Buy early.

To:	Our Valued Investors
From:	CIO
Letter:	Managed Account, M02/2024/07
Date:	8 July 2024
Re:	Tatsuro Kiyohara. Japan resumes uptrend. India up despite strong dollar. MOVE up, RRPs spiked. No Bernie Sanders crash. Let bonds rise until 1 August. YZJ Ship +42% in 6 weeks. Malaysia tops again for 1M. 12M, 5 portfolios up >10%. Malaysia +34%, Hong Kong +32%, SMART US +22%, GGL +19%, Blue-Chip Yield +14%. YTD, best Customised +10.1%. SMART123 benefits from 2M rebalancing.

Thanks to Substack's **Made in Japan** for summarizing (and translating) Tatsuro Kiyohara's book - *Complete My Investment Technique: Who Does The Market Smile To?* Tatsuro used to run a fund that compounded 20% annually over a 25-year period. It was done against a benchmark that returned an annualized 3%.

We are comforted that some of our processes are like his. We started investing in Japan in 2023. We hope to learn more from this book. What is working: Buy early.

Meanwhile Nikkei225 resumed its uptrend from 17 June. This helped our AOM portfolio (with substantial exposure to Japan) return a positive 1.2% in SGD in June (despite JPY depreciating 1.9% against SGD).

The Dollar index in June reversed its May move from 106 to 104, by going back to 106. This put small dents in several Asian stock markets, but India was up 6.6% in SGD terms.

The MOVE index was generally higher in June than in May, and climbing into July. There was a spike in RRPs of about $330B in 2 weeks to end of June (quarter-end). Let's see if this persists in July. Difficult to pin-point why as there are several events that might have contributed: France and UK elections, low bond yields in China, lack of JPY intervention, and Trump-Biden debate. Of course, we have Euro 2024. But there is nothing as significant as Bernie Sanders' popularity taking out stock markets in 2020 (TOTH to Weston Nakamura).

It is a common belief (hope?) that interest rates would be cut. For those who believe otherwise, we look to exit all bond securities on 1 August. Fingers crossed – let's have a nice rally in bond prices before our date. In the last 8 years, 10Y UST yield rose every year from near 1 August. It was late in 2019 (mid-Aug) and very late in 2017 (mid-Sep).

YZJ Ship – we entered on 13 May at $1.73 and exited partly 25 June at $2.46. This is 42% in 6 weeks.

On our monthly performance (in SGD):

At the top, our Malaysia portfolio edged out SMART 3's performance by +3.5% to +3.4%. SMART 2 was next at +3.2%. GGL and SMART1 tied at +2.4%. AOM's +1.2%, Fixed income UTs' +1.0%, and Sg Growth's +0.6% were the other positives. Gold & Resources' -6.2% was the worst of the negatives.

On trailing 12-month basis, Malaysia +34%, Hong Kong +32%, SMART US +22%, GGL +19%, Blue-Chip Yield +14%. Others with meaningful gains were Singapore Growth +9.5% and Global Funds +8.0%. Thailand and AOM are still negative.

YTD, among the customized accounts, the best was one with +10.1%. The SMART 123 ones are also up there between +5.7% and +7.1%, benefiting from the switch to a 2-month rebalancing.

Portfolio management

We still see positive liquidity outcomes that may feed into the risk markets. We remain value-conscious in stocks. Our bond exposure will be minimal, and will be for capital gain instead of income.

Portfolios' Performance

Our reference country/sector performances (in SGD terms):

