



Equity Funds Up on Positive US Economic Surprises

Executive Summary

Portfolio Performance So Far – The 1-month performance of model portfolios were mostly up, with returns ranging from -0.19% to 0.97%. No switches will be made to all portfolios.

Bonds Solutions Portfolio Update – The portfolio was up 0.05% for the month, with Templeton Global Total Return Fund A H1 MDIs contributing positively to the return.

Money Plus+ Portfolio Update – The portfolio was up 0.08% on a 1-month basis.

Funds' Performance Table – Equity funds generally outperformed bond funds in the 1-month period. Aberdeen Global Emerging Market outperformed and was up 4.19%.

Market and Model Portfolio Update*

Equities were mostly up in the one-month period with the US market outperforming as the S&P 500 Index gained 9.21%, largely on the back of positive economic surprises. Commodities were mixed as agriculture futures mainly increased while precious metals such as gold and silver declined 5.15% and 7.86% respectively. Within bonds, emerging market outperformed develop market in the 1-month period, with JP Morgan Emerging Markets Bonds Global Total Return Index gaining 1.78%.

Most model portfolios were up for the 1-month period but the increase was slightly less than the MSCI AC World Index, which was up 1.63%. Within the portfolios, equity and riskier bond funds outperformed Singapore bond and gold funds in the month. The best performer was Aberdeen Global Emerging Market, up 4.19% in the 1-month period while the worst performer is Schroder AS Gold & Precious Metals Fund A Acc H, down 4.57%.

Table 1: Model Portfolio Performance*

	High Risk Cash	High Risk CPF	Med Risk Cash	Med Risk CPF	Low Risk Cash	Low Risk CPF	Bonds Solutions Portfolio	Money Plus+ Portfolio
1 Week	0.57%	0.95%	0.53%	0.76%	0.43%	0.76%	-0.06%	0.05%
1 Month	0.72%	0.97%	0.28%	0.77%	-0.19%	0.76%	0.05%	0.08%
3 Month	0.67%	0.39%	0.92%	0.55%	-0.31%	0.62%	-0.02%	--
YTD	-10.92%	-10.44%	-8.24%	-7.79%	-6.71%	-6.29%	-1.23%	--
1 Year	-10.77%	-10.14%	-8.24%	-7.65%	-6.43%	-5.99%	-1.17%	--
2010	-0.48%	6.55%	1.36%	3.62%	4.85%	3.33%	5.00%	--
2009	6.26%	10.01%	5.40%	6.98%	0.92%	3.70%	--	--
2008	-33.38%	-44.07%	-22.73%	-31.69%	-9.41%	-13.25%	--	--
2007	26.88%	27.49%	18.15%	19.08%	3.92%	7.29%	--	--
Net of WRAP Fees	at 1.5% pa						at 0.5% pa	at 0.25% pa
Inception	29 Dec 2006						4 Jan 2010	6 Oct 2011

Source: Bloomberg, Financial Express and UT Research Team, performance as of 27th Dec 2011

* Money Plus is not a deposit and investment through Money Plus is not the same as placing money on deposit with a bank or deposit-taking company such as a finance company.



Key Changes to High Risk Portfolio (Fund Source: Cash)

Switched out:

- None

Switched in:

- None

Comments:

- Equity funds generally outperformed bond funds in the 1-month period following the spat of positive economic surprises in US.
- Templeton Global Total Return Fund A H1 Mdis was the top performer in the portfolio, gaining 3.79%.
- We believe that the portfolio is adequately positioned and there will be no changes to the fund holdings at the moment.

Table 2: Latest Portfolio Components

High Risk Portfolio			
First State Bridge (Core)	10%	Fullerton Asian Bond Fund	10%
LionGlobal Singapore Balanced Fund (Core)	10%	Schroder AS Gold and Precious Metals Fund A Acc SGD Hedged	10%
Aberdeen Pacific Equity Fund	12%	Templeton Global Total Return Fund A H1 MDis	10%
Fidelity ASEAN Fund	13%	LionGlobal Japan Growth Fund	10%
Phillip Money Market Fund (Cash Component)	15%	---	---

*Source: All information from UT Research Team unless otherwise stated, as of 3rd Jan 2011
 Funds are in Singapore dollar share class unless otherwise stated, assuming dividends are reinvested.*

No fund switch was made to the portfolio.



