Fund Selection Team
Kenneth Teow, CFA (SG analyst)
Alice Liew (SG analyst)
Bryan Koh (SG analyst)
William Yu (HK analyst)
John Ng (Team lead)
This report has been prepared by the SG analysts and is issued by DBS SG

DBS Solutions Q1 2024: Fund Insights

Asian Multi-Asset Strategy

Overview

Asian market faced a challenging 2023, plagued by headwinds in China, the war in the Middle East and higher-for-longer US Fed rates. That said, attractive valuations, healthy earnings growth and expectations of greater policy stimulus in China could bode well for investments in this region.

While Asia continues to underwhelm this year, driven by overall weakness in China, the region is looking attractive as a deep value play. The DBS Chief Investment Office expects a stronger growth in Asia this year, given compelling fundamental reasons as companies in this region are projected to delivery attractive double-digit earnings growth.

So, how can investors receive a sustainable income while getting exposure Asian growth themes?

Schroder Asia More+ ++++

What are the Key Characteristics of this fund?

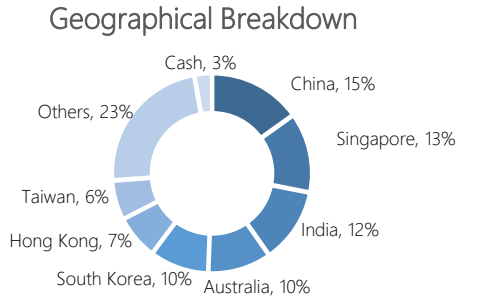
- This is an income-oriented, Asian multi-asset fund with modest capital appreciation potential.
- Designed with Singapore investors in mind, the fund may invest in Singapore-related securities and may hedge non-SGD FX exposures.
- Monthly distribution of 4-5% p.a.; decumulation and accumulation share classes are also available.

Why this Fund? 3 Reasons:

1. Schroders' expertise: Established Asian multi-asset manager with flagship Asian equities and multi-asset strategies.
2. Diversified exposures to Asia: One-stop diversified portfolio comprising of core asset classes of Asian Equities (including REITs) and Asian Fixed Income. The Income portion seeks to mitigate volatility, providing resilience over the long term.
3. Low-cost, one-stop Asia solution: A relatively low-cost solution that caters to varying income needs while harvesting Asian growth. The fund dynamically adjusts the asset class allocations based on top-down macro views.

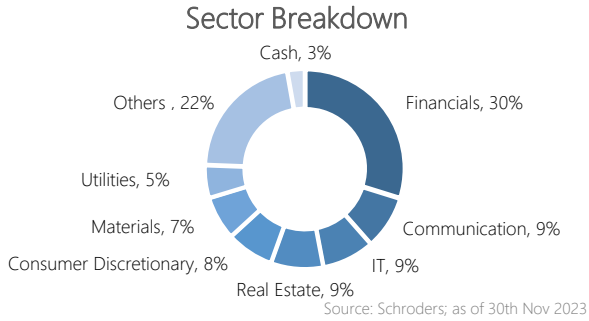
How is this fund positioned**?

- The fund invests across Asia Pacific (ex-Japan). The portfolio is well-diversified geographically, with key allocations being Greater China, Singapore and India.



Source: Schroders, as of 30th Nov 2023

- Fixed Income allocation is at c.44%, with the average credit rating remains investment grade (BBB+) and duration at 4.4 years as of Dec 23.
- Asian bonds form the ballast of the portfolio's Fixed Income sleeve, with the majority of the exposure in Investment Grade securities (c. 88%). The FX exposures (if any) arising from these investments are typically hedged to SGD.
- Equities exposure is at c.53%, with main sector allocations being Financials, Information Technology (including electronics / hardware manufacturers like Samsung and TSMC) and REITS.



Source: Schroders; as of 30th Nov 2023

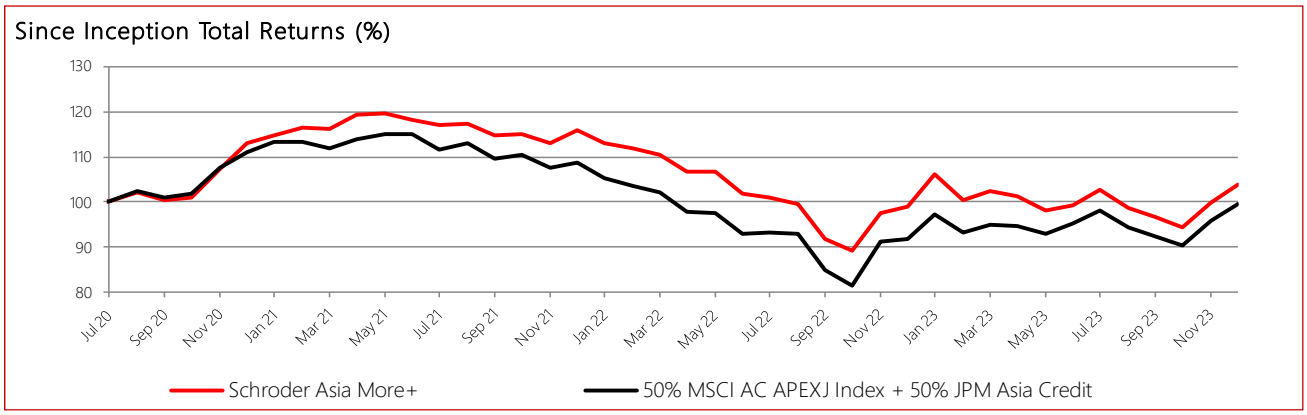
**Funds are actively managed, positions may change.

How has the fund Performed?

- As the fund is relatively new (incepted July 2020), performance data is not available for longer periods.
- Since its inception, the strategy has fared well, outperforming the index. This can be attributed to its asset allocation – overweighting equities over fixed income in 2020 and being disciplined in taking profits in Chinese names in early 2021 while avoiding distressed Chinese credits.
- The team held a significant portion in cash (relative to historical weights) as a defensive stance in this volatile market. However, the team has been reducing the cash position this year, deploying them in more attractively valued names.

Performance as of 31st December 2023 in USD	1M	3M	6M	1YR	3YR	SI^
Schroder Asia More+	4.16	7.29	4.56	4.89	-2.80	1.82
50% MSCI AC APEXJ Index + 50% JPM Asia Credit	4.12	7.78	4.62	8.57	-3.55	0.33

Source: Morningstar ^Annualized, Since Inception: 15 July 2020



Source: Morningstar / DBS. As of 31st Dec 2023

What are the Key Risks of this fund?

- Despite attractive past returns, Asia have historically been more volatile than broad, global asset classes. 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 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.
- 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. The team interviews the managers to form a research opinion on the funds and assigns a conviction rating to each. This is followed by on-going monitoring of the performance of the funds. The DBS FST Fund Rating encapsulates a qualitative assessment of the fund's competitive advantage relative to its peers.

DBS FST Fund Ratings

The DBS FST currently has research opinions on over 300 funds. The team reviews and assigns an appropriate rating to these funds.

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

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DBS Solutions Q1 2024: Fund Insights

Global Aggregate

Overview

Risk assets recovered in Q4 2023 as the Fed signaled a long-awaited pivot. Intermediate and longer-term interest rates fell sharply, fueling a strong recovery for Fixed Income. While it remains unclear when rate cuts will begin, the asset class still offers attractive yield for longer term investors as inflation pressures have eased.

As the Federal Reserve pivots, bonds are poised to outperform cash in 2024. This underpins the "Overweight" stance by the DBS Chief Investment Office (CIO) for Fixed Income. Investors may enhance forward returns by switching from cash to higher quality, moderate duration fixed income to lock in current yield levels. Reducing cash allocations also helps to mitigate reinvestment risks, given cash yields are quick to fall once rate cuts begin.

PIMCO GIS Income Fund ++++

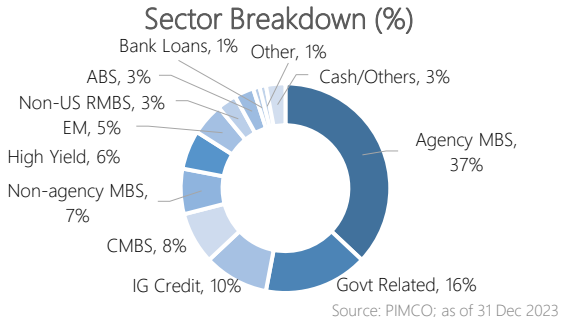
What are the Key Characteristics of this fund?

