

# Global Portfolio

Start gaining diversified exposure to global markets with as little as \$1,000

- Contains 6 to 8 unit trusts
- Available in 3 different Risk Levels
- Reviewed quarterly and rebalanced to align with market trends

Portfolio Management Fee	0.75% Annual Fee
Portfolio Currency	SGD or USD
Dividend Payment	Re-invested into Portfolio
Lock-in Period	None
Sales Fees	0.00%
Transaction Fee	0.00%
Withdrawal Fee	0.00%

### DBS Investment Team commentary

Equities and bond markets were weak in the second quarter on concerns that central banks' aggressive response to inflation will increase the risk of recession. Global equities (as measured by the MSCI AC World Total Return Index) declined 15.7% while global bonds (as measured by the Bloomberg Barclays Global Aggregate Index) declined 8.3% in USD terms. The performances of our Global Portfolio and Global Portfolio Plus portfolios were weighed down by the market correction despite our moves to reduce exposure to growth equities and add funds that are invested in defensive and value stocks last quarter. Our sense is that this was a general market correction driven more by sentiment rather than fundamentals. We have reviewed the funds with their respective managers to ensure that the overall holdings are companies in good health that are able to recover once the dust settles.

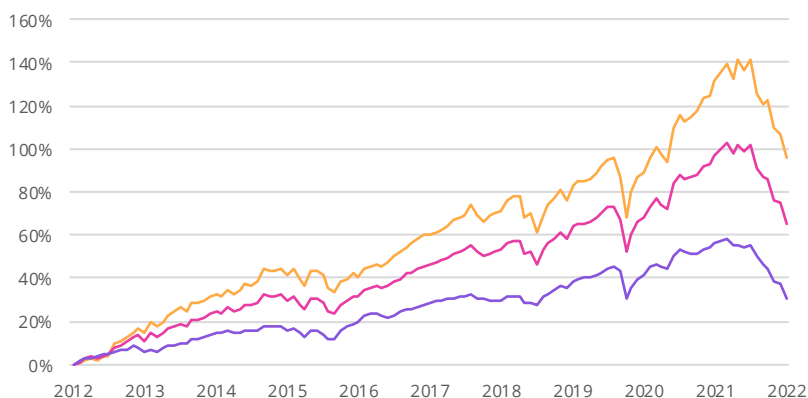
During the quarter, we reduced our holdings in the BNY Mellon Global Equity Fund, the Capital New Economy Fund and the Franklin US Opportunities Fund that have growth biases. We added the AB Low Volatility Equity Fund that focuses on stable growth quality stocks that has amongst its preferred companies, Microsoft (Software), Abbott Labs (Healthcare) and American Tower (Telecom Reits). We also added the Harris US Equities Fund that invests in US value stocks such as those in the financial and communications sectors. In bonds, we trimmed our holdings in Asia and added to the developed markets investment grade corporates through a new fund, the Schroder Global Credit Income Fund that has a bond yield of 6% and duration of 5 years.

We expect markets to remain volatile driven by a hawkish Fed and rising recession risk. On the positive side, US employment is robust, as are household and corporate balance sheets. Elsewhere, Europe is facing an energy crisis and looks weak while China is stimulating its economy and looks attractive. On balance, our base case is that there will be a mild recession but not a lasting one. Amid these macro trends, equities and bond market valuations look attractive following the repricing. Investment grade corporate bond yields are now around 4.2% compared to 1.6% a year ago. Similarly, global equities price to earnings ratio is around 14.5 x, near its 5 year lows. Investor sentiment is also poor after months of uncertainty. Such conditions provide a more favourable longer term outlook. We believe that the market has discounted a large amount of risk and will remain invested. Nevertheless, we expect volatility to remain in the near term and look to reduce portfolio beta further until we see more stable market conditions. We will shift the portfolio nearer to our preferred regions that are the US, Asia, and Japan as they look more resilient. We will trim Europe where necessary as the region is facing an energy crisis. We will add to income equities given that dividend yields have risen. In bonds, we will add a funds with larger exposures to government bonds as a lot of the interest rate hike expectations are priced into the higher treasury bond yields. One fund that we are considering is the Allianz Global Opportunities Fund that has higher quality bond assets.

