DBS Solutions Q3 2019: Fund Insights

Global Balanced Strategy

Fund Selection Team
Pierre DeGagné, CFA
Paul Zhuang, CFA
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Ting Hock Kiat, CFA

Overview

It is so often the case, that time in the market, is much more important than timing the market. In general, it is very hard to time markets, but nearly as difficult is getting in and having the discipline to ride out the volatility. Still this is often the most successful strategy. In an uncertain market environment, there is a strong case for balanced funds. Investors can access a diversified mix of assets, that are managed by professionals with skill and more importantly the temperament to wisely invest over the market cycle.

So what would be one of our top convictions in the global balanced fund space?

JPM Global Income ++++

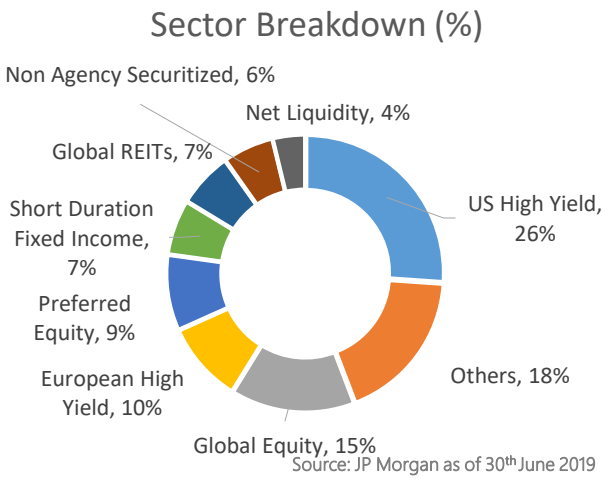
What are the Key Characteristics of this fund?

- A conservatively structured balanced fund with a neutral risk budget of 60% Bond / 40% Equity. There are also allowances for tactical allocation variances to take advantage of market opportunities, whenever they occur.
- Fund is extremely well-diversified and spread out over 10 different asset classes to generate the targets income payout of 5% pa.
- Portfolio is run by co-PMs; Michael Schoenhaut and Eric Bernbaum who have a combined industry experience of 30 years.

Why this Fund? 3 Reasons:

1. Core Balanced Fund Solution: Its broad diversification in terms of asset class and holdings, makes it an optimal choice for investors who are looking for a one-stop multi-asset solution.
2. Consistent and Good Income: Fund does not overstretch for yield and targets a consistent and attractive level of income with the opportunity for longer term capital growth.
3. Opportunistic Positions: Team has the flexibility to pursue interesting opportunities for yield. One such example is the small exposure to US non-agency mortgages which trade with minimal duration and a decent level of yield.

How is this fund positioned**?



- Fund continues to be well diversified, with exposure to many different sub-asset classes, ranging from traditional asset classes to alternative ones like REITs and Mortgages.
- The Fund has continued to be conservative in its positioning with credit preferred over equity.
- Within Equity, they prefer the US given relatively better economic date and earnings.
- Within Credit, they prefer High Yield over Investment Grade bonds with the latter being less attractive from a yield/risk perspective.
- Short duration fixed income improves liquidity and provides yield, but Fed pivot does lessen their interest to marginally add from here.

Some of the key investment themes**?

- Dynamic Allocation: Fund continues to be broadly diversified and can invest flexibly and to access the full capital structure. This is increasingly important in uncertain markets.
- Managing Interest Rate Risk: Although the team is now slightly more positive on duration, it is still managed effectively. As a result, the fund's fixed income and equity exposures are managed effectively for changing interest rates.
- Opportunities for Income: Fund has embraced relatively new areas for income returns. For high grade income, they previously reduced their investment grade exposure and entered high quality US agency mortgages.

DBS

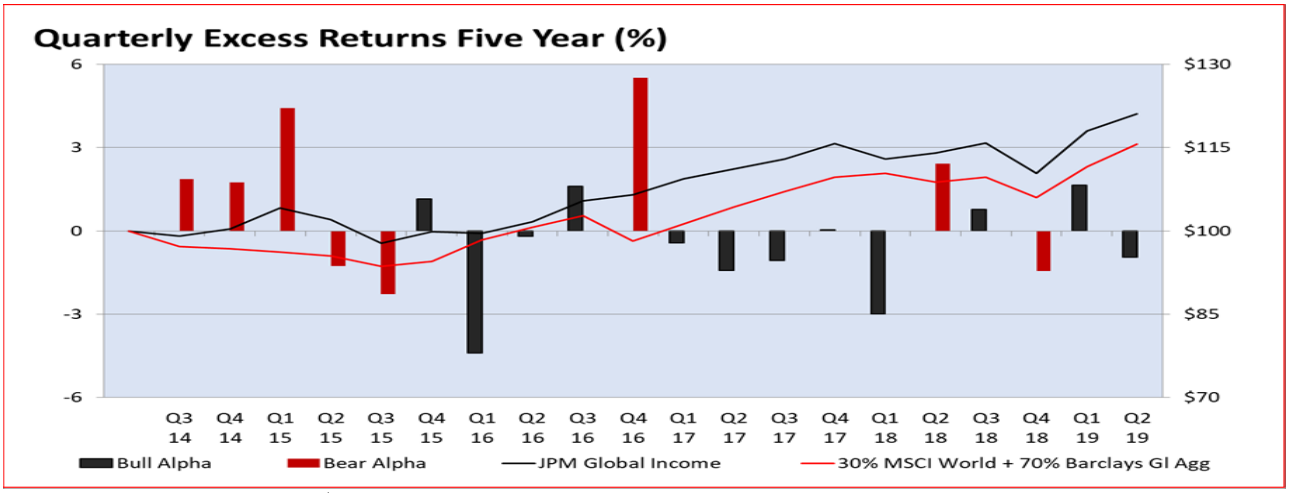
**Funds are actively managed, positions may change.

How has the fund Performed?

- Despite a dip in performance in the shorter term, over the long term the dynamic, diversified and forward-looking nature of the fund's allocation can help investors add value to their overall portfolios.

Performance as of June 30th, 2019 in US$	1M	3M	6M	1YR	3YR^	5YR^
JPM Global Income A (acc) USDH	2.43	2.65	9.73	6.21	6.01	3.91
30% MSCI World + 70% Barclays Gl Agg	3.53	3.60	9.02	6.31	4.72	2.94

Source: Morningstar ^Annualized



Source: Morningstar / DBS. As of June 30th, 2019

What are the Key Risks of this fund?

- In the Fixed Income portion of the fund, the portfolio manager has discretion to invest in non-traditional asset classes which have both higher expected yield and higher potential credit risk.
- In the Equity portion of the fund, the portfolio manager has discretion to invest in Emerging Market Equities. These have higher potential risks compared to investing in Developed Market Equities.
- The fund is risk rated 3 on a 5-point scale. Risk rating 1-5 indicates the relative rating of potential loss; "1" being the lowest and "5" being the highest.
- For a comprehensive list of the fund's risks, please consult your RM or the fund's prospectus.

DBS Fund Selection Proposition

At DBS, our goal is to provide our clients with a holistic approach to managing your wealth. As investors seek to preserve, diversify and build their wealth, for many, mutual funds can be integral tools. Funds are diversified, efficient tools to access different global markets with the guidance of professional asset managers.

DBS Fund Selection Team (FST) is a dedicated group of professionals, committed to identifying high quality mutual funds which the team believes can add value for our clients. With over 300 funds under coverage, the team meets the managers, writes an assessment of the fund and assigns a conviction rating to each. This is followed by on-going monitoring of the performance of the fund. The DBS FST Fund Rating encapsulates a qualitative assessment of the fund's competitive advantage relative to its peers.

DBS FST Fund Ratings

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Investors should, however, note that the DBS FST Fund Rating is not a view on funds as an asset class nor is it a guarantee of a fund's performance.

Conviction Level	Rating
Strong Positive	++++
Positive	+++
Neutral	++
Low Conviction	+

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Asian Balanced Strategy

Overview

Asia ex-Japan equities have experienced a strong rebound in the first quarter of 2019 following a weak 2018. Valuation based on P/B multiple is still below historical mean after the recent market correction. Potential of more stimulus measures among Asian countries, especially in China, should help boost the slowing economy. On the fixed income front, we are constructive on Asian bonds over DM bonds for the attractive yield pick-up. That said, caution should be taken in credit selection given the potential of increasing credit stress. To stay engaged in this asset class, we recommend a balanced approach to diversify risks.

So, how do we get quick, diversified exposure to Asian assets?

Schroder Asian Income ++++

What are the Key Characteristics of this fund?

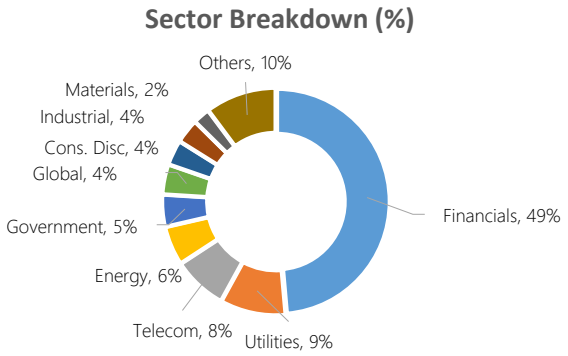
- Income-oriented, APxJ balanced strategy with an explicit focus to generate a sustainable income stream of around 5%.
- Flexible mandate allows the divergence from a 50-50 allocation between bonds and equities, allowing up to a 70% allocation in equities.
- Active risk management via index options and futures for downside protection.
- Some flexibility to invest outside of Asia via Schroder's Global or Emerging Multi-Asset strategies based on relative valuations.

Why this Fund? 3 Reasons:

4. Diversified access point to Asian Assets: Investing broadly into Asian equities and fixed income, the fund provides a high quality and diversified access to the asset class.
5. The People: Managed by an experienced PM who is supported by a well-established Asian Equity and Fixed income team to generate alpha.
6. Attractive and Stable Income: The fund focuses on delivering a stable income with a robust risk management system to manage the volatility and downside risks of the portfolio.

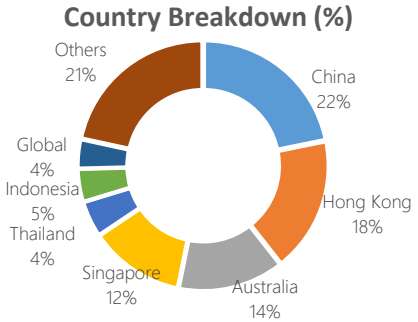
How is this fund positioned**?

- As of June, the net equity exposure is around 55% as PM remains cautiously optimistic on the Asian risk asset market.



Source: DBS, Schroder as of Jun 30th, 2019

- Favours stocks which generates stable dividend backed by the company's strong cash-flows and solid earnings, producing an equity sleeve with an average dividend yield of 4.9%
- Equity sleeve dominated by Financial stocks, with two-thirds coming from REITs which has been a key contributor to YTD performance.



Source: DBS, Schroder as of Jun 30th, 2019

- PM uses a Barbell approach with holding from developing countries such as China for growth as well as developed markets like Singapore, Australia and Hong Kong for defensiveness.
- PM has taken profit after the strong rally in China credits within the fixed income sleeve. Two-thirds of the sleeve is in IG bonds and the modified duration is around 4.7 years.
- Active risk management through currency, equity index and duration hedges. Most recently, there is a -2% hedge on Australian equities and a -2% hedge on SGD.

