How FSM MAPS Enhances Your Overall Portfolio

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19 January 2019

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In This Presentation

- Our Approach to Portfolio Diversification
- Portfolio actions in 2018
- Positioning for 2019 opportunities

Our Approach to Portfolio Diversification

Introduction to FSM MAPS

- FSM MAPS (short for FSMOne.com Managed Portfolios) is a service that builds, monitors and rights your portfolio for you

- Launched since December 2016, FSM MAPS is designed for easy and effortless investing without the stress

Who May Find MAPS Useful?

- Are you someone who:
  - ❑ Gets emotional and affected about what you read in the news and financial headlines?
  - ❑ Gets over-confident when markets go up, and downright despondent when market go down?
  - ❑ Follows investment 'tips' on what to buy or sell based on greed or fear?
  - ❑ Tries to time the best entry and exit points?
  - ❑ Does not have the time to do detailed investment research?


Market Peak (Risk)
Euphoria
Anxiety
Thrill
Denial
Excitement
Fear
Optimism
Desperation
Optimism
Relief
Panic
Capitulation
Hope
Despondency
Depression
Market Trough (Opportunity)

A Good Portfolio Should Have 3 Key Characteristics

- Be Systematic
  - Can assess over time what works and what doesn't

- Incorporate discipline
  - Can mitigate fear and greed

- Aim to maximise risk-adjusted returns
  - Focus not just on returns, but the risk as well

Managing A Portfolio is Like Managing a Football Team

Risky to play only with strikers

Can't win by just defending

Managing A Portfolio is Like Managing a Football Team

Cover the entire field

Change strategies

Replace players

Portfolio Actions in 2018

2018 Observations

- December 2018 was the second worst December recorded for US equities, second only to what transpired in the Great Depression in 1931.

- 2018 was the first annual loss posted by US equities since 2008.

- Having fallen significantly earlier in the year, Asian equities outperformed their Western developed market peers in 4Q 2018.

- Downward revisions to US estimated earnings growth for 2019 and 2020 have continued.

Performance of Global Major Stock and Bond Markets (as of 31 December 2018)

Major Stock Indices		Dec 2018 Performance	2018 Performance	Since Portfolio's Inception
World	MSCI AC World Index	-7.0%	-9.0%	13.3%
US	S&P 500 Index	-9.0%	-4.4%	16.2%
Europe	STOXX 600 Index	-5.4%	-10.3%	2.5%
Japan	Nikkei 225 Index	-10.3%	-16.0%	3.2%
Asia ex-Japan	MSCI Asia ex Japan Index	-2.9%	-14.4%	17.7%
Emerging Markets	MSCI Emerging Market Index	-2.8%	-14.5%	15.9%
EMEA	MSCI EM Eur, ME & Africa	-1.6%	-15.6%	8.4%
LATAM	MSCI EM Latin America	-0.7%	-6.2%	17.8%
Major Bond Categories		**Dec 2018 Performance**	**2018 Performance**	**Since Portfolio's Inception**
Global Bonds	JPM Global Aggregate Bond Index	1.9%	-1.2%	5.4%
Asia Bonds	Credit Suisse Asian Bond TR Index	1.3%	-0.6%	4.8%
EM Hard Currency	JPM EMBI Total Return Index	1.5%	-4.6%	4.9%
US HY	Bloomberg Barclays US Corporate High Yield	-2.1%	-2.1%	6.0%
Asia HY	Bloomberg Barclays Asia USD High Yield Bond	1.6%	-3.3%	3.0%

Source: Bloomberg, iFAST Compilations
Data as of 31 December 2018
Total Returns in local currency terms

Portfolio Performance In 2018

Portfolio	Growth	Income	Composite Benchmark*
Aggressive	-11.0%	-9.2%	-6.6%
Moderately Aggressive	-9.8%	-8.6%	-5.4%
Balanced	-8.1%	-7.7%	-4.2%
Moderately Conservative	-7.0%	-7.1%	-3.0%
Conservative	-4.9%	-5.1%	-1.8%

Source: Bloomberg, iFAST Compilations. Total returns basis in SGD terms as of 31 December 2018 for FSM MAPS
*Composite benchmark: MSCI AC World for equity proportion (in SGD terms), JPM Global Aggregate Bond index for bond proportion (in local currency terms).
Composite benchmark according to neutral asset allocation:
Aggressive: 90% Equities – 10% Bonds, Moderately Aggressive: 70% Equities – 30% Bonds
Balanced: 50% Equities – 50% Bonds
Moderately Conservative: 30% Equities – 70% Bonds, Conservative: 10% Equities – 90% Bonds

Portfolio Performance Review
Since Inception (from Dec 2016)

Portfolio	Growth	Income	Composite Benchmark*
Aggressive	5.5%	5.5%	8.1%
Moderately Aggressive	4.6%	4.5%	7.5%
Balanced	4.1%	3.3%	6.9%
Moderately Conservative	1.7%	0.8%	6.4%
Conservative	0.9%	0.3%	5.8%

Source: Bloomberg, iFAST Compilations. Total returns basis in SGD terms as of 31 December 2018 for FSM MAPS
*Composite benchmark: MSCI AC World for equity proportion (in SGD terms), JPM Global Aggregate Bond index for bond proportion (in local currency terms).
Composite benchmark according to neutral asset allocation:
Aggressive: 90% Equities – 10% Bonds, Moderately Aggressive: 70% Equities – 30% Bonds
Balanced: 50% Equities – 50% Bonds
Moderately Conservative: 30% Equities – 70% Bonds, Conservative: 10% Equities – 90% Bonds