- This is an income-focused, moderate risk multi-sector fund. It is anchored in US securitized credit, with a flexibility to access global credit and emerging market debt.
- The fund aims to (1) Seek consistent and diversified yield, (2) Be global and flexible, and (3) Focus on downside risk management.
- Flexible duration range of 0-8 years; offers an attractive distribution level of c. 5.5-6% p.a.

Why this Fund? 4 Reasons:

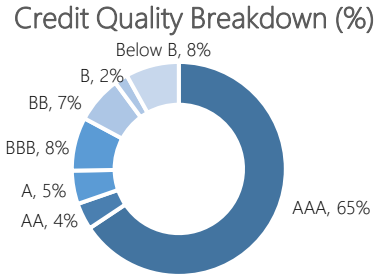
1. **PIMCO's Fixed Income Capabilities**: The fund leverages on PIMCO's unparalleled securitized and credit expertise, granting access to the broad global credit opportunity set. Co-PMs CIO Dan Ivanscyn, Alfred Murata and Josh Anderson possess extensive experience and are supported by the firm's extensive global credit research resources.
2. **Sustainable and Steady Income**: The fund takes a broad-based approach to investing in income-generating securities via a "*bend but don't break*" philosophy to protect capital and provide steady income (~6%).
3. **Unconstrained and Flexible**: The fund offers a core bond solution while being able to tap on rates and non-traditional assets like non-Agency MBS, EMD and credit derivatives as various levers of return.
4. Given the steep increase in rates, investors can benefit from the strategy by locking in current yields.

How is this fund positioned**?



Source: PIMCO; as of 31 Dec 2023

- The fund typically allocates meaningfully to Securitized Credits (~50-60%) such as mortgage-backed securities (MBS), asset-backed securities (ABS), and commercial mortgage-backed securities (CMBS). Current exposure is at c.58%.
- PIMCO continues to favor high quality Agency MBS with attractive spreads and long-term value. Given the ongoing challenges in the CMBS space, the PMs have been selective and conservative, sticking predominantly with AAA-rated CMBX.
- Geographically, the fund is anchored in the US but has flexibility to invest globally.
- As of 31 December 2023, the fund's duration is 3.2 years with a YTM of 6.7%. Average credit quality is AA-.



Source: PIMCO; as of 31 Dec 2023

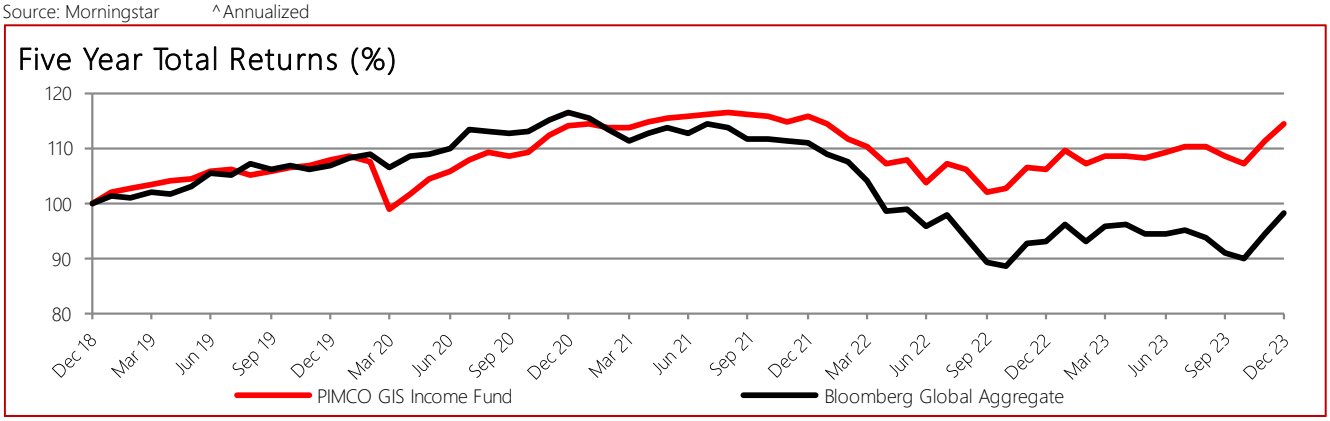
**Funds are actively managed, positions may change.

How has the fund Performed?

- The fund has a stellar track record, with the investment team managing to generate consistent and meaningful alpha against the index over most periods. We believe this demonstrates the value that PIMCO offers through its credit expertise and vast resources.
- In 2023, the fund also fared better than many multisector bond peers, contributed by its dynamic duration management – i.e. entering the year with an underweight, while scaling up duration meaningfully to take benefit from the rally in rates in Q4 2023.

Performance as of 31st December 2023 in US$	1M	3M	6M	1YR	3YR^	5YR^
PIMCO GIS Income Fund	2.78	5.50	4.65	7.62	0.09	2.75
Bloomberg Global Aggregate	4.16	8.10	4.22	5.72	-5.51	-0.32

Source: Morningstar ^Annualized



Source: Morningstar / DBS. As of 31st Dec 2023

What are the Key Risks of this fund?

- The Fund may invest in EM, securitized and global debt securities issued by governments, government-related or corporate entities and may use derivatives. These have historically been subject to price movements, generally due to interest rates, currency and/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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Strong Positive	++++
Positive	+++
Neutral	++
Low Conviction	+

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Global Aggregate

Overview

With rate cuts on the horizon, investors looking for income may benefit from pivoting away from cash into Fixed Income, to lock in yields and participate in potential capital appreciation when rates fall.

The DBS Chief Investment Office continues to favour Investment Grade bonds over High Yield and advocating for 3 to 5 years of duration. Reducing cash allocations also helps to mitigate reinvestment risks, given cash yields are quick to fall once rate cuts begin. History suggests that periods of peak yield often present strategic opportunities for investors in the Fixed Income market.

Investors looking to generate meaningful income without taking on excessive risk in this peak yield environment can consider the Schroder ISF Global Credit Income Fund.

Schroder ISF Global Credit Income +++

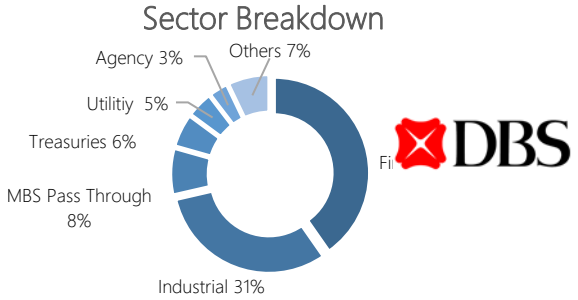
What are the Key Characteristics of this fund?

- Global & multi-sector credit fund with a dynamic credit allocation among multiple sectors to capture the best opportunities.
- Managed by co-PMs Julien Houdain and Martin Coucke, who are supported by 40 global fixed income dedicated strategists.
- The investment process is further augmented by a themes-based approach, which invests along the lines of selected themes like defensive sectors, consumer trends, inflation resistant sectors, etc.
- Target volatility of within 3-5% and maximum duration of 5 years.

Why this Fund? 3 Reasons:

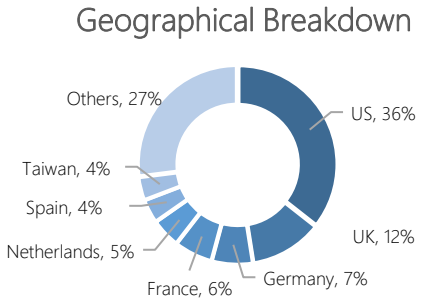
1. Schroders' expertise: Established Fixed Income managers with proven track record to outperform in the longer term.
2. Unconstrained and Dynamic: Dynamic approach to investing across the global credit spectrum. This has helped to manage volatility, providing resilience over the long term.
3. Diversified holdings with quality tilt: Portfolio is well-diversified with 800-900 issuers and average credit rating at BBB.

How is this fund positioned**?



Source: Schroders; as of 30th Nov 2023

- Financials remains the largest sector overweight (c.40%), followed by Industrials (c.30%). In 2023, PMs favoured European financial issuers over American issuers due to attractive valuations. Rotation out of Emerging Market exposures has helped to mitigate some downside losses.
- In past months, PMs have added to agency MBS exposure for the higher coupon relative to US investment grade credit.
- Fund has a duration of 4.9 years as of Nov 2023, with a YTM of 7.1%.



Source: Schroders, as of 30th Nov 2023

- Geographically, the fund is well-diversified across United States (36%), UK (12%), Germany (7%).