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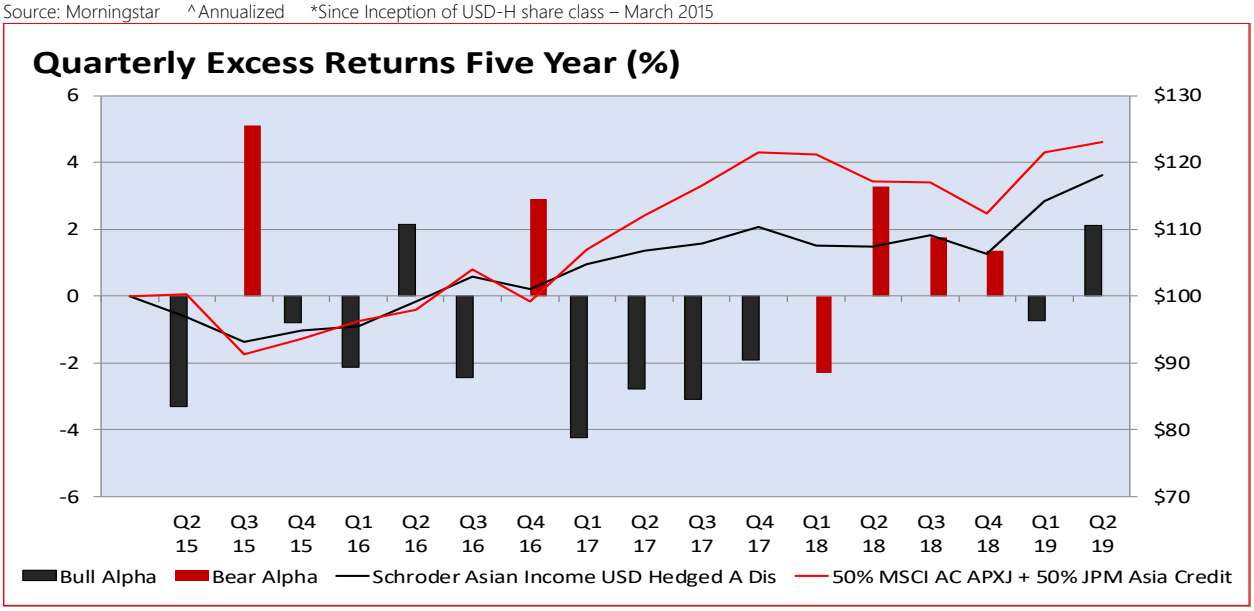
How has the fund Performed?

- High quality and defensive portfolio with a proven track record of providing downside protection in volatile markets. Tactical use of options also helps to reduce beta and protect on the downside. While fund may lag in a strong bull market, we think that it provides a good and low volatility access to Asia

Performance as of June 30th, 2019 - US$	1M	3M	6M	1YR	3YR^	SI*^
Schroder Asian Income USD Hedged A Dis	2.84	3.43	11.10	9.89	6.01	4.10
50% MSCI AC APXJ + 50% JPM Asia Credit	4.09	1.32	9.57	5.03	7.95	5.42

Source: Morningstar ^Annualized *Since Inception of USD-H share class – March 2015



Source: Morningstar / DBS. As of June 30th, 2019

What are some Key Risks of this fund?

- Despite attractive past returns, Asia Pacific ex-Japan equities have historically been volatile (average standard deviation of 15%). Geopolitical risks like trade tensions as well as general economic slowdowns globally or even in Chinese economy could create headwinds.
- The fund is risk rated 4 on a five-point scale. Risk rating 1-5 indicates the relative rating of potential loss; "1" being the lowest and "5" being the highest.
- For a comprehensive list of the fund's risks, please consult your RM or the fund's prospectus.

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Strong Positive	++++
Positive	+++
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Low Conviction	+

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Sector Global Aggregate Bonds

Overview

For investors looking to broadly invest into Fixed Income, it is practical to consider solutions that are both straightforward, easy to understand while being dynamic. It is equally important to have offerings that can offer diversification through flexible allocations across different fixed income sub-asset classes.

In an uncertain environment, being diversified, relying on strong credit selection and having a broad investable universe is increasingly important, particularly so within the current late market cycle.

PIMCO Diversified Income Fund ++++

What are the Key Characteristics of this fund?

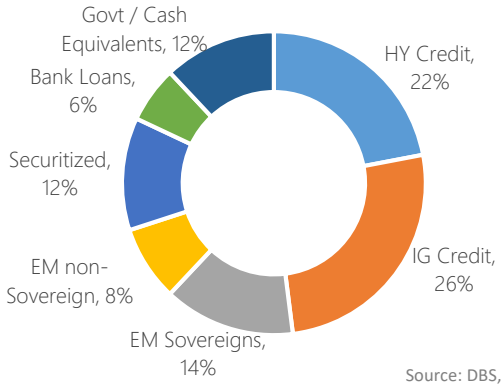
- Fund has broader mandate relative to typical credit funds, which is important for a one-stop, diversified global credit solution.
- 3 core Fixed Income sleeves: Global Aggregate (Investment Grade); Global High Yield; Emerging Market (EM) Bonds. This potentially offers less-correlated fixed income exposure for investors.
- Targets higher returns relative to investment grade (IG) credit, but with less volatility than a pure high yield strategy. Fund's average credit rating is typically IG.

Why this Fund? 3 Reasons:

7. Unconstrained and Flexible: While the fund uses 3 main alpha sleeves, the PMs have leeway to seek opportunities in other sub-asset classes (e.g. loans, securitized, municipal).
8. PIMCO's Fixed Income capabilities: The fund leverages on PIMCO's vast global credit resources (macro and bottom-up credit selection) to flexibly and tactically access the full global credit opportunity set.
9. Total Return with income: Fund adopts a total return approach while providing a distribution of c.4% p.a. from the underlying bonds.

How is this fund positioned**?

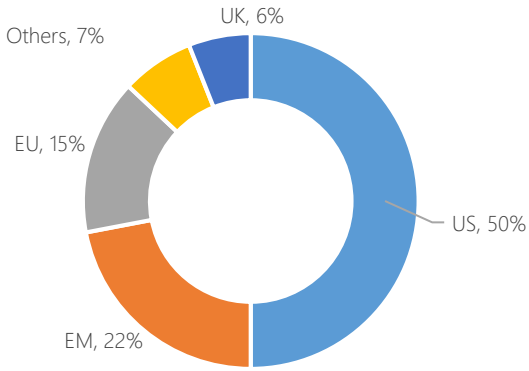
Sector Exposure (%)



Source: DBS, PIMCO

- While the fund's neutral asset allocation is split equally between EM debt, HY and IG credits, the fund is not shy to allocate to other global opportunity sets, particularly within the securitized space (PIMCO's core expertise).

Country Exposure (%)



- In terms of country allocation, the fund is more diverse compared to other fixed income funds which tend to be more US-centric.
- The current average credit rating is A, with 5.1 years of duration and portfolio yield of c.5.0%.

Some of the key investment themes**?

- Positive on IG Credit, Securitized & Financials: Favouring higher quality, shorter maturity papers, non-Agency mortgages and European financials.
- Selective on HY and Bank Loans: Preference for quality loans and senior secured bonds.
- Cautious yet constructive on EM: Focusing on liquid countries with strong fundamentals.

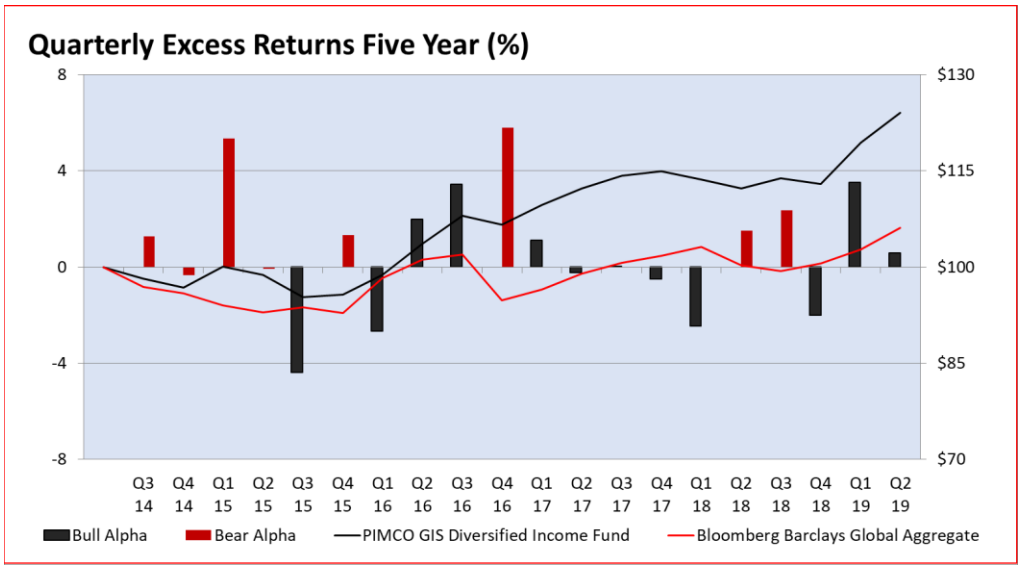
**Funds are actively managed, positions may change.

How has the fund Performed?

- Despite a similar volatility profile with the index, the fund has managed to generate meaningful alpha against the index cover most time periods. We feel that the diverse allocation has helped by reducing cross-allocation correlations.

Performance as of June 30th, 2019 in US$	1M	3M	6M	1YR	3YR^	5YR^
PIMCO GIS Diversified Income Fund	2.55	3.87	9.80	10.48	6.18	4.40
BBgBarc Global Aggregate	2.22	3.29	5.57	5.85	1.62	1.20

Source: Morningstar ^Annualized



Source: Morningstar / DBS. As of June 30th, 2019

What are the Key Risks of this fund?

- Fixed-income securities are subject, among other things, to the risk of the issuers or a guarantor's inability to meet principal and interest payments on its obligations as well as to price volatility.
- The Fund may invest in EM and global debt securities issued by governments, government-related or corporate entities and may use derivatives. Such securities and derivatives have historically been subject to price movements, generally due to interest rates, currency or bond markets.
- The fund is risk rated 3 on a 5-point scale. Risk rating 1-5 indicates the relative loss potential; "1" being the lowest and "5" being the highest.
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Overview

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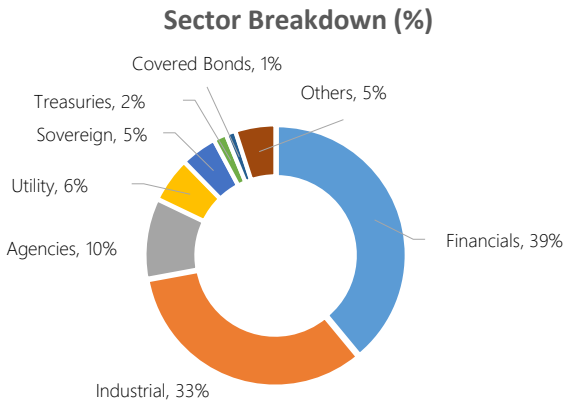
Schroder Global Credit Income Fund ++++

What are the Key Characteristics of this fund?

- Fund has both a broad mandate and limited structural bias, which are important characteristics for a one-stop, diversified global credit solution.
- Despite its relatively short track record, since inception the fund has performed well versus its peers and the overall fixed income market.
- The co-PMs are experienced and are also well supported by a broad team of around 40 fixed income analysts.

Why this Fund? 3 Reasons:

10. No Structural Bias: The fund is designed to generate a consistent and sustainable distribution with no specific allocation bias. Credit Selection is a core part of both income and credit alpha
11. Themes Based Investing: The investment process is augmented by a themes-based approach, which invests along the lines of selected themes like consumer trends, technology, demographics. The secondary objective is to mitigate drawdown risks of the overall portfolio by aiming to identify and avoid sectors that tends to have high correlations in negative markets.
12. Income Target 4.5% p.a.: Fund aims to pay an income of 4.5% pa from the underlying bonds, with the target credit quality of the portfolio to be on average investment grade.