FSM MAPS vs Global Asset Allocators 2018

Asset Allocators	2018 Returns
HSBC Portfolios WorldSel 1 ACUSD	-1.5%
Deutsche Invest I Multi Opp LCH USD	-2.0%
Aviva AIMS AH-USD	-3.2%
Fidelity SMART Global Moderate USD	-4.4%
HSBC Portfolios WorldSel 1 AMHSGD	-4.8%
FSM MAPS Conservative Growth	**-4.9%**
Deutsche Invest I Multi Opp LDMH SGD	-5.0%
MGAA - Managed Growth Fund A MDIS SGD	-5.1%
FSM MAPS Conservative Income	**-5.1%**
United Income Focus Trust Acc SGD	-5.6%
Aviva AIMS AH-SGD	-5.9%
HSBC Portfolios WorldSel 3 ACUSD	-6.1%
Fullerton Dynamic Strategies Bal A SGD	-6.5%
MGAA - Growth Fund A MDIS SGD	-6.5%
FSM MAPS Moderately Conservative Growth	**-7.0%**
FSM MAPS Moderately Conservative Income	**-7.1%**
Blackrock Glb Allocation A2 USD	-7.1%
FSM MAPS Balanced Income	**-7.7%**
MGAA - Managed Growth Fund A MDIS SGD-H	-7.9%
United Income Focus Trust Acc SGD-H	-8.0%
FSM MAPS Balanced Growth	**-8.1%**
Eastspring Inv Glb Mkt Nav USD ADMC1	-8.5%
FSM MAPS Moderately Aggressive Income	**-8.6%**
HSBC Portfolios WorldSel 5 ACUSD	-8.9%
Fullerton Dynamic Strategies Agg A SGD	-9.0%
FSM MAPS Aggressive Income	**-9.2%**
MGAA - Growth Fund A MDIS SGD-H	-9.3%
HSBC Portfolios WorldSel 3 AMHSGD	-9.3%
PineBridge Glb Dynamic Asset Allocation A USD	-9.7%
FSM MAPS Moderately Aggressive Growth	**-9.8%**
Blackrock Glb Allocation A2 SGD-H	-9.9%
Parvest Diversified Dynamic Cl Dis EUR	-10.6%
FSM MAPS Aggressive Growth	**-11.0%**
Eastspring Inv Glb Mkt Nav SGD ASDMC1 (H)	-11.3%
HSBC Portfolios WorldSel 5 AMHSGD	-12.0%

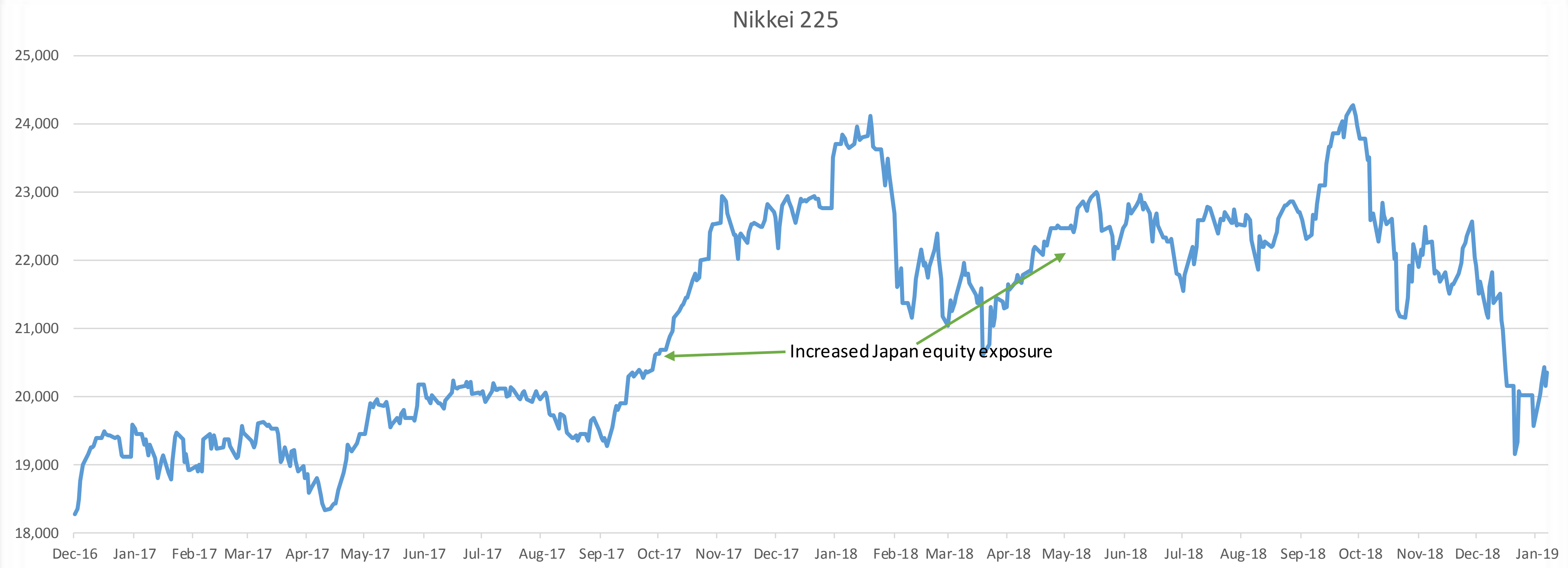
Returns in SGD terms, as of 31 December 2018

