the Sub-Funds

Nil

### 14. Soft dollar commissions

The Manager shall be entitled to and intends to receive or enter into soft-dollar commissions or arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses, data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis and custodial service in relation to the investments managed for clients. The soft dollar credits utilised are not allocated on a specific client basis. The brokers also execute trades for other funds managed by the Manager.

The Manager will not accept or enter into soft dollar commissions/arrangements unless such soft-dollar commissions or arrangements would, in the opinion of the Manager, assist the Manager in its management of clients' funds, provided that the Manager shall ensure at all times that transactions are executed on the best available terms taking into account the relevant market at the time for transactions of the kind and size concerned, and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions or arrangements.

The Manager does not, and is not entitled to, retain cash rebates for its own account in respect of rebates earned when transacting in securities for account of the Sub-Funds.

During the period, soft dollar services received from each broker were investment research and publications, data and quotation services. Soft dollar services were received from the Manager's panel of brokers which executed transactions for the Sub-Funds and other funds managed by the Manager.

## **Report of the Trustee**

The Trustee is under a duty to take into custody and hold the assets of Pi Global Portfolios in trust for the unitholders. In accordance with the Securities and Futures Act (Chapter 289), its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting period and report thereon to unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed Pi Global Portfolios during the period covered by these financial statements, set out on pages FS1 to FS21, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee  
**BNP Paribas Trust Services Singapore Limited**

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**Authorised signatory**

28 June 2017

## **Statement by the Manager**

In the opinion of the directors of Phillip Capital Management (S) Ltd, the accompanying financial statements set out on pages FS1 to FS21, comprising the Statements of Total Return, Statements of Financial Position, Statements of Movements of Unitholders' Funds, Statements of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position of Pi Global Portfolios as at 31 March 2017, and the total return and movements in unitholders' funds for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that Pi Global Portfolios will be able to meet its financial obligations as and when they materialise.

For and on behalf of directors of the Manager  
**Phillip Capital Management (S) Ltd**

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**Jeffrey Lee Chay Khiong**  
*Director*

28 June 2017

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16 Raffles Quay #22-00  
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## **Independent auditors' report**

Unitholders

Pi Global Portfolios

(Constituted under a Trust Deed registered in the Republic of Singapore)

### **Report on the audit of financial statements**

#### *Opinion*

We have audited the financial statements of Pi Global Portfolios (the "Fund"), which comprise the Statements of Financial Position and Statements of Portfolio as at 31 March 2017, the Statements of Total Return and Statements of Movements of Unitholders' Funds for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS21.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants so as to present fairly, in all material respects, the financial position and portfolio holdings of the Fund as at 31 March 2017 and the financial performance and movements in unitholders' funds for the year ended on that date.

#### *Basis for opinion*

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ('ACRA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Other information*

Phillip Capital Management (S) Ltd, the Manager of the Fund ('the Manager'), is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of the Manager for the financial statements*

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of the Statement of Recommended Accounting Practices 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Fund or to cease the Fund's operations, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Fund's financial reporting process.

*Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

**KPMG LLP**  
*Public Accountants and*  
*Chartered Accountants*

**Singapore**

28 June 2017



**Statements of Total Return**  
**Year ended 31 March 2017**

	Note	Pi-5 Global Portfolio		Pi-7 Global Portfolio	
		2017 S\$	2016 S\$	2017 S\$	2016 S\$
<b>Income</b>					
Dividends		992,246	953,133	748,694	703,469
Interest income		50	26	50	26
		<u>992,296</u>	<u>953,159</u>	<u>748,744</u>	<u>703,495</u>
Less:					
<b>Expenses</b>					
Management fees		550,370	554,009	436,463	450,109
Management fees rebate		(27,822)	(30,209)	(21,759)	(23,656)
Trustee and administration fees		31,886	33,241	25,328	27,007
Custody fees		14,485	14,573	10,899	11,214
Audit fees		10,379	11,073	10,379	11,073
Transaction fees		35,651	35,810	31,727	31,877
Other expenses		29,540	6,076	26,986	4,279
		<u>644,489</u>	<u>624,573</u>	<u>520,023</u>	<u>511,903</u>
<b>Net income</b>		<u>347,807</u>	<u>328,586</u>	<u>228,721</u>	<u>191,592</u>
<b>Net gains or losses on value of investments and financial derivatives</b>					
Net gains/(losses) on investments		2,685,484	(3,781,927)	3,019,084	(3,735,320)
Net losses on foreign exchange		(2,946)	(19,473)	(7,472)	(11,279)
		<u>2,682,538</u>	<u>(3,801,400)</u>	<u>3,011,612</u>	<u>(3,746,599)</u>
<b>Total return/(deficit) for the year before income tax</b>		3,030,345	(3,472,814)	3,240,333	(3,555,007)
Less: Income tax	7	(45,722)	(93,109)	(42,148)	(76,547)
<b>Total return/(deficit) for the year after income tax before distribution</b>		<u>2,984,623</u>	<u>(3,565,923)</u>	<u>3,198,185</u>	<u>(3,631,554)</u>

