

November '22

To: Our Valued Investors

From: CIO

Letter: Managed Account,
M02/2022/11

Date: 2 November 2022

Re: The Negatives.
The Positives.
Energy prices supported.
Value appearing in fixed
income. Likely rally, without
Fed pivot. Dread March.
Portfolio movements.

In October, the Swiss National Bank used USD swap lines with the US Federal Reserve for the first time in history, and the US 3-month and 10-year treasury yields inverted. US housing under construction and permits were also down, while central banks around the world like Japan, China and the UK started intervening in their financial markets. These signal USD liquidity issues in the global financial markets and extreme near term economic pessimism.

US CPI is expected to stay persistently high as prices for shelter that contribute 40% to CPI ex-food & energy continue to stay elevated, dampening hopes of a Fed pivot.

The investments team is in a good position to cautiously add exposure in November, to our current defensively positioned portfolios, keeping in mind a potential liquidity crisis, forex volatility, and negative economic pressures expected in 1Q2023 (reporting end March).

Portfolios' Performance

Our reference indexes', and ETFs' performances in 2022:

iEdge S-Reit index (YTD)	-5.7% (Oct)	-19.4%
Straits Times index (YTD)	-1.2% (Oct)	-1.0%
US 500 index (YTD)	+8.0% (Oct)	-18.7%
Nas100 index (YTD)	+4.0% (Oct)	-30.1%
Hang Seng index (YTD)	-14.7% (Oct)	-37.2%
Shanghai index (YTD)	-4.3% (Oct)	-20.5%
VG Total World Stock (YTD)	+6.4% (Oct)	-21.9%
VG Total World Bond (YTD)	-0.6% (Oct)	-15.2%
VG Energy	+24.0%	(Oct)
+62.3% (YTD)		
VanEck Gold Miners (YTD)	+0.2% (Oct)	-24.6%
VanEck Junior Gold Miners (YTD)	+0.1% (Oct)	-29.6%
SPDR Materials (YTD)	+8.9% (Oct)	-18.2%

Our holdings that suffered/gained 10% or more in October are:

ManulifeReit	-12%	Kalbe Farma	+12%
Hongkong Land	-13%	Baytex Eng	+12%
Prime US	-13%	Journey Eng	+28%
Base Resources	-14%	Valaris	+37%
Straits Trading	-15%	Medtecs	+62%
Link Reit	-15%		
Suntec Reit	-16%		

Our Portfolios – how we did

Your portfolio may not have the same numbers indicated, due to holding round lots. All performance numbers are net of all fees and transaction costs.

(1) Phillip Singapore Equity Yield

We received dividends from Capland-Ascott in October.

Currently we have 7 holdings ~ 31%, and 69% in MMF.

Singapore Equity Yield (YTD)	-3.95% (Oct)	-10%
Straits Times index (YTD)	-1.2% (Oct)	-1.0%
iEdge S-Reit index (YTD)	-5.7% (Oct)	-19.4%

We sold Capland-Ascott, Capland-China, ESR Logos, and Frasers LCT to further reduce exposure in case of a liquidity crunch.

(2) Phillip Asian Opportunities Equity

No dividend was received in October.

Currently, we have 5 holdings: 30% in Singapore, and 70% in MMF.

Asian Opportunities (YTD)	-1.7% (Oct)	-5.6%
Shanghai index (YTD)	-4.3% (Oct)	-20.5%
Straits Times index (YTD)	-1.2% (Oct)	-1.0%
Hang Seng index (YTD)	-14.7% (Oct)	-37.2%

We sold Capland-China to further reduce exposure in case of a liquidity crunch.

(3) Phillip Managed Singapore Equity

We received dividends from Hongkong Land.

Currently, we have 10 holdings ~ 38%, and 62% in MMF.

Singapore Growth (YTD)	-0.7% (Oct)	-9.1%
Straits Times index (YTD)	-1.2% (Oct)	-1.0%
iEdge S-Reit index (YTD)	-5.7% (Oct)	-19.4%

We sold Elite Commercial to further reduce exposure in case of a liquidity crunch.

This has the best since-inception record of +4.2% (annualized). Inception is April 2002. STI, over the same period, returned just under 3% (annualized).

(4) Phillip Blue Chip Equity Yield

We received dividends from Capland-Ascott, and China Feihe.

Currently, we have 5 holdings: 23% in Singapore, 2% in China/HK; and, 75% in MMF.

Blue Chip Equity Yield (YTD)	-2.4% (Oct)	-6.9%
Straits Times index (YTD)	-1.2% (Oct)	-1.0%
Hang Seng index (YTD)	-14.7% (Oct)	-37.2%
Shanghai index (YTD)	-4.3% (Oct)	-20.5%

In October, we sold Capland-Ascott to further reduce exposure in case of a liquidity crunch.

(5) Phillip Managed Gold & Resources Equity

No dividend was received in October.

Currently, we have 19 holdings: 24% in Precious Metals, 15% in Industrial Materials; 3% in US Treasuries; 4% in Energy; and, 54% in MMF.

Gold & Resources (YTD)	+1.8% (Oct)	-15.7%
VanEck Gold Miners (YTD)	+0.2% (Oct)	-24.6%
VanEck Junior Gold Miners (YTD)	+0.1% (Oct)	-29.6%
VG Energy	+24.0%	(Oct)
	+62.3% (YTD)	
SPDR Materials (YTD)	+8.9% (Oct)	-18.2%

There was no change to the portfolio in October.

(6) Phillip Global Funds

We are 10.2% in S-Reits, 3.3% in Vietnam/Thailand, 2.6% in US Treasuries, and 84% in 2 amortization-method money market funds.

Global Funds (YTD)	-1.1% (Oct)	-3.6%
VG Total World 70/30 (YTD)	+4.3% (Oct)	-19.9%

There was no change to the portfolio in October.

(7) Phillip Returns Enhancer (Bond UTs only)

We are in 2 amortization-method money market funds.

Returns Enhancer (YTD)	-0.1% (Oct)	-1.0%
VG Total World Bond (YTD)	-0.6% (Oct)	-15.2%

There was no change to the portfolio in October.

(8) Phillip SMART Portfolio – Income

We left out the bond allocations, in most of October.

SMART 1 (YTD)	+2.6% (Oct)	-5.0%
VG Total World 40/60 (YTD)	+2.2% (Oct)	-17.9%

(9) Phillip SMART Portfolio – Income & Growth

We left out the bond allocations, in most of October.

SMART 2 (YTD)	+0.7% (Oct)	-12.1%
VG Total World 60/40 (YTD)	+3.6% (Oct)	-19.2%

(10) Phillip SMART Portfolio – Growth

We left out the bond allocations, in most of October.

SMART 3 (YTD)	+1.9% (Oct)	-12.9%
VG Total World 70/30 (YTD)	+4.3% (Oct)	-19.9%

(11) Phillip SMART US Equities Portfolio

We are into our second month.

SMART US (YTD)	+8.2% (Oct)	-4.3%
US 500 index (YTD)	+8.0% (Oct)	-18.7%

Customised Portfolios

Please contact your rep or portfolio managers if you need a review. If you don't, our BDs may contact you to ask if you will need a quarterly review.

If your portfolio has more than 50% MMF, please do not be alarmed. We are aiming to enter at low prices very soon.

Thank you

We are grateful for your trust, and continuing support. In these markets, we are also grateful for your patience in not rushing us to be fully invested. Our portfolios appear well-positioned, based on risks mentioned above.

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