



Global Investments Limited

2022 Half Year Results

Period ended 30 June 2022

DISCLAIMER

Information contained in this presentation is intended solely for your personal reference and is strictly confidential. Such information is subject to change without notice, its accuracy is not guaranteed and it may not contain all material information concerning Global Investments Limited (GIL) or Singapore Consortium Investment Management Limited (SICIM). Neither GIL, SICIM nor any of their respective affiliates, advisors or representatives make any representation regarding, and none of them assumes any responsibility or liability whatsoever (whether arising out of tort, contract or otherwise) for, the accuracy or completeness of, or any errors or omissions in, any information contained herein nor for any loss howsoever arising from any use of this presentation. The recipient should consult with their own legal, tax and accounting advisers as to the accuracy and application of the information contained in this presentation and should conduct their own due diligence and other enquiries in relation to such information. By attending this presentation, you are agreeing to be bound by the restrictions set out below. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

The information contained in this presentation has not been independently verified. No representation or warranty, expressed or implied, is made as to, and no reliance should be placed on the fairness, accuracy, completeness or correctness of, the information or opinions contained herein. It is not the intention to provide, and you may not rely on this presentation as providing, a complete or comprehensive analysis of GIL's financial or trading position or prospects. The information and opinions contained in this presentation are provided as at the date of this presentation and are subject to change without notice.

In addition, the information contained herein contains projections and forward-looking statements that reflect GIL's current views with respect to future events and financial performance. These views are based on a number of estimates and current assumptions which are subject to business, economic and competitive uncertainties and contingencies as well as various risks and these may change over time and, in many cases, are outside the control of GIL, SICIM, their associates and all their directors. No assurance can be given that future events will occur, that projections will be achieved, or that assumptions underpinning expectations are correct. Actual results may differ materially from those forecasted, projected or guided.

This presentation is not and does not constitute or form part of any financial product advice, offer, invitation or recommendation to purchase or subscribe for any securities and no part of it shall form the basis of or be relied upon in connection with any contract, commitment or investment decision in relation thereto. This presentation does not carry any right of publication. This presentation may not be used or relied upon by any other party, or for any other purpose, and may not be reproduced, disseminated or quoted without the prior written consent of GIL or SICIM.

This presentation is not for distribution, directly or indirectly, in or into the United States.

This presentation is not an offer of securities for sale into the United States. The securities may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the US Securities Act of 1933, as amended) unless they are registered or exempt from registration.

