



Global Investments Limited

2023 Half Year Results

Period ended 30 June 2023

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AGENDA

1. Financial Data for 1H 2023

2. Corporate Overview

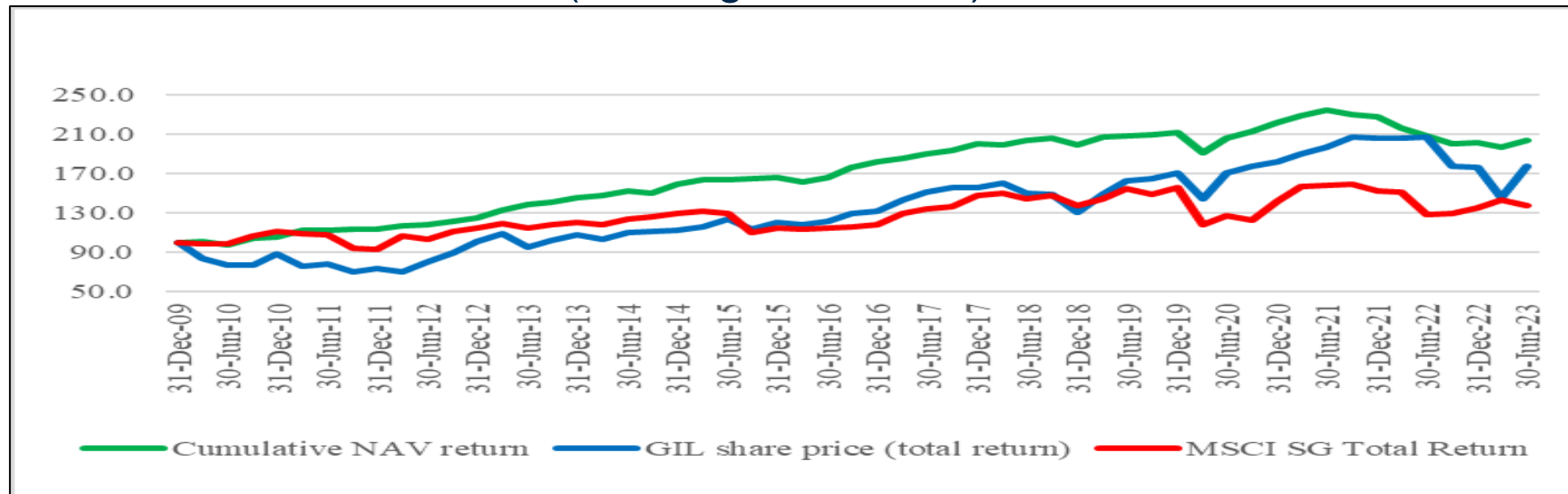
3. Portfolio Overview

4. Market Overview

Net asset value per share

	30 Jun '23	31 Dec '22	Change (%)	Remarks
Net asset value per share (S\$ per share)	0.1598	0.1682	0.95	The net asset value per share of the Company as at 30 June 2023 was 15.98 cents after the payment of FY2022 Interim and Final Dividend each of 0.40 cents per share. If the FY2022 Interim and Final Dividend was paid and the treasury shares relating to the Scrip Dividend Scheme had been utilised before 31 December 2022, the net asset value per share as at 31 December 2022 would have been 15.83 cents instead of 16.82 cents per share. Therefore, the increase in net asset value per share from 15.83 to 15.98 cents would be 0.95% for the half year ended 30 June 2023.
	0.1598	0.1583 (After adjustment for FY 2022 Interim and Final dividend)		

Cumulative Performance (Starting from 2010)