FSM MAPS vs Global Asset Allocators Since Inception (December 2016)

Asset Allocators	Since FSM MAPS Inception
FSM MAPS Aggressive Growth	**5.5%**
FSM MAPS Aggressive Income	**5.5%**
HSBC Portfolios WorldSel 5 AMHSGD	5.3%
FSM MAPS Moderately Aggressive Growth	**4.6%**
FSM MAPS Moderately Aggressive Income	**4.5%**
Parvest Diversified Dynamic Cl Dis EUR	4.4%
FSM MAPS Balanced Growth	**4.1%**
HSBC Portfolios WorldSel 5 ACUSD	3.7%
FSM MAPS Balanced Income	**3.3%**
United Income Focus Trust Acc SGD-H	3.2%
HSBC Portfolios WorldSel 3 AMHSGD	2.9%
FSM MAPS Moderately Conservative Growth	**1.7%**
HSBC Portfolios WorldSel 3 ACUSD	1.3%
Fidelity SMART Global Moderate USD	1.1%
FSM MAPS Conservative Growth	**0.9%**
United Income Focus Trust Acc SGD	0.8%
HSBC Portfolios WorldSel 1 AMHSGD	0.8%
FSM MAPS Moderately Conservative Income	**0.8%**
Blackrock Glb Allocation A2 SGD-H	0.7%
FSM MAPS Conservative Income	**0.3%**
Fullerton Dynamic Strategies Agg A SGD	0.3%
Eastspring Inv Glb Mkt Nav SGD ASDMC1 (H)	0.0%
HSBC Portfolios WorldSel 1 ACUSD	-1.0%
MGAA - Growth Fund A MDIS SGD-H	-1.7%
Fullerton Dynamic Strategies Bal A SGD	-1.8%
Blackrock Glb Allocation A2 USD	-2.0%
Eastspring Inv Glb Mkt Nav USD ADMC1	-2.7%
Deutsche Invest I Multi Opp LDMH SGD	-2.9%
MGAA - Managed Growth Fund A MDIS SGD-H	-3.5%
MGAA - Growth Fund A MDIS SGD	-4.3%
PineBridge Glb Dynamic Asset Allocation A USD	-4.4%
Deutsche Invest I Multi Opp LCH USD	-5.6%
MGAA - Managed Growth Fund A MDIS SGD	-6.1%
Aviva AIMS AH-SGD	-7.8%
Aviva AIMS AH-USD	-10.7%

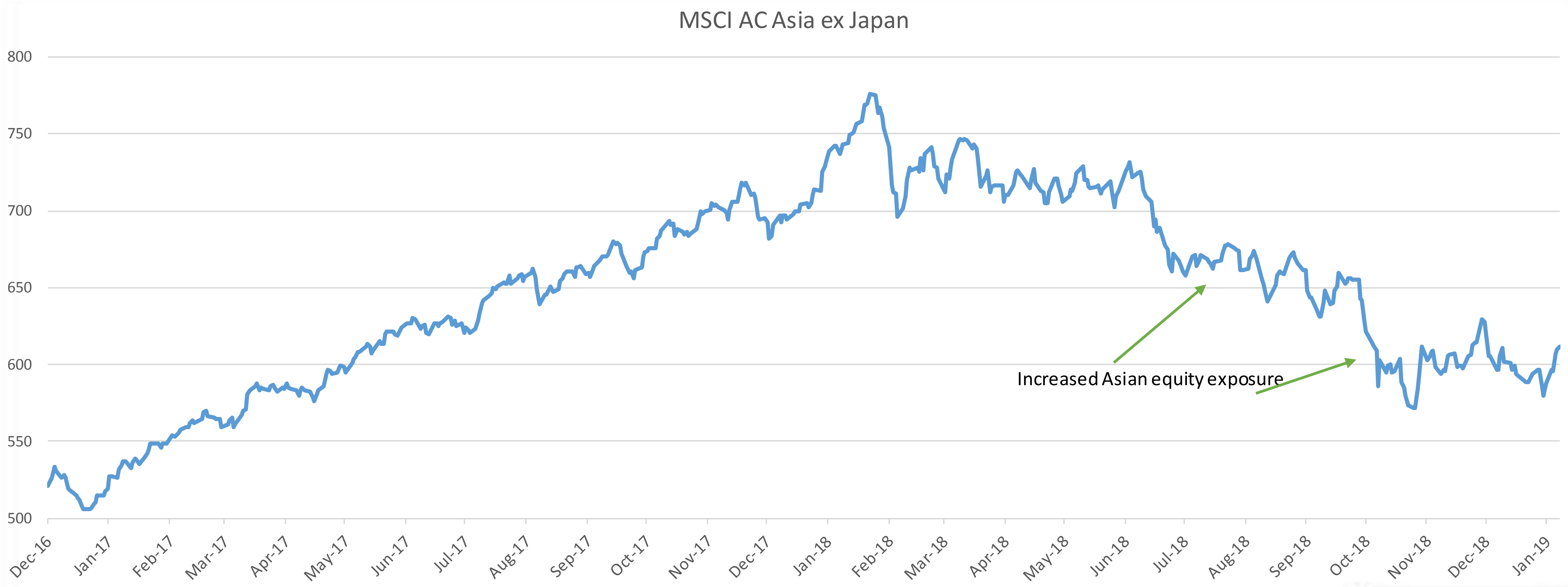
Returns in SGD terms, as of 31 December 2018

