



Global Investments Limited

2024 Half Year Results

Period ended 30 June 2024

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AGENDA

1. Financial Data for 1H 2024

2. Corporate Overview

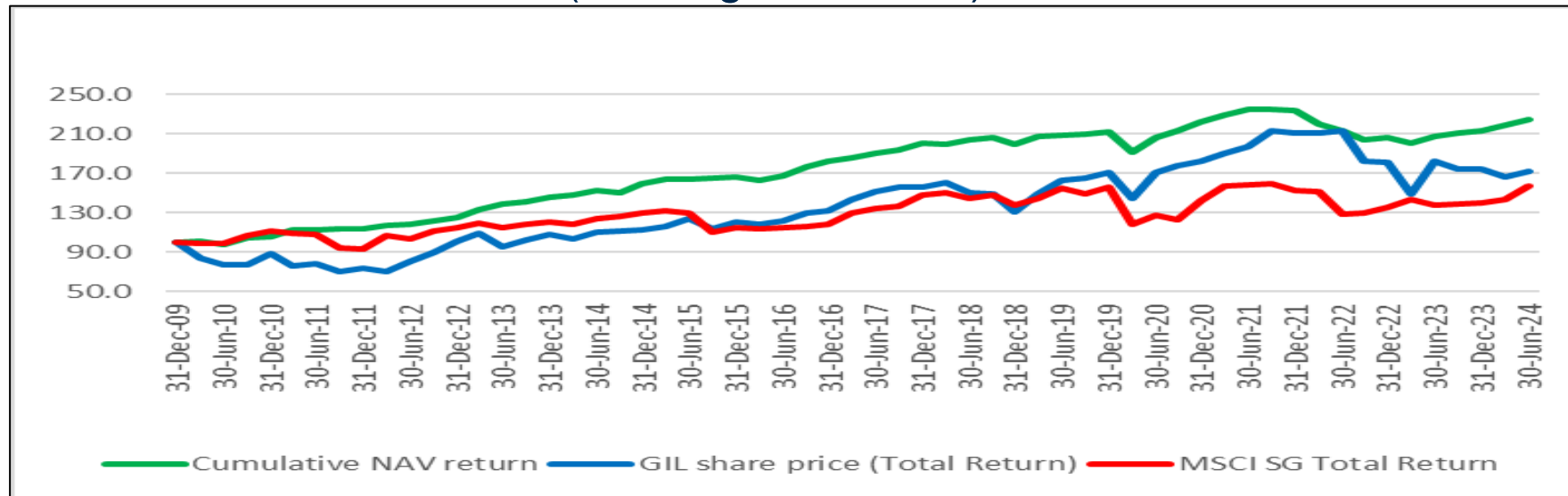
3. Portfolio Overview

4. Market Overview

Net asset value per share

	30 Jun '24	31 Dec '23	Change (%)	Remarks
Net asset value per share (S\$ per share)	0.1625	0.1586	5.1	The net asset value per share of the Company as at 30 June 2024 was 16.25 cents after the payment of FY2023 Final Dividend of 0.40 cents per share. If the dividend and share buy-back were not undertaken, the net asset value per share as at 30 June 2024 would have been 16.67 cents instead of 16.25 cents per share, and the increase in net asset value per share for the six months ended 30 June 2024 would be 5.1%.
	0.1667	0.1586		

Cumulative Performance (Starting from 2010)



1. Financial Data for 1H 2024

Income

	1H '24 S\$m	1H '23 S\$m	Change (%)	Remarks
Dividend income	1.1	1.1	Nm ¹	<p>The Company reported an income of S\$15.2 million compared to S\$4.8 million recorded in the same period last year.</p> <p>The difference was due to fair value gain on financial assets at FVTPL of S\$8.4 million in 1H 2024 compared to the net fair value loss of S\$1.6 million in 1H 2023 and a net foreign exchange gain of S\$0.3 million in 1H 2024.</p>
Interest income	5.4	5.3	1.9	
Net foreign exchange gain	0.3	-	Nm ¹	
Net gain/(loss) on financial assets designated as fair value through profit or loss (FVTPL)	8.4	(1.6)	Nm ¹	
Total income	15.2	4.8	216.7	

¹ Nm: not meaningful

1. Financial Data for 1H 2024

Expenses

	1H '24 S\$m	1H '23 S\$m	Change (%)	Remarks
Management fees	1.0	1.0	Nm ¹	Expenses for 1H 2024 decreased to S\$2.0 million compared to S\$3.0 million recorded in 1H 2023.
Incentive fees	-	-	Nm ¹	
Net foreign exchange loss	-	1.1	Nm ¹	The 33.3% decreased in expenses was due to the absence of net foreign exchange loss in 1H 2024 compared to a net foreign exchange loss of S\$1.1 million recorded in 1H 2023.
Other operating expenses	1.0	0.9	11.1	
Total expenses	2.0	3.0	(33.3)	
Profit before tax	13.2	1.8	633.3	
Income tax expense	0.1	0.1	Nm ¹	
Profit after tax	13.1	1.7	670.6	For the half year ended 30 June 2024, the Company reported a net profit after tax of S\$13.1 million compared to a net profit after tax of S\$1.7 million recorded for the half year ended 30 June 2023.

