

Phillip Income Solutions

Phillip Income Fund

Phillip Singapore Real Estate Income Fund

The hunt for income in a low yield environment

- Insignificant returns from cash holdings

The impact from the global financial crisis resulted in loose monetary policies from the developed economies. The excess monies in the market reduced interest rates significantly. Hence investors are unable to derive any significant yield from cash holdings compare to the pre crisis period where cash holdings previously yielded an average of 2% p.a.

- Low returns from fixed income

Prior the global financial crisis, returns from low risk investment could yield up to 5% p.a. However given the current interest rate environment, higher risked investments would need to be considered in order to receive the similar level of income as yield have been low given the current environment.

- Ever changing market trends

While over the longer period of time, markets will generally be positive due to increasing cost, production, consumption (etc).. However, with the ever changing global demographics, these will cause uncertainty to investors which in return adds to the volatility on investments. Hence income derived seeks to stabilize investors' portfolio



The Phillip Income Solutions advantage

- Achieve diversification from two strategies

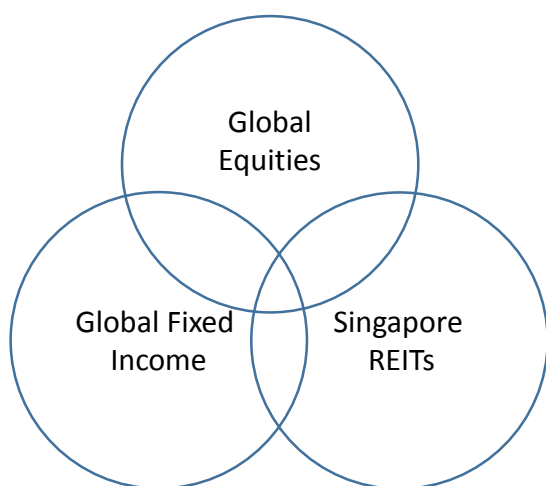
With the ever changing market trends, the Phillip Income Fund (PIF) sources for opportunities across various asset classes, regions and sectors. While the Phillip Singapore Real Estate Income Fund (PREIF) adopts a local sectoral outlook across the Singapore REITs industry thus achieving diversification for investors with two different mandates

- Income from various asset classes

Selection of income bearing assets varies from different risk levels ie: from government to unrated fixed income, high dividend paying equities, REITs. Hence providing a balance between suitability income, risk and capital appreciation for investors.

- Creating a diversified portfolio

With the PIF acting as a core strategy for a global balanced strategy, the additional of the PREIF will act as a supplement to the core strategy as the latter provides investors a diversified access to the Singapore Real Estate Industrial Trusts sector.



Phillip Income Solutions

Phillip Income Fund

Summary at a glance

- Global Diversified Portfolio

The fund adopts a globally diversified approach towards allocating Fixed Income and Equities and hence this approach spreads the risk while tapping onto the various income sources throughout the regions and asset classes.

- Diversified sources of Income

Since restructuring, the fund has placed emphasis towards high quality credits and high yielding equities for income generation and distribution.

| Dividend Payout History (Semi Annual) | | |
|---------------------------------------|--------------|-----------------|
| Ex-Date | Payment Date | Payout Per Unit |
| 11-Sep-12 | 24-Sep-12 | S\$0.0225 |
| 11-Mar-13 | 25-Mar-13 | S\$0.0225 |
| 16-Sep-13 | 30-Sep-13 | s\$0.0225 |
| 11-Mar-14 | 25-Mar-14 | s\$0.0225 |
| 16-Sep-14 | 23-Sep-14 | s\$0.0250 |
| 10-Mar-15 | 25-Mar-15 | s\$0.0250 |
| 25-Aug-15 | 8-Sep-15 | s\$0.0250 |
| 10-Mar-16 | 24-Mar-16 | s\$0.0250 |
| 8-Sep-16 | 15-Sep-16 | s\$0.0200 |

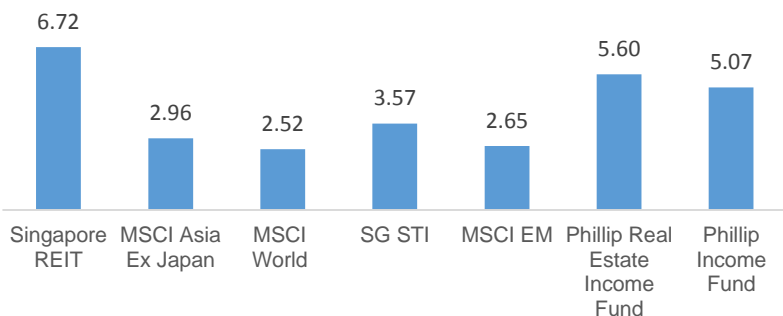
Fund Information

| | |
|------------------------|------------------------------------|
| Fund Manager | Phillip Capital Management (S) Ltd |
| Fund Launch Date | 16th April 2001 |
| Fund Restructured Date | 1st March 2011 |
| Current Fund Size | S\$12.67 Million |
| Initial Charge | Currently 3%, Maximum of 5% |
| Redemption Charge | Currently Nil, Maximum of 5% |
| Management Fee | Currently 1.25% p.a |
| Distribution Frequency | Half Yearly |
| Dealing and Valuation | Daily |