The accompanying notes form an integral part of these financial statements

**Statements of Financial Position**  
**As at 31 March 2017**

	Note	Pi-5 Global Portfolio		Pi-7 Global Portfolio	
		2017	2016	2017	2016
		S\$	S\$	S\$	S\$
<b>Assets</b>					
Portfolio of investments		31,600,729	33,122,079	24,268,236	26,939,827
Sales awaiting settlement		–	838,993	252,735	256,228
Receivables	3	223,279	15,718	254,886	13,067
Cash and cash equivalents	4	1,280,101	3,404,915	1,207,566	1,948,902
<b>Total assets</b>		<u>33,104,109</u>	<u>37,381,705</u>	<u>25,983,423</u>	<u>29,158,024</u>
<b>Liabilities</b>					
Payables	5	725,831	499,043	339,520	111,613
Purchases awaiting settlement		–	580,404	631,526	–
<b>Total liabilities</b>		<u>725,831</u>	<u>1,079,447</u>	<u>971,046</u>	<u>111,613</u>
<b>Equity</b>					
Net assets attributable to unitholders		<u>32,378,278</u>	<u>36,302,258</u>	<u>25,012,377</u>	<u>29,046,411</u>

The accompanying notes form an integral part of these financial statements

**Statements of Movements of Unitholders' Funds**  
**Year ended 31 March 2017**

	Note	Pi-5 Global Portfolio		Pi-7 Global Portfolio	
		2017	2016	2017	2016
		S\$	S\$	S\$	S\$
<b>Net assets attributable to unitholders at the beginning of financial year</b>		36,302,258	37,545,086	29,046,411	30,140,751
<b>Operations</b>					
Change in net assets attributable to unitholders resulting from operations		2,984,623	(3,565,923)	3,198,185	(3,631,554)
<b>Unitholders' contributions/ (withdrawals)</b>					
Creation of units		5,198,277	6,184,669	4,316,831	4,930,248
Cancellation of units		(11,768,542)	(2,978,937)	(11,549,050)	(2,393,034)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		(6,570,265)	3,205,732	(7,232,219)	2,537,214
Distributions	8	(338,338)	(882,637)	-	-
Total (decrease) in net assets attributable to unitholders		(3,923,980)	(1,242,828)	(4,034,034)	(1,094,340)
<b>Net assets attributable to unitholders at the end of financial year</b>	6	32,378,278	36,302,258	25,012,377	29,046,411

The accompanying notes form an integral part of these financial statements

**Statements of Portfolio**  
**As at 31 March 2017**

	Holdings as at 31 March 2017	Fair value as at 31 March 2017 S\$	Percentage of total net assets attributable to unitholders as at 31 March 2017 %
<b>Pi-5 Global Portfolio</b>			
<b>By Geography (Primary)</b>			
<b>Quoted Funds</b>			
<b>France</b>			
Lyxor Commodities Thomson			
Reuters/Core commodity CRB TR			
UCITS ETF - C-EUR	11,300	268,740	0.83
		<u>268,740</u>	<u>0.83</u>
<b>Germany</b>			
iShares STOXX Europe Select Dividend			
30 UCITS ETF DE	30,222	767,384	2.37
		<u>767,384</u>	<u>2.37</u>
<b>Ireland</b>			
iShares Emerging Market Dividend			
UCITS ETF USD DIST	22,284	665,446	2.05
iShares Euro STOXX 50 UCITS ETF EUR			
DIST	20,677	1,092,926	3.38
iShares MSCI Emerging Market UCITS			
ETF USD ACC	17,000	699,251	2.16
iShares MSCI Emerging Market UCITS			
ETF USD DIST	40,791	2,122,035	6.55
iShares MSCI Pacific Ex-Japan UCITS			
ETF USD DIST	21,985	1,321,268	4.08
iShares USD Corporation Bond UCITS			
ETF	14,811	2,340,059	7.23
		<u>8,240,985</u>	<u>25.45</u>
<b>Singapore</b>			
Fullerton Asian Bond Fund			
	707,776	1,161,616	3.59
Fullerton SGD Income Fund			
	1,083,401	1,148,232	3.55
LionGlobal Asia Bond Fund			
	1,045,480	1,455,309	4.49
LionGlobal Team Fund - Singapore Fixed			
Income Investment	726,562	1,174,850	3.62
Nikko AM Shenton Short Term Bond Fund			
	1,001,725	1,463,450	4.52
Nikko AM Singapore STI ETF			
	550,400	1,783,296	5.51
Phillip SGX APAC Dividend Leaders REIT			
ETF	1,501,000	1,988,310	6.14
Phillip Singapore Real Estate Income			
Fund	1,566,183	2,026,172	6.26
SPDR Straits Times Index ETF			
	456,700	1,456,873	4.50
United Asian Bond Fund			
	1,230,404	2,336,537	7.22
		<u>15,994,645</u>	<u>49.40</u>

