

# SINGAPORE CONSORTIUM INVESTMENT MANAGEMENT LIMITED

(Incorporated in Singapore)

Company Registration No. 199607548K

## SINGAPORE INDEX FUND

### Unaudited financial statements for the half year ended 31 December 2015

#### SINGAPORE INDEX FUND

(Constituted under a Trust Deed in the Republic of Singapore)

The Board of Directors of Singapore Consortium Investment Management Limited (the "Manager") wishes to announce the unaudited results of the Singapore Index Fund (the "Fund") for the half year ended 31 December 2015.

#### STATEMENT OF TOTAL RETURN

For the half year ended 31 December 2015 (UNAUDITED)

	31 December 2015 \$	31 December 2014 \$
<b>Income</b>		
Dividends	1,454,403	1,353,808
<b>Less: Expenses</b>		
Audit fee	(12,854)	(14,355)
Bank charges	(23)	(52)
Custody fees	(15,989)	(18,176)
Management fees	(226,100)	(255,557)
Printing expenses	(6,050)	(6,050)
Professional fees	(49,569)	(18,965)
Registrar fees	(18,419)	(18,884)
Trustee fees	(22,950)	(25,485)
Transaction cost	(18,683)	(13,495)
Miscellaneous expenses	(15,936)	(17,885)
	<b>(386,573)</b>	<b>(388,904)</b>
<b>Net income</b>	<b>1,067,830</b>	<b>964,904</b>
<b>Net gains or losses on value of investments</b>		
Net (loss)/ gain on investments	(10,299,107)	2,582,188
Net foreign exchange loss	(43,725)	(933)
	<b>(10,342,832)</b>	<b>2,581,255</b>
<b>Total (deficit)/ return for the period before income tax</b>	<b>(9,275,002)</b>	<b>3,546,159</b>
<b>Less: Income tax</b>	<b>(19,449)</b>	<b>(15,148)</b>
<b>Total (deficit)/ return for the period</b>	<b>(9,294,451)</b>	<b>3,531,011</b>

**STATEMENT OF FINANCIAL POSITION**  
*As at 31 December 2015 (UNAUDITED)*

	<b>31 December 2015</b>	<b>30 June 2015</b>
	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>		
Portfolio of investments	68,501,416	78,600,258
Receivables	254,205	21,595
Cash and bank balances	148,513	154,519
<b>Total Assets</b>	<b>68,904,134</b>	<b>78,776,372</b>
<b>LIABILITIES</b>		
Payables	214,746	215,957
<b>Total Liabilities</b>	<b>214,746</b>	<b>215,957</b>
<b>EQUITY</b>		
Net assets attributable to unitholders	<b>68,689,388</b>	<b>78,560,415</b>

## STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS

For the half year ended 31 December 2015 (UNAUDITED)

	31 December 2015 \$	30 June 2015 \$
<b>Net assets attributable to unitholders at the beginning of the financial period/year</b>	78,560,415	81,824,479
<b>Operations</b>		
Change in net assets attributable to unitholders resulting from operations	(9,294,451)	3,314,204
<b>Unitholders' contributions/(withdrawals)</b>		
Cancellation of units	(576,576)	(6,578,268)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(576,576)	(6,578,268)
Total decrease in net assets attributable to unitholders	(9,871,027)	(3,264,064)
<b>Net assets attributable to unitholders at the end of the financial period/year</b>	<b>68,689,388</b>	78,560,415

## STATEMENT OF PORTFOLIO

As at 31 December 2015 (UNAUDITED)