Seizing Opportunities, Avoiding Risks



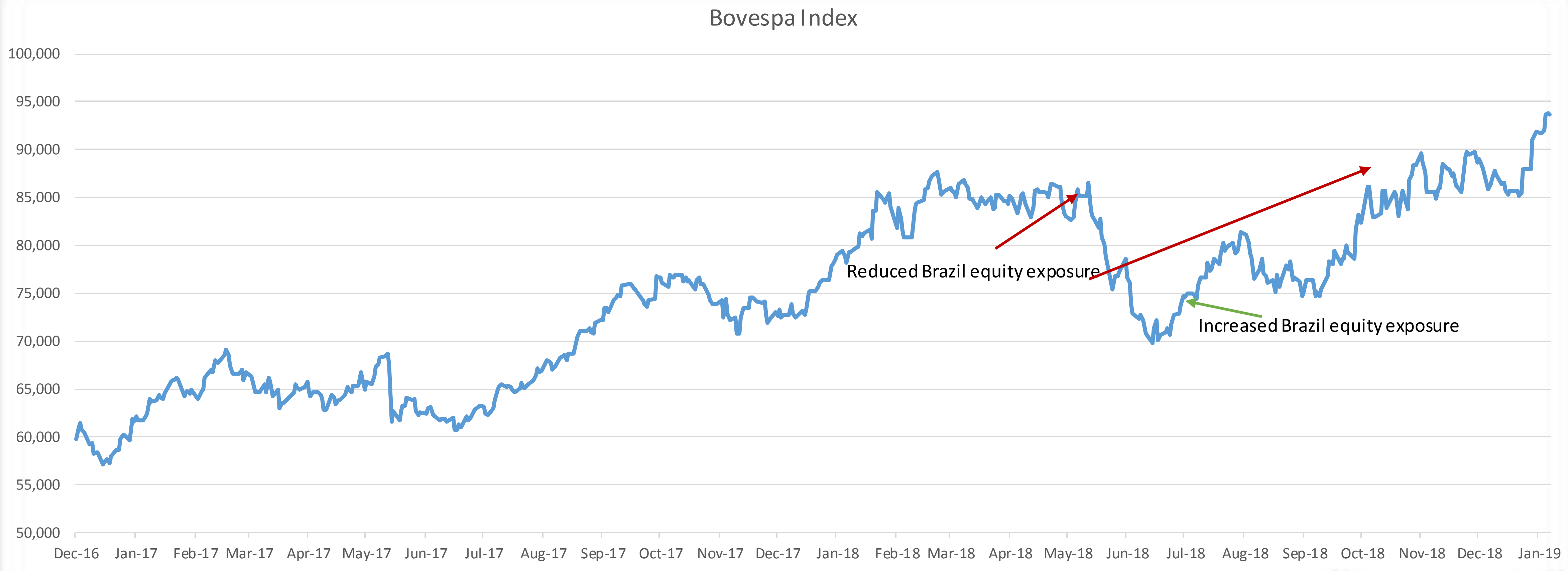
Source: Bloomberg, iFAST Compilations
Price index returns in local currency terms
Data as of 11 January 2019

Seizing Opportunities, Avoiding Risks



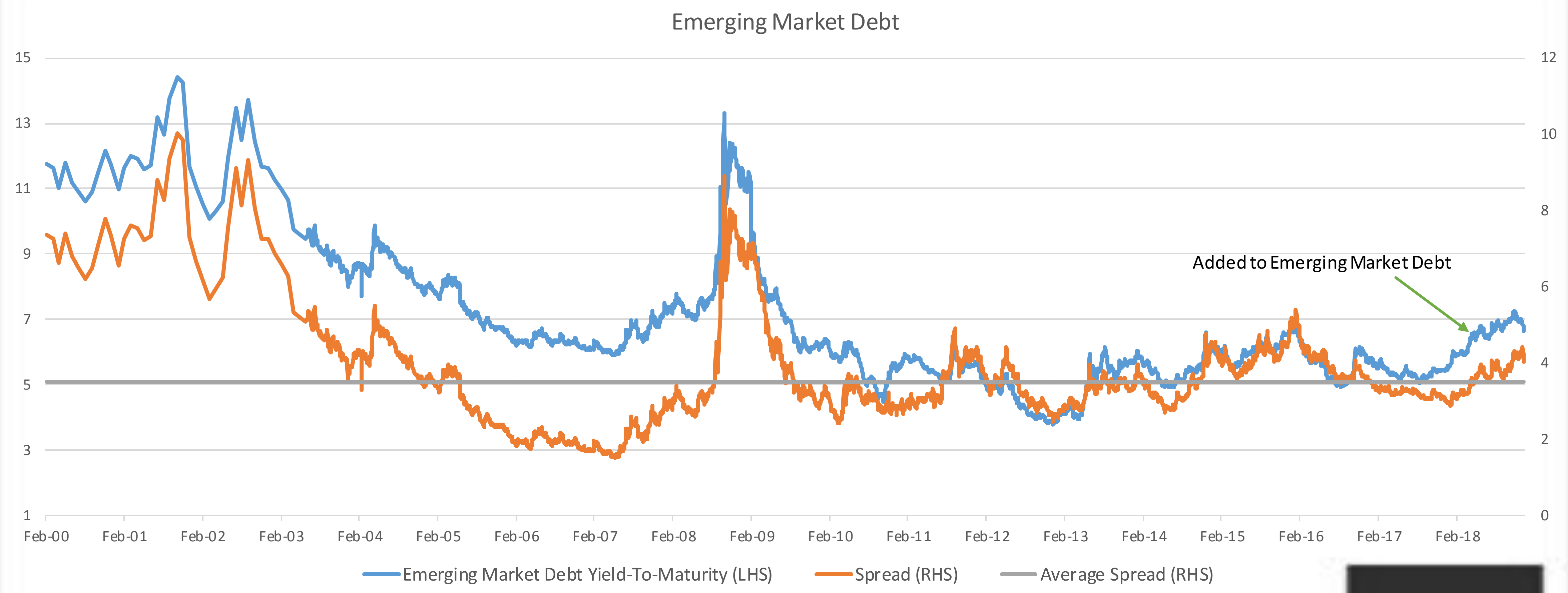
Source: Bloomberg, iFAST Compilations
Price index returns in local currency terms
Data as of 11 January 2019