S-REITs	-2.0%	(1M)	-14.1%	(YTD)	-12.7%	(12M)
Singapore	-0.1%	(1M)	2.9%	(YTD)	4.0%	(12M)
US Big	3.8%	(1M)	17.2%	(YTD)	23.0%	(12M)
US Tech	6.5%	(1M)	19.7%	(YTD)	29.9%	(12M)
Hong Kong	-1.5%	(1M)	6.7%	(YTD)	-5.7%	(12M)
Shanghai	-3.9%	(1M)	0.1%	(YTD)	-7.3%	(12M)
Japan	0.9%	(1M)	7.2%	(YTD)	8.1%	(12M)
Australia	1.4%	(1M)	2.9%	(YTD)	8.2%	(12M)
India	6.9%	(1M)	12.8%	(YTD)	23.4%	(12M)
Malaysia	-0.4%	(1M)	9.2%	(YTD)	14.3%	(12M)
Thailand	-2.7%	(1M)	-13.2%	(YTD)	-17.3%	(12M)
Global Stock	1.4%	(1M)	12.2%	(YTD)	16.4%	(12M)
Global Bond	0.9%	(1M)	1.0%	(YTD)	-0.3%	(12M)
Gold Miners	-3.5%	(1M)	12.1%	(YTD)	13.0%	(12M)
Materials	-3.2%	(1M)	5.9%	(YTD)	6.8%	(12M)
Energy	-1.9%	(1M)	11.5%	(YTD)	13.3%	(12M)

(1) Phillip Singapore Equity Yield (in SGD)

Portfolio	-1.1%	(1M)	0.1%	(YTD)	2.0%	(12M)
S-REITs	-2.0%	(1M)	-14.1%	(YTD)	-12.7%	(12M)
Singapore	-0.1%	(1M)	2.9%	(YTD)	4.0%	(12M)

We sold about half of YZJ Ship to lock in 42% gain. Some dividends were received. We bought SingTel on the basis that we are paying very cheaply for the rest of the businesses if we assumed it could sell the rest of Barti Airtel at the price it sold that 0.8%. We are not sure if SingTel's recent price move has anything to do with its collaboration with NVIDEA.

(2) Phillip Asian Opportunities Equity (in SGD)

Portfolio	1.2%	(1M)	-4.1%	(YTD)	-7.8%	(12M)
Japan	0.9%	(1M)	7.2%	(YTD)	8.1%	(12M)
Hong Kong	-1.5%	(1M)	6.7%	(YTD)	-5.7%	(12M)
Shanghai	-3.9%	(1M)	0.1%	(YTD)	-7.3%	(12M)

Japan has started to recover, as anticipated. We believe our stock picks will perform in 2H2024.

(3) Phillip Managed Singapore Equity (in SGD)

Portfolio	0.6%	(1M)	10.8%	(YTD)	9.5%	(12M)
Singapore	-0.1%	(1M)	2.9%	(YTD)	4.0%	(12M)

We duplicated the moves of our Singapore Equity Yield portfolio in YZJ Ship and SingTel. Food Empire lost further even after the Ikhlas deal was announced. If one could infer from Inklas' similar deal with Silverlake a few years ago, then it should be positive.

(4) Phillip Blue Chip Equity Yield (in SGD)

Portfolio	-0.2%	(1M)	11.8%	(YTD)	13.7%	(12M)
Hong Kong	-1.5%	(1M)	6.7%	(YTD)	-5.7%	(12M)
Singapore	-0.1%	(1M)	2.9%	(YTD)	4.0%	(12M)
Australia	1.4%	(1M)	2.9%	(YTD)	8.2%	(12M)

We duplicated the moves of our Singapore portfolios in YZJ Ship and SingTel. Deterra lost ground on iron ore price. Singapore gained while Hong Kong lost. In total, -0.2%.

(5) Phillip Managed Gold & Resources Equity (in SGD)

Portfolio	-6.2%	(1M)	4.8%	(YTD)	5.3%	(12M)
Gold Miners	-3.5%	(1M)	12.1%	(YTD)	13.0%	(12M)
Materials	-3.2%	(1M)	5.9%	(YTD)	6.8%	(12M)
Energy	-1.9%	(1M)	11.5%	(YTD)	13.3%	(12M)

We stay patient with very under-valued Canada-listed commodity stocks. Even Warren Buffett noticed.