1. Financial Data for 1H 2023

Income

	1H '23 S\$m	1H '22 S\$m	Change (%)	Remarks
Dividend Income	1.1	1.3	(15.4)	The Company reported an income of S\$4.8 million compared to a negative income of S\$23.4 million recorded in the same period last year.
Interest Income	5.3	5.6	(5.4)	
Net foreign exchange gain (net of hedges)	-	-	Nm ¹	The difference was due to the lower fair value loss on financial assets at FVTPL of S\$1.7 million in 1H 2023 compared to the net fair value loss of S\$30.3 million in 1H 2022. In view of redemption/maturity of investments during the half year ended 30 June 2023, the Company reported a lower interest income of S\$5.3 million in 1H 2023 compared to S\$5.6 million in 1H 2022.
Net (loss)/gain on financial assets designated as fair value through profit or loss (FVTPL)	(1.7)	(30.3)	94.4	
Total income	4.8	(23.4)	Nm¹	

¹ Nm: not meaningful

1. Financial Data for 1H 2023

Expenses

	1H '23 S\$m	1H '22 S\$m	Change (%)	Remarks
Management fees	1.0	1.3	(23.1)	Expenses for 1H 2023 remained relatively the same at S\$3.0 million compared to S\$3.1 million recorded in 1H 2022.
Incentive fees	-	-	Nm ¹	
Net foreign exchange loss	1.0	0.9	11.1	
Other operating expenses	1.0	0.9	11.1	
Total expenses	3.0	3.1	(3.2)	
Profit/(Loss) before tax	1.8	(26.5)	Nm ¹	
Income tax expense	0.1	0.1	Nm ¹	
Profit/(Loss) after tax	1.7	(26.6)	Nm¹	For the half year ended 30 June 2023, the Company reported a net profit after tax of S\$1.7 million compared to a net loss after tax of S\$26.6 million recorded for the half year ended 30 June 2022.

¹ Nm: not meaningful

1. Financial Data for 1H 2023

Total comprehensive income

	1H '23 S\$m	1H '22 S\$m	Change (%)	Remarks
Total comprehensive income/(loss) for the period attributable to shareholders	1.7	(26.6)	Nm ¹	Total comprehensive income for the Company was a gain of S\$1.7 million in 1H 2023 compared to S\$26.6 million loss in 1H 2022.
Basic earnings per share (cents per share)	0.11	(1.68)	Nm ¹	The Company recorded an earnings per share of 0.11 cents (based on weighted average number of shares of 1.56 billion) in 1H 2023 compared to a negative earnings per share of 1.68 cents (based on weighted average number of shares of 1.61 billion) in 1H 2022.
Diluted earnings per share (cents per share)	0.11	(1.68)	Nm ¹	

Dividend paid

	1H '23 S\$m	1H '22 S\$m	Change (%)	Remarks
Dividend (Interim)	6.2	-	Nm ¹	In 1H 2023, the dividend paid was in respect to FY 2022 Interim and Final Dividend totalling 0.8 cents per share.
Dividend (Final)	6.3	6.3	Nm ¹	In 1H 2022, the dividend paid was in respect to FY 2021 Final Dividend of 0.4 cents per share.

¹ Nm: not meaningful

1. Financial Data for 1H 2023

Statement of Financial Position

	Company as at 30 Jun '23 S\$m	Company as at 31 Dec '22 S\$m	Change %	Remarks
Assets				
Non-current assets				
Financial assets at fair value through profit or loss	154.5	162.3	(4.8)	Comprised investments in additional tier 1, tier 2, bonds and CLOs maturing more than a year.
Right-of-use asset	0.1	0.1	Nm ¹	
Total non-current assets	154.6	162.4	(4.8)	
Current assets				
Cash and cash equivalents	48.6	51.1	(4.9)	The decrease was due to the purchase of treasury shares and payment of FY 2022 Interim and Final Dividends, offset partially by cash received from investing and operating activities.
Financial assets at fair value through profit or loss	50.0	46.3	8.0	Comprised investments in listed equities and bonds maturing within a year.
Other assets	3.1	2.5	24.0	Comprised interest and dividend receivable.
Total current assets	101.7	99.9	1.8	
Total Assets	256.4	262.3	(2.3)	

1. Financial Data for 1H 2023

Statement of Financial Position (cont'd)