Source: DBS, Schroder since 30th June 2019

How is this fund positioned**?

- In terms of industry allocation, most of its current holdings remain in Financial (senior) and Industrial related names. They see current fundamentals as being supportive.
- A core part of the fund's strategy is to derive alpha from bottom up credit selection and avoiding any sector/region bias.
- The fund's regional allocation can be broken down into: UK – 17%, Emerging Markets – 15%, North America – 24%, Europe – 41%.
- In higher yielding bonds, they now have exposure well spread out across EUR, GBP, USD and Emerging Market issuances.

Some of the key investment themes**?

- Moderate USD Duration: The fund has currently a relatively low USD related duration, while overall fund duration is 4.4 years. This helps moderate the fund's sensitivity to US interest rates.
- Focus on Credit: Fund focuses on investing in credit names that have good fundamentals and valuations. There are also supportive tailwinds and balance sheet strengthening for many of the underlying credit names.
- Minimal Derivatives: Returns are mostly from credit related opportunities. Fund uses a low level of derivatives to generate income for clients. This helps to reduce potential complexities in investing into the fund.

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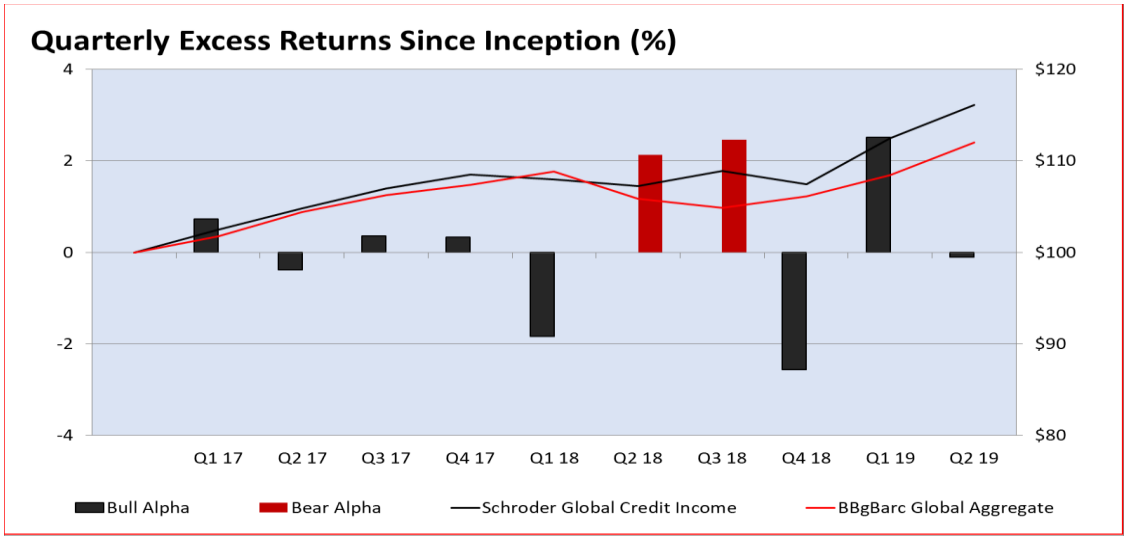
How has the fund Performed?

- Fund has seen good performance since inception mostly attributed to credit selection and active duration management. More impressive is the fund's relatively low volatility which results in an attractive risk-reward profile for clients

Performance as of June 30th, 2019 in US$	1M	3M	6M	1YR	SI^
Schroder ISF Glbl Crdt Inc (USD)	1.97	3.19	8.06	8.22	6.43
BBgBarc Global Aggregate	2.22	3.29	5.57	5.85	4.31

Source: Morningstar ^Since inception – November 2016



Source: Morningstar / DBS. As of June 30th, 2019

What are the Key Risks of this fund?

- Fixed-income securities are subject, among other things, to the risk of the issuer's or a guarantor's inability to meet principal and interest payments on its obligations as well as to price volatility.
- The Fund invests mainly in debt securities issued by government, government-related or corporate entities worldwide may use derivatives. Such securities and derivatives have historically been subject to price movements, generally due to interest rates, currency or bond markets.
- The fund is risk rated 3 on a 5-point scale. Risk rating 1-5 indicates the relative rating of potential loss; "1" being the lowest and "5" being the highest.
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Asian High Yield Bonds

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Overview

The high yield asset class rebounded in 2019 after the sharp drawdown in Q4 2018. While credit spreads have tightened significantly year-to-date, Asian high yield spreads still seems more attractive compared to developed markets. Under the expectations that defaults will remain subdued and corporate fundamentals will remain strong, Asian high yield looks very attractive due to its superior risk-reward profile. That said, this asset class comes with a higher risk and volatility which is why diversification is key and we recommend using a fund to get exposure to the asset class.

So, how can one participate in the Asian High Yield space?

Allianz Dynamic Asian High Yield ++++

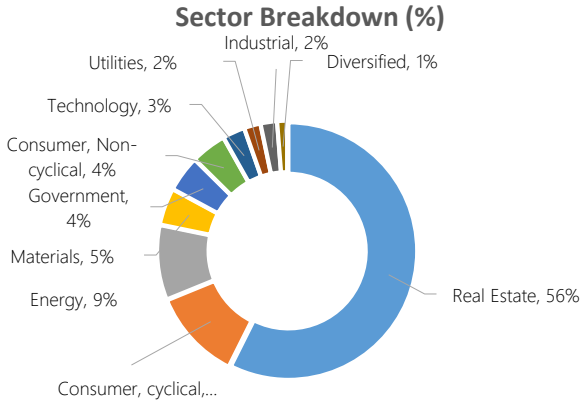
What are the Key Characteristics of this fund?

- Diversified portfolio of ~100 high yield bonds managed with a total return mindset.
- Manages downside risks actively and can hold up to 30% in cash and investment grade bonds in unfavorable markets.
- High active share, high portfolio turnover and high beta that may result in a higher volatility that has historically been compensated by higher return to generate a superior Sharpe.

Why this Fund? Three Reasons:

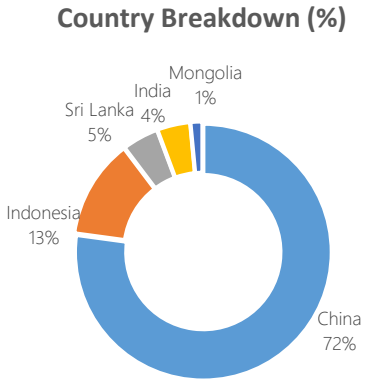
13. Stable & High Income: With a blended yield to maturity of c. 10%, the fund has been able to pay out high and consistent dividend historically.
14. Highly Diversified-Quality: Invests in more than a hundred holdings, the fund is highly diversified to minimize impact in case of defaults.
15. Strong investment team: Managed by a highly experienced PM and team that has been through different credit cycles, and a credit analyst team seeking to generate value by avoiding defaults.

How is this fund positioned**?



Source: Allianz as of 30th June 2019

- Focuses on 3 key areas to generate alpha, (1) Credit selection, (2) Short & Long-Term valuations (3) Technical which explains the higher turnover of the fund.
- O/W Real Estate (c. +8%): Half the portfolio is in this sector dominated by Chinese developers. Highest conviction holdings in well-run and robust names like China Evergrande and Shui On. Outside of China, fund holds Lodha (India).



Source: Allianz as of 30th June 2019

- Manager remains positive on China (c.72%) as there are positive signs of trade tension relief and the more accommodative policy stance. Exposure to Indonesia, the 2nd most important HY market in Asia has been slightly reduced given the negative headlines and risk off tone towards Indonesia high yield sector.

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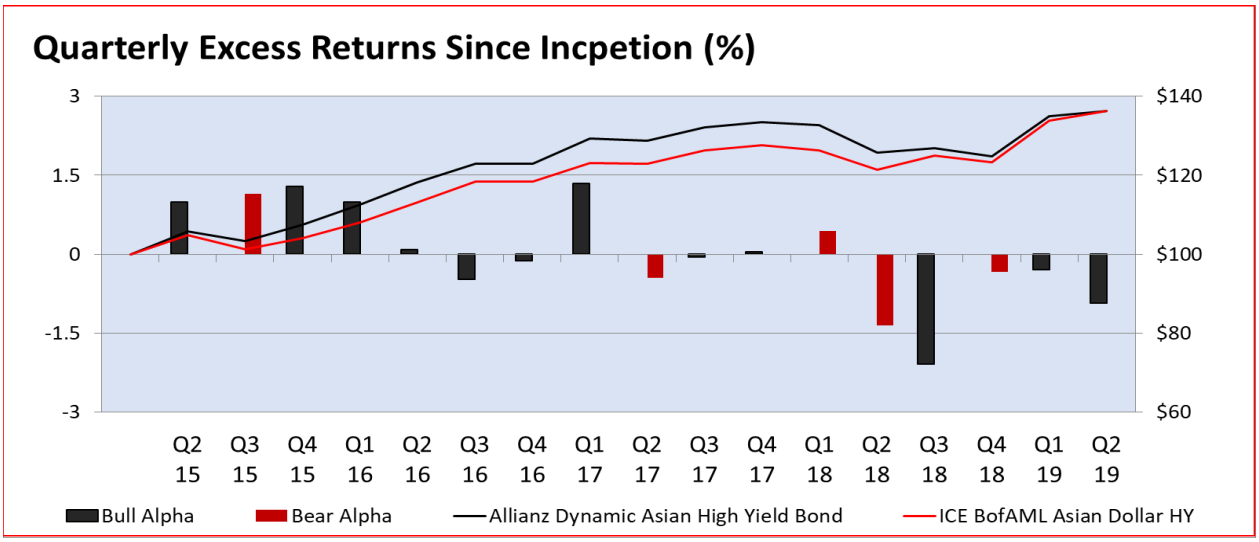
How has the fund Performed?

- Having just crossed its fourth anniversary, the fund has done relatively well, ahead of the index.
- With a higher beta, it is not surprising that the fund has drawn down more than peers in 2018 as credit spreads widened sharply. YTD, the fund had a good upside capture as Asian Credit recovers.

Performance as of 30th June 2019, in USD	1M	3M	6M	1Y	3Y^	SI*
Allianz Dynamic Asian High Yield Bond	1.15	0.97	9.25	8.35	4.87	6.49
ICE BofAML Asian Dollar HY	1.61	1.90	10.55	12.29	6.38	6.32

Source: Morningstar *Based on primary fund share class (Class W) incepted in Oct 2014 ^Annualized



Source: Morningstar / DBS. As of June 30th, 2019

What are the Key Risks of this fund?

- Portfolio invests mainly in non-investment grade assets that are subjected to credit risk and higher volatility. With some EM FX exposure, the fund is also susceptible to FX risk.
- The fund is risk rated 3 on a five-point scale. Risk rating 1-5 indicates the relative rating of potential loss; "1" being the lowest and "5" being the highest.
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DBS Fund Selection Proposition

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Conviction Level	Rating
Strong Positive	++++
Positive	+++
Neutral	++
Low Conviction	+

DBS

Fund Selection Team
Pierre DeGagné, CFA
Paul Zhuang, CFA
Kenneth Teow, CFA
Ting Hock Kiat, CFA

DBS Solutions Q3 2019: Fund Insights

Emerging Market Corporate Credits

Overview

On the fixed income front, considering the yield-spread compression in Developed Markets' (DM) corporate bonds, we adopt an overweight stance towards Emerging Markets (EM) corporate bonds which we view as a relatively attractive carry play.