	Holdings at 31 December 2015	Fair value at 31 December 2015 \$	Percentage of total net assets attributable to unitholders at 31 December 2015 %
<b>By Industry - (Primary)* Quoted Equities</b>			
<b>CONSUMER DISCRETIONARY</b>			
Genting Singapore Public Limited Company	1,793,900	1,381,303	2.01
Jardine Cycle & Carriage Limited	32,866	1,145,380	1.67
Singapore Press Holdings Limited	471,700	1,858,498	2.71
<b>Total</b>		<b>4,385,181</b>	<b>6.39</b>
<b>CONSUMER STAPLE</b>			
Golden Agri-Resources Limited	1,906,732	648,289	0.95
Thai Beverages PCL	2,900,100	2,001,069	2.91
Wilmar International Limited	619,200	1,820,448	2.65
<b>Total</b>		<b>4,469,806</b>	<b>6.51</b>
<b>FINANCIALS</b>			
Ascendas Real Estate Investment Trust	582,500	1,328,100	1.93
Capitaland Limited	749,500	2,510,825	3.66
Capitamall Trust Real Estate Investment Trust	764,950	1,476,353	2.15
City Developments Limited	172,380	1,318,707	1.92
DBS Group Holdings Limited	528,166	8,815,091	12.83
Global Logistic Properties Limited	904,300	1,944,245	2.83
Hongkong Land Holdings Limited	348,300	3,458,811	5.04
Oversea-Chinese Banking Corporation	949,536	8,355,917	12.16
Singapore Exchange Limited	244,100	1,879,570	2.74
United Overseas Bank Limited	356,697	6,994,828	10.18
UOL Group Limited	138,000	861,120	1.25
<b>Total</b>		<b>38,943,567</b>	<b>56.69</b>

\*The classification by industry sector is based upon Global Industry Classification Standard (GICS) developed by Morgan Stanley Capital International (MSCI).

**STATEMENT OF PORTFOLIO***As at 31 December 2015 (UNAUDITED)*

	<b>Holdings at 31 December 2015</b>	<b>Fair value at 31 December 2015 \$</b>	<b>Percentage of total net assets attributable to unitholders at 31 December 2015 %</b>
<b>By Industry - (Primary)* (continued)</b>			
<b>Quoted Equities</b>			
<b>INDUSTRIALS</b>			
ComfortDelgro Corporation Limited	601,500	1,834,575	2.67
Hutchison Port Holdings Trust	1,493,400	1,122,864	1.64
Keppel Corporation Limited	422,250	2,748,848	4.00
Noble Group Limited	1,308,150	523,260	0.76
SATS Limited	182,000	698,880	1.02
Sembcorp Industries Limited	262,140	799,527	1.16
Sembcorp Marine Limited	244,000	427,000	0.62
SIA Engineering Company Limited	63,400	234,580	0.34
Singapore Airlines Limited	148,240	1,660,288	2.42
Singapore Technologies Engineering	456,700	1,374,667	2.00
Yangzijiang Shipbuilding Holdings Limited	610,000	671,000	0.98
<b>Total</b>		<b>12,095,489</b>	<b>17.61</b>
<b>TELECOMMUNICATIONS</b>			
Singapore Telecommunications Limited	2,173,090	7,975,240	11.61
Starhub Limited	170,480	630,776	0.92
<b>Total</b>		<b>8,606,016</b>	<b>12.53</b>
<b>TOTAL QUOTED EQUITIES</b>		<b>68,500,059</b>	<b>99.73</b>
<b>QUOTED DERIVATIVES</b>			
<b>FINANCIALS</b>			
Asendas Real Estate Investment Trust			
Nil Paid Rights 13/01/2016	21,900	1,357	#
<b>Total</b>		1,357	-
<b>PORTFOLIO OF INVESTMENTS</b>		68,501,416	99.73
<b>OTHER NET ASSETS</b>		187,972	0.27
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>		<b>68,689,388</b>	<b>100.00</b>

\*The classification by industry sector is based upon Global Industry Classification Standard (GICS) developed by Morgan Stanley Capital International (MSCI).

