

# Liquidity is back.

**To:** Our Valued Investors

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**From:** CIO

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**Letter:** Managed Account,  
M02/2023/09

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**Date:** 8 September 2023

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**Re:** S-Reits' gave back, more.  
MOVE is stable.  
HK is fully invested.  
Bond portfolio 87% in MMF.  
Crude and sugar gains.  
HK and Brasil losses.  
**Japan's stock gained 77%.**  
Portfolio management.  
Portfolio performance.

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**T**he S-Reits gave back 4.1% in August, substantially more than its July gain of 1.7%. Perhaps the market is learning that our SG banks have a 6% dividend yield. Will the market soon realise that this is higher than those of the better names S-Reits?

So, we have moved back into the 3 SG banks. And, sold some more S-Reits. As for the US\_CRE S-Reits, we are unsure as at now, but are holding on to these greater-than-20% dividend-yields.

MOVE has come off its 130-high on 21 Aug, which is lower than the 6 July high of 134. It is below 103 on 1 September. This could mean risk assets could move higher, from here. We have been loading up.

First, the Hang Seng reverse head-and-shoulders did not fulfill its promise, and lost 8.5% in August. Our Hong Kong portfolio lost 5.5%. We are happy with the corporate action at Shougang Fushan Resources. We added Orient Overseas International Limited upon ex-dividend, and Rizhao Port Jurong. We increased on Fufeng Group. We are now 99% invested. Our AOM portfolio, with 36% exposure in China/HK is down 4.1% in August.

If savers would drive the economy more than borrowers, then inflation could return. More hikes are unlikely to benefit bonds. In S\$ terms, Vanguard Total World Bond fund dropped another 2.2% in August, after dropping 2.1% in July. Our Returns Enhancer portfolio lost 0.06% in August, and is now 87% in PMMF.

Second, we are into the Lunar Seventh Month. Nothing to see here. We wait for the F1 tourist arrivals.

Crude oil has gained 3% in August, and another 4% so far in September, on inventories. We have started to add to our favourites, which include Valaris, Baytex and Journey.

Our stocks in palm oil remained flat in August. The sugar ones in Thailand did well, improving between 4% and % in August. These further improved another 7% in early September, and we added a third Thai sugar stock.

We lost 6.3% in August on Brasil, which rebounded a little bit in early September.

Our Blue Chip Equity Yield (70% Singapore, 30% Other Asia) gained 0.5% in August due mainly to gains in China Non-Ferrous Mining, and Yangzijiang Shipping.

Our outperformers:

We have now positions in 9 Japan stocks. One of the nine gained **77%** in August. If you are interested in a portfolio with Japan stocks, please contact us.

Ley Choon +32% is the other notable gainer in August.

## **Portfolio management**

We see positive liquidity outcomes that may feed into the markets (equities mainly, and bonds). We remain value-conscious in stocks. And, our bond exposure will be for capital gain instead of income.

## Portfolios' Performance

Our reference country/sector performances (in S\$):

|              |             |              |              |
|--------------|-------------|--------------|--------------|
| S-Reits      | - 4.1% (1M) | - 3.8% (YTD) | -12.8% (12M) |
| Singapore    | - 4.2% (1M) | - 0.6% (YTD) | + 0.9% (12M) |
| US Big       | - 1.8% (1M) | +17.4% (YTD) | +14.9% (12M) |
| US Tech      | - 1.6% (1M) | +41.7% (YTD) | +28.1% (12M) |
| Hong Kong    | - 8.5% (1M) | - 7.1% (YTD) | - 5.5% (12M) |
| Shanghai     | - 5.2% (1M) | + 1.0% (YTD) | - 2.1% (12M) |
| Japan        | - 1.7% (1M) | +25.0% (YTD) | + 7.5% (12M) |
| Australia    | - 1.4% (1M) | + 3.8% (YTD) | + 7.0% (12M) |
| India        | - 2.6% (1M) | + 6.6% (YTD) | +10.3% (12M) |
| Malaysia     | - 0.5% (1M) | - 2.6% (YTD) | - 2.8% (12M) |
| Thailand     | - 0.9% (1M) | - 4.8% (YTD) | - 2.7% (12M) |
| Global Stock | + 1.2% (1M) | +13.4% (YTD) | + 8.4% (12M) |
| Global Bond  | - 2.4% (1M) | + 1.3% (YTD) | - 2.4% (12M) |
| Gold Miners  | - 6.8% (1M) | + 2.1% (YTD) | +22.9% (12M) |
| Materials    | - 3.3% (1M) | + 6.7% (YTD) | + 9.9% (12M) |
| Energy       | + 1.9% (1M) | + 2.8% (YTD) | + 9.8% (12M) |