AGENDA

1. Financial Data for 1H 2022

2. Corporate Overview

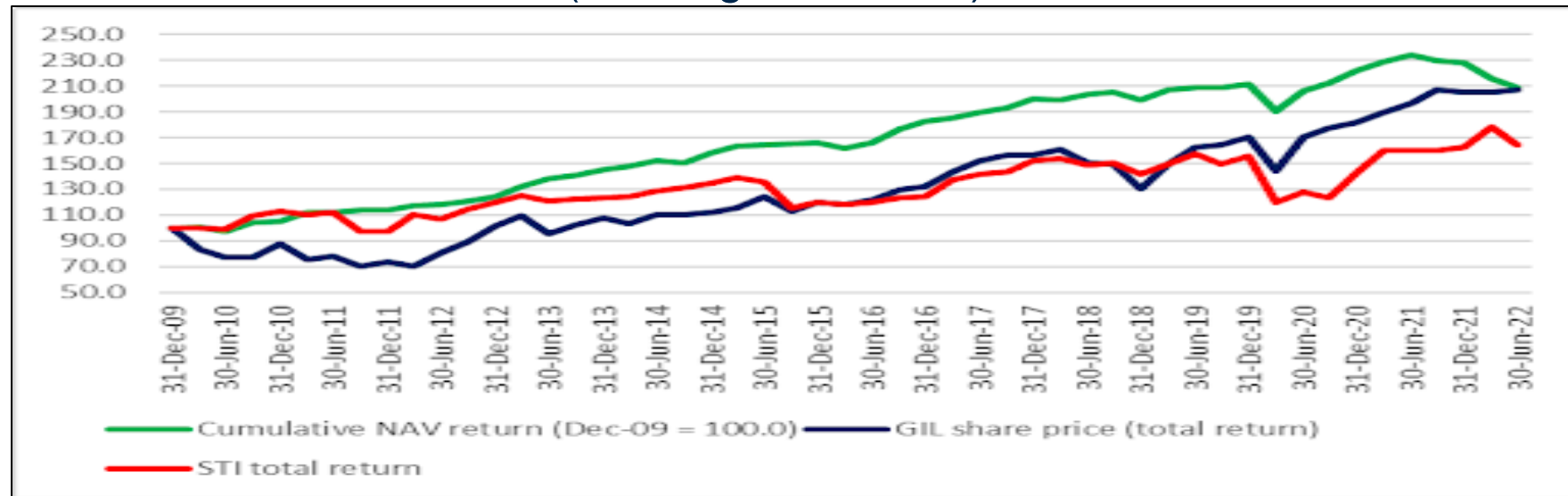
3. Portfolio Overview

4. Market Overview

Net asset value per share

	30 Jun 2022	31 Dec 2021	Change (%)	Remarks
Net asset value per share (S\$ per share)	0.1729	0.1933	(8.7)	The net asset value per share of the Group as at 30 June 2022 was 17.29 cents after the payment of FY2021 Final Dividend of 0.40 cents per share. If the FY2021 Final Dividend was paid and the treasury shares relating to the Scrip Dividend Scheme had been utilised before 31 December 2021, the net asset value per share as at 31 December 2021 would have been 18.94 cents instead of 19.33 cents per share. Therefore, the decrease in net asset value per share from 18.94 to 17.29 cents would be 8.7% for the half year ended 30 June 2022.
	0.1729	0.1894 (After adjustment for 2021 final dividend)		

Cumulative Performance (Starting from 2010)



1. Financial Data for 1H 2022

Income

	1H '22 S\$m	1H '21 S\$m	Change (%)	Remarks
Dividend Income	1.3	0.9	44.4	The Group reported a negative income of S\$23.4 million compared to an income of S\$21.1 million recorded in the same period last year.
Interest Income	5.6	6.3	(11.1)	
Net foreign exchange gain (net of hedges)	-	0.4	Nm ¹	The difference was due to the net fair value loss on financial assets at FVTPL of S\$30.3 million in 1H 2022 compared to the net fair value gain of S\$13.4 million in 1H 2021. The net fair value loss was due to a drop in market prices for listed equities, bank contingent convertibles and other bonds during the half year. In view of redemption/maturity of investments during the half year ended 30 June 2022, the Group reported a lower interest income of S\$5.6 million in 1H 2022 compared to S\$6.3 million in 1H 2021.
Net (loss)/gain on financial assets designated as fair value through profit or loss (FVTPL)	(30.3)	13.4	Nm ¹	
Total income	(23.4)	21.1	Nm¹	

¹Nm: not meaningful

1. Financial Data for 1H 2022

Expenses

	1H '22 S\$m	1H '21 S\$m	Change (%)	Remarks
Management fees	1.3	1.3	-	Expenses for 1H 2022 was lower at S\$3.1 million compared to S\$4.6 million recorded in 1H 2021.
Incentive fees	-	2.3	Nm ¹	
Net foreign exchange loss	0.9	-	Nm ¹	The difference was due to incentive fee of S\$2.3 million recorded in 1H 2021. The net foreign exchange loss of S\$0.9 million was recorded for 1H 2022 compared to a net foreign exchange gain of S\$0.4 million recorded in 1H 2021.
Other operating expenses	0.9	1.0	(10.0)	
Total expenses	3.1	4.6	(32.6)	
(Loss)/Profit before tax	(26.5)	16.5	Nm ¹	
Income tax expense	0.1	0.1	-	
(Loss)/Profit after tax	(26.6)	16.4	Nm¹	For the half year ended 30 June 2022, the Group reported a net loss after tax of S\$26.6 million compared to a net profit after tax of S\$16.4 million recorded for the half year ended 30 June 2021.