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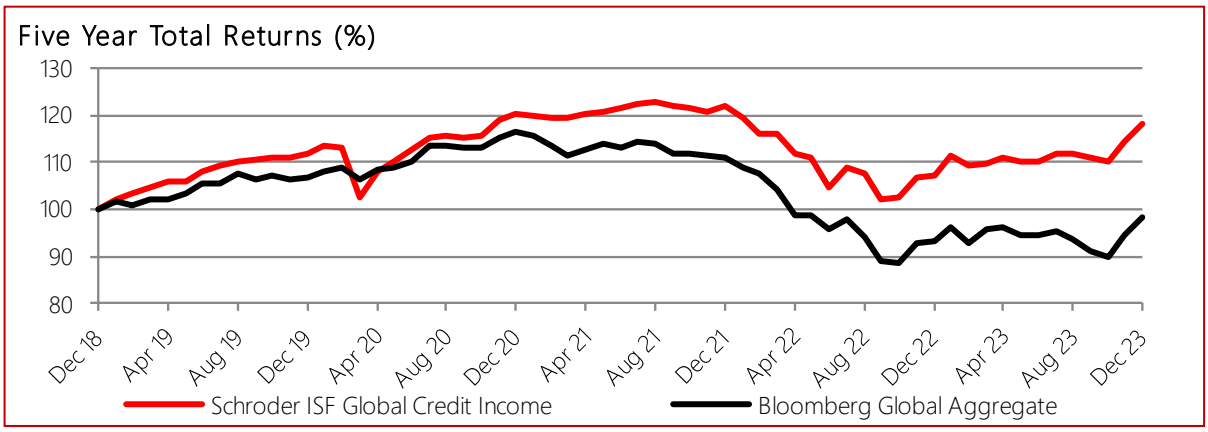
How has the fund Performed?

- In 2022, fund's positioning towards financials have hurt their performance. However, the sector rebounded in 2023 and has contributed positively to performance.
- Schroders Global Credit Income fund tends to outperform during upward cycles as the portfolio can take advantage of short-term opportunities via more active use of derivatives to express tactical exposures. Hence, they are more nimble in their allocations.
- For the year through November 2023, duration management, including additive tactical curve positioning in USD and euros rates, helped boost returns.

Performance as of 31st December 2023 in USD	1M	3M	6M	1YR	3YR^	SI^*
Schroder ISF Global Credit Income	3.33	6.64	7.29	10.26	-0.52	3.41
Bloomberg Global Aggregate	4.16	8.10	4.22	5.72	-5.51	-0.32

Source: Morningstar ^Annualized *Since Inception



Source: Morningstar / DBS. As of 31st Dec 2023

What are the Key Risks of this fund?

- Despite attractive past returns, Asia have historically been more volatile than broad, global asset classes. 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 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 Q1 2024: Fund Insights

Technology Equities

Overview

As Artificial Intelligence ("AI") became 2023's theme of the year, it was a reminder that the pace of innovation and digitalization has not slowed down, despite the bouts of volatility over the past several years. The Technology sector has led index gains, supported by various secular themes like AI, New Commerce and Fintech. This is also reinforced by favourable earnings with a long runway for growth and continued momentum.

DBS CIO continues to favour quality growth in Technology. Given the plausibility of Fed rate cuts over the course of 2024, long duration assets such as Technology generally benefits from a lower risk-free rate, translating to a higher valuation. While engaging in this high growth sector, diversification is key and the Franklin Technology Fund remains an ideal pick for investors to gain exposure to secular trends of digitalisation such as AI, and exposure to other sub-themes to gain access to global innovation.

Franklin Technology Fund ++++

What are the Key Characteristics of this fund?

- Active, diversified US-centric portfolio of around 90 holdings that benefit from the development and use of Technology.
- Top holdings are focused on the large cap established leaders while also investing in a long tail of smaller and emerging technology companies.
- Fund opportunistically invests into IPO and private companies and this sleeve has historically been a good source of alpha for the fund.

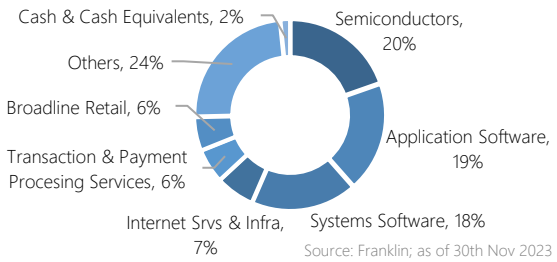
Why this Fund? 3 Reasons:

1. Seasoned Team with Strong Alpha Generation Capabilities: Fund is co-managed by 3 veteran portfolio managers, led by Jonathan Curtis and is supported by a well-resourced team of research analysts. Located in the heart of the Silicon Valley, the team has great access to the inner workings of the industry.
2. Diversified and multi-thematic approach to Technology investing: This allows the fund to capture secular trends in the technology sector, giving the investment team a wider investment universe with better alpha generation capabilities.
3. Time-Tested Returns: With close to 20 years track record, the fund has consistently outperformed its peers and managed to control its drawdowns.

How is this fund positioned**?

- Diversified with around 90 holdings whereby the top 25 names are dominated by established leaders in the large cap space, with the remaining holdings in smaller, emerging names including private companies at the late stage (~4%).

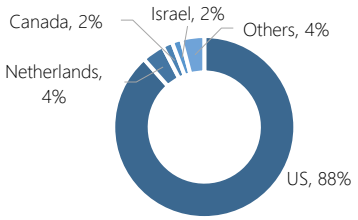
Sector Breakdown (%)



Source: Franklin; as of 30th Nov 2023

- The Fund is focused on the Digital Transformation theme, with notable preference towards sub-sectors such as application software, internet, and direct retail marketing companies.
- The Fund is currently underweight Large-Cap stocks to reflect the team's belief that the Tech rally will broaden beyond the Magnificent 7.
- While approximately 90% of the fund is US headquartered, majority of them have global business and revenue streams.

Geographical Allocation (%)



Source: Franklin; as of 30th Nov 2023

- The Fund has relatively low turnover for a growth-style orientated strategy by being long-term orientated, and is a long duration strategy (~23yrs) ideal for investors that is bullish on the overarching digital transformation of the technology landscape.

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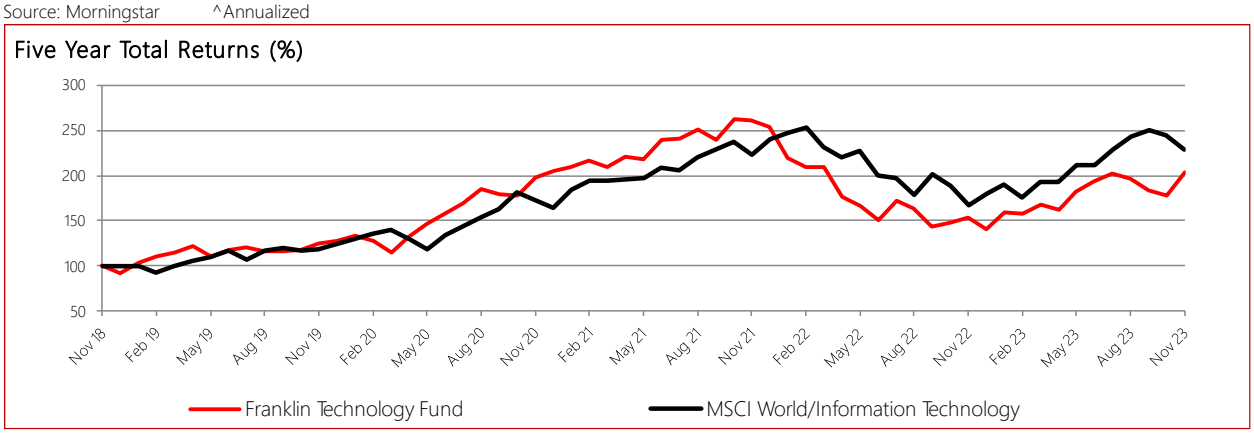
How has the fund Performed?

- The fund has outperformed the benchmark on a YTD basis, while having a relatively lower drawdown profile compared to peers. Due to the significant and structural underweight position to Apple and Microsoft, the fund may lag when these 2 names perform exceptionally.
- That said, the fund has a long tail in smaller emerging companies, which have historically been a good source of alpha for the fund.

Performance as of 30th November 2023 in US$	1M	3M	6M	1YR	3YR^	5YR^
Franklin Technology Fund	14.53	3.57	11.66	33.08	0.89	15.27
MSCI World/Information Technology	13.66	5.03	12.37	35.20	11.78	20.84

Source: Morningstar ^Annualized



Source: Morningstar / DBS. As of 30th Nov 2023

What are the Key Risks of this fund?