Seizing Opportunities, Avoiding Risks



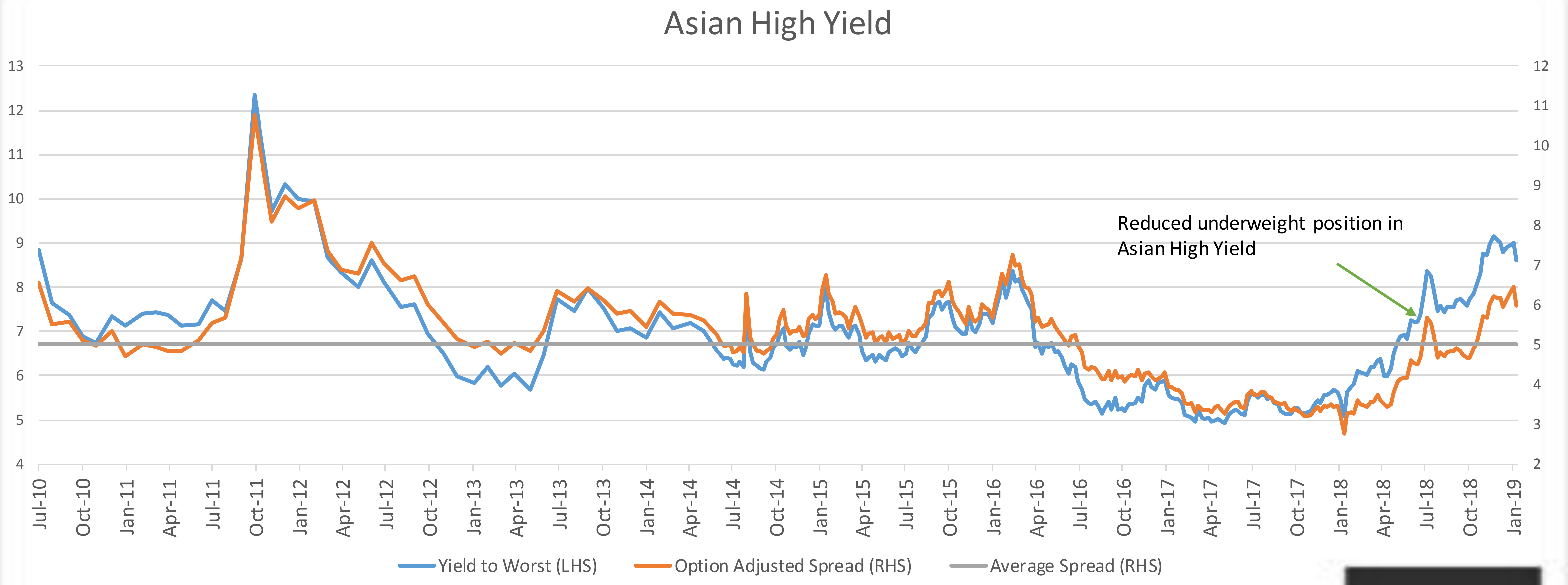
Source: Bloomberg, iFAST Compilations
Price index returns in local currency terms
Data as of 11 January 2019