¹ Nm: not meaningful

1. Financial Data for 1H 2022

Total comprehensive income

	1H '22 S\$m	1H '21 S\$m	Change (%)	Remarks
Total comprehensive (loss)/income for the period attributable to shareholders	(26.6)	16.4	Nm ¹	Total comprehensive income for the Group was a loss of S\$26.6 million in 1H 2022 compared to S\$16.4 million gain in 1H 2021.
Basic earnings per share (cents per share)	(1.68)	1.02	Nm ¹	The group recorded an earnings per share of negative 1.68 cents (based on weighted average number of shares of 1.58 billion) in 1H 2022 compared to 1.02 cents (based on weighted average number of shares of 1.61 billion) in 1H 2021.
Diluted earnings per share (cents per share)	(1.68)	1.02	Nm ¹	

Dividend

	1H '22 S\$m	1H '21 S\$m	Change (%)	Remarks
Dividend	-	6.4	Nm ¹	In view of the current challenging environment, the Company has decided to defer the dividend consideration to the full year. There is no interim dividend declared for the financial year ending 31 December 2022.

¹ Nm: not meaningful

1. Financial Data for 1H 2022

Statement of Financial Position

	Group as at 30 Jun 2022 S\$m	Group as at 31 Dec 2021 S\$m	Change %	Remarks
Assets				
Non-current assets				
Financial assets at fair value through profit or loss	163.0	212.1	(23.1)	The decrease was mainly due to redemption/maturity of investments and fair value losses as a result of lower market prices.
Right-of-use asset	0.2	0.2	-	
Total non-current assets	163.1	212.2	(23.1)	
Current assets				
Cash and cash equivalents	58.3	41.9	39.1	The increase was due to the net redemption/maturity of investments, offset with the purchase of treasury shares during the half year.
Financial assets at fair value through profit or loss	50.2	53.8	(6.7)	Comprised investments in listed equities and bonds maturing within a year.
Other assets	3.2	3.0	6.7	Comprised interest and dividend receivable.
Total current assets	111.8	98.7	13.3	
Total Assets	274.9	311.0	(11.6)	

1. Financial Data for 1H 2022

Statement of Financial Position (cont'd)

	Group as at 30 Jun 2022 S\$m	Group as at 31 Dec 2021 S\$m	Change %	Remarks
Liabilities				
Current liabilities				
Lease Liabilities	0.1	0.1	-	
Other liabilities	1.3	1.4	(7.1)	Comprised fees payable to the Manager and accrual of operating expenses.
Total current liabilities	1.4	1.5	(6.7)	
Non-current liabilities				
Lease liabilities	0.1	0.1	-	
Total non-current Liabilities	0.1	0.1	-	
Total Liabilities	1.4	1.5	(6.7)	
Net assets attributable to shareholders	273.4	309.4	(11.6)	
Equity				
Share capital	270.8	270.8	-	
Treasury shares	(21.7)	(18.2)	(19.2)	A total of 46,857,300 ordinary shares which amounted to S\$7.3 million were purchased and held as treasury shares during 1H 2022. As part of the Scrip Dividend Scheme, 27,599,302 treasury shares were transferred for the purpose of allotment of shares and amounted to S\$3.8 million.
Capital reserve	1.1	0.7	57.1	
Retained earnings	23.2	56.0	(58.6)	
Total Equity	273.4	309.4	(11.6)	
Net asset value per share (S\$ per share)	0.1729	0.1933	(10.6)	

AGENDA

1. Financial Data for 1H 2022

2. Corporate Overview

3. Portfolio Overview

4. Market Overview

2. Corporate Overview

❑ **2022 Annual General Meeting (2022 AGM)**

- ❑ On 1 April 2022, the Board announced that the 2022 AGM would be on 28 April 2022 at 10.00am by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The Notice of AGM was AGM related documents were announced via SGXNet on 01 April 2022.

- ❑ The 2022 AGM presentation slides were published on SGXNet and GIL's website on 28 April 2022.

- ❑ All resolutions put to vote at the 2022 AGM on 28 April 2022 were duly approved and passed by the Company's shareholders.