- Invest primarily in a single country, the fund is subjected to higher concentration risks.
- The fund may hold assets that are not denominated in its base currency (USD). 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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Global Equities

Overview

Equity markets rebounded in 2023 after a tumultuous 2022, buoyed by an AI-driven rally and a resilient US consumer landscape. In recent months, a dovish Fed pivot has increased the likelihood of multiple rate cuts, as inflation pressures eased. These should continue to provide a tailwind for equities .

Looking ahead, while we remain constructive on equities over the longer term, we maintain our bias for quality growth equities with strong positioning, pricing power, and robust earnings to withstand market volatility. These companies have high balance sheet quality and offer resilience amid market volatility.

So, what would be one of our top conviction Quality Growth Global Equity strategies?

BNY Mellon Long-Term Global Equity ++++

What are the Key Characteristics of this fund?

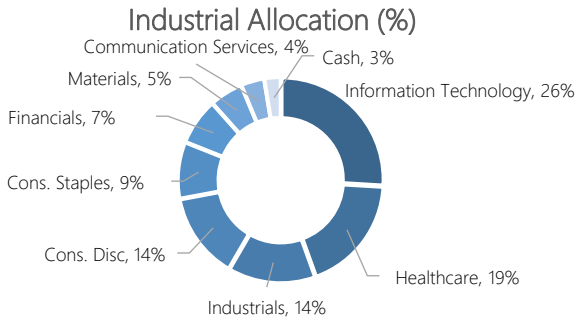
- This "Growth at Reasonable Price" fund is focused on patient, bottom-up stock picking. The team spend months to research high quality global companies.
- The portfolio is relatively diversified, while turnover is very low ("buy and hold"). It is not uncommon for key holdings to be held for over a decade.
- The investment team is experienced, well-resourced and very stable, with an emphasis on team decision making. Buy decisions are only made when there is unanimous agreement.
- Structurally, the fund avoids lower quality companies and has an underweight to Financials.

Why this Fund? 3 Reasons:

1. Equity Investing Specialists: Fund is sub-advised by Walter Scott, an affiliate/boutique firm under the BNY Mellon Investment Management umbrella. Given the long-term philosophy, Walter Scott employs rigorous fundamental bottom-up research.
2. Emphasis on Quality Stock Selection: They approach stock selection with a straightforward, time-tested approach – focusing on companies with resilient business models, strong cashflows and balance sheets.
3. Consistent Performance: The team aims to achieve consistent performance to compound returns over the longer term. The fund typically demonstrates good upside and downside capture characteristics over time.

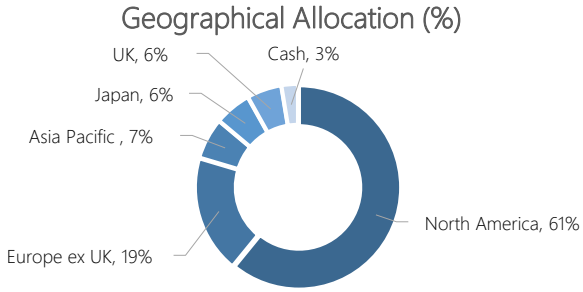
How is this fund positioned**?

- The largest sector allocations are to IT, Healthcare and Consumer Discretionary. Typically, the fund will have a growth tilt, albeit with a quality bias.



Source: BNY Mellon, as of 30th Nov 2023

- Amongst the core holdings are technology/software firms (Microsoft, TSMC, Adobe), Healthcare providers (Novo Nordisk, Intuitive Surgical) and Industrial leaders (Texas Instrument, Linde).
- In Consumer Discretionary, high conviction holdings include LVMH, Inditex (Zara), Booking.com and TJX.
- Due to their defensive attributes and compelling secular growth tailwinds, Healthcare stocks tend to have a higher allocation within the portfolio.
- The fund tends to be structurally underweight Financials (typically no banks) and Energy.



Source: BNY Mellon, as of 30th Nov 2023

- Geographically, the fund has a truly global remit, with meaningful allocations to Asia and continental Europe. Many of the underlying portfolio holdings are global companies that operate and derive their revenue across the globe.

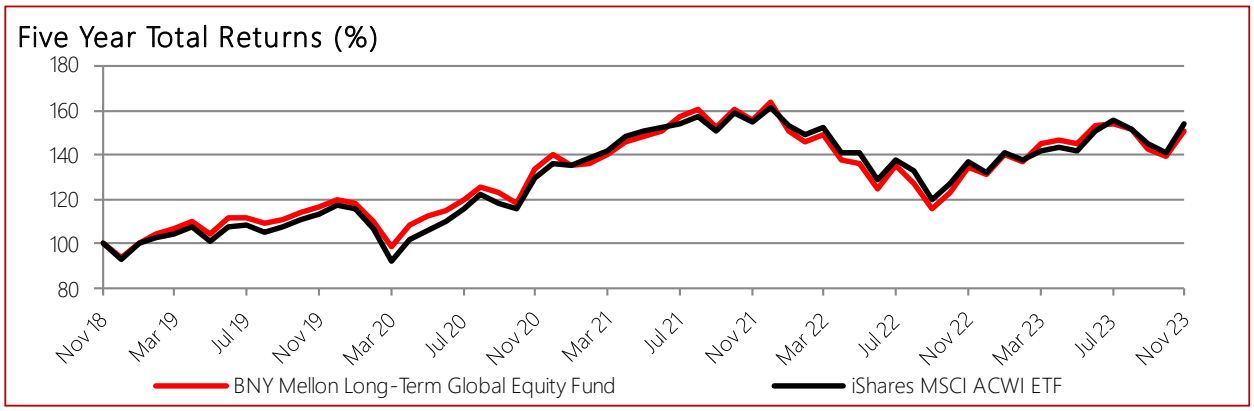
**Funds are actively managed, positions may change.

How has the fund Performed?

- The fund has been able to deliver long term alpha over the reference ETF and peers.
- We expect the fund to demonstrate lower downside capture during periods of volatility, due to the quality bias. That said, in certain periods, such as during exuberant times or when Financials or Energy sectors rally, the fund may lag.

Performance as of 30th November 2023 in US$	1M	3M	6M	1YR	3YR^	5YR^
BNY Mellon Long-Term Global Equity Fund	8.59	-0.06	4.19	12.03	4.26	8.60
iShares MSCI World ETF	9.25	1.57	8.35	12.16	5.86	9.02

Source: Morningstar ^Annualized



Source: Morningstar / DBS. As of 30th Nov 2023

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.
- For a comprehensive list of the fund's risks, please consult your RM or the fund's prospectus.

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

DBS

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DBS Solutions Q1 2024: Fund Insights

Asia Equities

Overview

Asian equities faced a challenging 2023, plagued by on-going headwinds in China, the war in the Middle East and higher-for-longer US Fed rates. That said, attractive valuations, healthy earnings growth and expectations of greater policy stimulus in China could bode well for investments in this region.

The DBS Chief Investment Office expects a stronger growth in Asia this year, given compelling fundamental reasons as companies in this region are projected to deliver attractive double-digit earnings growth. In addition, GDP per capital is on an upward trajectory, signaling potential domestic consumption resilience. Against this backdrop, Asia should be able to reverse its dismal performance over the last two years.

To get access to this region, we recommend the following strategy from First Sentier.

FSSA Dividend Advantage / FSSA Asian Equity Plus ++++

What are the Key Characteristics of this fund?

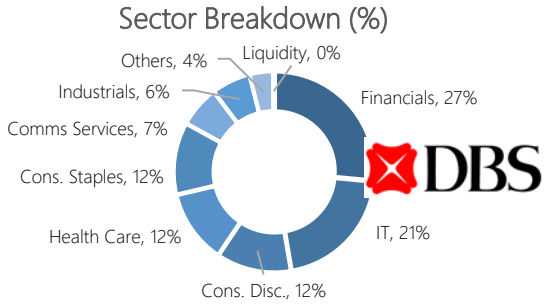
- "Quality" style focusing on firms with competitive advantages and strong corporate governance.
- Diversified, large-cap Asian equity portfolio providing consistent downside buffering and performance since inception.
- The fund has no set dividend target but is focused on stocks with future dividend growth and long-term capital appreciation.

Why this Fund? 3 Reasons:

1. The Track Record: Launched over 18 years ago, the fund has been a consistent performer and has outperformed over the longer term.
2. The People: Twenty-year industry veteran Martin Lau has helmed the fund since inception, through multiple market cycles.
3. The Process: The fund espouses First Sentier philosophy of quality (strong management, franchise and robust financials).