Seizing Opportunities, Avoiding Risks



Source: Bloomberg, iFAST Compilations
data as of 11 January 2019

Seizing Opportunities, Avoiding Risks



Source: Bloomberg, iFAST Compilations
Data as of 11 January 2019

Positioning for 2019 Opportunities

Expectations For 2019

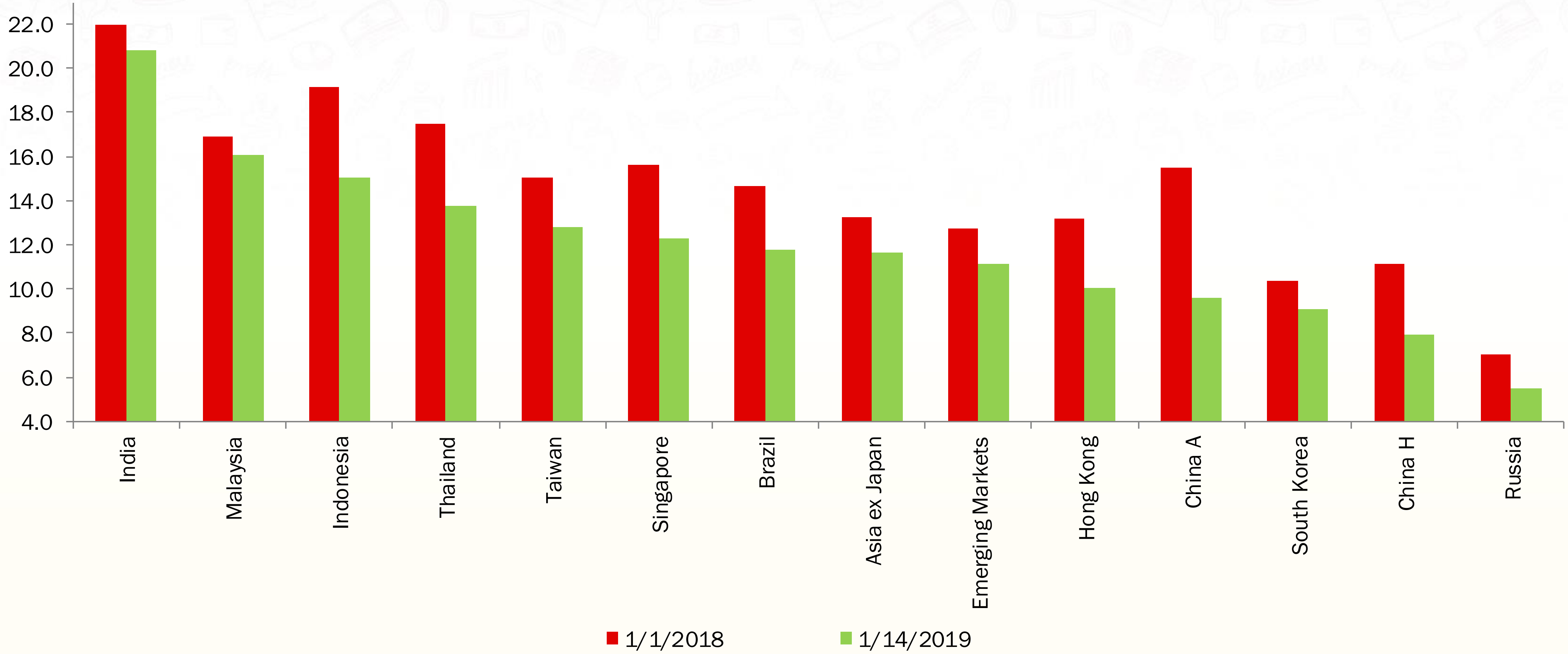
- We expect the US to continue its convergence with the rest of the world for both its economy and its financial markets.

- Continue to favour Asia ex-Japan and Emerging Markets ex-Asia over Western developed markets; valuations continue to remain low for Asia and Emerging Markets.

- Emerging Market debt and Asian high yield should help drive fixed income performance down the road; Short Duration allocation to help anchor fixed income.

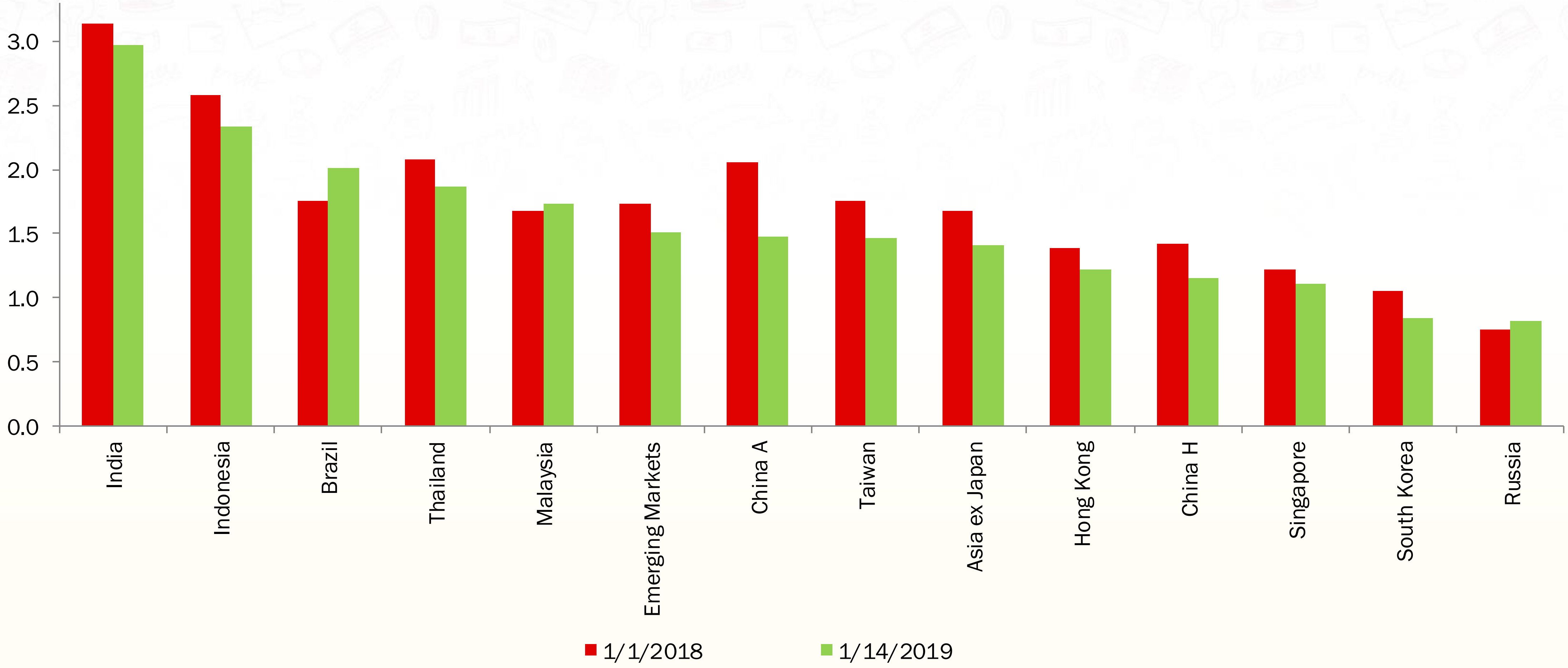
- Overweight equities vis-à-vis fixed income as per our research team's 2019 outlook.