# denotes amount less than 0.01%

## STATEMENT OF PORTFOLIO

As at 31 December 2015 (UNAUDITED)

	Percentage of total net assets attributable to unitholders at 31 December 2015 %	Percentage of total net assets attributable to unitholders at 30 June 2015 %
<b>By Industry - (Primary)* (Summary)</b>		
<b>Quoted Equities</b>		
Consumer Discretionary	6.39	5.45
Consumer Staple	6.51	6.27
Financials	56.69	51.98
Industrials	17.61	24.76
Telecommunications	12.53	11.56
	<hr/> 99.73	<hr/> 100.02
<b>Quoted Derivatives</b>		
Financials	#	-
Consumer Discretionary	-	0.03
	<hr/> -	<hr/> 0.03
<b>Portfolio of investments</b>	99.73	100.05
<b>Other net assets/(liabilities)</b>	0.27	(0.05)
<b>Net assets attributable to unitholders</b>	<hr/> <b>100.00</b>	<hr/> <b>100.00</b>

\*The classification by industry sector is based upon Global Industry Classification Standard (GICS) developed by Morgan Stanley Capital International (MSCI).

# denotes amount less than 0.01%

## STATEMENT OF PORTFOLIO

As at 31 December 2015 (UNAUDITED)

	Fair value at 31 December 2015 \$	Percentage of total net assets attributable to unitholders at 31 December 2015 %	Percentage of total net assets attributable to unitholders at 30 June 2015 %
<b>By Geography - (Secondary)*</b>			
<b>Quoted Equities</b>			
Hong Kong	3,982,071	5.80	15.47
Singapore	62,516,919	91.02	81.93
Thailand	2,001,069	2.91	2.62
	<u>68,500,059</u>	<u>99.73</u>	<u>100.02</u>
<b>Quoted Derivatives</b>			
Singapore	<u>1,357</u>	<u>#</u>	<u>0.03</u>
<b>Portfolio of investments</b>	<b>68,501,416</b>	<b>99.73</b>	<b>100.05</b>
<b>Other net (liabilities)/assets</b>	<b>187,972</b>	<b>0.27</b>	<b>(0.05)</b>
<b>Net assets attributable to unitholders</b>	<b><u>68,689,388</u></b>	<b><u>100.00</u></b>	<b><u>100.00</u></b>

\* The geography classification is based on country of domicile of the investee companies.

# denotes amount less than 0.01%

## SINGAPORE INDEX FUND

(Constituted under a Trust Deed in the Republic of Singapore)

### SEMI ANNUAL REPORT TO UNITHOLDERS FOR THE HALF YEAR ENDED 31 DECEMBER 2015

#### A) Fund Performance

Fund Performance/ Benchmark Returns	3 mth % Growth	6 mth % Growth	1 yr % Growth	3 yr Ann Comp Ret	5 yr Ann Comp Ret	10 yr Ann Comp Ret	Since Inception 18 December 1996 Ann Comp Ret
Singapore Index Fund	3.59	- 11.89	- 12.12	- 1.06	0.07	4.41	3.76
Benchmark	3.91	- 11.36	- 11.21	0.09	1.13	4.81	3.07

Note: The performance returns of the Fund are in Singapore dollars based on a bid-to-bid basis with net dividends reinvested.

The performance returns of the Benchmark are in Singapore dollars with net dividends reinvested.

The Benchmark of Singapore Index Fund since inception up to 23 Jan 2001 was the Business Times - Singapore Regional Index. The Benchmark of the Fund since 26 Jan 2001 is the Straits Times Index. The Benchmark was changed due to the change in the investment policy of the Fund to track the Straits Times Index instead of the Business Times - Singapore Regional Index.

For the six months ended 31 December 2015, the net asset value of the Fund lost 11.9% in Singapore Dollar terms, compared with the benchmark FTSE Straits Times Index (STI), which fell 11.4% during the same period.

#### Market and Portfolio Review

Against a backdrop of an uneven global economic performance, Singapore investor sentiment was buffeted by a slower growth outlook for Singapore, driven by the slowdown in China, and continued decline in prices of commodities. Local market experienced increased volatility when Chinese regulatory authorities took steps to rein in margin and other types of leveraged trading in June, and again when the Chinese engineered an unexpected, albeit limited depreciation in the Renminbi in August. A market rebound came in the first week of October when the STI gained 7.4% on the back of a short term rally in crude oil price. However, concerns over the timing of the impending US federal fund rate hike – that eventually took place in December – and a worsening rout in global commodities reversed any recovery, and continued to weigh on the performance of the equity market over the remaining period.