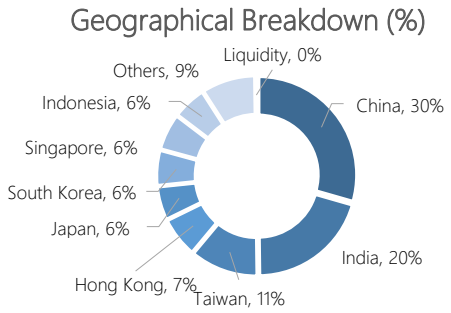
How is this fund positioned**?

- Key sector overweights are in Consumer Staples and well-capitalized banks within the Financials sector.



Source: FSSA as of 30th Nov 2023

- The fund continues to avoid lower quality franchises with little pricing power, such as traditional Energy companies and Japanese banks.
- Fund is benchmark agnostic and spots an off-index allocation to Japan. China and India continue to be key allocations, as the team believes that valuations are attractive in China and India is showing improving growth opportunities.



Source: First Sentier, as of 30th Nov2023

- Key investment themes revolve around *Dominant Consumer Franchises*, *High Quality Financials*, *Rise of Health Care* and *Beneficiaries of Digitalization*.

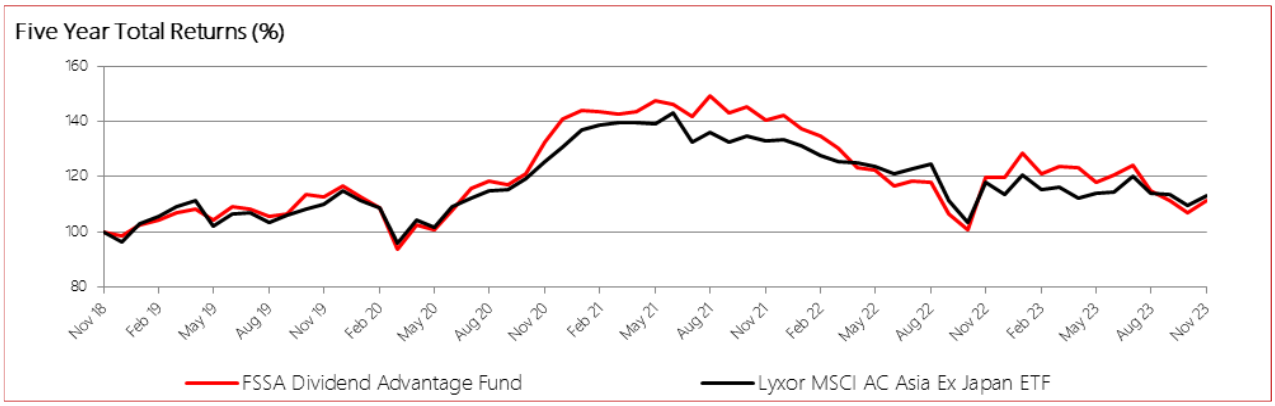
**Funds are actively managed, positions may change.

How has the fund Performed?

- The fund has an admirable track record since inception, adding value to clients' portfolio.
- While the quality tilt of the portfolio helped provide downside protection against the index last year, year-to-date performance has been challenged largely due to exposure to China.
- Overall, while growth has slowed in China, the longer-term trend remains intact. Moreover, the underlying holdings remain fundamentally sound (strong financials, steady growth, cash flow generation etc.). Sentiment is cyclical, but fundamentals should be a structural driver for share prices in the longer term.

Performance as of 30th November 2023 in US$	1M	3M	6M	1YR	3YR^	5YR^
FSSA Dividend Advantage Fund	3.92	-3.12	-5.74	-7.17	-5.63	2.14
Lyxor MSCI AC Asia Ex Japan ETF	3.56	-0.60	-0.53	-4.02	-3.32	2.53

Source: Morningstar ^Annualized



Source: Morningstar / DBS. As of 30th November 2023

What are the Key Risks of this fund?

- Despite attractive past returns, Asia ex-Japan equities have historically been more volatile relative to developed market equities. Geopolitical risks like trade tensions as well as general economic slowdowns globally or even in Greater China & India 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.
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Positive	+++
Neutral	++
Low Conviction	+

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DBS Solutions Q1 2024: Fund Insights

China Equities

Overview

Chinese equities experienced another year of decline and is undoubtedly facing a growth challenge. Weakness remains in the Property market and a general loss of confidence among investors has muted market activity.

That said, DBS CIO reiterates China as a deep-value play for investors at current valuations and at a discount to global equities. The negative developments surrounding the country has largely been factored in, and the team remains constructive on the broader outlook as market participants anticipate further policy implementations. CIO reiterates a focus on themes and industries that stand to benefit from government expenditure and stimulus; selected preferences remain with semiconductors, internet platforms and diversified financials. Investors should consider staying the course in China by averaging down existing positions and/or seizing the attractive entry points to build new positions in high conviction strategies at current valuations.

We recommend clients to consider the China equities fund from Allianz, that is a best ideas portfolio across onshore and offshore opportunities.

Allianz All China Equity ++++

What are the Key Characteristics of this fund?

- An all-cap, holistic China Equity portfolio investing in best ideas opportunities across onshore & offshore Chinese equity markets.
- Close to benchmark sector allocations with ±10% deviation allowance. Close to 50/50 Onshore (China-A) vs. Offshore allocation historically.
- Strong focus on bottom-up stock selection with an emphasis on fundamentals while shying away from sentiment driven names.

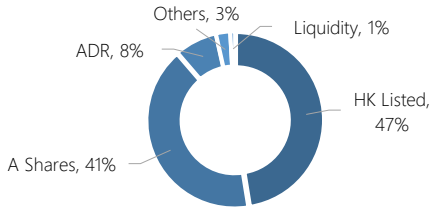
Why this Fund? 3 Reasons:

1. Sector Neutral Strategy: Strict valuation discipline and focus on bottom-up stock selection results in an unbiased asset allocation across sectors and markets.
2. Onshore Allocation: Best ideas portfolio with high onshore allocation to tap onto local opportunities through a robust stock selection process.
3. Experienced Team: Co-managed by seasoned PMs who are each responsible for specific sector sleeves with strong alignment to investor's interest.

How is this fund positioned**?

- This all-cap strategy has ~70 stocks with a meaningful allocation to the onshore A-Shares market (c.45%) as an expression for local consumption. It has a more diversified portfolio by holdings and weights relative to its peers.

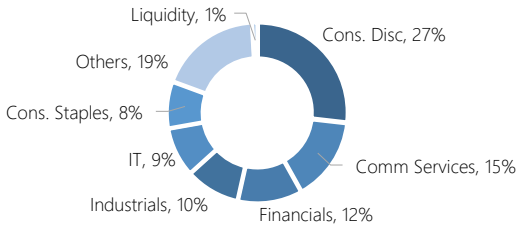
Shares Allocation (%)



Source: Allianz; as of 30th Nov 2023

- Since the new portfolio manager took over from July 2023, the portfolio more closely aligns with China's future growth path; e.g. areas related to AI, digitalization of EV supply chain, internet/e-commerce platforms, and exited selective stocks in renewables, consumer stocks and property-related exposure.
- The growth tilt of the strategy translates to a higher volatility profile, but the Allianz team is of the view that quality and growth names should deliver when markets stabilize. Key portfolio overweights in Cons. Disc. and Comms. Services, and underweights Materials and Financials.

Sector Breakdown (%)



Source: Allianz; as of 30th Nov 2023

- Overall, the Fund remains selective on growth, quality and valuation. The portfolio beta remains close to one and maintain a close-to-fully invested position.

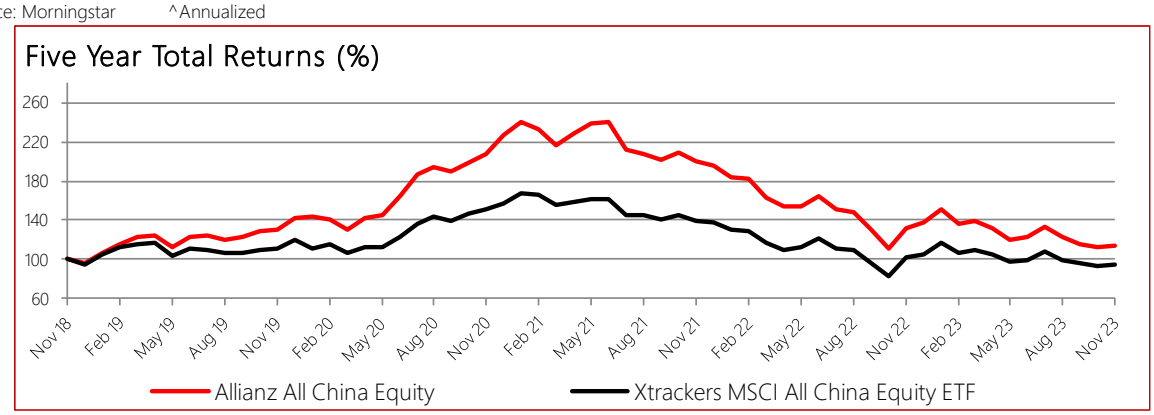
**Funds are actively managed, positions may change.