After a challenging 2018, 2019 has shown signs of improving investor appetite (fund flows). These, coupled with a dovish US interest rate policy, should provide the asset class with medium-term tailwinds.

How can one get instant, diversified exposure to this asset class?

Goldman Sachs EM Corporate Bond Portfolio

++++

What are the Key Characteristics of this fund?

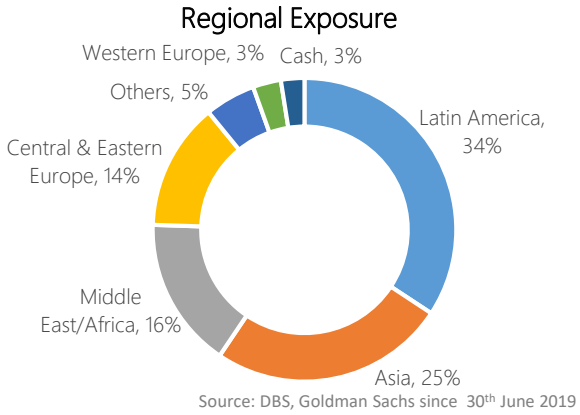
- An actively managed, well-diversified EM debt fund (holds around 250 holdings).
- Goldman's relative-value approach focuses on risk-adjusted returns and generally avoids large directional bets.
- Predominantly invested in hard currency corporate debt (c.70%), with some leeway to get exposure to sovereign/quasi-sovereign and local papers.
- The fund pays roughly 4.5-5% distributions per annum (monthly share classes are available).

Why this Fund? 3 Reasons:

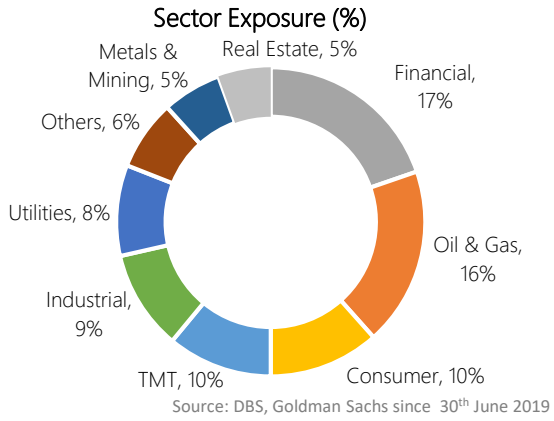
16. Goldman Core Competency: EM debt represents a core competency of the firm. Since its launch in 2011, the fund has returned 5.4% per annum (p.a.) (as of end June 2019), moderately ahead of the reference index.
17. The People: The lead portfolio managers (PMs) have over 20 years of average experience and many of them have been with the firm since the EM fixed income team was established.
18. The Process: Goldman employs strong emphasis on managing risk (and avoiding defaults) and adherence to liquidity management.

How is this fund positioned**?

- Well-diversified with over 250 holdings, across issuers, countries, and regions.
- Latin America is a key focus, where they are overweight relative to the index (+7%). This is compensated for by a large Asia underweight.



- Key overweight sector exposures are in Oil & Gas, Consumer and Industrials.



- Portfolio Make-up: The fund currently invests ~70% in hard currency corporates, ~21% in hard currency sovereigns/quasi-sovereigns, and <1% to local debt. Cash is ~3%
- Quality: The fund's average credit rating (excluding cash) is BB+, relative to the index's BBB-. Overall, the fund overweights Bs & BBs. Currently split around 50% high yield / non-rated and 50% Investment-grade.
- Yield-to-worst of the fund is 5.3% (index is 4.9%), while duration is 4.6 years (index 4.5 years).

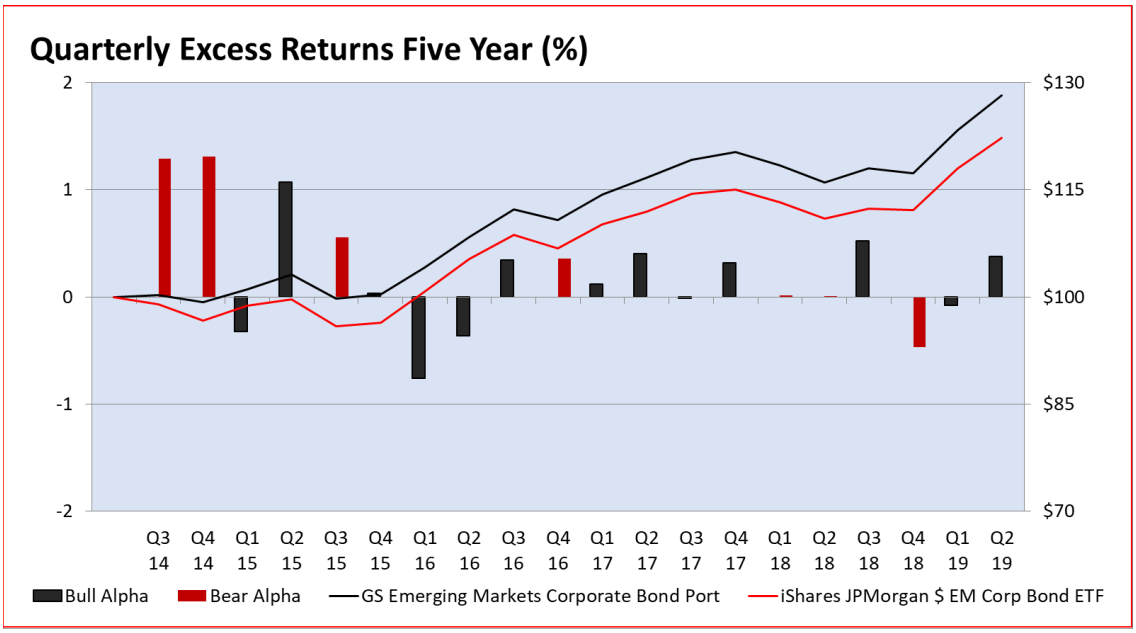
** Funds are actively managed, positions may change.

How has the fund Performed?

For comparison, the iShares USD EM Corporate Bond UCITS ETF better reflects associated transaction costs of investing in EM debt. Since had a modest decline but has recovered strongly year-to-date.

Performance as of June 30th, 2019 in US$	1M	3M	6M	1YR	3YR^	5YR^
GS Emerging Markets Corporate Bond Port	2.36	3.95	9.33	10.53	5.76	5.10
JPM CEMBI Broad Diversified	2.20	3.50	8.83	10.21	5.54	4.84
iShares JPMorgan $ EM Corp Bond ETF	2.38	3.57	9.01	10.17	5.10	4.10

Source: Morningstar ^Annualized



Source: Morningstar **Bull Alpha is the added value in quarters where the market rises; Bear Alpha is the added value in quarters where the market falls.

What are some Key Risks of this fund?

- While historically less correlated with traditional asset classes (diversification), EM debt can be volatile in times of stress or when idiosyncratic factors come into play (political instability etc.). Foreign exchange swings also can bring about marked downside risks.
- The fund is risk rated 3 on a five-point scale. Risk rating 1-5 indicates the relative rating of potential loss; "1" being the lowest and "5" being the highest.
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DBS Solutions Q3 2019: Fund Insights

Global Equity Strategy

Overview

For investors with a long-term investment horizon, studies have shown that investing in equities can provide higher returns. To have a better chance of achieving this, it is important to employ an asset manager that has the same long-term mindset and is adept at researching and finding global quality companies that can grow their earnings well over time. Such a strategy is in our opinion one of the best ways to achieve superior returns from equity markets in the long run.

So, what would be one of our top convictions within the global equity funds space?

BNY Mellon Long Term Global Equity ++++

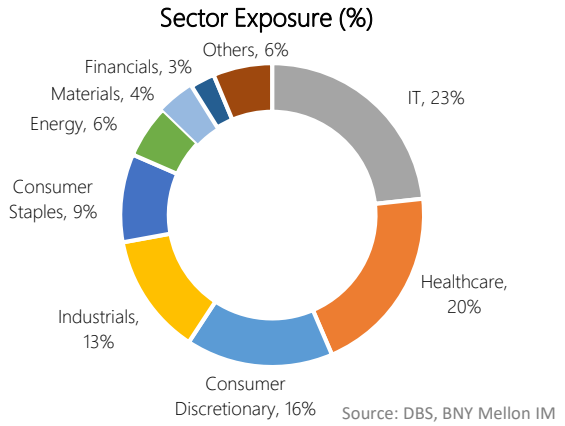
What are the Key Characteristics of this fund?

- The "buy and hold" Fund is focused on patient, bottom-up stock picking. Analysts spend months researching targets. Turnover is very low, with key holdings held for over a decade.
- The team is large and very stable. There is a heavy emphasis on team decisioning. Investment decisions are unanimous and coordinated by the two co-Heads.
- Due to the team's choice to eschew Financials (near zero-weight), in periods where Financials outperform, returns from this sector may lag.

Why this Fund? 3 Reasons:

19. Tradition in Equity Investing: Fund is sub-advised by Walter Scott, one of 13 affiliate/boutique firms under the BNY Mellon Investment Management umbrella. Given the long-term philosophy, the managers apply quality, bottom-up research.
20. Emphasis on Stock Selection: They approach stock selection by dwelling deeper into areas of specific interests. These areas include factors like the company's profitability and management.
21. Consistent Performance: The team aims to have a consistent performance over the longer term, instead of focusing on high growth opportunities. This helps the fund to achieve both a good upside and downside capture over time.

How is this fund positioned**?



- The largest sector allocations are to IT, Healthcare and Consumer Discretionary stocks.
- Amongst the core holdings are software firms (SAP, Adobe), financial service providers (Mastercard) and IT conglomerates (Microsoft).
- Due to the defensive attributes, Healthcare stocks tend to feature in the portfolio – notable names are Novartis and Johnson & Johnson.
- Consumer Discretionary also features prominently – a range of quality businesses that effectively taps into global consumer demand.
- The Fund continues to structurally underweight financials, only having AIA as the sole holding.

Some of the key fund attributes**?

- Best in Class Companies: Extensive research is done on prospective companies to identify winners with pricing power, barriers to entry, competitive advantage.
- Focus on Quality Earnings: The team seeks to invest in companies with sustainable return structure, healthy margins and debt, as well as reasonable valuations ("Growth at Reasonable Price").
- Lower downside participation: Because of the way investments are selected (quality), the fund tends to drawdown less in down-markets. The fund's current sector in overweight IT and Healthcare, are aligned with DBS CIO's sector allocation views. It also gels with the advocated barbell approach: investing in growth sectors (IT, Consumer) while balancing with defensive sectors such as Healthcare.