The accompanying notes form an integral part of these financial statements

**Statements of Portfolio (cont'd)**  
**As at 31 March 2017**

	<b>Holdings as at 31 March 2017</b>	<b>Fair value as at 31 March 2017 S\$</b>	<b>Percentage of total net assets attributable to unitholders as at 31 March 2017 %</b>
<b>Pi-5 Global Portfolio</b>			
<b>By Geography (Primary)</b>			
<b>Quoted Funds</b>			
<b>United States</b>			
Consumer Discretionary Select Sector SPDR Fund	4,331	532,073	1.65
IShares 1-3 Year Treasury Bond ETF	10,000	1,181,292	3.65
Powershares DB Agriculture Fund	8,600	237,455	0.73
SPDR Dow Jones Industrial Average ETF Trust	3,115	898,037	2.77
SPDR S&P Dividend ETF	10,012	1,233,213	3.81
SPDR S&P500 ETF Trust	6,822	2,246,905	6.94
		<b>6,328,975</b>	<b>19.55</b>
<b>Total quoted funds</b>		<b>31,600,729</b>	<b>97.60</b>
<b>Portfolio of investments</b>		<b>31,600,729</b>	<b>97.60</b>
<b>Other net assets</b>		<b>777,549</b>	<b>2.40</b>
<b>Net assets attributable to unit holders</b>		<b>32,378,278</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements

**Statements of Portfolio (cont'd)**  
**As at 31 March 2017**

	Fair value as at 31 March 2017 S\$	Percentage of total net assets attributable to unitholders as at 31 March 2017 %	Percentage of total net assets attributable to unitholders as at 31 March 2016 %
<b>Pi-5 Global Portfolio</b>			
<b>By Geography (Summary)</b>			
<b>Quoted Funds</b>			
France	268,740	0.83	0.66
Germany	767,384	2.37	1.97
Hong Kong	–	–	2.76
Ireland	8,240,985	25.45	14.01
Luxembourg	–	–	1.30
Singapore	15,994,645	49.40	38.85
United States	6,328,975	19.55	29.19
<b>Total quoted funds</b>	<b>31,600,729</b>	<b>97.60</b>	<b>88.74</b>
<b>Quoted debt securities</b>			
France	–	–	2.50
<b>Total quoted debt securities</b>	<b>–</b>	<b>–</b>	<b>2.50</b>
<b>Portfolio of investments</b>	<b>31,600,729</b>	<b>97.60</b>	<b>91.24</b>
<b>Other net assets</b>	<b>777,549</b>	<b>2.40</b>	<b>8.76</b>
<b>Net assets attributable to unitholders</b>	<b>32,378,278</b>	<b>100.00</b>	<b>100.00</b>
<b>By Industry (Secondary)</b>			
Exchange traded funds	20,597,108	63.62	55.09
Unit trusts	11,003,621	33.98	33.65
Debt securities	–	–	2.50
<b>Portfolio of investments</b>	<b>31,600,729</b>	<b>97.60</b>	<b>91.24</b>
<b>Other net assets</b>	<b>777,549</b>	<b>2.40</b>	<b>8.76</b>
<b>Net assets attributable to unitholders</b>	<b>32,378,278</b>	<b>100.00</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements

**Statements of Portfolio (cont'd)**  
**As at 31 March 2017**

	<b>Holdings as at 31 March 2017</b>	<b>Fair value as at 31 March 2017 S\$</b>	<b>Percentage of total net assets attributable to unitholders as at 31 March 2017 %</b>
<b>Pi-7 Global Portfolio</b>			
<b>By Geography (Primary)</b>			
<b>Quoted Funds</b>			
<b>France</b>			
Lyxor Commodities Thomson Reuters/Core commodity CRB TR UCITS ETF - C-EUR	9,200	218,990	0.88
		<u>218,990</u>	<u>0.88</u>
<b>Germany</b>			
IShares STOXX Europe Select Dividend 30 UCITS ETF DE	36,231	919,420	3.68
		<u>919,420</u>	<u>3.68</u>
<b>Hong Kong</b>			
Vanguard FTSE Asia Ex Japan High Dividend Yield Index ETF	800	2,934	0.01
		<u>2,934</u>	<u>0.01</u>
<b>Ireland</b>			
IShares Emerging Market Dividend UCITS ETF USD DIST	28,386	852,005	3.41
IShares Euro STOXX 50 UCITS ETF EUR DIST	12,751	674,649	2.70
IShares MSCI AC Far East Ex-Japan UCITS ETF USD DIST	12,551	839,843	3.36
IShares MSCI Emerging Market UCITS ETF USD ACC	43,183	1,778,296	7.11
IShares MSCI Emerging Market UCITS ETF USD DIST	43,816	2,280,626	9.12
IShares MSCI Pacific Ex-Japan UCITS ETF USD DIST	19,331	1,163,252	4.65
IShares USD Corporation Bond UCITS ETF	3,428	541,893	2.16
		<u>8,130,564</u>	<u>32.51</u>

The accompanying notes form an integral part of these financial statements

**Statements of Portfolio (cont'd)**  
**As at 31 March 2017**

	<b>Holdings as at 31 March 2017</b>	<b>Fair value as at 31 March 2017 S\$</b>	<b>Percentage of total net assets attributable to unitholders as at 31 March 2017 %</b>
<b>Pi-7 Global Portfolio</b>			
<b>By Geography (Primary)</b>			
<b>Quoted Funds</b>			
<b>Singapore</b>			
Fullerton Asian Bond Fund	493,434	809,834	3.24
LionGlobal Asia Bond Fund	548,823	763,962	3.05
Nikko AM Singapore STI ETF	428,200	1,391,650	5.56
Phillip SGX APAC Dividend Leaders REIT ETF	1,034,000	1,372,585	5.49
Phillip Singapore Real Estate Income Fund	1,194,320	1,545,092	6.18
SPDR Straits Times Index ETF	335,700	1,070,883	4.28
United Asian Bond Fund	675,894	1,280,144	5.12
		<u>8,234,150</u>	<u>32.92</u>
<b>Thailand</b>			
One Stoxx Asean Select Dividend Index Fund	155,100	633,032	2.53
		<u>633,032</u>	<u>2.53</u>
<b>United States</b>			
Consumer Discretionary Select Sector SPDR Fund	4,674	574,407	2.30
IShares 1-3 Year Treasury Bond ETF	6,850	808,994	3.23
Powershares DB Agriculture Fund	7,000	193,473	0.77
Powershares DB Base Metals Fund	8,357	191,159	0.76
SPDR Dow Jones Industrial Average ETF Trust	3,265	941,373	3.76
SPDR S&P Dividend ETF	15,279	1,881,755	7.52
SPDR S&P500 ETF Trust	4,669	1,537,985	6.15
		<u>6,129,146</u>	<u>24.49</u>
<b>Total quoted funds</b>		<u>24,268,236</u>	<u>97.02</u>
<b>Portfolio of investments</b>		24,268,236	97.02
<b>Other net assets</b>		744,141	2.98
<b>Net assets attributable to unitholders</b>		<u>25,012,377</u>	<u>100.00</u>

The accompanying notes form an integral part of these financial statements



**Statements of Portfolio (cont'd)**  
**As at 31 March 2017**

	Fair value as at 31 March 2017 %	Percentage of total net assets attributable to unitholders as at 31 March 2017 %	Percentage of total net assets attributable to unitholders as at 31 March 2016 %
<b>Pi-7 Global Portfolio</b>			
<b>By Geography (Summary)</b>			
<b>Quoted Funds</b>			
France	218,990	0.88	0.67
Germany	919,420	3.68	2.94
Hong Kong	2,934	0.01	6.33
Ireland	8,130,564	32.51	19.67
Luxembourg	–	–	2.77
Singapore	8,234,150	32.92	27.27
Thailand	633,032	2.53	–
United States	6,129,146	24.49	30.37
<b>Total quoted funds</b>	<b>24,268,236</b>	<b>97.02</b>	<b>90.02</b>
<b>Quoted debt securities</b>			
France	–	–	2.73
<b>Total quoted debt securities</b>	<b>–</b>	<b>–</b>	<b>2.73</b>
<b>Portfolio of investments</b>	<b>24,268,236</b>	<b>97.02</b>	<b>92.75</b>
<b>Other net assets</b>	<b>744,141</b>	<b>2.98</b>	<b>7.25</b>
<b>Net assets attributable to unitholders</b>	<b>25,012,377</b>	<b>100.00</b>	<b>100.00</b>
<b>By Industry (Secondary)</b>			
Exchange traded funds	18,851,540	75.37	69.29
Unit trusts	5,416,696	21.65	20.73
Debt securities	–	–	2.73
<b>Portfolio of investments</b>	<b>24,268,236</b>	<b>97.02</b>	<b>92.75</b>
<b>Other net assets</b>	<b>744,141</b>	<b>2.98</b>	<b>7.25</b>
<b>Net assets attributable to unitholders</b>	<b>25,012,377</b>	<b>100.00</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements

## **Notes to the Financial Statements**

These notes form an integral part of the financial statements.