2. Corporate Overview

❑ 2022 Annual General Meeting (2022 AGM)

- ❑ Mr Ng Thiam Poh was re-elected as a Director of the Company. He continues to serve on the Board as Chairman of the Remuneration Committee and member of the Nomination and Governance Committee after his re-election.
- ❑ Mr Boon Swan Foo was re-elected as a Director of the Company. He continues to lead the Board in his capacity as the Chairman and serves as a member of the Nomination and Governance Committee after his re-election.

2. Corporate Overview

❑ **FY 2021 Final Dividend**

- ❑ The Scrip Dividend Scheme (Scheme) was applied to the final dividend (Final Dividend) of 0.40 cents per share for FY 2021 and the subscription rate under the scheme was 65.49%.

- ❑ On 22 June 2022, the Company transferred 27,599,302 treasury shares for the allotment of shares under the Scheme at an issue price of 14.9 cents per share. The value of the treasury shares transferred was S\$4,112,296.00.

- ❑ The cash dividend paid for the Final Dividend was S\$2,167,238.67.

2. Corporate Overview

❑ Singapore Governance and Transparency Index 2022

- ❑ The Singapore Governance and Transparency Index (SGTI) 2022 was released in The Business Times on 4 August 2022. The Company was ranked 27th out of 489 listed companies in the SGTI 2022.
- ❑ The Company was awarded SGTI base score of 74 points and bonus score of 22 points. The Company achieved an overall SGTI score of 96 points compared to last year's 98 points.

AGENDA

1. Financial Data for 1H 2022
2. Corporate Overview
- 3. Portfolio Overview**
4. Market Overview

3. Portfolio Composition (By Asset Class*)

Asset Class	As At 30 June 2022 %	As At 31 December 2021 %	Change In Percentage Point %
Listed Equities	18.4	16.7	▲ 1.7
Bank Contingent Convertibles	47.9	55.2	▼ 7.3
Bonds	11.7	14.0	▼ 2.3
Cash And Other Assets	22.0	14.1	▲ 7.9
Total	100.0	100.0	-

* Percentage of the Group's net asset value.

3. Portfolio Composition (By Currency Exposure*)

Currency	As At 30 June 2022 %	As At 31 December 2021 %	Change In Percentage Point %
SGD	28.5	27.8	▲ 0.7
USD	31.4	33.5	▼ 2.1
CNH/CNY	17.0	15.7	▲ 1.3
HKD	11.0	9.9	▲ 1.1
EUR	5.2	5.8	▼ 0.6
AUD	4.1	4.3	▼ 0.2
Others	2.8	3.0	▼ 0.1
Total	100.0	100.0	-

* Percentage of the Group's net asset value.

AGENDA

1. Financial Data for 1H 2022
2. Corporate Overview
3. Portfolio Overview
- 4. Market Overview**

4. Market Overview

❑ Bonds

- ❑ In 1H 2022, the Bloomberg Barclays Global High Yield Total Return Index fell by 16.9% in USD terms and 14.3% in SGD terms. Investment grade bonds outperformed high yield bonds in 1H 2022 as the equivalent investment grade index fell 13.9%. Specifically, corporate investment grade bonds fell 15.5%.
- ❑ Inflation was a pressing theme that continued to worsen since the start of 2022 and the ongoing COVID-19 pandemic is still hampering global recovery, which is further exacerbated by the Russia-Ukraine conflict. Driven by higher energy prices and supply chain constraint, the resulting soaring inflation caused the Fed to take an aggressive stance by hiking the interest rate by 75 basis points (bps) in June. World central banks have also revealed plans to roll back easy monetary policies and started to raise interest rates, with the exception of China and Japan.

4. Market Overview

❑ Bonds

- ❑ In 1H 2022, bond yields continued their upward trend, pushed higher by the Fed's hawkish policy stance. US 10-year Treasury yields rose by 146 bps to 2.98% while 2-year yields rose by 219 bps to 2.92%, flattening the US Treasury yield curve. The Singapore sovereign yield curve also flattened, as 10-year yields rose by 131 bps to 2.98% while 2-year yields rose by 177 bps to 2.68%.