(6) Phillip Global Funds (in SGD)

Portfolio	-0.7%	(1M)	5.6%	(YTD)	8.0%	(12M)
Global 70/30	1.3%	(1M)	8.8%	(YTD)	11.4%	(12M)

Hong Kong, Malaysia and Gold Miners underperformed. Japan and Singapore contributed positively. We exited Korea and UK. Our short-term signals got us out of US.

(7) Phillip Returns Enhancer - Bond UTs (in SGD)

Portfolio	1.0%	(1M)	2.7%	(YTD)	5.1%	(12M)
Global Bond	0.9%	(1M)	1.0%	(YTD)	-0.3%	(12M)

Our concentration in high yields and short duration continues to help us outperform the referenced. MOVE was generally higher in June vs May.

(8) **Phillip SMART 1 Portfolio – Income (in SGD)**

Portfolio	2.4%	(1M)	5.6%	(YTD)	4.3%	(12M)
Global 40/60	1.1%	(1M)	5.4%	(YTD)	6.4%	(12M)

(9) Phillip SMART2 Portfolio – Income & Growth (in S$)

Portfolio	3.0%	(1M)	6.6%	(YTD)	4.2%	(12M)
Global 60/40	1.2%	(1M)	7.7%	(YTD)	9.7%	(12M)

(10) Phillip SMART3 Portfolio – Growth (in SGD)

Portfolio	3.4%	(1M)	7.1%	(YTD)	3.5%	(12M)
Global 70/30	1.3%	(1M)	8.8%	(YTD)	11.4%	(12M)

SMART 123 experienced robust returns in June, primarily driven by the strong performance of US markets, particularly within the tech sector. In India, despite the volatility during the election period, the market has stabilized and performed well. May inflation data continued to show signs of cooling, benefiting both equities and fixed income. As a result, all three of our high-yield fixed income funds achieved modest positive returns for the month.

(11) Phillip SMART US Equities Portfolio (in SGD)

Portfolio	-1.9%	(1M)	8.8%	(YTD)	21.8%	(12M)
US Big	3.8%	(1M)	17.2%	(YTD)	23.0%	(12M)

GAP gave back half of its May gains. Draftkings continued to perform.

(12) Phillip Hong Kong Focused Equity (in SGD)

Portfolio	-2.9%	(1M)	18.5%	(YTD)	31.8%	(12M)
Hong Kong	-1.5%	(1M)	6.7%	(YTD)	-5.7%	(12M)

Our outperforming the referenced remains at 37%age points at 12M. There was a 2.9% give-back in June. Some dividends were received. We added JD and China Shineway. Singamas is gaining fast.

(13) Phillip Malaysia Focused Equity (in SGD)

Portfolio	3.5%	(1M)	36.5%	(YTD)	33.8%	(12M)
Malaysia	-0.4%	(1M)	9.2%	(YTD)	14.3%	(12M)

Our Malaysia portfolio's surge is relentless. Surprisingly, we are value-centric. The remainder of VSTECS continues to contribute. By the way, VSTECS was a CA-TL-MI pick.

(14) Phillip Thailand Focused Equity (in SGD)

Portfolio	-4.7%	(1M)	-12.0%	(YTD)	-14.6%	(12M)
Thailand	-2.7%	(1M)	-13.2%	(YTD)	-17.3%	(12M)

We are still suffering in Thailand, even though we are better than the referenced index YTD and 12M.

(15) Phillip Global Growth Leaders (in SGD)

Portfolio	2.4%	(1M)	13.9%	(YTD)	19.2%	(12M)
Global Stock	1.4%	(1M)	12.2%	(YTD)	16.4%	(12M)

We are still ahead of the benchmark in these 3 timeframes. Gainers for the month were TSMC, NVDA, AMZN, META, MSFT. NEE, which +19.5% in May, lost in June due to equity-raising.

(16) Customised Portfolios

Because of customer-bias and our expertise bias, our heavier S E Asia exposure is bearing fruit. Top performer is a +10% YTD, with SE Asia and US exposure.

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

Because most clients want yield, our exposure tend to be in Singapore, Hong Kong, and Japan.

Thank you

We are grateful for your trust, and continuing support.