Based on advanced estimates, Singapore's economy grew by 2.1% for the whole of 2015, largely in line with the Ministry of Trade and Industry's (MTI) earlier growth forecast of approximately 2.0%. The economy grew 1.7% in 3Q15 on a quarter-on-quarter seasonally adjusted annualized rate basis ("QoQ SAAR") after a contraction of 2.6% in 2Q15. Due to the weaker than expected growth, the Monetary Authority of Singapore (MAS) eased its monetary policy for a second time in 2015 in the October meeting. The slope of the monetary policy band was lowered slightly while modest and gradual appreciation of the Singapore dollar against the NEER was maintained to ensure price stability over the medium term. The economy was estimated to have expanded at a faster pace of 5.7% QoQ SAAR in 4Q15. This expansion was mainly attributed to a pick-up in public sector construction activities and growth in the services producing industries. However, a contraction in the manufacturing sector led to a moderation in growth, primarily due to a fall in the output of the electronics, transport engineering and precision engineering clusters.

During 2H15, the STI underwent an index review on September 21<sup>st</sup> 2015. Due to stricter liquidity requirement, three counters – Jardine Matheson Holdings, Jardine Strategic Holdings and Olam



International, were replaced by UOL Group, Yangzijiang Shipbuilding Holdings and SATS. In terms of constituent performance over the six-month period, 5 counters advanced while 25 counters declined. The top 3 performers were Jardine Cycle and Carriage, Singapore Airlines and UOL Group, which saw gains of 5.29%, 4.38% and 3.65% respectively. The bottom 3 performers were Noble Group Limited – down 47.37%, Sembcorp Marine Limited – down 38.38%, and City Developments Limited – down 21.78%. Noble Group fared the worst as concerns over the company's liquidity profile and accounting processes resulted in investors' loss of confidence, which was exacerbated by the weak commodity market. Other notable losers include Sembcorp Industries – down 21.59%, and Keppel Corp – down 20.80%. With both companies having a large exposure to the oil and gas sector, a further decline of 35% in oil prices over 2015 raised investor concerns that they may face risk of cancellation of orders from clients, even for projects already under construction. The three local banks contributed the most to the downward movement in the STI Index, which fell by 434.6pts (-11.4%). The counters – DBS, OCBC, and UOB – moved the STI lower by 83.6pts (-2.19%), 51.0pts (-1.34%) and 47.9pts (-1.26%) respectively due to their large exposure to China, other Emerging Asian markets, and the oil and gas sector. Slumping Singapore property and commodity prices added further stress to their loan books.

### **Market Outlook**

According to MTI's forecast, the domestic economy is expected to grow at a modest pace of 1-3% in 2016, supported by a pickup in domestic-oriented sectors such as healthcare, education and public infrastructure. Despite an expected improvement in global growth, a slowdown in China combined with a trend of in-sourcing of manufacturing in US may result in subdued regional growth, and in turn weigh on Singapore's externally-oriented sectors. Sector specific factors, such as low oil prices and tight labour market, are widely expected to dampen growth in the marine and offshore segment, and labour-intensive industries respectively.

The regional economies face the risk of capital outflow against headwinds from lower commodity prices, normalization of the US monetary conditions, a stronger US dollar, and increasing volatility in China's financial markets.

**SINGAPORE INDEX FUND***(Constituted under a Trust Deed in the Republic of Singapore)***B) Investments at fair value and as a percentage of NAV as at 31 December 2015 under review classified by**

