

Unit Trust Model Portfolio

Conservative Portfolio

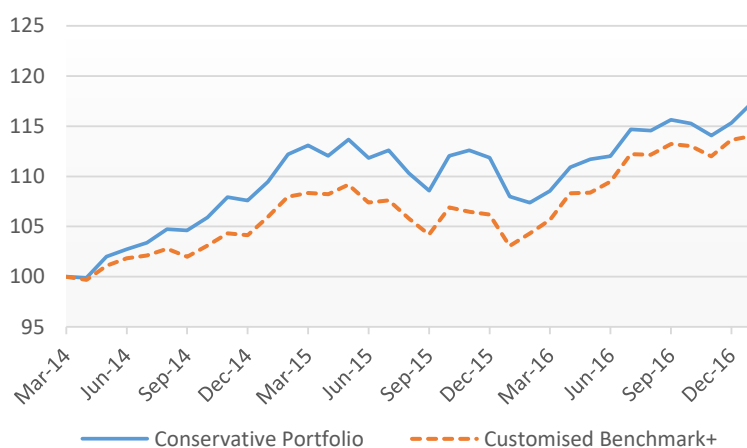
Performance Data and Analytics for January 2017

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.

Performance Chart (Index=100 at end of March 2014)



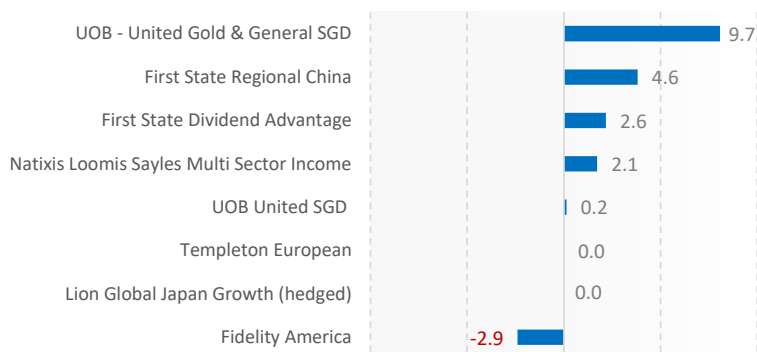
Performance (%)

| | 1 mth | 3 mths | YTD | 1 yr | S.I. (annualised) |
|------------------------|-------|--------|-----|------|-------------------|
| Conservative Portfolio | 1.7 | 1.8 | 1.7 | 8.6 | 5.6 |
| Benchmark ⁺ | 0.3 | 0.9 | 0.3 | 10.6 | 4.6 |

Source: Fe Holdings, PSR. The above performance figures are net of all fees but include the reinvestment of dividends.

*Customised Benchmark is 25% UOB SGS Short, 25% Barclays Global Aggregate, 10% JPM EMBI Global Div Index, 4% FTSE Greater China, 5% FTSE Gold Mines, 7% MSCI AC Asia Pacific ex Japan, 9% MSCI AC Europe, 6% Nikkei 225, 9% S&P 500 as at 31 Jan 2016

1 Month Performance of Underlying Fund (%)



Portfolio Commentaries

The portfolio returned **1.7%** for the month of January, betting the benchmark by 136 bps.

The outperformance was solely due to our overweight position in gold as we have neutralise all our tactical bets as at end of 2016.

For our equity allocation, Asia pacific ex Japan (**First State Dividend Advantage**) and China (**First State Regional China**) lead in terms of returns.

As per our [Global Market Outlook 2017](#), we remain positive for the Asia Pacific region.

We believe bonds will underperform relative to equities for the first half of this year as yield increases in an upward rates cycle.

Equity exposure for the Conservative Model Portfolio is 29% as at end of January.

Portfolio Changes

There will be no change in the portfolio for the month of February.

Please find the **targeted** allocation in the overleaf.

Risk Matrix since Inception (%)

| | Fund | Benchmark |
|---------------------------|------|-----------|
| Sharpe Ratio [#] | 0.7 | 0.8 |
| Volatility | 5.1 | 4.7 |
| Max Drawdown | -5.4 | -5.6 |

[#] Risk-free rate @ 2.5%

| | |
|---------------------------------|---|
| Inception Date: | March 2014 |
| Underlying Instrument: | Unit Trust/ Mutual Funds |
| Base Currency: | SGD |
| Recommended initial Investment: | SGD 30,000 |
| Recommended Investment Horizon: | 5 to 7 years |
| Fees: | Underlying fund management fee & sale charges or trailer fee for WRAP account |

www.poems.com.sg/unittrust
Portfolio Allocation Overleaf

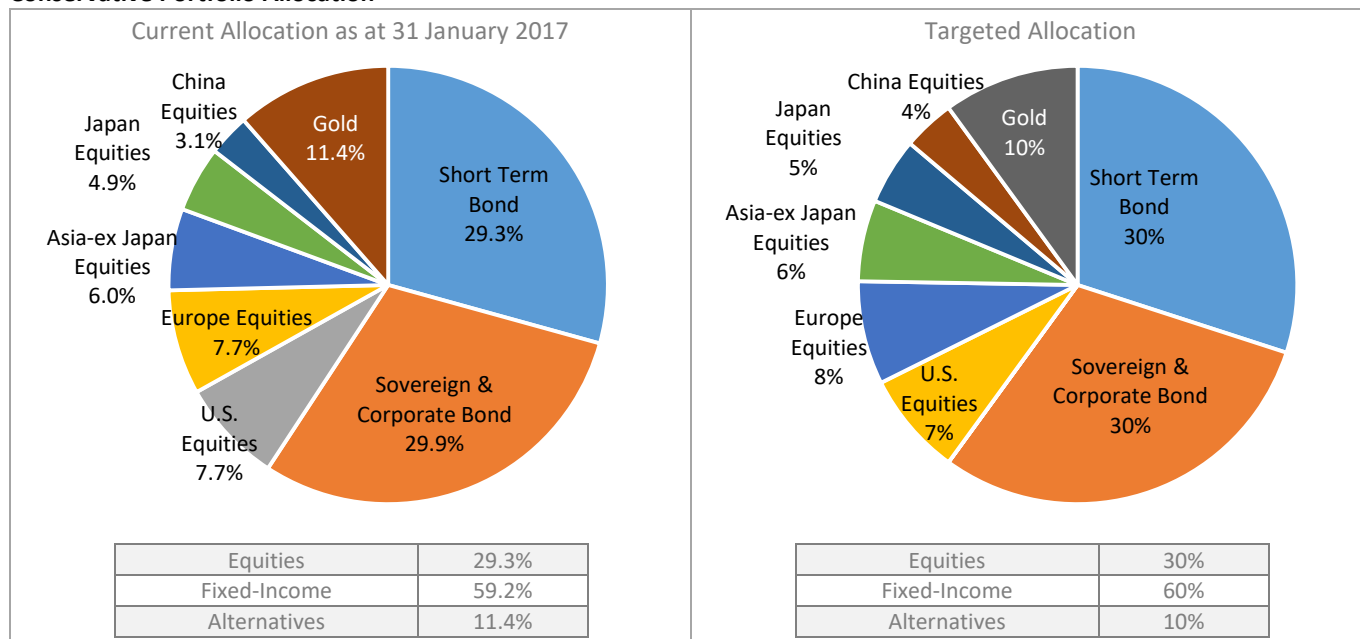
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Conservative Portfolio Allocation



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