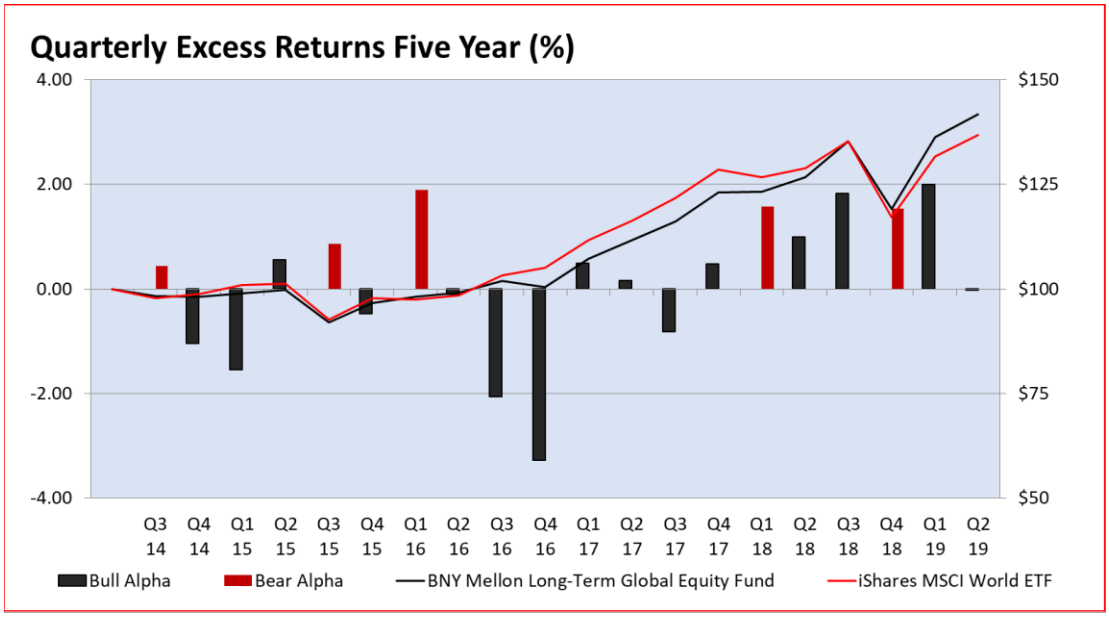
**Funds are actively managed, positions may change.

How has the fund Performed?

- The fund has consistently performed well and has shown to have a good track record outperforming its benchmark over most periods.

Performance as of June 30th, 2019 in US$	1M	3M	6M	1YR	3YR^	5YR^
BNY Mellon Long-Term Global Equity Fund	7.07	3.94	18.93	11.86	12.65	7.22
iShares MSCI World ETF	6.57	3.97	16.88	6.17	11.60	6.47

Source: Morningstar ^Annualized



Source: Morningstar / DBS. As of June 30th, 2019

What are the Key Risks of this fund?

- The portfolio manager has discretion to invest in Emerging Market Equities. These have higher potential risks compared to investing in Developed Market Equities.
- The fund is risk rated 4 on a 5-point scale. Risk rating 1-5 indicates the relative rating of potential loss; "1" being the lowest and "5" being the highest.
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DBS Solutions Q3 2019: Fund Insights

Global Equities

Overview

We favour equities but know that investors are risk adverse. That is one reason why a lower-volatility equity portfolio may be useful. We have also seen that historically, low-volatility equity investing can help to improve investors' risk-adjusted returns over time. Our preferred expression of that would be to focus on high-quality companies with low share-price volatility. Factors that would be important to consider are companies that possess a proven business model, high return on invested capital, low earnings variability, and low financial leverage.

So, what would be one of our top convictions in the Global Equity space?

AB Low Volatility Equity Portfolio ++++

What are the Key Characteristics of this fund?

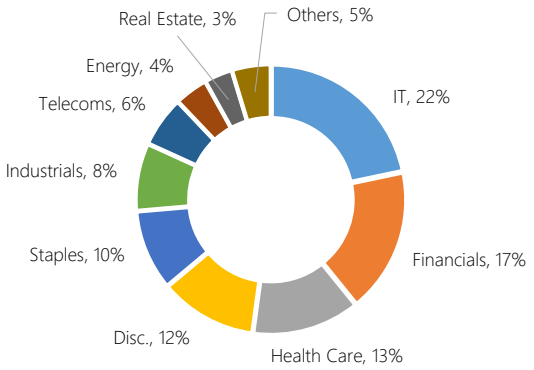
- The fund focuses on quality businesses with significant moats. They tend to experience more sustainable cashflows and lower volatility.
- Managed by a two-PM team, who on average have an extensive investment experience that exceeds 25 years.
- Due to its quality positioning, we expect this fund to be resilient in times of market volatility while still performing well in a rising market.

Why this Fund? Three Reasons:

22. High-Quality, Low-Volatility Strategy: Paying the right price for quality companies with stable cashflows can help reduce volatility. This strategy can also enhance risk-adjusted returns over time.
23. High Active Share and Conviction Portfolio: The Fund has around 90 names currently with the top 10 mostly focused on high-quality names in the Health Care and Information Technology (IT) sectors. Active share is also high, at around 80%.
24. Better Downside Protection: The fund targets a downside capture of 70% and an upside capture of 90%. This helps protect against down markets but also allows active participation in up markets.

How is this fund positioned**?

Sector Breakdown (%)



Source: DBS, Alliance Bernstein since 30th June 2019

- The highest conviction sectors remain in IT, Consumer Disc. Financials and Health Care.
- In IT, they continue to like names such as Oracle, Microsoft, and Apple. These are companies which have experienced strong growth rates with solid earnings and cashflows.
- They have meaningful allocation in Consumer stocks like Ross Stores, a leading off-price retailer and Dollar General, a defensive name.
- In Health Care, they continue to hold innovative Pharmaceuticals (Roche and Merck) and Integrated Health Care names like United Health and Anthem. These companies have deeply entrenched insurance businesses, strong global customer retention and resilient business models.

Some of the key investment themes**?

- Resilience and Business Moats: Focus on stocks with strong franchises, good cashflows, and good margins of safety on the downside. These help to lower downside risks over time.
- Increasing Defensiveness: The fund has tilted to a more defensive stance by reducing Technology and adding to Consumer names. In an economic environment that is increasingly uncertain, there is added value in staying invested and being in lower-volatility strategies.
- Well Positioned to Weather Trade Wars: Although overweight Technology, the fund pursues opportunities that are less directly exposed to trade wars (selective on software, services names).

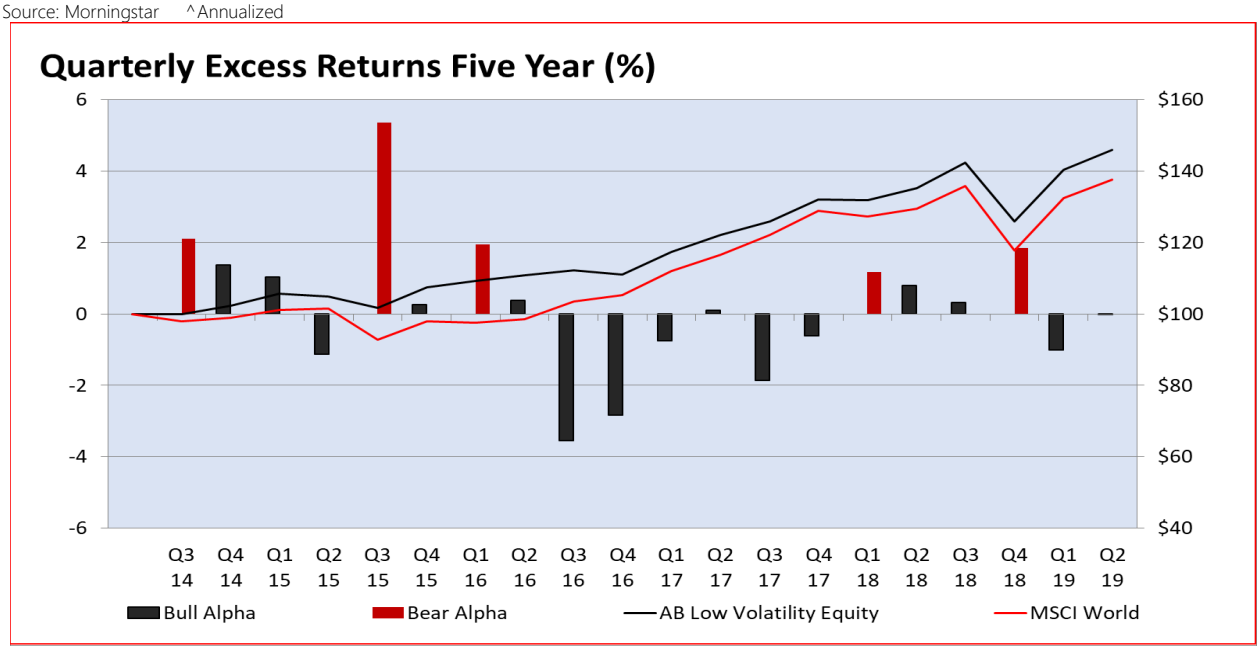
**Funds are actively managed, positions may change.

How has the fund Performed?

- When measured over the long term, the fund has delivered strong equity performance and offers potential buffer against volatility given its bias towards solid, cashflow generating companies.

Performance as of June 30th, 2019 in US$	1M	3M	6M	1YR	3YR^	5YR^
AB Low Volatility Equity Port	4.26	3.99	15.92	7.95	9.63	7.85
MSCI World	6.59	4.00	16.98	6.33	11.77	6.60

Source: Morningstar ^Annualized



Source: Morningstar / DBS. As of June 30th 2019

What are the Key Risks of this fund?

- The Portfolio will predominantly invest in equity securities of companies in Developed Markets. However, it is not restricted from purchasing equity securities in any country, including in Emerging Markets. The fund may thus experience the associated equity investment risks.
- The fund is risk rated 4 on a five-point scale. Risk rating 1-5 indicates the relative rating of potential loss; "1" being the lowest and "5" being the highest.
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Positive	+++
Neutral	++
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DBS Solutions Q3 2019: Fund Insights

Healthcare Sector Equities

Fund Selection Team
Pierre DeGagné, CFA
Paul Zhuang, CFA
Kenneth Teow, CFA
Ting Hock Kiat, CFA

Overview

Healthcare is essentially a play on demographics. According to the United Nations, the global population that are aged 60 and above is expected to surge to 2.1 billion by year 2050 – more than double the current size. This aging population underpins the longer-term need for sustained healthcare expenditure and explains the stable earnings we have seen from the healthcare sector through market cycles. As the sector may experience volatility from headline news ranging from drug pricing to the currently debated Medicare-for-all, we recommend using a diversified fund to get access to this very specialized sector.

In the healthcare space, we prefer the fund from Janus Henderson Investors to stay engaged.

Janus Henderson Global Life Sciences ++++

What are the Key Characteristics of this fund?

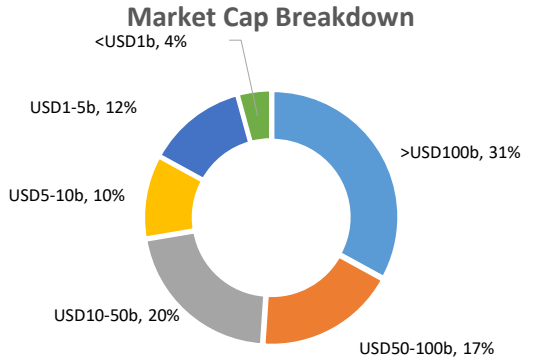
- Active, diversified portfolio of 99 names across four subsectors: biotech, pharmaceuticals, healthcare services and medical devices and technology
- Stock selection is categorized into 3 buckets, namely, core growth, emerging growth and opportunistic buckets. A value at risk approach is used to size the position of each holdings.
- Systematic sell discipline to remove emotional bias when selling out on stock ideas.

Why this Fund? 3 Reasons:

25. The Team: PM Andy Acker has been managing the fund since 2007 through difficult times in a full market cycle. He is supported by a large team of 5 dedicated analysts to uncover best ideas
26. Diversified Access to Healthcare: The Fund takes a diversified approach, investing across sub-sectors, market cap and business models.
27. Time-Tested: Since the PM's inception the fund has consistently outperformed its peers and benchmark as the Fund find growth in the sector

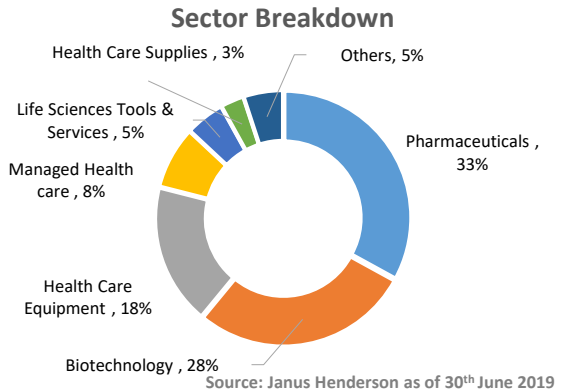
How is this fund positioned**?