Key Changes to Medium Risk Portfolio (Fund Source: Cash)

Switched out:

- None

Switched in:

- None

Comments:

- Equity funds generally outperformed bond funds in the 1-month period following the spat of positive economic surprises in US.
- Fidelity ASEAN Fund was the top performer in the portfolio, gaining 2.76%.
- We believe that the portfolio is adequately positioned and there will be no changes to the fund holdings at the moment.

Table 3: Latest Portfolio Components

Medium Risk Portfolio			
First State Bridge (Core)	10%	LionGlobal Singapore Fixed Income Investment	10%
LionGlobal Singapore Balanced Fund (Core)	10%	DWS Lion Bond Fund	10%
Aberdeen Pacific Equity Fund	12%	Fullerton Asian Bond Fund	10%
Fidelity ASEAN Fund	13%	Phillip Money Market Fund (Cash Component)	15%
Schroder AS Gold and Precious Metals Fund A Acc SGD Hedged	10%	---	---

*Source: All information from UT Research Team unless otherwise stated, as of 3rd Jan 2011
 Funds are in Singapore dollar share class unless otherwise stated, assuming dividends are reinvested.*

No fund switch was made to the portfolio.



Key Changes to Low Risk Portfolio (Fund Source: Cash)

Switched out:

- None

Switched in:

- None

Comments:

- Equity funds generally outperformed bond funds in the 1-month period following the spat of positive economic surprises in US.
- Aberdeen Pacific Equity Fund was the top performer in the portfolio, gaining 2.55%.
- We believe that the portfolio is adequately positioned and there will be no changes to the fund holdings at the moment.

Table 4: Latest Portfolio Components

Low Risk Portfolio			
First State Bridge (Core)	10%	LionGlobal Singapore Fixed Income Investment	10%
LionGlobal Singapore Balanced Fund (Core)	10%	Fullerton Asian Bond Fund	10%
Aberdeen Pacific Equity Fund	12%	DWS Lion Bond Fund	10%
Schroder AS Gold and Precious Metals Fund A Acc SGD Hedged	13%	Phillip Money Market Fund (Cash Component)	15%
Fullerton Short Term Interest Rate Fund	10%	---	---

*Source: All information from UT Research Team unless otherwise stated, as of 3rd Jan 2011
 Funds are in Singapore dollar share class unless otherwise stated, assuming dividends are reinvested.*

No fund switch was made to the portfolio.



Key Changes to High Risk Portfolio (Fund Source: CPF)

Switched out:

- None

Switched in:

- None

Comments:

- Equity funds generally outperformed bond funds in the 1-month period following the spat of positive economic surprises in US.
- Aberdeen Global Emerging Markets Fund was the top performer in the portfolio, gaining 4.19%.
- We believe that the portfolio is adequately positioned and there will be no changes to the fund holdings at the moment.

Table 5: Latest Portfolio Components

High Risk Portfolio			
First State Bridge (Core)	10%	LionGlobal Japan Growth Fund	10%
LionGlobal Singapore Balanced Fund (Core)	10%	PineBridge Singapore Bond Fund	10%
Aberdeen Pacific Equity Fund	12%	DWS Lion Bond Fund	10%
Schroder Singapore Trust	13%	Nikko AM Shenton Short Term Bond Fund (10% + liquidity component)	15%
Aberdeen Global Emerging Markets Fund	10%	---	---

No fund switch was made to the portfolio.

*Source: All information from UT Research Team unless otherwise stated, as of 3rd Jan 2011
 Funds are in Singapore dollar share class unless otherwise stated, assuming dividends are reinvested.*



Key Changes to Medium Risk Portfolio (Fund Source: CPF)

Switched out:

- None

Switched in:

- None

Comments:

- Equity funds generally outperformed bond funds in the 1-month period following the spat of positive economic surprises in US.
- Aberdeen Global Emerging Markets Fund was the top performer in the portfolio, gaining 4.19%.
- We believe that the portfolio is adequately positioned and there will be no changes to the fund holdings at the moment.

Table 6: Latest Portfolio Components

Medium Risk Portfolio			
First State Bridge (Core)	10%	LionGlobal Japan Growth Fund	10%
LionGlobal Singapore Balanced Fund (Core)	10%	LionGlobal Singapore Fixed Income Investment	15%
Aberdeen Pacific Equity Fund	12%	DWS Lion Bond Fund	15%
Aberdeen Global Emerging Markets Fund	13%	Nikko AM Shenton Short Term Bond Fund (liquidity component)	5%
PineBridge Singapore Bond Fund	10%	---	---

*Source: All information from UT Research Team unless otherwise stated, as of 3rd Jan 2011
 Funds are in Singapore dollar share class unless otherwise stated, assuming dividends are reinvested.*

No fund switch was made to the portfolio.