### (1) Phillip Singapore Equity Yield (in S\$)

Dividends were received from KIT.

Currently we have 16 holdings, and 26% in MMF. We bought the 3 banks, and Haw Par.

|           |             |              |               |
|-----------|-------------|--------------|---------------|
| Portfolio | - 0.7% (1M) | - 2.2% (YTD) | - 10.5% (12M) |
| S-Reits   | - 4.1% (1M) | - 3.8% (YTD) | -12.8% (12M)  |
| Singapore | - 4.2% (1M) | - 0.6% (YTD) | + 0.9% (12M)  |

### (2) Phillip Asian Opportunities Equity (in S\$)

Dividends were received from 3 companies.

Currently, we have 19 holdings: 33% in Singapore, 39% in China/HK, 11% in Australia/Japan/Korea; and, 17% in MMF. We sold FLCT, and CDLHT. We bought Alibaba.

|           |             |              |              |
|-----------|-------------|--------------|--------------|
| Portfolio | - 4.1% (1M) | - 1.5% (YTD) | - 2.8% (12M) |
| Singapore | - 4.2% (1M) | - 0.6% (YTD) | + 0.9% (12M) |
| Hong Kong | - 8.5% (1M) | - 7.1% (YTD) | - 5.5% (12M) |
| Shanghai  | - 5.2% (1M) | + 1.0% (YTD) | - 2.1% (12M) |
| Japan     | - 1.7% (1M) | +25.0% (YTD) | + 7.5% (12M) |
| Australia | - 1.4% (1M) | + 3.8% (YTD) | + 7.0% (12M) |

### **(3) Phillip Managed Singapore Equity (in S\$)**

Dividends were received from KIT, CSE, and Wilmar.

Currently we have 19 holdings, and 6% in MMF. We sold HKL, STR and added Wilmar, CSE and the 3 SG banks.

|           |             |              |              |
|-----------|-------------|--------------|--------------|
| Portfolio | - 1.0% (1M) | - 3.9% (YTD) | - 9.3% (12M) |
| Singapore | - 4.2% (1M) | - 0.6% (YTD) | + 0.9% (12M) |

### **(4) Phillip Blue Chip Equity Yield (in S\$)**

Dividends were received from KIT.

Currently we have 10 holdings, and 31% in MMF. 23% is not in Singapore. We bought the 3 SG banks, and sold HKL.

|           |             |              |               |
|-----------|-------------|--------------|---------------|
| Portfolio | + 0.5% (1M) | - 2.4% (YTD) | - 5.5% (12M)  |
| S-Reits   | - 4.1% (1M) | - 3.8% (YTD) | - 12.8% (12M) |
| Singapore | - 4.2% (1M) | - 0.6% (YTD) | + 0.9% (12M)  |
| Hong Kong | - 8.5% (1M) | - 7.1% (YTD) | - 5.5% (12M)  |

### **(5) Phillip Managed Gold & Resources Equity (in S\$)**

We bought Baytex and Journey in August.

Currently, we have 25 holdings: 25% in Precious Metals, 24% in Industrial Materials; 19% in Energy; 9% in Sugar; and, 23% in MMF.