### **1 Domicile and activities**

Pi Global Portfolios (the “Fund”) is an open ended umbrella unit trust constituted pursuant to a Trust Deed dated 3 May 2010 together with its Amending and Restating Deeds thereon (hereafter referred to as the “Trust Deed”) between Phillip Capital Management (S) Ltd (the “Manager”) and BNP Paribas Trust Services Singapore Ltd (the “Trustee”). The Trust Deed is governed by and construed in accordance with the laws of the Republic of Singapore.

The Fund offers 2 sub-funds (the “Sub-Funds”); these were first offered for sale in Singapore on the following launch dates:

<b>Sub-Fund</b>	<b>Launch date</b>
Pi-5 Global Portfolio	17 May 2010
Pi-7 Global Portfolio	17 May 2010

The investment objectives of the Sub-Funds are to aim to achieve medium to long term capital appreciation, in line with their respective asset class/market performance.

It is the Managers’ intention to primarily invest the assets of each Sub-Fund into Exchange Traded Funds (“ETFs”) and underlying funds and collective investment schemes in accordance with each Sub-Fund’s investment objective and asset allocation strategy.

### **2 Significant accounting policies**

#### *2.1 Basis of financial statements preparation*

The financial statements, expressed in Singapore dollars, have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” issued by the Institute of Singapore Chartered Accountants.

For the purposes of preparation of these financial statements, the basis used for calculating the expense ratio and turnover ratio are in accordance with the guidelines issued by the Investment Management Association of Singapore (“IMAS”) and the Code on Collective Investment Schemes under the Securities and Futures Act (Cap 289) (“Code”) respectively.

#### *2.2 Basis of valuation of investments*

Quoted investments are stated at fair value based on the bid prices at the reporting date. Unrealised gains/losses on investments are represented by the difference between the fair value and the carrying value of investments and are recognised in the Statements of

Total Return. Realised gains and losses upon disposal of investments are computed on the basis of the difference between the carrying value and the selling price of investments on trade date and are taken to the Statements of Total Return.

### 2.3 *Financial derivatives*

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the Statements of Total Return when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes in fair value therein are recognised in the Statements of Total Return.

### 2.4 *Recognition on income*

Dividend income is recognised when declared and is stated gross of tax credits.

Interest income is recognised as it accrues in the Statements of Total Return using the effective interest method.

### 2.5 *Foreign currency translation*

Transactions in foreign currencies are translated at the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at exchange rates at the reporting date. All exchange differences are recognised in the Statements of Total Return.

### 2.6 *Income tax expense*

The Fund was approved for the Enhanced-Tier Fund Tax Incentive Scheme under Section 13X of the Income Tax Act by the Monetary Authority of Singapore (“MAS”) with effect from 15 January 2013. The tax exemption status will be for the life of the Fund, provided the Fund continues to meet all the terms and conditions set out by MAS and the relevant Income Tax legislations.

### 2.7 *Cash and cash equivalents*

Cash and cash equivalents comprise bank balances and amounts held with brokers. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

### 2.8 *Net assets attributable to unitholders*

Net assets attributable to unitholders are classified as equity.

### 3 Receivables

	Pi-5 Global Portfolio		Pi-7 Global Portfolio	
	2017	2016	2017	2016
	S\$	S\$	S\$	S\$
Receivable from unitholders for creation of units	212,948	12,750	246,058	10,000
Management fees rebate	3,680	–	2,806	–
Dividends receivable	6,651	2,968	6,022	3,067
	<u>223,279</u>	<u>15,718</u>	<u>254,886</u>	<u>13,067</u>

### 4 Cash and cash equivalents

	Pi-5 Global Portfolio		Pi-7 Global Portfolio	
	2017	2016	2017	2016
	S\$	S\$	S\$	S\$
Bank balances	1,180,039	3,304,903	1,107,504	1,848,890
Amounts held with brokers	100,062	100,012	100,062	100,012
	<u>1,280,101</u>	<u>3,404,915</u>	<u>1,207,566</u>	<u>1,948,902</u>

The bank balances are placed with a financial institution related to the trustee.