Key Changes to Low Risk Portfolio (Fund Source: CPF)

Switched out:

- None

Switched in:

- None

Comments:

- Equity funds generally outperformed bond funds in the 1-month period following the spat of positive economic surprises in US.
- Aberdeen Global Emerging Markets Fund was the top performer in the portfolio, gaining 4.19%.
- We believe that the portfolio is adequately positioned and there will be no changes to the fund holdings at the moment.

Table 7: Latest Portfolio Components

Low Risk Portfolio			
First State Bridge (Core)	10%	PineBridge Singapore Bond Fund	10%
LionGlobal Singapore Balanced Fund (Core)	10%	LionGlobal Singapore Fixed Income Investment	15%
Aberdeen Pacific Equity Fund	12%	DWS Lion Bond Fund	15%
Aberdeen Global Emerging Markets Fund	13%	Nikko AM Shenton Short Term Bond Fund (10% + liquidity component)	15%

*Source: All information from UT Research Team unless otherwise stated, as of 3rd Jan 2011
 Funds are in Singapore dollar share class unless otherwise stated, assuming dividends are reinvested.*

No fund switch was made to the portfolio.



Key Changes to Bonds Solutions Portfolio (Fund Source: Cash)

Switched out:

- None

Switched in:

- None

Comments:

- Templeton Global Total Return Fund A H1 Mdis outperformed, gaining 3.79%.
- We believe that the portfolio is adequately positioned and there will be no changes to the fund holdings at the moment.

Table 8: Latest Portfolio Components

Bonds Solutions Portfolio			
Fullerton Asian Bond Fund	18%	Templeton Global Total Return Fund A H1 MDis	5%
DWS Lion Bond Fund	13%	LionGlobal Singapore Fixed Income Investment	18%
PIMCO Emerging Markets Bond Fund SGD Hedged	5%	Phillip Money Market Fund (Cash Component)	5%
PineBridge Singapore Bond Fund	18%	Schroder Singapore Fixed Income Fund	18%

*Source: All information from UT Research Team unless otherwise stated, as of 3rd Jan 2011
 Funds are in Singapore dollar share class unless otherwise stated, assuming dividends are reinvested.*

No fund switch was made to the portfolio.



Key Changes to Money Plus+ Portfolio (Fund Source: Cash)

Switched out:

- None

Switched in:

- None

Comments:

- Fullerton Short Term Interest Rate Fund gained 0.16% in the 1-month period, contributing to the overall portfolio performance.
- We believe that the portfolio is adequately positioned and there will be no changes to the fund holdings at the moment.

Table 9: Latest Portfolio Components

Money Plus+ Portfolio			
Nikko AM Shenton Short Term Bond Fund	30%	Fullerton Short Term Interest Rate Fund	35%
LionGlobal SGD Money Market Fund	30%	Phillip Money Market Fund (Cash Component)	5%

No fund switch was made to the portfolio.

*Source: All information from UT Research Team unless otherwise stated, as of 3rd Jan 2012
 Funds are in Singapore dollar share class unless otherwise stated, assuming dividends are reinvested.*

+ Money Plus is not a deposit and investment through Money Plus is not the same as placing money on deposit with a bank or deposit-taking company such as a finance company.

#There is no guarantee that the returns over the long term will be stable and steady as investment returns are subject to market conditions and investment risks which may cause you to lose your original principal amount invested.