Gold stocks underperformed, but the others: energy, industrial metals and sugar did well.

|             |             |              |               |
|-------------|-------------|--------------|---------------|
| Portfolio   | + 0.2% (1M) | - 4.1% (YTD) | - 3.8% (12M)  |
| Gold Miners | - 6.8% (1M) | + 2.1% (YTD) | + 22.9% (12M) |
| Materials   | - 3.3% (1M) | + 6.7% (YTD) | + 9.9% (12M)  |
| Energy      | + 1.9% (1M) | + 2.8% (YTD) | + 9.8% (12M)  |

### **(6) Phillip Global Funds (in S\$)**

Our portfolio has 2 Reits, 7 funds, and 51% in MMF. We sold the bond funds. We suffered in Hong Kong and Brasil.

Portfolio - 1.7% (1M) - 1.0% (YTD) - 3.0% (12M)

Global 70/30 + 0.1% (1M) +9.8% (YTD) + 5.2% (12M)

### **(7) Phillip Returns Enhancer - Bond UTs (in S\$)**

Dividends came from 2 funds.

Our portfolio has only Neuberger Short Duration HY, and 87% in MMF. We sold the rest.

Portfolio - 0.1% (1M) + 1.1% (YTD) + 0.6% (12M)

Global Bond - 2.4% (1M) + 1.3% (YTD) - 2.4% (12M)

### **(8) Phillip SMART 1 Portfolio – Income**

Portfolio - 0.1% (1M) + 4.7% (YTD) + 4.9% (12M)

Global 40/60 - 1.0% (1M) + 6.1% (YTD) + 1.9% (12M)

### **(9) Phillip SMART2 Portfolio – Income & Growth**

Portfolio - 0.2% (1M) + 4.3% (YTD) + 1.6% (12M)

Global 60/40 - 0.2% (1M) + 8.6% (YTD) + 4.1% (12M)

### **(10) Phillip SMART3 Portfolio – Growth (in S\$)**

Portfolio - 0.0% (1M) + 4.3% (YTD) + 3.4% (12M)

Global 70/30 + 0.1% (1M) +9.8% (YTD) + 5.2% (12M)

**(11) Phillip SMART US Equities Portfolio (in S\$)**

We are into our twelfth month.

|           |             |              |              |
|-----------|-------------|--------------|--------------|
| Portfolio | + 0.2% (1M) | - 1.1% (YTD) | -19.6% (11M) |
| US Big    | - 1.8% (1M) | +17.4% (YTD) | +14.9% (12M) |

**(12) Phillip Hong Kong Focused Equity (in S\$)**

|           |             |              |              |
|-----------|-------------|--------------|--------------|
| Portfolio | - 5.5% (1M) | - 3.3% (YTD) | - 5.0% (12M) |
| Hong Kong | - 8.5% (1M) | - 7.1% (YTD) | - 5.5% (12M) |

**(13) Phillip Malaysia Focused Equity (in S\$)**

|           |             |               |              |
|-----------|-------------|---------------|--------------|
| Portfolio | + 3.7% (1M) | - 12.4% (YTD) | -9.5% (12M)  |
| Malaysia  | - 0.5% (1M) | - 2.6% (YTD)  | - 2.8% (12M) |

**(14) Phillip Thailand Focused Equity (in S\$)**

|           |             |               |               |
|-----------|-------------|---------------|---------------|
| Portfolio | - 3.5% (1M) | - 10.2% (YTD) | - 19.4% (12M) |
| Thailand  | - 0.9% (1M) | - 4.8% (YTD)  | - 2.7% (12M)  |

**(15) Phillip Global Growth Leaders (in S\$)**

We are into our eleventh month.

|           |             |              |              |
|-----------|-------------|--------------|--------------|
| Portfolio | - 0.6% (1M) | + 21.6 (YTD) | +15.7% (12M) |
| US Big    | - 1.8% (1M) | +17.4% (YTD) | +14.9% (12M) |

### **Customised Portfolios**

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

If your portfolio has more than 15% MMF, please do not be alarmed. The re-balancing is taking more time due to bond volatility in May, July and August. We will soon be fully invested.

### **Thank you**

We are grateful for your trust, and continuing support.