We will monitor events closely and adjust our strategy where needed.

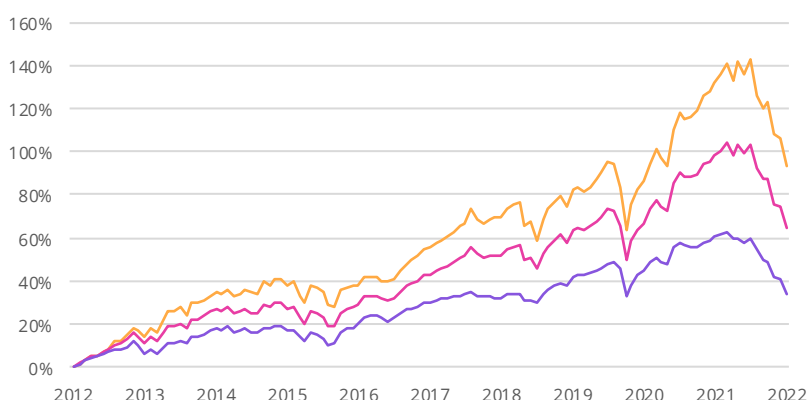
### Simulated Historical Performance<sup>1</sup>

#### Singapore Dollar (SGD)



Estimate Returns <sup>2</sup> SGD	Slow n' Steady Risk Level 2	Comfy Cruisin' Risk Level 3	Fast n' Furious Risk Level 4
1 year	-16.1%	-16.2%	-15.6%
3 years	-2.0%	0.3%	2.2%
5 years	0.4%	2.5%	4.1%
10 years	2.7%	5.2%	6.9%
Estimate Risk (1 standard deviation)	5.7%	7.5%	9.3%
<b>Actual Gross Returns</b>			
Q2 2022	-9.8%	-11.6%	-12.5%
1H 2022	-16.6%	-19.0%	-20.6%

#### US Dollar (USD)



Estimate Returns <sup>2</sup> USD	Slow n' Steady Risk Level 2	Comfy Cruisin' Risk Level 3	Fast n' Furious Risk Level 4
1 year	-16.6%	-17.4%	-16.9%
3 years	-2.0%	0.0%	1.9%
5 years	0.6%	2.8%	4.5%
10 years	2.9%	5.1%	6.8%
Estimate Risk (1 standard deviation)	6.4%	8.6%	10.3%
<b>Actual Gross Returns</b>			
Q2 2022	-10.0%	-12.5%	-13.8%
1H 2022	-16.8%	-20.0%	-22.0%

The simulations above are calculated based on Total Price Returns, which includes dividends received. Estimate Returns figures are annualised. Actual Gross Returns excludes dividends received.

### Available Risk Levels

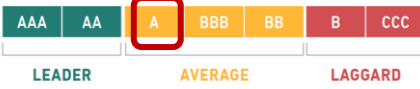
Risk Level 2

#### Slow n’ Steady

Invests primarily in fixed-income instruments to provide stability to the portfolio while taking advantage of the growth potential of equities.

Higher allocation to equities is often used to achieve higher potential returns, but this may result in higher volatility and potential losses.

#### Portfolio ESG Score<sup>^</sup>



#### Asset Allocation



#### Holdings

##### Equity

- BNY Mellon Long-Term Global Equity Fund
- AB SICAV Low Volatility Equity Portfolio

##### Fixed Income

- Natixis Loomis Sayles Multisector Income Fund
- PIMCO GIS Diversified Income Fund
- Allianz Global Opportunistic Bond Fund
- Fullerton USD Income Fund

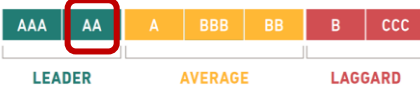
Risk Level 3

#### Comfy Cruisin’

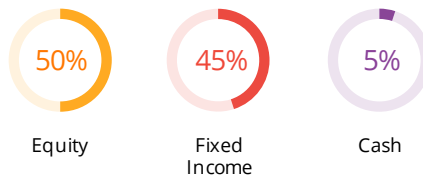
Evenly diversifies between equities and fixed-income assets in order to take advantage of market opportunities while maintaining stability in the portfolio.