Table 10: Portfolio Funds' Performance

Fund Name	1 Mth Return %	3 Mth Return %	1 Yr Return %	1 Yr Sharpe Ratio*
Aberdeen Global Emerging Markets Fund	4.19	5.81	-10.42	-0.02
Aberdeen Pacific Equity Fund	2.55	2.38	-11.8	-0.02
DWS Lion Bond Fund	-0.1	-0.17	1.9	1.13
Fidelity ASEAN Fund	2.76	5.83	-6.72	-0.01
First State Bridge	1.1	2.62	-3.31	0
Templeton Global Total Return Fund A H1 MDis	3.79	0.51	-0.74	0
Fullerton Asian Bond Fund	0.32	2.2	3.14	0.31
Fullerton Short Term Interest Rate Fund	0.16	0.18	2.2	0.99
LionGlobal Japan Growth Fund	0.36	-0.72	-11.06	-0.02
LionGlobal SGD Money Market Fund	0.02	0.07	0.44	-3.78
LionGlobal Singapore Balanced Fund	0.76	-1.8	-10.32	-0.01
LionGlobal Singapore Fixed Income Investment	-0.21	-0.49	5.2	2.89
Nikko AM Shenton Short Term Bond Fund	0.04	-0.06	1.5	2.01
Phillip Money Market Fund	0.06	0.14	0.54	0.59
PIMCO Emerging Markets Bond Fund SGD Hedged	1.46	4.39	5.34	0.53
PineBridge Singapore Bond Fund	-0.46	-1.11	3.99	2.23
Schroder Singapore Trust	1.89	-2.13	-14.43	-0.03
Schroder Singapore Fixed Income Fund	-0.45	-1.01	5.73	2.43
Schroder AS Gold & Precious Metals Fund A Acc H	-4.57	-5.42	4.26	0.43

Source: Financial Express, performance as of 27th Dec 2011

Funds are in Singapore dollar share class unless otherwise stated, assuming dividends are reinvested.

*Sharpe ratios are calculated assuming a risk-free rate of 0.5%.



GENERAL DISCLAIMER

This publication shall not be reproduced in whole or in part, distributed or published by you for any purpose. Phillip Securities Pte Ltd shall not be liable for any direct or consequential loss arising from any use of material contained in this publication.

This publication is solely for general information and should not be construed as an offer or solicitation for the subscription, purchase or sale of the securities, and specifically funds, mentioned herein. It does not have any regard to your specific investment objectives, financial situation and any of your particular needs. Accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of any person or group of persons acting on such information and advice. Unit Trusts distributed by Phillip Securities Pte Ltd are not obligations of, deposits in, or guaranteed by, Phillip Securities Pte Ltd or any of its affiliates. No action should be taken without first viewing the details in a fund's prospectus. A copy of the prospectus can be obtained from Phillip Securities Pte Ltd or online at www.eunittrust.com.sg. Past performance is not necessarily indicative of future returns. Investments in unit trusts are subject to investment risks, including the possible loss of the principal amount invested. Investors should note that the value of the units and income from the fund may rise as well as decline. Investors should also note that there are limitations whenever performance is stated or comparison is made to another unit trust or index for any specific period as no funds or indices are directly comparable.

This publication should not be relied upon as authoritative without further being subject to the recipient's own independent verification and exercise of judgment. The fact that this publication has been made available constitutes neither a recommendation to enter into a particular transaction nor a representation that any investment product described in this material is suitable or appropriate for the recipient. Recipients should be aware that the investment products described in this publication may involve significant risks and may not be suitable for all investors, and that any decision to enter into transactions involving such products should not be made unless all such risks are understood and an independent determination has been made that such transactions would be appropriate. Any discussion of the risks contained herein with respect to any product should not be considered to be a disclosure of all risks or a complete discussion of such risks.

Whilst we have taken all reasonable care to ensure that the information contained in this publication is accurate, we do not guarantee the accuracy or completeness of this publication. Any advice contained in this publication is made only on a general basis and is subject to change without notice. We have not given any consideration to and have not made any investigation of the investment objectives, financial situation or particular needs of any specific person or group of persons as we are not in possession of any such information. You may wish to seek advice from a financial adviser before making a commitment to purchase the investment products mentioned. In the event you choose not to seek advice from a financial adviser, you should consider whether the investment product is suitable for you. Any unit trusts mentioned in this publication is not intended for U.S. citizens.

DISCLOSURE OF INTEREST

Statement pursuant to section 36 of the Financial Advisers Act - Phillip Securities Pte Ltd, its directors and employees may have interest in the securities recommended herein from time to time, and its associates and connected persons may also have positions from time to time. Opinions and views expressed in this report are subject to change without notice.

PhillipCapital is a group of companies who together offer a full range of quality and innovative financial services to retail, corporate and institutional customers. Member companies in Singapore include Phillip Securities Pte Ltd, Phillip Securities Research Pte Ltd, Phillip Financial Pte Ltd, Phillip Futures Pte Ltd, Phillip Trading Pte Ltd, Phillip Capital Management (S) Ltd, CyberQuote Pte Ltd, International Factors (Singapore) Ltd and ECICS Ltd.

Information on any and all independent PhillipCapital members and the respective financial services they offer can be obtained through the following website – www.phillip.com.sg. Members can otherwise be identified by their authorised use of PhillipCapital brand name along with their own name in their documentation and literature.