### 5 Payables

	Pi-5 Global Portfolio		Pi-7 Global Portfolio	
	2017	2016	2017	2016
	S\$	S\$	S\$	S\$
Payable to unitholders for cancellation of units	450,670	44	234,096	76
Accrued expenses	121,559	130,333	104,174	110,287
Distribution payable	152,352	367,416	–	–
Others	1,250	1,250	1,250	1,250
	<u>725,831</u>	<u>499,043</u>	<u>339,520</u>	<u>111,613</u>

## 6 Units in issue

During the year, the number of shares issued, redeemed and outstanding were as follows:

	<b>Pi-5 Global Portfolio</b>		<b>Pi-7 Global Portfolio</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Units at the beginning of financial year	36,741,598	33,672,413	28,298,418	26,028,844
Units created	5,076,832	5,897,003	3,972,928	4,490,446
Units cancelled	(11,348,086)	(2,827,818)	(10,440,270)	(2,220,872)
Units at the end of the year	<u>30,470,344</u>	<u>36,741,598</u>	<u>21,831,076</u>	<u>28,298,418</u>
<b>Net assets attributable to unitholders - S\$</b>	<u>32,378,278</u>	<u>36,302,258</u>	<u>25,012,377</u>	<u>29,046,411</u>
<b>Net asset value per unit - S\$</b>	<u>1.0626</u>	<u>0.9880</u>	<u>1.1457</u>	<u>1.0264</u>

For subscriptions and redemptions and for various fee calculations, investments are stated at the last traded price on the valuation day for the purpose of determining net asset value per unit while for reporting purpose the investments are valued at the relevant bid market prices as at the reporting date.

The assets of the Sub-Funds are valued in S\$. For the purposes of calculating the Net Asset Value of each unit for the US\$ Class, the value will be translated from S\$ to US\$ at the prevailing foreign exchange rate.

The effect of last traded price in the net assets attributable to unitholders is as follows:

	<b>Pi-5 Global Portfolio</b>		<b>Pi-7 Global Portfolio</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Net assets attributable to unitholders per financial statements	32,378,278	36,302,258	25,012,377	29,046,411
Effect of adopting last traded price	<u>32,480</u>	<u>45,705</u>	<u>12,130</u>	<u>58,351</u>
Net assets attributable to unitholders for issuing/redeeming	<u>32,410,758</u>	<u>36,347,963</u>	<u>25,024,507</u>	<u>29,104,762</u>

## 7 Income tax

	Pi-5 Global Portfolio		Pi-7 Global Portfolio	
	2017	2016	2017	2016
Singapore income tax	13,346	4,493	8,731	3,566
Overseas income tax	32,376	88,616	33,417	72,981
	<u>45,722</u>	<u>93,109</u>	<u>42,148</u>	<u>76,547</u>

The overseas income tax charge relates to withholding tax suffered on receipt of distribution from overseas investments.

## 8 Distributions

Pi-5 Global Portfolio	2017 S\$
Final (0.5 cents per unit based on units outstanding as at 31 March 2017)	152,352
Interim (0.5 cents per unit based on units outstanding as at 30 September 2016)	<u>185,986</u>
	<u>338,338</u>

Pi-5 Global Portfolio	2016 S\$
Final (1 cent per unit based on units outstanding as at 31 March 2016)	367,416
Interim (1.5 cents per unit based on units outstanding as at 30 September 2015)	<u>515,221</u>
	<u>882,637</u>

The Manager has not proposed any distribution for Pi-7 Global Portfolio (2016: nil).

## 9 Financial risk management

The Sub-Funds' activities expose them to a variety of market risks (including price risk, interest rate risk and currency risk), liquidity risk and credit risk. The Sub-Funds' overall risk management programme seeks to minimise potential adverse effects on the Sub-Funds' financial performance. The Sub-Funds may use financial derivative instruments, subject to the terms of the Trust Deed to moderate certain risk exposures. Specific guidelines on exposures to individual securities and certain industries are in place for the Sub-Funds at any time as part of the overall financial risk management to reduce the Sub-Funds' risk exposures.

**(a) Market risks**

Market risk is the risk of potential adverse change to the value of financial instruments because of changes in market conditions such as interest rate movements and volatility in securities' prices. The Manager manages the Sub-Funds' exposure to market risk through the use of risk management strategies and various analytical monitoring techniques.

*i. Price risk*

Price risk is the risk that the fair values of equities or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

The investments of the Sub-Funds are subject to normal market fluctuations and the risks inherent in investing in securities markets and there can be no assurance that appreciation will occur. It is the policy of the Manager to maintain a diversified portfolio of investments so as to minimise the risk.