i) Country	Fair Value \$	% of NAV	
<b>Quoted Equities</b>			
Hong Kong	3,982,071	5.80	
Singapore	62,516,919	91.02	
Thailand	2,001,069	2.91	
	<u>68,500,059</u>	<u>99.73</u>	
<b>Quoted Derivatives</b>			
Singapore	1,357	#	
<b>Portfolio of investments</b>	<b>68,501,416</b>	<b>99.73</b>	
<b>Other net assets/ (liabilities)</b>	<b>187,972</b>	<b>0.27</b>	
<b>Total</b>	<b><u>68,689,388</u></b>	<b><u>100.00</u></b>	
ii) Industry	Fair Value \$	% of NAV	
<b>Quoted Equities</b>			
Consumer Discretionary	4,385,181	6.39	
Consumer Staple	4,469,806	6.51	
Financials	38,943,567	56.69	
Industrials	12,095,489	17.61	
Telecommunications	8,606,016	12.53	
	<u>68,500,059</u>	<u>99.73</u>	
<b>Quoted Derivatives</b>			
Financials	1,357	#	
<b>Portfolio of investments</b>	<b>68,501,416</b>	<b>99.73</b>	
<b>Other net assets/liabilities</b>	<b>187,972</b>	<b>0.27</b>	
<b>Total</b>	<b><u>68,689,388</u></b>	<b><u>100.00</u></b>	
iii) Asset Class	Fair value at 31 December 2015 \$	Percentage of total net assets at 31 December 2015 %	Percentage of total net assets at 31 December 2014 %
Quoted Equities	68,500,059	99.73	100.08
Quoted Derivatives	1,357	#	-
Cash Equivalents	187,972	0.27	(0.08)
<b>Total</b>	<b><u>68,689,388</u></b>	<b><u>100.00</u></b>	<b><u>100.00</u></b>
iv) Credit rating of debt securities	Not applicable		

# denotes amount less than 0.01%

## C) Top Ten Holdings

The top 10 holdings as at 31 December 2015 and 31 December 2014

### 10 largest holdings at 31 December 2015

	Fair Value \$	Percentage of total net assets attributable to unitholders %
DBS Group Holdings Limited	8,815,091	12.83
Oversea-Chinese Banking Corporation	8,355,917	12.16
Singapore Telecommunications Limited	7,975,240	11.61
United Overseas Bank Limited	6,994,828	10.18
Hongkong Land Holdings Limited	3,458,811	5.04
Keppel Corporation Limited	2,748,848	4.00
Capitaland Limited	2,510,825	3.66
Thai Beverages PCL	2,001,069	2.91
Global Logistic Properties Limited	1,944,245	2.83
Singapore Exchange Limited	1,879,570	2.74

### 10 largest holdings at 31 December 2014

	Fair Value \$	Percentage of total net assets attributable to unitholders %
DBS Group Holdings Limited	9,856,400	12.30
Oversea-Chinese Banking Corporation	8,864,181	11.07
United Overseas Bank Limited	8,146,339	10.17
Singapore Telecommunications Limited	7,950,501	9.92
Jardine Matheson Holdings Limited	5,500,086	6.87
Keppel Corporation Limited	3,536,903	4.42
Hongkong Land Holdings Limited	2,938,118	3.67
Jardine Strategic Holdings Limited	2,855,060	3.56
Capitaland Limited	2,315,345	2.89
Global Logistic Properties Limited	2,074,520	2.59

## D) Exposure to Derivatives

- i) Fair value of derivative contracts and as a percentage of NAV as at 31 December 2015

Not applicable

- ii) Net gains/(losses) on derivative contracts realised during the financial year ended 31 December 2015

Not applicable

- iii) Net Gains/(losses) on outstanding derivative contracts marked to market as at 31 December 2015

Not applicable

**E) Investments in other unit trusts, mutual funds and collective investment schemes as at 31 December 2015**

	Fair value at 31 December 2015 \$	Percentage of total net assets attributable to unitholders at 31 December 2015 %
Ascendas Real Estate Investment Trust	1,328,100	1.93
Capitamall Trust Real Estate Investment Trust	1,476,353	2.15

**F) Amount and percentage of borrowings to net asset value (NAV) as at 31 December 2015**

Not applicable

**G) Amount of subscriptions and redemptions for the period 01 July 2015 to 31 December 2015**

Total amount of subscriptions	SGD	-
Total amount of redemptions	SGD	576,576

**H) Amount of related party transactions for the period 01 July 2015 to 31 December 2015**

	\$
Brokerage expense on purchases and sales of investments charged by related companies of shareholders of the Manager	8,961
Transaction fee expense charged by the Trustee and its related company	2,790
Custody fee expense charged by a related company of the Trustee	15,989
Interest expense paid to a bank which is a related company of the Trustee	-
Registrar fee expense charged by a related company of the Trustee	7,666

**I) Expense ratios**

31 December 2015	0.96%
31 December 2014	0.92%

Note: The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the expense ratio at 31 December 2015 was based on total operating expenses of \$726,565 (2014: \$751,082) divided by the average net asset value of \$76,049,539 (2014: \$81,422,165) for the year. The total operating expenses do not include (where applicable) brokerage and other transactions costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fee. The average net asset value is based on the daily balances.