PE Ratios for Markets



Source: Bloomberg, iFAST compilations. Data as of 14 January 2019.
EMs & Asia ex Japan represented by the MSCI Emerging Markets & the MSCI AC Asia ex Japan Indexes

PB Ratios for Markets



Source: Bloomberg, iFAST compilations. Data as of 14 January 2019.
EMs & Asia ex Japan represented by the MSCI Emerging Markets & the MSCI AC Asia ex Japan Indexes

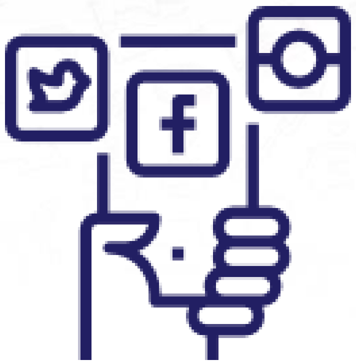
Asset Allocation

Neutral Allocation	Equities	Bonds
Conservative	10%	90%
Moderately Conservative	30%	70%
Balanced	50%	50%
Moderately Aggressive	70%	30%
Aggressive	90%	10%

Current Allocation	Equities	Bonds
Conservative	15%	85%
Moderately Conservative	35%	65%
Balanced	55%	45%
Moderately Aggressive	75%	25%
Aggressive	90%	10%

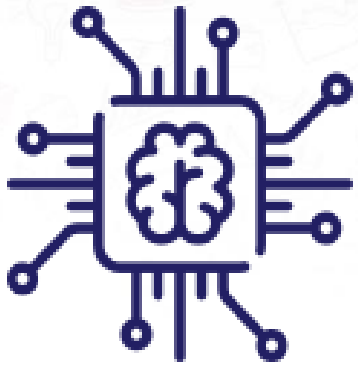
Source: iFAST Compilations
Data as of 31 December 2018

Where Are The Next Opportunities To Be Seized?



Internet

Financials



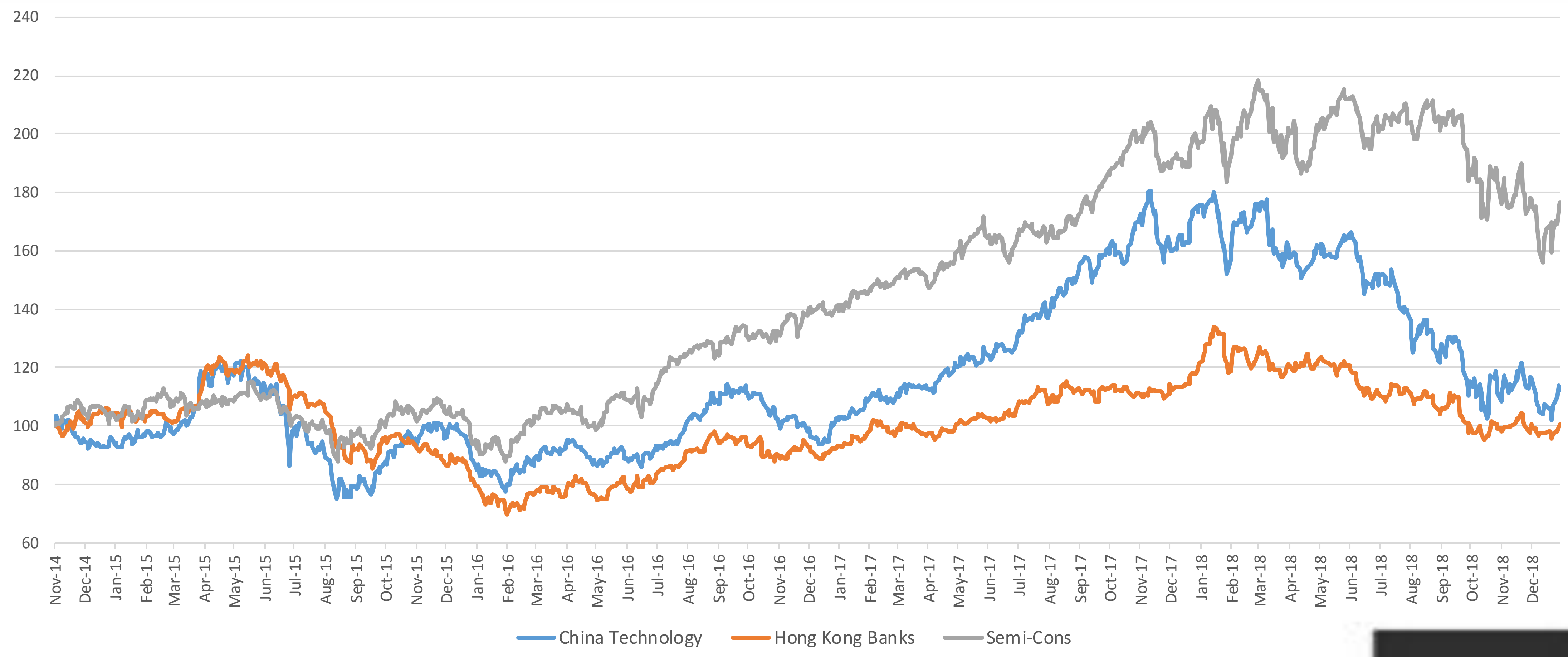
Semiconductors

ETFs

Internet	Financials	Semiconductors
Invesco China Technology ETF (NYSE.CQQQ)	BMO HK Banks ETF (3143.HK)	VanEck Vectors Semiconductor ETF (NYSE.SMH)

Where Are The Next Opportunities To Be Seized?