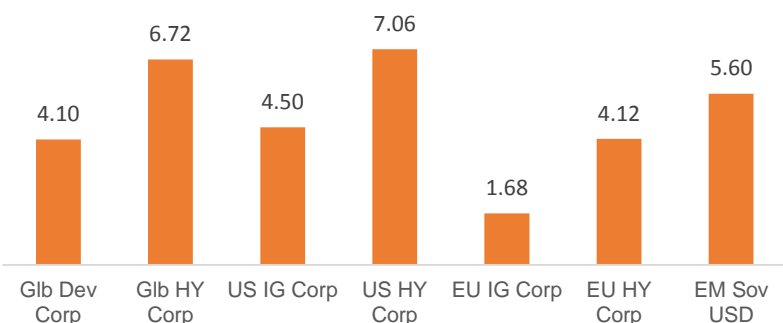
Asset Allocation

| | |
|-----------------------------------|--------|
| Equities | 61.18% |
| Investment Grade Fixed Income | 24.38% |
| Non-Investment Grade Fixed Income | 4.64% |
| Unrated Fixed Income | 0.44% |
| Cash and Accruals | 9.46% |

Global Equity Dividend Rate (%)



Global Corp & High Yield Bond Rates (%)



| Total Returns | Fund |
|-----------------------|--------|
| Since Inception | 33.66% |
| Since Restructure | 23.81% |
| 1 month | 1.42% |
| 3 months | 1.76% |
| 6 months | 4.21% |
| Year To Date | 1.42% |
| 1 year | 11.71% |
| 2 years | 2.25% |
| 3 years | 12.18% |
| 5 years | 21.80% |
| 10 years | -7.25% |
| Annualised Returns | |
| Since Inception | 1.85% |
| Since Restructure | 3.67% |
| Annualised Volatility | |
| Since Inception | 8.41% |
| Additional Stats | |
| Std Dev | 2.43% |
| Volatility | 8.41% |

Phillip Income Solutions

Phillip Singapore Real Estate Income Fund

Summary at a glance

- Diversification across Singapore's Property Sector

The fund seeks capital appreciation while providing regular income* to investors via a diversified approach towards allocation of assets within the Real Estate Investment Trust (REITs) listed in Singapore.

- Flexible component for portfolio allocation

While the Net Asset Value may experience capital fluctuations during volatility, the income portion can be used to supplement returns throughout all periods hence this may be used to complement investors' portfolio.

| Last 6 Dividend Payout History (Quarterly) | | |
|--|--------------|-----------------|
| Ex-Date | Payment Date | Payout Per Unit |
| 1-Oct-15 | 15-Oct-15 | s\$0.0161 |
| 4-Jan-16 | 15-Jan-16 | s\$0.0161 |
| 1-Apr-16 | 15-Apr-16 | S\$0.0161 |
| 1-Jul-16 | 15-Jul-16 | s\$0.0161 |
| 3-Oct-16 | 12-Oct-16 | S\$0.0161 |
| 4-Jan-17 | 16-Jan-17 | S\$0.0161 |

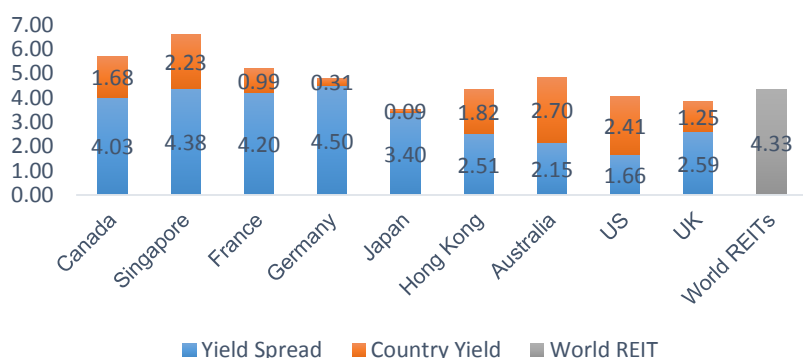
Fund Information

| | |
|------------------------|------------------------------------|
| Fund Manager | Phillip Capital Management (S) Ltd |
| Fund Launch Date | 16th April 2001 |
| Benchmark | FTSE Straits Times REIT Index |
| Current Fund Size | S\$44.51 Million |
| Initial Charge | Currently 3%, Maximum of 5% |
| Redemption Charge | Currently Nil, Maximum of 5% |
| Management Fee | Currently 1.20% p.a |
| Distribution Frequency | Quarterly |
| Dealing and Valuation | Daily |