- With 99 holdings, fund is highly diversified with majority of exposure in core large cap names with opportunistic exposure to mid-smaller cap, emerging growth names.



Source: Janus Henderson as of 30th June 2019

- Fund is mainly invested in developed countries such as the US and Europe with smaller exposure to Asia.



Source: Janus Henderson as of 30th June 2019

- Overweight biotech due to the growth potential and attractive valuations. The Fund sees more potential in small and midcap biotech companies where pace of innovation is accelerating.
- Underweight pharmaceuticals but still hold significant exposure where the fund sees a significant opportunity for pipeline to deliver on the commercial side
- Neutral Healthcare services but holds managed care companies as the Fund believes the sell-off is overdone.

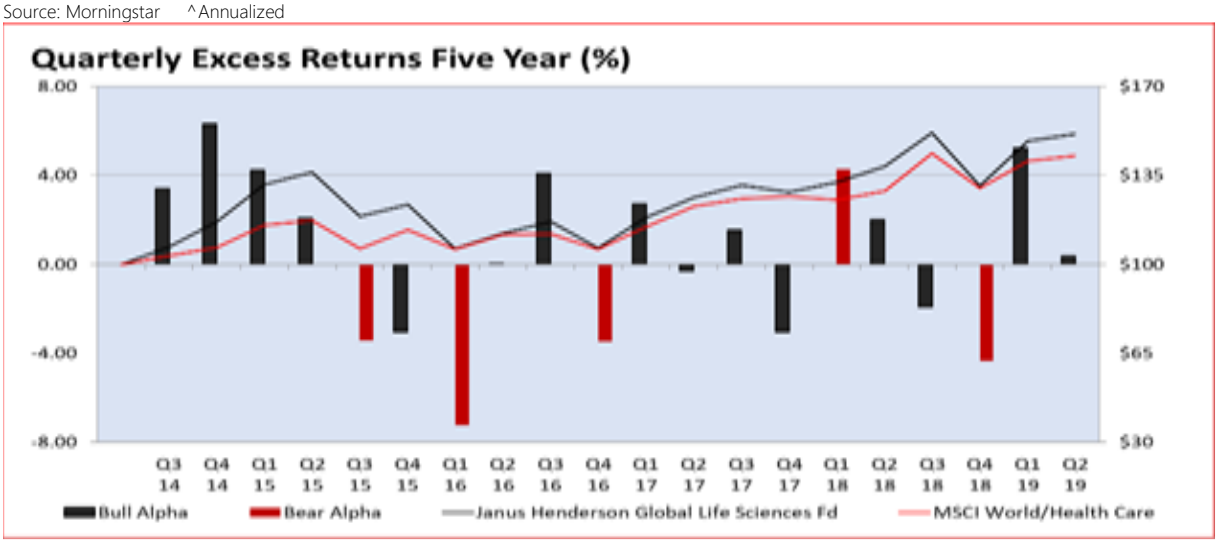
**Funds are actively managed, positions may change.

How has the fund Performed?

- Consistent performer despite their overweight to biotech which is more volatile relative to other sub-sectors. Strong in stock selection with robust risk control, fund should continue to do well.

Performance as of June 30th, 2019 in US$	1M	3M	6M	1YR	3YR^	5YR^
Janus Henderson Global Life Sciences	8.60	1.88	15.50	9.10	10.49	8.62
MSCI World Healthcare	6.75	1.50	9.76	10.84	8.48	7.38

Source: Morningstar ^Annualized



Source: Morningstar / DBS. As of June 30th, 2019

What are the Key Risks of this fund?

- Concentration Risk: Investing in a single sector results in a relatively higher volatility of a fund. Smaller, single pipeline pharmaceutical and biotech companies can be particularly volatile.
- Clinical Trials Risk: Unexpected outcome affects price largely, therefore product development monitoring and close contact with management is crucial.
- The fund is risk rated 4 on a 5-point scale. Risk rating 1-5 indicates the relative rating of potential loss; "1" being the lowest and "5" being the highest.
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Low Conviction	+

DBS Solutions Q3 2019: Fund Insights

Sector Asia Pacific REITs

Fund Selection Team
Pierre DeGagné, CFA
Paul Zhuang, CFA
Kenneth Teow, CFA
Ting Hock Kiat, CFA

Overview

This is a quality offering for clients who are looking to access the Asia Pacific ex-Japan property market for both income and potential upside opportunities. REITs allow investors the opportunity to obtain regular cash flows from a wide range of properties such as malls, offices, hotels or serviced apartments, managed by professionals. On top of income, exposure to real estate-related equities also allows for potential capital appreciation. The asset class offers diversification and inflation hedging characteristics while also being able exhibit defensiveness as the interest rate environment turns more benign.

Manulife Asia Pacific REIT Fund ++++

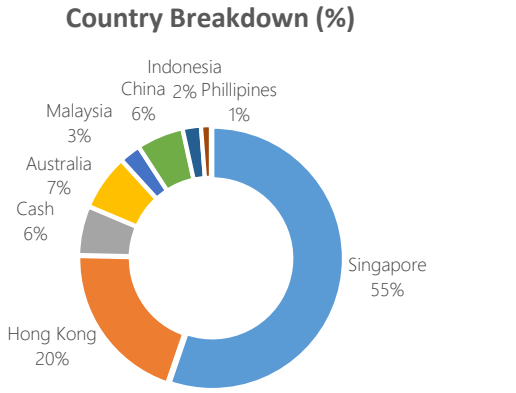
What are the Key Characteristics of this Fund?

28. The fund will invest >70% of its net assets in Asian REITs to generate sustainable income.
29. The rest can be invested in real estate-related equities (e.g. property developers) that offer exposure to commercial and residential spaces. This provides both income and potential price upside.
30. Key markets: Singapore, Hong Kong and Australia.
31. Despite the fund having a short track record, the co-PMs are experienced and today manage a separate pure-REIT offering.

Why this Fund? Three Reasons:

1. Access to diversified and high-quality property portfolios: Asia Pacific offers a diverse mix of high-quality retail and commercial assets. This provides opportunities for income and capital appreciation.
2. Defensiveness in dovish rate environment: In periods of benign interest rate trajectories, REITS may exhibit defensiveness by virtue of investors' continued need for income/yield.
3. Sustainable Dividend Yield: Fund aims to invest in quality asset managers with diversified portfolios and strong balance sheets. This increases the potential to obtain good and sustainable dividend yields from high quality companies.

How is this fund positioned*?



Source: Manulife since 30th June 2019

- Industry allocation: Fund has a sizable allocation to Retail REITs. In Singapore, their focus is on larger mall operators that draw strong traffic.
- They similarly like Office REITs, where they expect supply to moderate in both the Singaporean and Australian markets and rental revisions to continue. In Industrial REITs, they see continued strength in business parks.
- Country allocation: Singapore, Hong Kong and Australia are expected to dominate the portfolio make-up. The current allocation is preliminary and expected to shift moderately as fund assets grows.

Some of the key investment themes**?

- Relative Income Attractiveness: Dividend yielding Equities like REITs are looking increasingly attractive as global government bond yields head into negative territory. The income that is generated from REITs has shown to be resilient and attractive over time.
- REITs Increasingly Relevant: REITs are becoming an increasingly important component of Asia's stock markets. S-REITs account for around 10% of the Singapore Exchange's market capitalisation.
- Global Exposure: Although the REITs and Property developer names in the fund are mostly listed in Asia, they own diversified property portfolios that span outside of their home countries, especially in Asia. This gives investors a regional and global exposure to REITs and Real Estate developers.

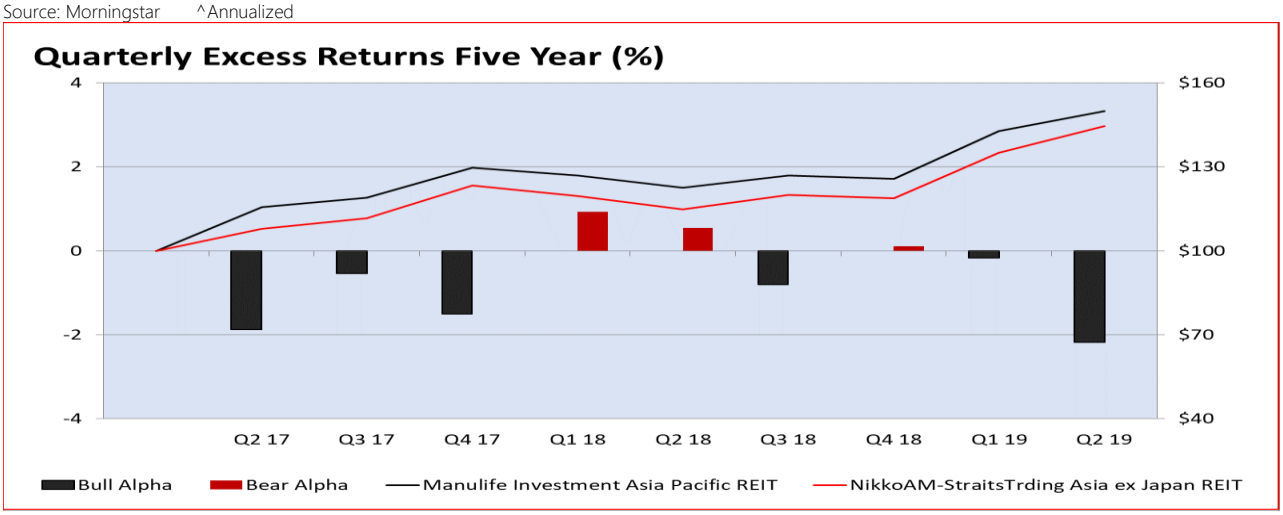
*Funds are actively managed, positions may change.

How has the fund Performed?

- The fund has done well over the last 1 year. However, it slightly detracted from the benchmark due to its property developer exposures which saw some detraction in performance.

Performance as of June 30th, 2019 in US$	1M	3M	6M	1YR	3YR^	5YR^
Manulife Investment Asia Pacific REIT	6.51	4.89	19.12	22.28	11.22	8.43
NikkoAM-StraitsTrding Asia ex Japan REIT	8.07	7.07	21.77	25.85	-	-

Source: Morningstar ^Annualized



Source: Morningstar / DBS. As of June 30th, 2019

What are some Key Risks of this fund?

- The strategy may invest in securities of REITs, real estate companies and other entities affected by the risks associated with the direct ownership of real estate. The major risks can be attributed to a decline in real estate values, the possibility that the owners of real estate could default on mortgage payments resulting in the loss of property and environmental liability and rise of interest rates.
- The fund is risk rated 4 on a 5-point scale. Risk rating 1-5 indicates the relative rating of potential loss; "1" being the lowest and "5" being the highest.
- For a comprehensive list of the fund's risks, please consult your RM or the fund's prospectus.

DBS Fund Selection Proposition

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DBS Fund Selection Team (FST) is a dedicated group of professionals, committed to identifying high quality mutual funds which the team believes can add value for our clients. With over 300 funds under coverage, the team meets the managers, writes an assessment of the fund and assigns a conviction rating to each. This is followed by on-going monitoring of the performance of the fund. The DBS FST Fund Rating encapsulates a qualitative assessment of the fund's competitive advantage relative to its peers.