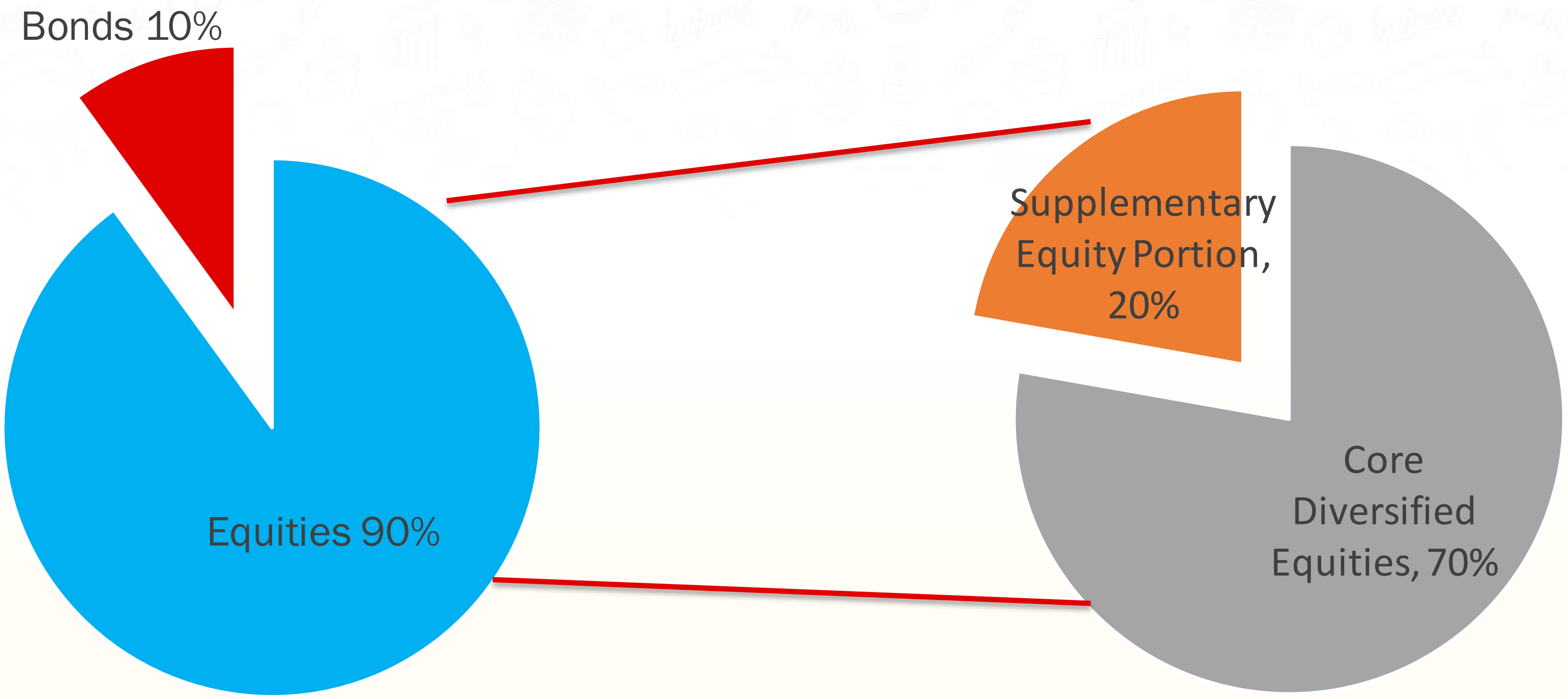
FSM One



Source: Bloomberg, iFAST Compilations
Data as of 11 January 2019
Indexed to 100 as of 13 November 2014

iFAST

Where Are The Next Opportunities To Be Seized?



Remember the ‘Why’ You Started Investing

CONSERVATIVE

INCOME | RETIREMENT

MODERATELY CONSERVATIVE

INCOME | RETIREMENT

BALANCED

ENDOWMENT | KIDS EDUCATION | RETIREMENT | HOUSE UPGRADE

MODERATELY AGGRESSIVE

ENDOWMENT | KIDS EDUCATION | RETIREMENT | HOUSE UPGRADE

AGGRESSIVE

ENDOWMENT | KIDS EDUCATION | HOUSE UPGRADE

A Good Portfolio Should Have These Key Characteristics

- **Be Systematic**
  - Can assess over time what works and what doesn't
- **Incorporate discipline**
  - Can mitigate fear and greed
- **Aim to maximise risk-adjusted returns**
  - Focus not just on returns, but the risk as well
- **Affordable for everyone**
  - Lump-sum start from S$1,000
  - Regular Savings Plan (RSP) from S$500

Thank You!

Our Mission Statement

To help investors around the world invest globally and profitably.