Higher allocation to equities is often used to achieve higher potential returns, but this may result in higher volatility and potential losses.

#### Portfolio ESG Score<sup>^</sup>



#### Asset Allocation



#### Holdings

##### Equity

- Capital Group New Economy Fund
- BNY Mellon Long-Term Global Equity Fund
- First State Dividend Advantage Fund
- AB SICAV Low Volatility Equity Portfolio

##### Fixed Income

- Natixis Loomis Sayles Multisector Income Fund
- Allianz Global Opportunistic Bond Fund

Risk Level 4

#### Fast n’ Furious

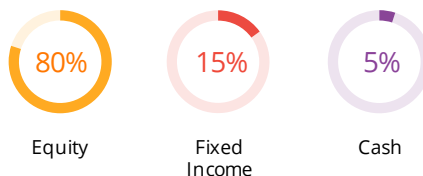
Favours equities as opposed to fixed-income instruments. For investors who are prepared to tolerate short-term fluctuations in the value of their portfolio.

Higher allocation to equities may result in higher volatility and potential losses, but is often used to achieve higher potential returns

#### Portfolio ESG Score<sup>^</sup>



#### Asset Allocation



#### Holdings

##### Equity

- Capital Group New Economy Fund
- BNY Mellon Long-Term Global Equity Fund
- FTIF - Franklin US Opportunities Fund
- First State Dividend Advantage Fund
- NikkoAM Japan Dividend Equity Fund
- AB SICAV Low Volatility Equity Portfolio

##### Fixed Income

- Natixis Loomis Sayles Multisector Income Fund
- Allianz Global Opportunistic Bond Fund

<sup>^</sup>Source: MSCI as of 30 June 2022

## Glossary

Portfolio Management Fee	This fee goes towards monitoring, rebalancing and administrating the portfolio. It is calculated based on the value of your portfolio at the end of each day. Payable annually.
Risk Level	In investing, there are 5 risk levels, with Risk Level 1 being the lowest risk level and Risk Level 5 being the highest risk level.
Estimate Risk	Estimate risk measures the volatility of a portfolio based on past performance. The higher the number, the greater the portfolio's volatility and investment risk.
Unit Trust	A Unit Trust invests a pool of money, collected from a number of investors, in a range of assets. Successful investments add value to the fund and their returns are distributed back to investors.
Equity	Equities refer to the stock of a company, measured in the number of shares.
Fixed Income	Fixed income generally refers to debt instruments e.g. bonds.
Cash	A portion of your investments is maintained in cash to take advantage of market opportunities.

### <sup>1</sup> Note on Simulated Returns

Simulated returns are gross of DPM management fees. Estimated forecast returns and volatility are computed based on back-tested returns of a model portfolio. The benchmark index of a fund is used in the absence of historical performance of the fund for the equivalent period. Cash forecast yield is referenced from the prevailing BBA Libor 1-month rate. We do not guarantee that the portfolio will generate the forecasted return stated above. These volatility and returns are for illustration purposes only, and should not be construed as guaranteed future or forecast returns. The proposed allocation listed above is provided as an indication only. Investors should not rely upon the proposed allocation as any confirmation that a particular asset class or given weighting will be included in the portfolio.

### <sup>2</sup> Estimate Returns

Any prediction, projection or forecast is not necessarily indicative of future or likely performance of the portfolio. Future performance may differ from figures shown as investment return and principal value will fluctuate with market conditions.

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