

Unit Trust Model Portfolio

Conservative Portfolio

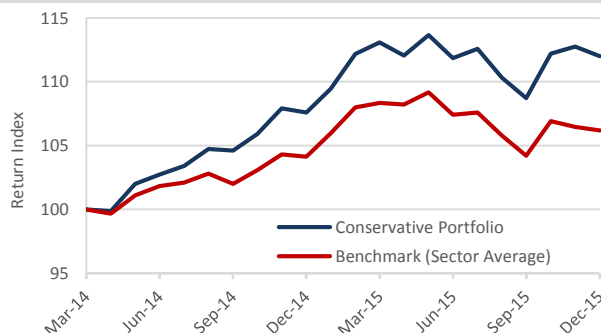
Dec 2015

By Phillip Securities Research (Singapore)

Investment Objective

The Conservative Model Portfolio is design with a primary objective of assuring the safety of the principal by minimizing the downside risk but at the same time achieving long-term capital appreciation of the portfolio as well, 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*

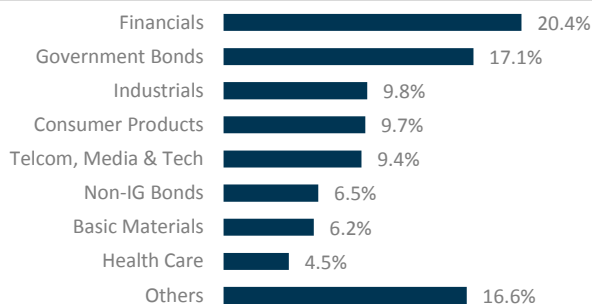


*Source: FE Holdings and PSR. The above performance figures are net of all fees but include the reinvestment of dividends as at 31 Dec 2015

Performance Overview (%)

	1 mth	3 mths	YTD	1 yr	S.I.
Conservative Portfolio	-0.7	3.0	4.1	4.1	6.7
Benchmark (Sector Average)	-0.3	1.9	2.0	2.0	3.5

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	25%	24.7%
✓ Templeton Total Return (USD)	25%	25.2%
✓ UOB United Emerging Markets Bond	10%	10.0%
✓ Fidelity America	10%	10.2%
✓ Templeton European	5%	5.0%
✓ First State Dividend Advantage	15%	14.8%
✓ Lion Global Japan Growth (hedged)	5%	5.2%
✓ First State Regional China	5%	5.0%

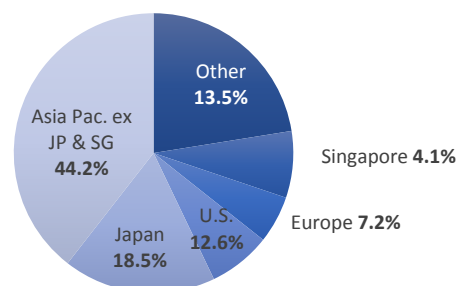
Portfolio Commentary

- ✓ The Conservative Portfolio returned **-0.7%** 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.
- ✓ With a combined allocation of 20% to China and Asian region, the portfolio didn't manage to fully participate in the recovery of the 2 equity markets.
- ✓ 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.
- ✓ Lower allocation to China and Asian Region Equities and a higher allocation to the Global Total Return fund cause it to be the worst performing portfolio amount the 3 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%.
- ✓ 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
0.2	5.9	-4.3

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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