How has the fund Performed?

- The Fund generated excess returns over and above the benchmark since inception. The close to benchmark sector positioning has helped to mitigate underperformance from sector-specific volatility and rotations.
- The Fund's relative underperformance is largely attributed to security selection and lagged peers from its heavy growth tilt and overweight in consumer discretionary and consumer staples. Should domestic consumption resume, the fund is primed to benefit.

Performance as of 30th November 2023 in US$	1M	3M	6M	1YR	3YR^	5YR^
Allianz All China Equity	2.01	-6.50	-4.45	-12.94	-18.11	2.71
Xtrackers MSCI All China Equity ETF	1.80	-4.73	-3.25	-8.04	-14.71	-1.23

Source: Morningstar ^Annualized



Source: Morningstar / DBS. As of 30th Nov 2023

What are the Key Risks of this fund?

- Invest primarily in a single country, the fund is subjected to higher concentration risks.
- The fund may hold assets that are not denominated in its base currency (USD). 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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Strong Positive	++++
Positive	+++
Neutral	++
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DBS Solutions Q1 2024: Fund Insights

Global Equities (ESG Thematic, Climate)

Overview

With 2023 marking the warmest temperature on record, alongside several extreme weather events, net zero has become an absolute necessity which investors can no longer afford to disregard in their portfolios.

Long-term investment opportunities remain promising, as rising demand for climate change solutions and supportive government policies should incentivize innovative companies to transition to a greener and more sustainable world.

These innovative companies could enjoy multiple decades of growth and one way to get exposure would be through a fund investing in companies that enable mitigation of climate change or provide adaptation solutions for climate change.

BNP Paribas Climate Impact +++

What are the Key Characteristics of this fund?

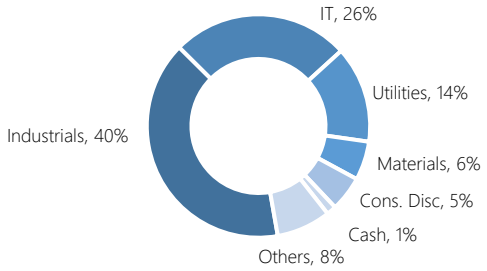
- Invests in companies with at least 50% of its business exposed to Climate Adaptation or Climate Mitigation solutions.
- Relatively diversified portfolio of c.50-80 stocks, (across geography and sector).
- Fund is run by the SRI specialist firm – Impax, of which BNP is a minority shareholder.

Why this Fund? 3 Reasons:

1. High Purity: Exposure to pure-play companies with demonstrable exposure to products & services enabling mitigation of climate change or adaptation to its consequences.
2. Mid-cap Growth Exposure: Meaningful exposure to mid-cap (c. 40%) to tap into high growth innovative climate solutions companies.
3. Veteran PMs: Co-managed by 3 veteran portfolio managers (over 20 years of average experience) who are supported by a strong, broader investment team comprising of 20 PMs and 13 research analysts.

How is this fund positioned**?

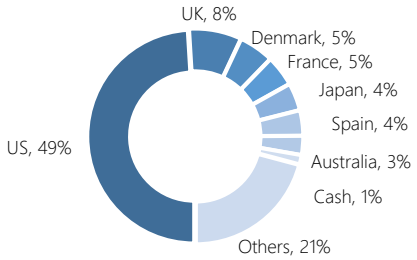
Sector Breakdown (%)



Source: BNP, as of 31 Oct 2023

- Sector wise, the fund holds an overweight position in Industrials (c. +27%), which is typical for ESG funds given the sector's abundant ESG investment opportunities (e.g. industrial/ buildings energy efficiency, water infrastructure names).
- Information Technology makes up the second largest exposure in the portfolio, associated with innovation-linked investment opportunities.
- Structurally, there is no exposure to Financials, Communication Services and Energy.

Geographical Breakdown (%)



Source: BNP; as of 31 Oct 2023

- Geographically, the portfolio remains diversified, offering access a broad range of environmental and climate companies across various locations.

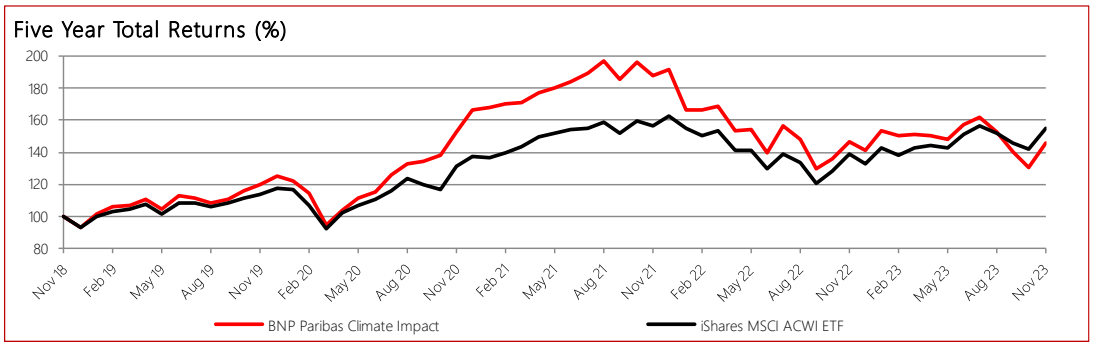
**Funds are actively managed, positions may change.

How has the fund Performed?

- The growth style of the fund largely drove the underperformance in 2022 due to style headwinds (MSCI ACWI Growth index is down c. 29% during the period). Higher interest rates have also been detrimental for growth strategies. That said, we are comforted that the fund had been through three major style rotations over the past 6 years and outperformed over the long term.
- We expect the fund to add value over the longer term, given structural tailwinds (such as the Inflation Reduction Act) for climate impact investing in the coming years.

Performance as of 30th November 2023 in US$	1M	3M	6M	1YR	3YR^	5YR^
BNP Paribas Climate Impact	11.65	-4.95	-1.92	-0.62	-1.55	7.79
iShares MSCI ACWI ETF	9.04	1.64	8.16	11.35	5.70	9.12

Source: Morningstar ^Annualized



Source: Morningstar / DBS. As of 30th Nov 2023

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 emerging market equity investment risks.
- The fund might invest in small and mid-cap companies, which has higher-than-average volatility.
- 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 Q4 2023: Fund Insights

Alternatives – Hedge Funds

Overview

Global markets continue to be turbulent, and long-only managers have struggled due to weakened investor sentiments and poor market directionality. In this intricate macro landscape, alternative investments such as Hedge Funds, can play a pivotal role by introducing resilience and valuable portfolio diversification. In such environments, the value of Hedge Funds is magnified with Macro Strategies as beneficiaries. These strategies seek to invest flexibly across major asset classes and capitalizing on bouts of volatility and rate environment. Macro Funds, through long/short and relative value positions across various asset classes, aim to profit from their broader macro views and taking advantage of mispriced opportunities. Looking ahead, we anticipate that in the current environment, macro strategies will continue to shine.

So, how can investors get access to this asset class?

Amundi Bridgewater Core Global Macro Fund +++

What are the Key Characteristics of the strategy?

1. Fundamental, systematic and diversified Global Macro Fund with long, short and market neutral positions.
2. Combines Bridgewater's two flagship strategies – the Pure Alpha Major Markets (since 2010) and All Weather (since 1996).
3. Seeks to target 8% p.a. gross return above cash, with an expected volatility target of 9% p.a.

Why this Fund? 3 Reasons:

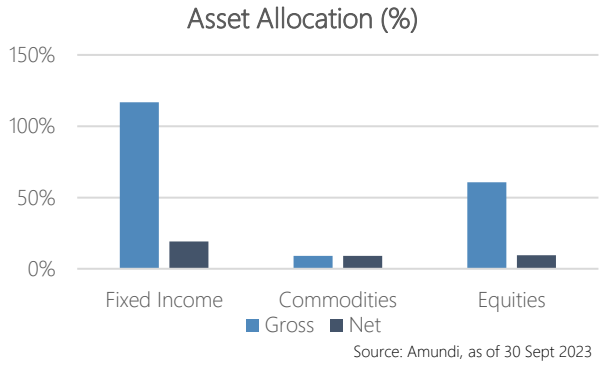
1. Marquee Manager: Bridgewater Associates is a leading global hedge fund manager with over US$124bn in AUM as of April 2023.
2. Best of Both Worlds: One-stop solution for access to flagship strategies to capture risk premiums (beta) and to time markets (alpha).
3. Favourable Structure: UCITS Compliant regulatory vehicle with daily subscription & redemption.