	Company as at 30 Jun '23 S\$m	Company as at 31 Dec '22 S\$m	Change %	Remarks
Liabilities				
Current liabilities				
Lease Liabilities	0.1	0.1	Nm ¹	
Other liabilities	1.3	1.1	18.2	Comprised fees payable to the Manager and accrual of operating expenses.
Total current liabilities	1.4	1.2	16.7	
Non-current liabilities				
Lease liabilities	0.1	0.1	Nm ¹	
Total non-current liabilities	0.1	0.1	Nm¹	
Total Liabilities	1.4	1.2	16.7	
Net assets attributable to shareholders	255.0	261.1	(2.3)	
Equity				
Share capital	270.8	270.8	-	
Treasury shares	(18.6)	(25.5)	27.1	16,145,300 ordinary shares which amounted to S\$1.8 million were purchased and held as treasury shares during 1H 2023. As part of the Scrip Dividend Scheme, 59,594,088 treasury shares which amounted to S\$8.7 million were transferred to shareholders who elected to receive the dividend in scrip.
Capital reserve	1.1	1.1	Nm ¹	
Retained earnings	3.9	14.7	(73.5)	
Total Equity	255.0	261.1	(2.3)	
Net asset value per share (S\$ per share)	0.1598	0.1682	(5.0)	

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2. Corporate Overview

❑ 2023 Annual General Meeting (2023 AGM)

- ❑ On 31 March 2023, the Board announced that the 2023 AGM will be held on Wednesday, 26 April 2023 at 10.00 a.m. at Amara Singapore, Level 3, Ballroom 2, 165 Tanjong Pagar Road, Singapore 088539. The Notice of AGM and AGM related documents were announced via SGXNet and GIL's website on 31 March 2023.
- ❑ The 2023 AGM presentation slides were published on SGXNet and GIL's website on 25 April 2023.
- ❑ All resolutions put to vote at the 2023 AGM on 26 April 2023 were duly approved and passed by the Company's shareholders.
- ❑ Ms. Tan Mui Hong was re-elected as a Director of the Company. She continues to serve on the Board as member of both the Audit and Risk Management Committee, and Sustainability and Remuneration Committee.

2. Corporate Overview

❑ FY 2022 Interim Dividend

- ❑ The Scrip Dividend Scheme (Scheme) was applied to the interim dividend (Interim Dividend) of 0.40 cents per share for FY 2022 and the subscription rate under the scheme was 40.99%.

- ❑ On 18 April 2023, the Company transferred 21,202,951 treasury shares for the allotment of shares under the Scheme at an issue price of 12.0 cents per share. The value of the treasury shares transferred was S\$2,544,354.12.

- ❑ The cash dividend paid for the Interim Dividend was S\$3,662,613.12.

2. Corporate Overview

❑ **FY 2022 Final Dividend**

- ❑ The Scrip Dividend Scheme (Scheme) was applied to the final dividend (Final Dividend) of 0.40 cents per share for FY 2022 and the subscription rate under the scheme was 64.23%.
- ❑ On 23 June 2023, the Company transferred 38,391,137 treasury shares for the allotment of shares under the Scheme at an issue price of 10.5 cents per share. The value of the treasury shares transferred was S\$4,031,069.39.
- ❑ The cash dividend paid for the Final Dividend was S\$2,244,497.70.

2. Corporate Overview

❑ Singapore Governance and Transparency Index 2023

- ❑ The Singapore Governance and Transparency Index (SGTI) 2023 was released in The Business Times on 3 August 2023. The Company was ranked 29th out of 474 listed companies in the SGTI 2023 (General Category).
- ❑ The Company was awarded SGTI base score of 77 points and bonus score of 22 points. The Company achieved an overall SGTI score of 99 points compared to last year's 96 points.

