

Unit Trust Model Portfolio

Balanced Portfolio

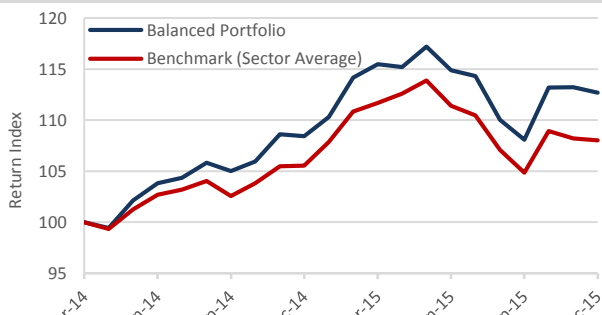
Dec 2015

By Phillip Securities Research (Singapore)

Investment Objective

The Balanced Model Portfolio is design with a primary objective of finding a balance between assuring the safety of the principal by minimizing the downside risk and to focus on long-term capital appreciation of the portfolio at the same time, consistent with prudent investment management, through investing in multiple asset classes and geographies. The Model Portfolio will comprise of an actively managed basket of funds investing in equities, fixed income, property and commodities related securities in global markets.

Cumulative Performance Chart*

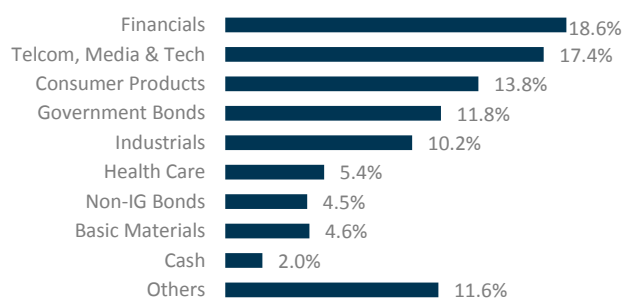


*Source: FE Holdings and PSR. The above performance figures are net of all fees but include the reinvestment of dividends as at 31 Dec 2015

Performance Overview (%)

	1 mth	3 mths	YTD	1 yr	S.I.
Balanced Portfolio	-0.5	4.3	3.9	3.9	7.1
Benchmark (Sector Average)	-0.2	3.0	2.4	2.4	4.6

Sector Allocation[^]



[^]Source: FE Holdings and PSR. Sector and Geographical allocations are as at 31 Dec 2015 and are subject to change without notice. Investment returns are NOT guaranteed. Past performance is not indicative of future performance

Portfolio Allocation

	Target	Current
✓ UOB United SGD	15%	13.6%
✓ Templeton Total Return (USD)	18%	17.4%
✓ Fidelity America	10%	11.0%
✓ Templeton European	7%	5.6%
✓ First State Dividend Advantage	15%	16.5%
✓ Lion Global Japan Growth (hedged)	10%	11.3%
✓ First State Regional China	10%	10.6%
✓ Allianz Income & Growth	7%	5.9%
✓ Fidelity Taiwan (USD)	8%	8.3%

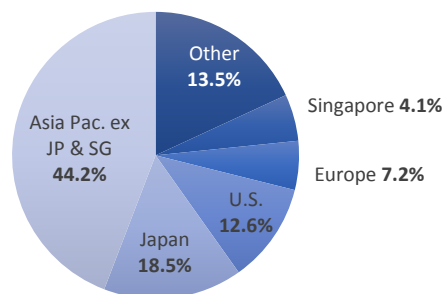
Portfolio Commentary

- ✓ The Balanced Portfolio returned **-0.5%** for the month of December.
- ✓ China and Asian region led in terms of performance for the quiet month of December returning 2.4% and 1.4% respectively.
- ✓ Taiwan equities failed to recover even as China and Asian region experienced an overall uplift, registering a negative 1.6% return.
- ✓ 6 out of 9 funds, accounting for 62% of the portfolio's asset, recorded negative return for December .
- ✓ Templeton Global Total Return fund was the worst performer with a return of -3.1%. This maybe due to the scare in the high yield junk bond market when Third Avenue Management freeze all clients' withdrawal from their HY bond fund due to concern over high default rate.
- ✓ Higher allocation to the Global Total Return fund was the main reason that the balance MP underperform the aggressive MP.
- ✓ Japan equities was the second worst performer as investor took profit from the best performing asset class of 2015.
- ✓ The much anticipated Fed rate hiked finally came but the effect on the US equity was mixed as US equities return -0.41%.
- ✓ To sum up 2015, instead of adding value both tactical allocation detracted value from the portfolio.
- ✓ Fidelity Taiwan and Allianz Income & Growth fund will be removed from the balanced portfolio from Jan 2016 onwards.
- ✓ SAA will be reset to the latest neutral weight for the start of 2016 as previously communicated.

Risk Statistic (1 Year)

Sharpe Ratio	Volatility	Max drawdown
0.1	8.3	-7.8

Geographical Allocation[^]



Investment Information

Inception Date:	April 2014
Underlying Instrument:	Unit Trusts/ Mutual Funds
Base Currency:	SGD
Investment Amount	
Recommended Initial Investment:	SGD 30,000
Recommended Investment Horizon:	3 to 5 years
Fees:	Underlying fund management fee & sale charges or trailer fee for WRAP account

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