4. Market Overview

❑ Bank Contingent Convertibles (CoCos)

- ❑ In 1H 2022, the Bloomberg Barclays Global CoCo Banking Total Return Index fell by 16.8% in USD terms and 14.2% in SGD terms.
- ❑ Bank contingent convertibles spreads widened by 194 bps over the past 6 months and 211 bps over the past 12 months. Contingent convertibles spreads had been generally widening throughout 1H 2022, with March being the exception. This was along with a rise in overall market yields in response to an increasingly aggressive stance from the Fed, as inflation continued to trend higher. The widening of credit spreads is attributed to the increase in risk-free rates, reflecting the heightened inflationary pressures and this translates to higher refinancing needs, which could disrupt the sovereign debt dynamics. With the substantial increase in banks' bonding funding costs, banks have reduced their issuance of bail-inable debt.

4. Market Overview

❑ **Bank Contingent Convertibles (CoCos)**

- ❑ With the Fed signalling their intention to combat inflation via sharper interest rate hikes, the European Central Bank intends to raise interest rates in July and beyond. ECB had also ended net asset purchases under their asset purchase programme (APP) as of 1 July 2022. This will end the rapid expansion of central bank's balance sheets, a form of quantitative easing, and signalled a tightening of monetary policy ahead. The Reserve Bank of Australia ("RBA") had raised cash rate 3 times since May 2022 and signalled further interest rate hikes to combat inflation.

4. Market Overview

❑ Listed Equities

- ❑ Global equities, represented by the MSCI ACWI Index, fell 20.9% and 17.3% over the past 6 and 12 months respectively. Decades-high inflation, exacerbated by the Russia-Ukraine conflict and supply chain issues, had spurred interest rate hikes by global central banks which threaten to further derail economic growth. Expectations for global growth and profits are at all-time lows, with cash levels at its highest since 9/11 and equity allocations at its lowest since 2008. The US Federal Reserve's strategy of letting inflation overshoot in 2021 spectacularly backfired in the first half of 2022.
- ❑ Chinese markets underperformed significantly, driven by local Covid-19 flare-ups, which triggered numerous lockdowns and clouded the outlook for the economy. Meanwhile, greater fiscal and monetary support are forthcoming via a range of accommodative measures. Infrastructure investment is expected to be an important growth driver.

4. Market Overview

❑ **Listed Equities**

- ❑ The murky outlook for global inflation, interest rates, and economic conditions has led to an unwelcomed uptick in market volatility across multiple asset classes. Global equities and bond markets were sold off in unison as major equity markets around the world plunged on inflation concerns and the conflict in Ukraine.

4. Market Overview

Summary

- ❑ In China, the Chinese government's stringent zero-Covid policy is still in place, depressing economic activity. The Chinese property developer sector remained weak with the continuing defaults across developers and falling investors and consumer confidence. On the back of slowing economic growth and the Chinese government's priority to revive the struggling property sector, the near-term environment will be marked by heightened uncertainty with frequent bouts of volatility.
- ❑ The US Federal Reserve is prioritising its fight against inflation over boosting near-term growth. However, given the Fed's aggressive stance on fighting inflation, it runs the risk of hiking interest rates into a growth restrictive territory and instead tip the US economy into a recession.
- ❑ Investors should be wary of the volatile financial markets and potential risks such as:
 - Aggressive rate hikes and policy tightening brought about by persistent high inflation
 - Geopolitical environment, particularly US/China relation and conflicts over Ukraine.
 - Declining efficiency of current vaccines and further COVID-19 mutations

4. Company Outlook

❑ **Future Direction and Growth Strategy of GIL**

- ❑ To grow its assets and seek new investments that will generate steady income and potential appreciation in capital to deliver regular dividends and achieve capital growth.
- ❑ Active management of GIL's assets with focus on optimising risk-adjusted asset returns.

❑ **Investment Objective**

- ❑ To seek investment opportunities in high yield credits, hybrid instruments, public and private equities, operating lease assets and securitisation assets.
- ❑ Given the current state of the financial markets, the Company will be selective and focus on fundamental bottom-up analysis, with preference for assets with defensive characteristics, and good cash flow generating ability.