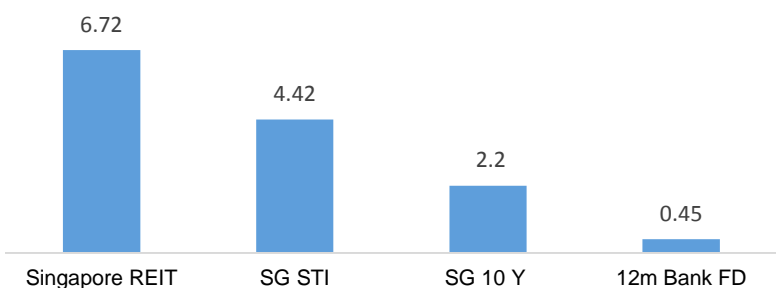
Sector Allocation

| | |
|----------------------|--------|
| Retail | 19.62% |
| Industrial | 19.51% |
| Hospitality | 18.22% |
| Commercial | 17.54% |
| Diversified | 9.79% |
| Residential | 1.35% |
| Healthcare | 1.25% |
| Others and Liquidity | 8.56% |

Yields and Spread of REITs (%)



Singapore Yield (%)



| Total Returns | Fund | Benchmark |
|-----------------------|--------|-----------|
| Since Inception | 58.46% | 62.79% |
| 1 month | 3.23% | 4.44% |
| 3 months | -0.63% | -0.49% |
| 6 months | -1.58% | 0.18% |
| Year To Date | 3.23% | 4.44% |
| 1 year | 11.43% | 13.80% |
| 2 years | 1.12% | 4.51% |
| 3 years | 21.92% | 25.99% |
| 5 years | 56.52% | 68.68% |
| Annualised Returns | | |
| Since Inception | 8.95% | 9.49% |
| Annualised Volatility | | |
| Since Inception | 11.05% | 12.17% |
| Additional Stats | | |
| Std Dev | 3.19% | 3.51% |
| Volatility | 11.05% | 12.17% |
| Beta | 0.86 | |

Data Sources: Bloomberg, Phillip Capital Management as of (31 Jan 2017)

*Dividend distributions are not guaranteed and are made at the manager's discretion. Please refer to the disclaimers on the last page

Phillip Income Solutions

Disclaimers

Risk Disclosure

These products or unit trusts are not deposits. Investments are subject to investment risks including but not limited to market, liquidity, credit, interest rate, derivative, counterparty, political foreign exchange risks. Investments with higher return on investments may have higher risks. Investors may incur losses on the principal amount invested. The value of the units and the income from them may fall or rise. There is no assurance that investment objectives will be achieved. Past performance figures are not necessarily indicative of future or likely performance of this product or unit trust.

DISCLAIMER

This brochure is provided to you for general information only and does not constitute an offer, recommendation, or solicitation to subscribe for the units in the funds mentioned. It does not have any regard to your specific investment objectives, financial situation and any of your particular needs. Accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of you acting based on this information. Investments are subject to investment risks including the possible loss of the principal amount invested. The value of the units or the investments and the income from them may fall as well as rise. Past performance figures are not necessarily indicative of future or likely performance of this unit trust. No guarantee or representation is made that the fund will achieve its investment objectives. Investments in this unit trust are designed to produce returns over the medium to long term & are not suitable for short-term speculation.

Some of the information contained in this factsheet has been obtained from public sources which Phillip Capital Management (S) Ltd ("PCM") has no reason to believe are unreliable and any analysis, forecasts, projections, expectations and opinions (collectively the "Research") contained in this factsheet are based on such information and are expressions of belief of the individual author or the indicated source (as applicable) only. PCM has not verified this information and no representation or warranty, express or implied, is made that such information or Research is accurate, complete, appropriate or verified or should be relied upon as such. Any such information or Research contained in this factsheet is subject to change, and PCM shall not have any responsibility to maintain the information or Research made available or to supply any corrections, updates or releases in connection therewith. In no event will PCM (i) be liable in any manner whatsoever for any consequences, including but not limited to any special, indirect, incidental or consequential losses, loss of profits and damages, of any reliance or usage of this factsheet or (ii) accept any legal responsibility from any person who receives this information, even if it has been advised of the possibility of such damages.

All applications for units in a unit trust must be made on application forms accompanying the relevant prospectus. You should read the prospectus before deciding to subscribe for units in the respective fund. A copy of the prospectus can be obtained from Phillip Capital Management (S) Limited or any distributors of our funds. You may wish to obtain advice from a qualified financial adviser before making a commitment to purchase the investment products mentioned. In the event that you choose not to obtain advice from a qualified financial adviser, you should consider whether the investment product is suitable for you and accept all responsibilities for your investment decisions. All marketing and advertising materials are not reviewed or endorsed by the Monetary Authority of Singapore ("MAS").