*ii. Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Sub-Funds are not subjected to significant risk of fluctuations in the market interest rates as the Sub-Funds' financial assets and liabilities are largely non-interest bearing other than the cash balances.

*iii. Currency risk*

The Sub-Funds are denominated in Singapore Dollars. The Sub-Funds invest in underlying securities which are denominated in foreign currencies where fluctuations in the relevant exchange rates may have an impact on the income and value of the Sub-Funds. The Manager may seek to minimise exposure to foreign currency fluctuation to the extent practicable.

As at 31 March 2017 and 2016, the concentration of the Sub-Funds' investments are set out in the Portfolio Statements.

Assets and liabilities denominated in currencies other than the Sub-Funds' functional currency comprise the following:

**Pi-5 Global Portfolio**

<b>2017</b>	<b>USD S\$</b>	<b>GBP S\$</b>	<b>HKD S\$</b>	<b>EUR S\$</b>
<b>Assets</b>				
Portfolio of investments	14,369,387	2,457,623	–	767,384
Receivables	6,651	–	–	–
Cash and cash equivalents	14,427	–	–	–
	<u>14,390,465</u>	<u>2,457,623</u>	<u>–</u>	<u>767,384</u>

<b>2016</b>	<b>USD S\$</b>	<b>GBP S\$</b>	<b>HKD S\$</b>	<b>EUR S\$</b>
<b>Assets</b>				
Portfolio of investments	14,555,889	3,298,608	1,471,260	716,591
Receivables	2,968	–	–	–
Cash and cash equivalents	319,696	–	–	–
	<u>14,878,553</u>	<u>3,298,608</u>	<u>1,471,260</u>	<u>716,591</u>

**Pi-7 Global Portfolio**

<b>2017</b>	<b>USD S\$</b>	<b>GBP S\$</b>	<b>HKD S\$</b>	<b>EUR S\$</b>
<b>Assets</b>				
Portfolio of investments	12,339,524	4,144,793	2,934	919,420
Sales awaiting settlement	–	252,735	–	–
Receivables	6,022	–	–	–
Cash and cash equivalents	714,412	–	–	–
	<u>13,059,958</u>	<u>4,397,528</u>	<u>2,934</u>	<u>919,420</u>

**Liabilities**

Purchases awaiting settlement	631,526	–	–	–
	<u>631,526</u>	<u>–</u>	<u>–</u>	<u>–</u>

<b>2016</b>	<b>USD S\$</b>	<b>GBP S\$</b>	<b>HKD S\$</b>	<b>EUR S\$</b>
<b>Assets</b>				
Portfolio of investments	12,206,959	4,545,837	2,641,012	854,839
Sales awaiting settlement	256,228	–	–	–
Receivables	3,067	–	–	–
Cash and cash equivalents	35,260	–	–	–
	<u>12,501,514</u>	<u>4,545,837</u>	<u>2,641,012</u>	<u>854,839</u>

The Sub-Funds' monetary assets/liabilities are measured for their sensitivity to exchange rate movements based on the balance of the monetary assets/liabilities, forecasted exchange rate movements and the net asset value of the Sub-Funds.

As at 31 March, with respect to the monetary assets and monetary liabilities of the Sub-Funds, had the Singapore Dollar increased/decreased by 10% against foreign currencies, with all other variables remaining constant, the



decrease/increase in net assets attributable to unitholders would be as follows:

	<b>Currency rise by 10%</b>			
	<b>Increase/(Decrease) in net assets attributable to unitholders</b>			
	<b>Phillip Pi-5 Global Portfolio</b>		<b>Phillip Pi-7 Global Portfolio</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
US Dollar	1,439,047	1,487,855	1,242,843	1,250,151
Great British Pound	245,762	329,861	439,753	454,584
Hong Kong Dollar	–	147,126	293	264,101
Euro	76,738	71,659	91,942	85,484

**(b) Liquidity risk**

The Sub-Funds are exposed to daily redemption of units in the Sub-Funds. Therefore the majority of their assets are invested in investments that are traded in an active market and can be readily disposed of.

**(c) Credit risk**

Credit risk is the risk that a counterparty will fail to perform contractual obligations, either in whole or in part, under a contract.

The Sub-Funds are exposed to counterparty credit risk on trading derivative products, cash and bank balances and other receivable balances.

All transactions in listed securities are settled/paid upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

The Sub-Funds may also enter into derivative contracts to manage exposures to currency risk and price risk, including foreign exchange forward contracts and options. Hence, the Sub-Funds are also exposed to the risk that amounts held with counterparties for derivative contracts may not be recoverable in the event of any default by the parties concerned.