**J) Turnover ratios**

<b>31 December 2015</b>	<b>10.24%</b>
31 December 2014	1.89%

Note: The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes (the "Code"). The calculation of the portfolio turnover ratio was based on the lower of the total value of purchases or sales of the underlying investments, being sales of \$7,317,769 (2014: purchases of \$1,524,604) divided by the average daily net asset value of \$71,482,230 (2014: \$80,690,891).

**K) Other material information**

There is no material information that will adversely impact the valuation of the Fund.

**L) Supplemental information on underlying sub-funds where the scheme invests more than 30% of its deposited property in another scheme**

Not applicable

**M) Soft dollar commissions/arrangements received by the Manager**

Under the Code, the Manager may receive soft dollar commissions or arrangements when such commissions or arrangements can reasonably be expected to assist in providing investment advice to the customer, when best execution is carried out for the transaction, and provided the Manager does not enter into unnecessary trades to achieve a sufficient volume of transactions to qualify for soft dollars.

The soft dollar commissions / arrangements which the Manager may receive or enter into are limited to the following kinds of services: specific advice as to the advisability of dealing in, or of the value of any investments; research and advisory services; economic and political analysis; portfolio analysis including valuation and portfolio measurements; market analysis; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial services in relation to the investments managed for clients.

The receipt of goods and services such as travel, accommodation and entertainment that does not meet the conditions above is prohibited.

The Manager confirms that they are fully compliant with the Code and other relevant industry standards.

**N) Where the scheme offers pre-determined payouts, an explanation on the calculation of the actual payouts received by participants and any significant deviation from the pre-determined payouts**

Not applicable

## DETAILS OF TOP 10 HOLDINGS

	As at 31 December 2015			Dividend Income for the half year \$
	Cost SGD	Fair Value \$	Percentage of total net assets attributable to unitholders %	
DBS Group Holdings Limited	6,596,290	8,815,091	12.83	146,450
Oversea-Chinese Banking Corporation Singapore Telecommunications Limited	6,579,817	8,355,917	12.16	153,996
United Overseas Bank Limited	6,378,163	7,975,240	11.61	362,957
Hongkong Land Holdings Limited	4,508,795	6,994,828	10.18	186,383
Keppel Corporation Limited	1,900,556	3,458,811	5.04	27,159
Capitaland Limited	2,231,041	2,748,848	4.00	46,470
Thai Beverage PCL	2,201,502	2,510,825	3.66	-
Global Logistic Properties Limited	1,814,855	2,001,069	2.91	14,217
Singapore Exchange Ltd	1,994,436	1,944,245	2.83	46,272
	539,219	1,879,570	2.74	51,261

## SUMMARY OF INVESTMENT PORTFOLIO

	31 December 2015 Cost / Fair Value SGD	31 December 2014 Cost / Fair Value SGD
<b>Investments:</b>		
Cost	59,486,766	55,472,323
Unrealised gain on investments	9,014,650	24,701,020
Net Book Value	<u>68,501,416</u>	<u>80,173,343</u>

## INFORMATION ON THE PARTICULARS OF THE INVESTMENT MANAGER

The investment manager of the Singapore Index Fund is Singapore Consortium Investment Management Limited which is located at 51 Cuppage Road, #10-04, Singapore 229469.

These financial statements have been approved by the Board of Directors of Singapore Consortium Investment Management Limited pursuant to a resolution of the Board passed on 15 February 2016.

By Order of the Board

Lim Xinhua  
Company Secretary

15 February 2016