About Bridgewater Associates ("Bridgewater")

- Bridgewater, founded in 1975 by Ray Dalio, has 45+ years of experience managing US$122bn for global institutional clients.
- The firm prides itself on the culture of idea meritocracy with its sole focus in researching and trading the global markets to generate high and consistent returns for clients.

How is this Fund positioned**?

- With no formal benchmark, the Fund is actively managed to deliver absolute returns on a long and short basis based on fundamental views: across equities, bonds, rates, credits, currency,



Source: Amundi, as of 30 Sept 2023

- The allocation between the two strategies is split 50/50, i.e. actively managed with 4.5% p.a. volatility target for each sleeve. This consistent volatility targeting seeks to deliver its objectives while avoiding excessive risk taking.
- With a broad investment mandate and range of asset classes, the Fund's portfolio is constantly adjusted to reflect Bridgewater's tactical views and strategic approach. It aims to be suitable across a range of market environments.
- The portfolio is well-diversified across multiple sectors, tapping on Bridgewater's scale and breadth on sourcing opportunities.

**Funds are actively managed, positions may change.

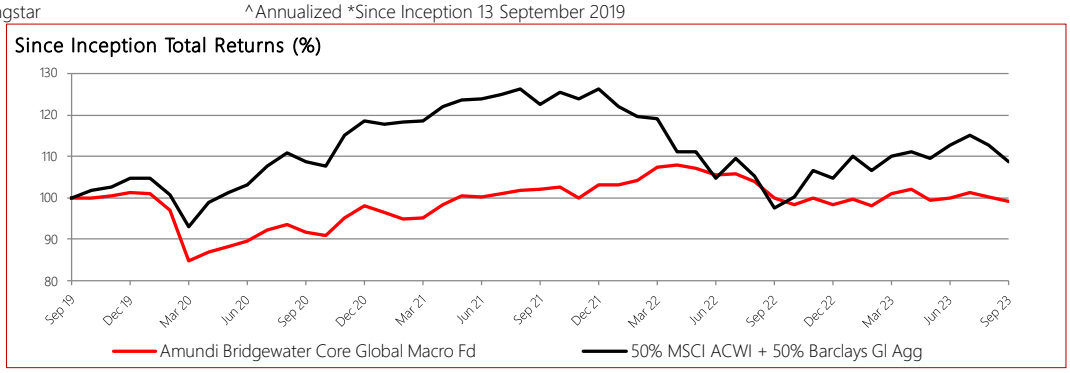
DBS

How has the fund Performed?

- The Fund was launched since 2019, and performance has been stable despite a challenging market environment. The underlying strategies have considerable track record as well and have been proven over multiple market cycles.
- The reference benchmark used is a 50/50 portfolio between Fixed Income and Equities. That said, we note that this does not fully represent the dynamic nature of the Bridgewater strategy.
- The continued volatile macro conditions will likely be a source of alpha opportunities, which the Bridgewater team with its expertise and experience is adequate to capture.

Performance as 30th Sept 2023 in US$	1M	3M	6M	1YR	3YR^	SI^*
Amundi Bridgewater Core Global Macro Fund	-1.15	-0.86	-1.88	-0.83	2.57	-0.27
50% MSCI ACWI + 50% Barclays Global Agg	-3.53	-3.48	-1.27	11.32	-0.06	1.98

Source: Morningstar ^Annualized *Since Inception 13 September 2019



Source: Morningstar / DBS. As of 30th Sept 2023

What are the Key Risks of this fund?

1. The fund invests in financial derivative instruments. These instruments can induce different types of risks such as (but not limited to) leverage risk, high volatility risk, valuation risk or liquidity risk. If this risk occurs, the net asset value of the Fund may decrease significantly.
2. The fund is risk rated 5 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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Strong Positive	++++
Positive	+++
Neutral	++
Low Conviction	+

Fund Selection Team
Kenneth Teow, CFA (SG analyst)
Alice Liew (SG analyst)
Bryan Koh (SG analyst)
William Yu (HK Analyst)
John Ng (Team lead)
This report has been prepared by the SG analysts and is issued by DBS SG

DBS Solutions Q1 2024: Fund Insights

Alternatives – Liquid Real Assets

Overview

With a disappointing 2022 sell-off followed by a broad recovery in 2023, it is tempting to assume that 2024 will be the year of optimism for markets. That said, history has shown us that when the Fed exits monetary tightening and pivots to policy easing, the journey might be a volatile one. In light of this, we recommend investors to consider allocating to alternatives in their portfolios to provide uncorrelated returns to traditional assets.

Liquid real assets like Infrastructure, REITs, Natural Resources, Commodities, and Gold have historically proven to be resilient in the face of uncertainties. These assets generate relatively high dividends through stable cash flows, providing income when inflation expectations soften.

Amundi Real Assets Target Income +++

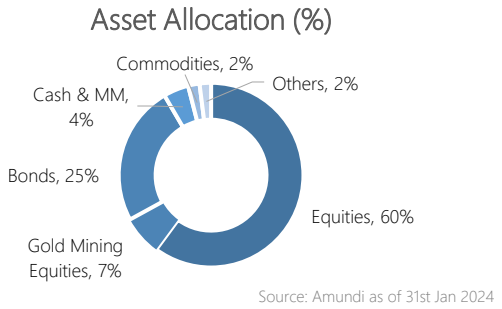
What are the Key Characteristics of this fund?

- Diversified portfolio of 200-300 positions exposed to inflation-linked sectors through Equities, Fixed Income and Commodities.
- Managed by experienced PMs – Alfred Grusch and Francesco Sandrini, who incepted the strategy in 2014 and supported by 10 specialist PMs who manage the individual sleeves.
- Resilience against Inflation: The fund is exposed to sectors with revenues linked to inflation, providing resilience in sticky inflationary environment.

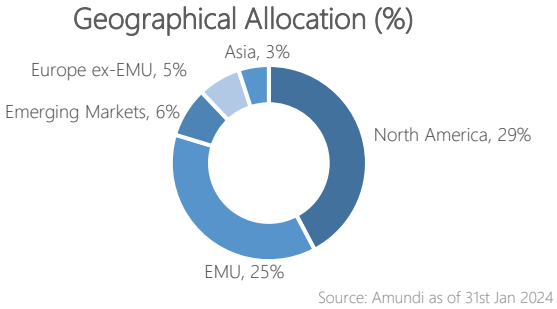
Why this Fund? 3 Reasons:

1. Attractive Income Target: 6.5% p.a. in 2024, distribution from coupons, equity dividends, and option premiums (via writing calls & puts).
2. Dynamic Asset Allocation: The fund dynamically allocates between a broad range of real assets.
3. Diversification: Real assets are good portfolio diversifiers, given their lower correlations to broader bonds and equities.

How is this fund positioned**?



- The fund is well-diversified across inflation-linked sub-sectors with over 200 holdings and has a volatility target of 7-12%.
- Currently, about 60% of the fund is invested in Equities, with largest exposures in Real Estate (c.13%), Energy (c.9%) and Utilities (c.9%).
- Fixed Income exposure has been gradually increased to c.20% largely distributed among Inflation-Linked, Government Bonds and IG Corporates. It maintains a low duration profile (1.2 years) and high credit quality (average at A) as of Jan 2024.
- Geographically, the equity sleeve is well-diversified across US, Europe, and Emerging Markets.
- The Fund's cash level c.4.0% also serves as collateral for their put-write options exposure.



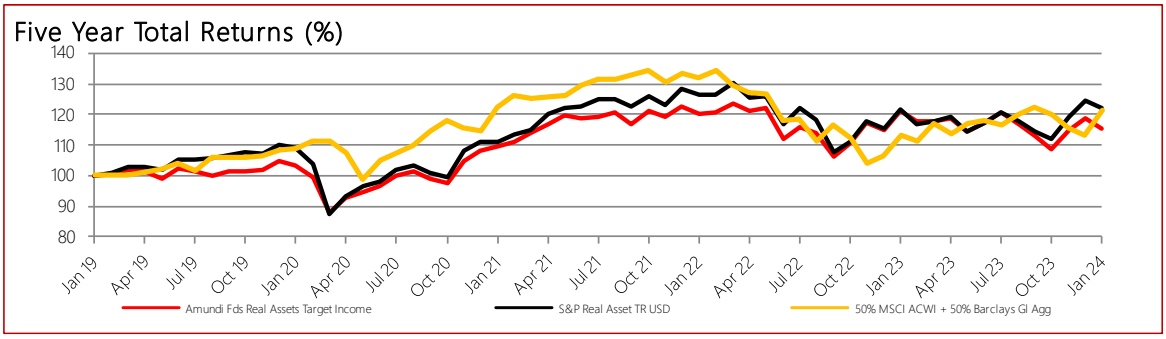
**Funds are actively managed, positions may change.