**(d) Fair value estimation**

Except for investments which are measured at fair value, at 31 March 2017 and 2016, the fair values of assets and liabilities approximate their carrying values on the Statements of Financial Position due to their short period to maturity.

The fair value of financial assets and liabilities traded in active markets (such

as publicly traded derivatives and securities) are based on quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Sub-Funds is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price. When the Sub-Funds hold derivatives with offsetting market risks, they use mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

The Sub-Funds classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table analyses within the fair value hierarchy the Sub-Funds' financial assets and liabilities (by class) measured at fair value at 31 March 2017 and 2016:

	<b>Level 1</b> <b>S\$</b>	<b>Level 2</b> <b>S\$</b>	<b>Level 3</b> <b>S\$</b>	<b>Total</b> <b>S\$</b>
<b>Pi-5 Global Portfolio</b>				
<b>2017</b>				
<b>Assets</b>				
Equity securities and funds	31,600,729	–	–	31,600,729
<b>2016</b>				
<b>Assets</b>				
Equity securities and funds	32,214,668	–	–	32,214,668
Debt securities	907,411	–	–	907,411
<b>Pi-7 Global Portfolio</b>				
<b>2017</b>				
<b>Assets</b>				
Equity securities and funds	24,268,236	–	–	24,268,236
<b>2016</b>				
<b>Assets</b>				
Equity securities and funds	26,145,842	–	–	26,145,842
Debit securities	793,985	–	–	793,985

## 10 Related parties

In the normal course of business of the Sub-Funds, management fees and trustee fees have been paid or are payable to the Manager and the Trustee respectively as noted in the Statements of Total Return.

In addition, the bank holding company and related parties of the Trustee have also provided custodian, banking, foreign exchange, fund administration and brokerage services to the Sub-Funds in the normal course of business at terms agreed between the parties and within the provisions of the Trust Deed.

The Manager may also use the services of related parties to carry out transactions involving the purchase and sale of securities.

Except as disclosed elsewhere in the financial statements, the following significant transactions took place between the Sub-Funds and their related parties during the year:

	Note	Pi-5 Global Portfolio		Pi-7 Global Portfolio	
		2017	2016	2017	2016
		S\$	S\$	S\$	S\$
Interest income received from a related party of the Trustee		50	26	50	26
Bank balances held with a related party of the Trustee	4	1,180,039	3,304,903	1,107,504	1,848,890
Amounts held with a related party of the Manager	4	100,062	100,012	100,062	100,012

## 11 Financial ratios

		Pi-5 Global Portfolio		Pi-7 Global Portfolio	
		2017	2016	2017	2016
<b>Expense ratio</b>					
Total operating expenses	S\$	608,737	588,586	488,074	480,024
Average daily net asset value	S\$	36,691,060	36,837,539	29,081,789	29,933,394
Prorated expense ratio of the underlying funds <sup>(Note 1)</sup>	%	0.56	0.50	0.62	0.52
Expense ratio <sup>(Note 1)</sup>	%	2.22	2.10	2.30	2.12
<b>Turnover ratio</b>					
Lower of total value of purchases or sales	S\$	16,978,466	22,699,654	13,918,420	18,097,580
Average daily net asset value	S\$	36,691,060	36,837,539	29,081,789	29,933,394
Turnover ratio <sup>(Note 2)</sup>	%	46.27	61.62	47.86	60.46

Note 1: The expense ratio has been computed based on the guidelines laid down by the IMAS.

The calculation of the expense ratio is based on total operating expenses divided by the average net asset value for the year.

The total operating expenses do not include (where applicable) brokerage and other transactions costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Sub-Funds do not pay any performance fee. The average net asset value is based on the daily balances.

In the case of funds of funds, which are generally defined as funds with more than 50% of their total assets in other underlying funds, a summarised expense ratio of the target funds and the fund of funds is to be calculated as of the closing date of the financial year. This corresponds to the sum of:

- The prorated ratio of the individual target funds, weighted according to the share they represent in the assets of the fund of funds as of the closing date, and the
- Expense ratio of the fund of funds minus any rebates of management fees and commissions received from the target funds during the reporting period.

Note 2: The turnover ratio is calculated in accordance with the formula stated in the Code. The calculation of the turnover ratio is based on the total value of purchases (or sales) of the underlying investments divided by the weighted average daily net asset value. The total value of purchase (or sales) do not include brokerage and other transaction cost.

## **IMPORTANT INFORMATION**

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Phillip Pi-5 Global Portfolio and Phillip Pi-7 Global Portfolio Fund (the "Sub-Funds") are sub-funds of Pi Global Portfolios (the "Fund"), an open-ended umbrella unit trust authorised under the Securities and Futures Act, Chapter 289, by the Monetary Authority of Singapore.

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