¹ Nm: not meaningful

1. Financial Data for 1H 2024

Total comprehensive income

	1H '24 S\$m	1H '23 S\$m	Change (%)	Remarks
Total comprehensive income/(loss) for the period attributable to shareholders	13.1	1.7	670.6	Total comprehensive income for the Company was a gain of S\$13.1 million in 1H 2024 compared to a gain of S\$1.7 million in 1H 2023.
Basic earnings per share (cents per share)	0.81	0.11	636.4	The Company recorded an earnings per share of 0.81 cents (based on weighted average number of shares of 1.62 billion) in 1H 2024 compared to an earnings per share of 0.11 cents (based on weighted average number of shares of 1.56 billion) in 1H 2023.
Diluted earnings per share (cents per share)	0.81	0.11	636.4	

Dividend/Bonus Issue

	FY '24 S\$m	FY '23 S\$m	Change (%)	Remarks
Dividend (Interim)	6.5 (Declared)	-	Nm ¹	The Company has declared an interim dividend of 0.40 cents per share for the financial year ending 31 December 2024.
Bonus Issue	-	9.9	Nm ¹	Instead of paying a FY2023 Interim Dividend, the Company has distributed Treasury shares to shareholders via Bonus Issue. The Company issued bonus shares to eligible shareholders on the basis of 1 bonus share for every 25 existing shares in the share capital of the Company. The Company transferred 63,336,221 treasury shares for the allotment of bonus shares. The value of the treasury shares transferred was S\$9,906,415.85.
Dividend (Final)	-	6.4	Nm ¹	

¹ Nm: not meaningful

1. Financial Data for 1H 2024

Statement of Financial Position

	As at 30 Jun '24 S\$m	As at 31 Dec '23 S\$m	Change %	Remarks
Assets				
Non-current assets				
Financial assets at fair value through profit or loss	154.2	158.8	(2.9)	Comprised investments in Additional Tier 1, Tier 2, Other Bonds and CLOs maturing more than a year.
Right-of-use asset	0.0	0.0	Nm ¹	
Total non-current assets	154.2	158.8	(2.9)	
Current assets				
Cash and cash equivalents	76.3	53.3	43.2	The increase was due to income and the net redemption/maturity of investments offset by the purchase of treasury shares and payment of FY2023 Final Dividend.
Financial assets at fair value through profit or loss	46.1	41.8	10.3	Comprised investments in listed equities.
Other assets	3.0	6.1	(50.8)	Comprised interest and dividend receivables.
Total current assets	125.4	101.2	23.9	
Total Assets	279.6	260.0	7.5	

1. Financial Data for 1H 2024

Statement of Financial Position (cont'd)

	As at 30 Jun '24 S\$m	As at 31 Dec '23 S\$m	Change %	Remarks
Liabilities				
Current liabilities				
Lease Liabilities	0.1	0.1	Nm ¹	
Other liabilities	13.8	1.5	820.0	Comprised fees payable to the Manager, unsettled trades payable and accrual of operating expenses.
Total current liabilities	13.9	1.6	768.8	
Non-current liabilities				
Lease liabilities	-	-	Nm ¹	
Total non-current liabilities	-	-	Nm¹	
Total Liabilities	13.9	1.6	768.8	
Net assets attributable to shareholders	265.7	258.4	2.8	
Equity				
Share capital	270.8	270.8	-	
Treasury shares	(10.3)	(12.1)	(14.9)	29,034,600 ordinary shares which amounted to S\$3.3 million were purchased and held as treasury shares during 1H 2024. As part of the Scrip Dividend Scheme, 35,592,016 treasury shares which amounted to S\$3.9 million were transferred to shareholders who elected to receive the dividend in scrip.
Capital reserve	(12.2)	(11.1)	9.9	
Retained earnings	17.4	10.8	61.1	
Total Equity	265.7	258.4	2.8	
Net asset value per share (S\$ per share)	0.1625	0.1586	2.5	

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2. Corporate Overview

❑ **2024 Annual General Meeting (2024 AGM)**

- ❑ The 2024 AGM was held on Friday, 26 April 2024 at 10.00 a.m. at RNN Conference Centre, 137 Cecil Street, Cecil Building, #04-01, Singapore 069537. The Notice of AGM and AGM related documents were announced via SGXNet and GIL's website on 2 April 2024.

- ❑ The 2024 AGM presentation slides were published on SGXNet and GIL's website on 25 April 2024.

- ❑ All resolutions put to vote at the 2024 AGM on 26 April 2024 were duly approved and passed by the Company's shareholders.

2. Corporate Overview

❑ 2024 Annual General Meeting (2024 AGM) (cont'd)

- ❑ Mr. Abdul Jabbar Bin Karam Din was re-elected as a Director of the Company pursuant to Regulation 103 of the Constitution of the Company. He continues to serve on the Board as Lead Independent Director, Chairman of the Nomination and Governance Committee, and member of the Audit and Risk Management Committee.