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Conviction Level	Rating
Strong Positive	++++
Positive	+++
Neutral	++
Low Conviction	+

DBS

Fund Selection Team
Pierre DeGagné, CFA
Paul Zhuang, CFA
Kenneth Teow, CFA
Ting Hock Kiat, CFA

DBS Solutions Q3 2019: Fund Insights

China Equities

Overview

Since end of last year, the Chinese government has introduced many policy stimuli including cuts in the reserve requirement ratio (RRR) and taxes on personal items. These have provided support to the economy, especially on domestic activities and we have since observed early signs of rebound. However, the bank's view is the US-China trade conflict will continue to linger and may even spread to technology and data security. A fund focusing on domestic consumption may be a better way to participate in the market.

UBS China Opportunity ++++

What are the Key Characteristics of this Fund?

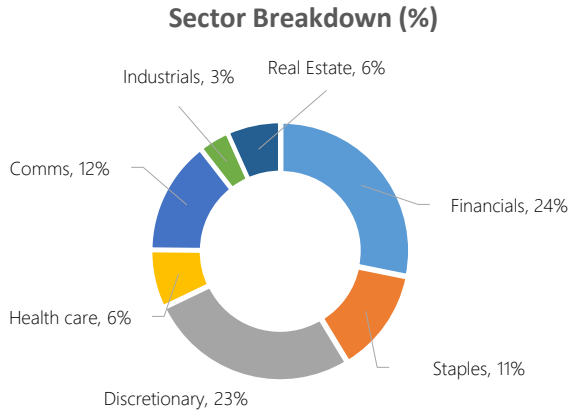
1. Portfolio of c.60 conviction ideas of Chinese companies mainly listed in HK and US. Top 10 names account for more than 50% of the portfolio.
2. Strong bias to "New China" sectors (Consumer, IT, Healthcare) which are set to benefit from China's reform. Small exposure to Material, Industrial & Energy (predominantly state-owned) because management interests are often misaligned with that of shareholders.
3. Stock selection heavily depends on bottom-up research, which allows the team to discover quality off-benchmark or mid-small cap names.

Why this Fund? Three Reasons:

1. Credible team: Veteran PM Bin Shi is is supported by a resourceful team of analysts based in Hong Kong and Shanghai as well as a team from an onshore joint venture.
2. Process: Low turnover portfolio is constructed through detailed fundamental research and generates alpha through its high active share.
3. Stellar performance: The fund is a consistent alpha generator while maintaining volatility at a moderate level. In the recent market sell-off, PM nimbly added cash to give the fund some buffer while waiting for buy-on-dip opportunities.

How is this fund positioned*?

- Heavily concentrated in the top 10 conviction ideas, complimented with notable tail of smaller holdings with less than 100 bps.
- New China sectors (Consumer, Online Media & Healthcare) add up to over 50% of the portfolio. Outside these sectors, Financials has the largest position with a flavor in insurance and wealth management leaders.
- Flexible use of cash: Around 12% of the portfolio is sitting in cash so this can be used as protection while the PM waits for buy-on-dip opportunity in the next round of market correction.



Source: DBS, UBS since 30th June 2019

Some key investment themes?

We observe the following Key Themes:

- Growth in internet penetration: e-Commerce players like Alibaba and social media leaders like Tencent still has room to grow.
- Aging population: Health service penetration is still low for the aging and wealthier population in China, benefiting pharmaceuticals focusing on R&D and insurance leaders.
- Up and coming industry leaders: Identifying gems which will grow into future leaders is one of the team's strengths. Example includes TAL Education which used to be a mid-cap holding.

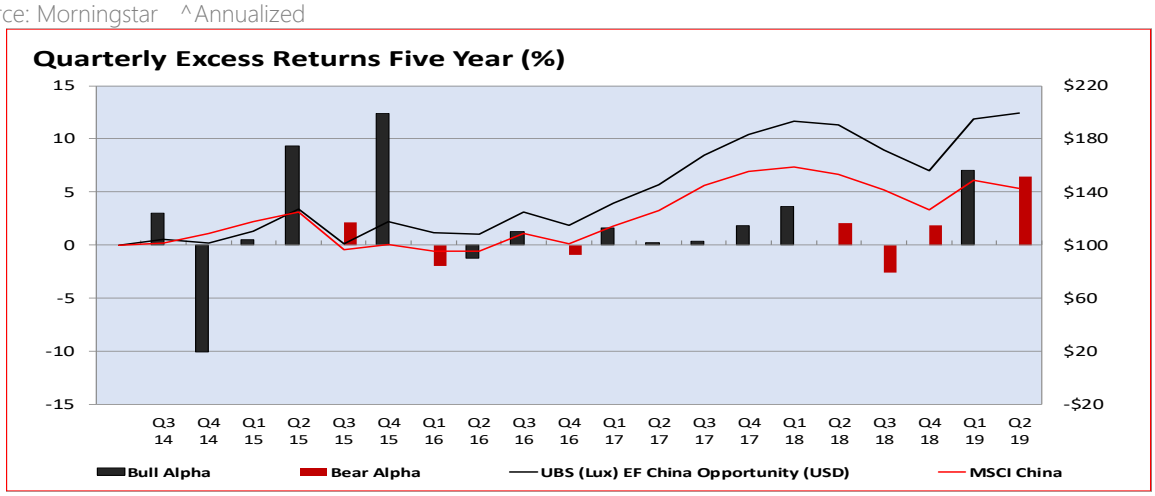
*Funds are actively managed, positions may change.

How has the fund Performed?

- Consistent alpha generator in both short & long term. Very strong YTD performance driven by sharp rebound from secular growth stocks and protection from cash holdings in May.

Performance as of 30th June 2019, in USD	1M	3M	6M	1Y	3Y^	5Y^
UBS (Lux) EF China Opportunity (USD)	8.04	2.43	27.73	4.66	22.57	14.81
MSCI China	8.03	-4.02	12.97	-6.73	14.34	7.37

Source: Morningstar ^Annualized



Source: Morningstar/ DBS. As of June 30th, 2019

What are some Key Risks of this fund?

- Investing primarily in a single country, the fund is subjected to higher concentration risks.
- The portfolio may be periodically rebalanced and may incur greater transaction costs than a fund employing a buy-and-hold allocation strategy.
- The fund may hold assets that are not denominated in its base currency (HKD). Currency fluctuation may potentially result in losses. In particular, the fund invests in RMB assets. RMB is currently not freely convertible and is subject to exchange controls by the Chinese government.
- The fund is risk rated 4 on a 5-point scale. Risk rating 1-5 indicates the relative rating of potential loss; "1" being the lowest and "5" being the highest.
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Conviction Level	Rating
Strong Positive	++++
Positive	+++
Neutral	++
Low Conviction	+

Fund Selection Team
Pierre DeGagné, CFA
Paul Zhuang, CFA
Kenneth Teow, CFA
Ting Hock Kiat, CFA

DBS Solutions Q3 2019: Fund Insights

Alternatives: Gold Equities

Overview

While DBS has a constructive view on global growth in 2019, we have a keen eye out for potential assets that could cheaply provide a hedge in portfolios against unforeseen bumps in the road. Precious Metal Equities are such assets.

During down markets, Gold & Silver may have some protective characteristics. Precious Metal related assets can provide diversification and an inflation hedge. This makes Gold Miners a potentially good portfolio diversifier. With Gold Miners having underperformed Bullion over the past cycle, we feel the asset class offers meaningful hedging characteristics with potentially rewarding returns.

So what is a simple and diversified approach to obtain a broad exposure to Gold Equities?

Investec GSF Global Gold Fund ++++

What are the Key Characteristics of this fund?

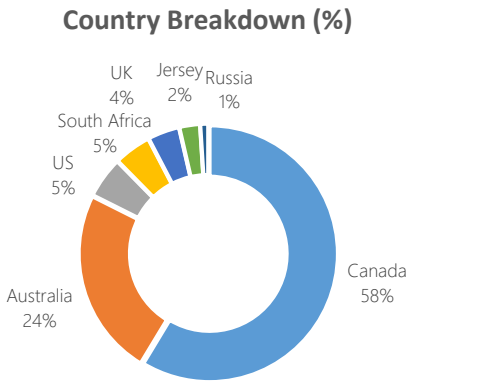
- This strategy invests in Gold Mining Stocks, with up to a third of the fund invested in other precious metals miners and Exchange Traded Commodity funds in Gold and Silver bullion.
- Concentrated fund with roughly 30 positions.
- They consider medium term commodity prices and the company's ability to generate superior Return on Capital when selecting securities.

Why this Fund? 3 Reasons:

32. Portfolio diversifier: Historically, gold price is positively correlated to US inflation and tends to perform in periods of sustained volatility. If global growth weakens, there may be upside in the gold.
33. Experienced PM with specialized team: Investec is a leader in the space. Veteran George Cheveley manages the fund supported by 2 analysts, both with significant industry experience.
34. Actively managed: The team actively adjusts the portfolio: anticipating down markets, they will try and allocate more to royalty streamers and larger caps. With a bullish view they will favour higher beta junior miners which are more sensitive to rises in Gold prices.

How is this fund positioned**?

- Majority of the fund is in gold miners (c.95%), with some tactical positions in other precious metals (e.g. silver/ platinum) miners and Exchange Traded Commodity funds.
- Region wise, a significant proportion is in N. American (c.63%), with the remaining in Australian (c.24%) and South African (c.5%) miners. AngloGold is a non-American example in the top holdings.



Source: DBS, Investec - 30th June 2019

- With a manageable fund size of around $600mn, the PM can flexibly allocate across the the market cap, depending on where the best opportunities lie, including smaller cap juniors.

Some of the key investment themes**?

- The Majors: Currently, major benchmark constituents like Barrick, Newmont Goldcorp, Agnico, and Newcrest make up about one-third of the portfolio. These companies can benefit from economies of scale as gold prices rise, while being cushioned in down-turns.
- The Juniors: There is roughly another third in smaller caps below US$3bn in market cap, mostly smaller operating miners and many of which operates in developing jurisdictions. These companies are very sensitive to a rising gold prices and may become targets for acquisition if gold continues to rise.
- Overall Bullish: Currently the manager is quite bullish on the segment. There is minimal exposure in royalty companies, but historically this has gone to as high as c.10%-15% when the PM wishes to take on a more defensive portfolio.

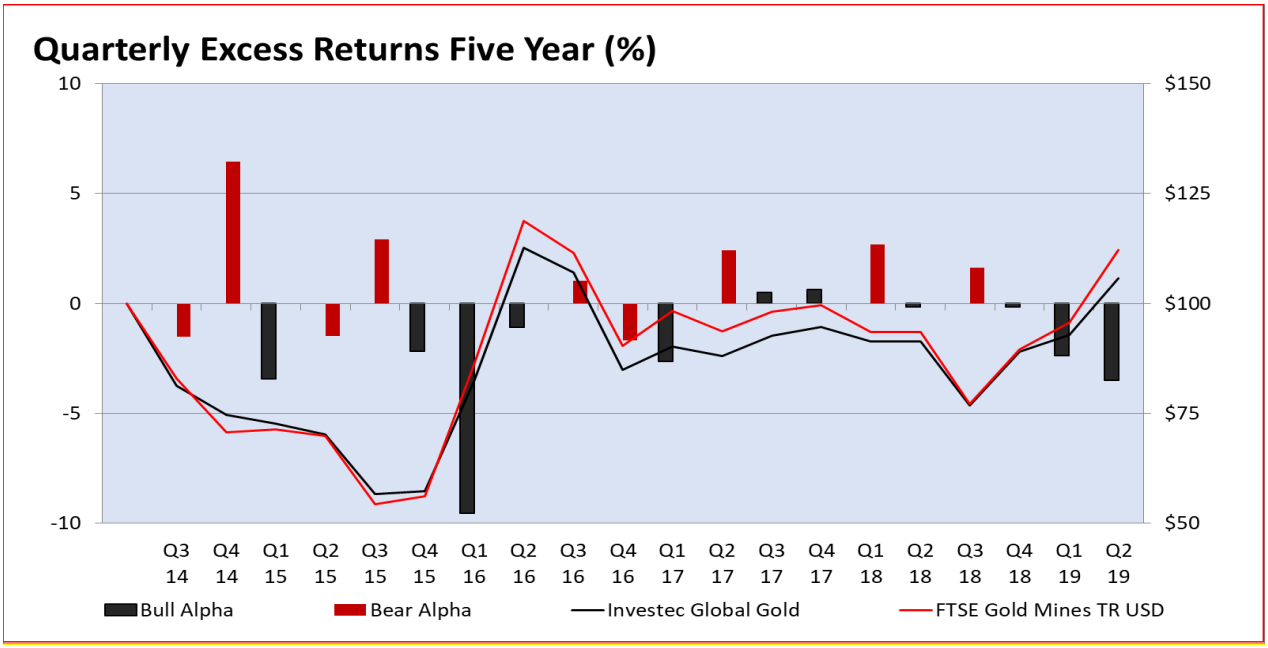
** Funds are actively managed, positions may change.