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3. Portfolio Composition (By Asset Class*)

Asset Class	As At 30 June 2023 %	As At 31 December 2022 %	Change In Percentage Point %
Listed Equities	17.5	17.8	▼ 0.3
Additional Tier 1	37.9	39.9	▼ 2.0
Tier 2	11.3	10.2	▲ 1.1
Bonds	12.1	10.8	▲ 1.3
CLOs	1.4	1.2	▲ 0.2
Cash and Other Net Assets	19.8	20.1	▼ 0.3
Total	100.0	100.0	-

* Percentage of the Company's net asset value.

3. Portfolio Composition (By Currency Exposure*)

Currency	As At 30 June 2023 %	As At 31 December 2022 %	Change In Percentage Point %
SGD	32.7	31.7	▲ 1.0
USD	27.2	29.2	▼ 2.0
CNH/CNY	16.8	16.4	▲ 0.4
HKD	10.9	10.3	▲ 0.6
EUR	6.1	5.6	▲ 0.5
AUD	3.2	4.1	▼ 0.9
Others	3.1	2.7	▲ 0.4
Total	100.0	100.0	-

* Percentage of the Company's net asset value.

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4. Market Overview

❑ Additional Tier 1 (AT1) and Tier 2 Bonds

- ❑ The net interest margin (NIM) for most European banks should remain firm given the high interest rate environment, though it is projected to peak in 2023. While credit losses are expected to creep upwards from a low base, it is expected that additional credit provisions will be easily absorbed by earnings. In addition, stronger capitalisation over the years allows banks to navigate tough operating conditions.
- ❑ AT1 spreads spiked in March following the permanent write-down of Credit Suisse's AT1 bonds. Since then, there has been a gradual normalisation of spreads, with new AT1 issuance coming back and some banks redeeming their AT1s at call date. AT1 spreads widened by 26bps over the past 6 months ending June 2023, but are tighter by 36bps over the past 12 months. In 1H 2023, the Bloomberg Global CoCo Tier 1 total return fell 3.5% in USD terms and 2.5% in SGD terms.
- ❑ Tier 2 spreads widened by 58bps over the past 6 months ending June 2023, but are tighter by 11bps over the past 12 months. In 1H 2023, the Bloomberg Global CoCo Tier 2 total return rose 2.6% in USD terms and 3.6% in SGD terms.

4. Market Overview

❑ Bonds and Collateralised Loan Obligations

- ❑ The lagged effect of aggressive rate hikes in 2022 saw its intended impact as inflation has been slowing down since Q3 2022. The Fed announced a pause in rate hikes in the June 2023 FOMC meeting, reflecting the economic data which suggested that inflation had cooled down substantially in the US. However, due to the resilient labour market, core inflation remained sticky and thus the Fed is expected to maintain its hawkish stance with no projected rate cuts in 2023.
- ❑ The inversion of the US Treasury yield curve deepens, pushed higher by the Fed's hawkish policy stance. US 10-year Treasury yields fell 7bps to 3.81% while 2-year yields rose 46bps to 4.87%. The Singapore sovereign yield curve also inverted slightly, as 10-year yields fell 1bp to 3.08% while 2-year yields rose 47bps to 3.59%.
- ❑ In 1H 2023, the Bloomberg Barclays Global High Yield Total Return Index rose 5.2% in USD terms and 6.2% in SGD terms. Investment grade bonds underperformed high yield bonds during this period as the equivalent investment grade index rose 1.4%. Specifically, corporate investment grade bonds rose 3.5%.

4. Market Overview

❑ Listed Equities

- ❑ During the 1H 2023, the banking sector in both United States and Switzerland experienced instability and their authorities took strong action to contain the spread of the crisis. China's post-Covid economic recovery was initially expected to be stable, driven by a pickup in domestic services and consumption. However, the recovery was losing momentum due to stresses in its property market, as well as weakness in its industrial sector amidst subdued external demand conditions and elevated youth unemployment.
- ❑ Global equities, represented by the MSCI All Country World Index (ACWI), rose 12.80% and 14.42% over the past 6 and 12 months respectively.

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.