How has the fund Performed?

- The fund has a decent track record since the volatile Covid times, outperforming the broader equities and bonds over the three-year period, re-affirming its inflation-resilient nature.
- In the past 1 year, the fund trailed the BM on the back of weak real economy sectors, declining commodity markets and returns impacted by rising yields. However, their strong focus on downside protection has added value over a longer horizon, providing a sustainable long-term return profile.

Performance as of 31st Jan 2024 in US$	1M	3M	6M	1YR	3YR^	5YR^
Amundi Fds Real Assets Target Income	-3.08	6.10	-4.48	-4.81	1.64	2.89
S&P Real Asset TR USD	-2.08	9.05	1.03	0.23	3.19	4.06

Source: Morningstar ^Annualized



Source: Morningstar / DBS. As of 31st Jan 2024

What are the Key Risks of this fund?

- Sector Risk: Fund primarily invests in inflation linked sectors like Commodities, Energy and Natural Resources which can be relatively volatile.
- Derivative Risk: The fund uses derivatives to generate income and for hedging which can cause portfolio returns to be asymmetric as compared to the markets.
- 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

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. The team interviews the managers to form a research opinion on the funds and assigns a conviction rating to each. This is followed by on-going monitoring of the performance of the funds. The DBS FST Fund Rating encapsulates a qualitative assessment of the fund's competitive advantage relative to its peers.

DBS FST Fund Ratings

The DBS FST currently has research opinions on over 300 funds. The team reviews and assigns an appropriate rating to these funds.

This rating reflects 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.

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DBS Solutions Q1 2024: Fund Insights

Alternatives: Gold Equities

Overview

Heightened geopolitical tensions have prompted several central banks to boost their gold reserves, partially as a strategic measure to diversify from US dollar holdings. Against a backdrop of decelerating global growth and the anticipated interest rate cuts, the DBS Chief Investment Office (CIO) has the view that gold prices are likely to rise to historical highs.

We continue to advocate gold holdings as a portfolio risk diversifier and tail risk hedge, which has been displaying diminished downside sensitivity to the dollar and rises in real rates. Investors seeking portfolios diversification may consider allocating to gold while gold miners offer a higher beta play.

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

Ninety One GSF Global Gold Fund ++++

What are the Key Characteristics of this fund?

- Strategy primarily invests in gold mining stocks, with up to a third invested in other precious metals miners and ETC funds in gold and silver bullion.
- Concentrated fund with roughly 23 holdings.
- When selecting securities, they consider medium term commodity prices and the companies' ability to generate superior Return on Capital.

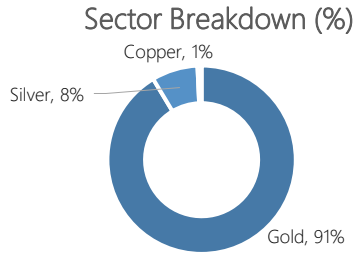
Why this Fund? 3 Reasons:

1. Portfolio diversifier / inflation hedge: Historically, gold prices positively correlate to US inflation and tend to perform in periods of sustained volatility.
2. Experienced PM with specialist team: Veteran PM George Cheveley is supported by 2 analysts with extensive industry experience.
3. Actively managed: Portfolio is actively adjusted - when anticipating down markets, it will be biased to royalty streamers and larger caps. With a bullish view, it will favour higher beta junior miners which are more sensitive to rises in gold prices.

Some of the key investment themes**?

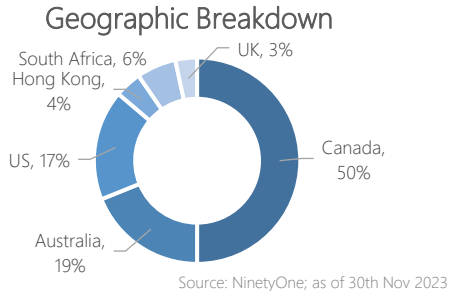
- The Majors: Major benchmark constituents like Newmont, Barrick, and Agnico typically make up ~30% to cushion the portfolio in downturns. If the PM has a bearish view on gold, this portion would be higher to dampen risks.
- The Juniors: These smaller operating miners (under US$2bn in market cap) tend to operate in developing jurisdictions. These companies are very sensitive to rising gold prices and may become targets for acquisition if gold rises.
- Bullish on Gold: The exposure to royalty companies is minimal currently, and has historically helped to buffer losses due to their diversified business model.

How is this fund positioned**?



Source: Ninety One, as of 30th Nov 2023

- Majority of the fund is now in gold miners (c. 91%), with some tactical positions in silver miners and ETC funds. The PM has rotated out of royalty and streaming into junior miners last year given the bullish outlook on gold.
- Geograhpically, a significant proportion of the mines are in N. America, but they also invest in some companies mining in Australia and Africa.



Source: NinetyOne; as of 30th Nov 2023

There is c.8% exposure to silver.

- Fund size is at ~$465mn, allowing flexibility to allocate across the the market cap, depending on where the best opportunities lie, including smaller cap juniors.

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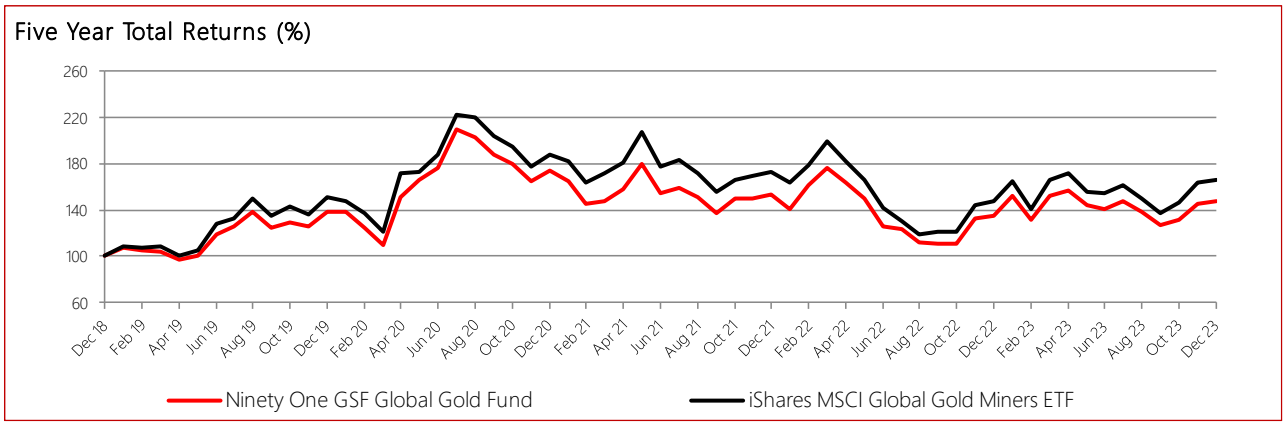
How has the fund Performed?

- For 2023, most of the gains can be attributed to increased geo-political risk in Q4, the prospect of rates falling as inflation subsides, and central bank buying which again was very strong in 2023.
- Given the underweight in the more defensive large caps and royalty and streaming companies, the fund had lagged the gold recovery. However, its active management and focus on fundamentals, helped buffer the downside in 2022 as compared to the benchmark.
- Given the current positioning in junior minors, should gold prices gap higher as the DBS CIO expects, the fund is expected fare better.

Performance as of 31st December 2023 in US$	1M	3M	6M	1YR	3YR^	5YR^
Ninety One GSF Global Gold Fund	1.17	16.51	4.98	8.89	-5.39	8.08
iShares MSCI Global Gold Miners ETF	1.63	20.69	7.45	12.62	-4.11	10.68

Source: Morningstar ^Annualized



Source: Morningstar / DBS. As of 31st December 2023

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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Notes:

1. 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. 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 and 5-years' performance returns are annualized. All data presented are as of 31st January 2024, or the closest available NAV date prior. Cumulative and annualized performance data are bid-to-bid, in USD terms, unless specified otherwise. The funds' relative performance against their appropriate benchmarks are provided, where applicable.
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