How has the fund Performed?

Over the longer term, the fund has performed in line with benchmark with less volatility. This year they have lagged the bullish market. If markets become more volatile we feel the fund should outperform.

Performance as of June 30th, 2019 - US$	1M	3M	6M	1YR	3YR^	5YR^
Investec GSF Glb Gold A Acc USD	17.71	13.85	18.80	15.83	-2.09	1.12
FTSE Gold Mines TR USD	21.42	17.36	25.27	19.94	-1.87	2.32

Source: Morningstar ^Annualized



Source: Morningstar **Bull Alpha is the added value in quarters where the market rises; Bear Alpha is the added value in quarters where the market falls.

What are some Key Risks of this fund?

- Investing primarily in a single sector, the fund is subjected to higher concentration risks.
- Commodity Equities have been a historically volatile asset class, mostly more volatile than their underlying commodities and less beneficial as diversifiers.
- The fund is risk rated 5 on a five-point scale. Risk rating 1-5 indicates the relative rating of potential loss; "1" being the lowest and "5" being the highest.
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Conviction Level	Rating
Strong Positive	++++
Positive	+++
Neutral	++
Low Conviction	+

DBS Solutions Q3 2019: Fund Insights

Alternatives – Multi-Strategy

Fund Selection Team
Pierre DeGagné, CFA
Paul Zhuang, CFA
Kenneth Teow, CFA
Ting Hock Kiat, CFA

Overview

In recent periods, market participants experienced heightened volatility as the US markets entered correction territories despite continued corporate earnings strength and solid business activities. Amidst an uncertain geopolitical and policy backdrop, the attractiveness of hedge fund-like strategies increases.

In times of uncertainty and during past crises, as dispersion between winners and losers occur, alternative investments, which often seeks to provide uncorrelated returns, have historically outperformed equity markets.

Given the broad range of alternative strategies, how can investors make their first foray into the asset class?

Franklin K2 Alternative Strategies Fund ++++

What are the Key Characteristics of this Fund?

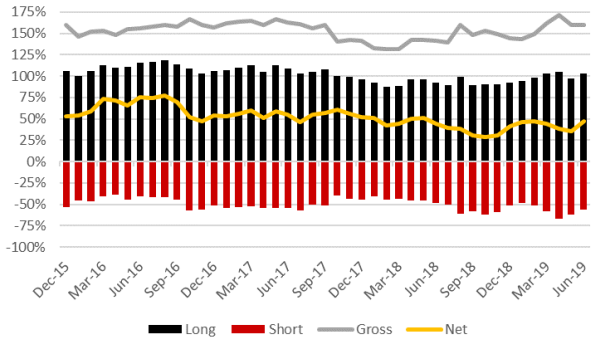
- Portfolio of well-diversified hedge fund strategies belonging to 4 key liquid strategies: Long/ Short, Relative Value, Event-Driven and Global Macro.
- Net Exposure and strategy allocation is flexible/actively managed with a net long bias (fund is positioned conservative now).
- Daily dealing fund structured without burdensome performance fees.
- Investors' assets are held in segregated carve-out accounts separate from the assets of the respective hedge funds.

Why this Fund? Three Reasons:

35. The People: Managed by K2 Advisors, a pure hedge fund boutique manager with 25 years of track record and a stable, well-resourced team.
36. The Track Record: Since inception in 2014, the strategy has consistently managed to out-perform the HFRX Global Hedge Fund index by c.4.2% annualized (as of end June 2019).
37. Diversification Benefits: The fund targets to maintain low pairwise strategy correlations which should provide good diversification benefits in portfolios.

How is this fund positioned**?

- With c.47% net exposure the fund is now at the lower part of historical range (typically 50-60%).
- Gross exposure is 159% (c.103% long, 56% short).



Source: Franklin/K2 Historical Strategy Exposure

- Predominantly allocates to US and Europe-based managers.
- What are the key strategy allocations**?

(please refer to latest factsheet for underlying manager composition)

The fund uses 4 main allocation buckets that have a good liquidity profile:

- Long/Short Equity: Buying (long) a security and selling (short) another. Some strategy examples are Growth, Value, Sector, Region.
- Event Driven: Looks to benefit from corporate pricing inefficiencies. Some strategy examples are merger arbitrage, special situations, recapitalizations, spinoffs, exchange offers.
- Relative Value: Arbitrage-like approach to take advantage of pricing differentials. Some strategy examples are convertible and credit arbitrage, credit long-short, volatility arbitrage.
- Global Macro: Focusses on macroeconomic opportunities across many markets and investments. Some strategy examples are discretionary and systematic macro strategies.

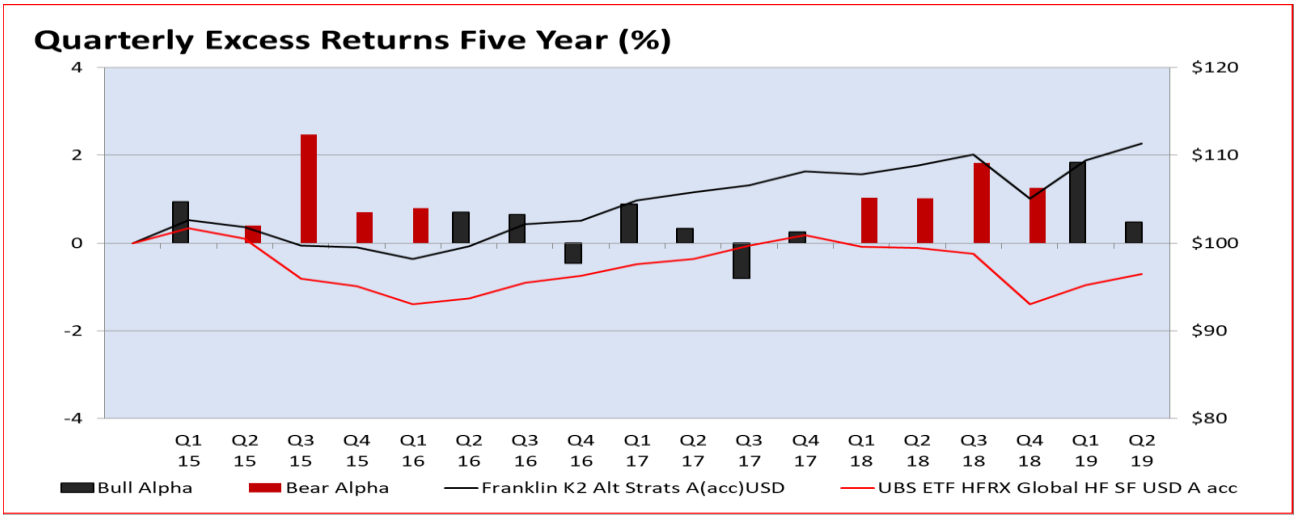
**Funds are actively managed, positions may change.

How has the fund Performed?

- The fund was incepted in 2014, and the fund has performed well relative to the HFRX Global HF index.
- We feel that the team are competent hedge fund selectors with abundant resourcing to generate consistent alpha.

Performance as of June 30th, 2019 - US$	1M	3M	6M	1YR	3YR*	SI^
Franklin K2 Alt Strats A(acc)USD	1.86	1.77	6.00	2.32	3.78	2.92
UBS ETF HFRX Global HF SF USD A acc	1.52	1.30	3.65	-3.05	0.96	-1.33

Source: Morningstar ^Since Inception – September 2014, *Annualized



Source: Morningstar **Bull Alpha is the added value in quarters when the market rises; Bear Alpha is the added value in quarters when markets decline.

What are some Key Risks of this fund?

- While the strategy employs a diversified multi-manager approach, investors should note that the correlations between manager may not necessarily be low. The fund and underlying strategies may also employ leverage.
- The fund employs complex derivative trades, which have potential for losses that are greater than traditional equity funds. Investors should understand long/short strategy which the fund employs.
- The fund is risk rated 4 on a five-point scale. Risk rating 1-5 indicates the relative rating of potential loss; "1" being the lowest and "5" being the highest.
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Notes:

1. DBS Fund Selection Team selects a list of quality funds quarterly. A qualitative approach is used to systematically analyse each fund's characteristics, risk and performance attributes to identify funds we believe could add value. Through interviews that we conduct with respective fund managers, 5 key areas are reviewed: People, Product, Process, Portfolio and Performance.

2. The rating is assigned by DBS Fund Selection Team is on the basis of the team's assessment of the fund's competitive advantage and represents the level of conviction that the team has with respect to the fund performing well relative to its peers and its assigned asset class benchmark over the next 18 to 36 months. Investors should, however, note that the DBS FST Fund Rating is not a view on funds as an asset class nor is it a guarantee of a fund's future performance. A fund with high rating does not mean that it is suitable for all investors, and should not be considered as recommendations to buy or sell the relevant funds. Prospective investors should seek advice from a financial advisor regarding the suitability of the funds, taking into account their specific investment objectives, financial situation or particular needs before committing to invest in or purchase in any of the funds mentioned.

3. Fund performance are sourced from Morningstar Direct workstations and/or Bloomberg Terminals. 3-months, 6-months and 1-year performance returns are cumulative, while 3-years performance returns are annualized (3Y Ann). All data presented are as of 30 September 2018, or the closest available NAV date prior. Cumulative and annualized performance data are bid-to-bid, in SGD terms, unless specified otherwise. The funds' relative performance against their appropriate benchmarks are provided, where applicable.

4. Standard deviation (Std Dev) is a statistical measure of risk. 3 year annualized standard deviation is calculated here by using the annualised standard deviation of the previous 36 monthly returns. The higher the standard deviation, the greater the volatility, therefore, the higher the potential risk. Approximately 68% of the annual total return of the fund is expected to range between +1 and –1 standard deviation from the annual average return, assuming a fund's return falls in a standard normal distribution.

5. The Sharpe ratio is calculated for the past 36-month period by dividing a fund's monthly annualized excess returns (measured by a fund's performance in excess of the risk-free rate) by the standard deviation of a fund's monthly annualize d excess returns. The higher the positive ratio, the higher is the historical risk-adjusted performance of the fund.

6. The risk level is assigned to a fund by DBS Bank Limited based on its assessment of the risk level of the respective fund, data as of 30 September 2018 and is for information and reference only. DBS Bank Limited may revise the risk level assigned to a fund from time to time without prior notice. P1 refers to the lowest risk rating while P5 is the highest.

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