- ❑ Dr. Lay Charlie Nhuc Hiang was re-elected as a Director of the Company pursuant to Regulation 103 of the Constitution of the Company. He continues to serve on the Board as Chairman of the Audit and Risk Management Committee, and member of the Sustainability and Remuneration Committee.

2. Corporate Overview

❑ FY 2023 Final Dividend

- ❑ The Scrip Dividend Scheme (**Scheme**) was applied to the FY2023 Final Dividend (**Final Dividend**) of 0.40 cents per share and the subscription rate under the Scheme was 60.8%.
- ❑ On 27 June 2024, the Company transferred 35,592,016 treasury shares for the allotment of shares under the Scheme at an issue price of 11.0 cents per share. The value of the treasury shares transferred was S\$3,915,121.76.
- ❑ The cash dividend paid for the FY2023 Final Dividend was S\$2,524,198.01.

2. Corporate Overview

❑ **FY 2024 Interim Dividend**

- ❑ The Company has declared an Interim Dividend (**Interim Dividend**) of 0.40 cents per share for the financial year ended 31 December 2024 on 13 August 2024.
- ❑ The Scrip Dividend Scheme (**Scheme**) will be applied to the Interim Dividend for the financial year ended 31 December 2024.

2. Corporate Overview

❑ Singapore Governance and Transparency Index 2024

- ❑ The Singapore Governance and Transparency Index (SGTI) 2024 was released in The Business Times on 2 August 2024. The Company was ranked 36th out of 477 listed companies in the SGTI 2024 (General Category).
- ❑ The Company was awarded SGTI base score of 71 points and bonus score of 20 points. The Company achieved an overall SGTI score of 91 points.

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3. Portfolio Composition (By Asset Class*)

Asset Class	As At 30 June 2024 %	As At 31 December 2023 %	Change In Percentage Point %
Listed Equities	17.4	16.2	▲ 1.2
Additional Tier 1	19.9	32.7	▼ 12.8
Tier 2	17.1	14.9	▲ 2.2
Other Bonds	9.4	10.4	▼ 1.0
CLOs	11.6	3.4	▲ 8.2
Cash and Other Net Assets	24.6	22.4	▲ 2.2
Total	100.0	100.0	-

* Percentage of the Company's net asset value.

3. Portfolio Composition (By Currency Exposure*)

Currency	As At 30 June 2024 %	As At 31 December 2023 %	Change In Percentage Point %
SGD	31.7	34.4	▼ 2.7
USD	28.9	27.7	▲ 1.2
CNH/CNY	16.2	16.3	▼ 0.1
HKD	11.4	9.7	▲ 1.7
EUR	6.3	6.1	▲ 0.2
AUD	3.3	3.3	-
Others	2.2	2.5	▼ 0.3
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 European Central Bank (“ECB”) announced a 25bps rate cut in its June monetary policy meeting. Starting in July 2024, ECB commenced the shrinking of its Pandemic Emergency Purchase Programme (PEPP) portfolio by not reinvesting €7.5 billion of the proceeds of maturing securities per month until the end of the year. It also intends to discontinue reinvestments under the PEPP thereafter.
- ❑ The net interest margin (NIM) for most European banks remained firm given the current high interest rate environment. While the Euro area inflation rate managed to fall below 3.0%, its economic growth had been sluggish. This prompted the ECB to cut interest rates by 25bps in June, paving the way for further rate cuts in 2H 2024. Although net interest income (NII) is likely to be impacted, structural hedges using bond investment and interest-rate swaps will likely soften the blow.

4. Market Overview

❑ Additional Tier 1 (AT1) and Tier 2 Bonds

- ❑ After the initial spike in AT1 spreads following the Credit Suisse event in March 2023, 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 tightened by 66bps and 155bps over the past 6 and 12 months respectively. The Bloomberg Global CoCo Tier 1 total return rose 5.3% and 14.4% over the past 6 and 12 months respectively, in SGD terms.
- ❑ The bank fundamentals of most European Banks remained stable given their stronger capitalisation over the years. However, Tier 2 supply may be limited to refinancing deals in 2H 2024, given generally healthy Tier 2 buffers and little RWA growth. Tier 2 spreads tightened by 31bps and 34bps over the past 6 and 12 months respectively. The Bloomberg Global CoCo Tier 2 total return rose 5.6% and 10.7% over the past 6 and 12 months respectively, in SGD terms.

4. Market Overview

❑ Other Bonds and Collateralised Loan Obligations

- ❑ The Fed's restrictive monetary policy continued to exert its intended impact as inflation continued to moderate. This allowed the Fed to hold rates steady in all FOMC meetings in 1H 2024.
- ❑ In 1H 2024, US 10-year Treasury yields rose 48bps to 4.36% while 2-year yields rose 48bps to 4.71%. With easing inflationary pressure and the gradual cooling of the US labour market, the inverted US Treasury yield curve resumed its reversal in July. With core inflation closing in on the inflation target of 2%, a pivot in monetary policy is widely expected moving into 2H 2024. However, should unemployment rate and consumer spending show further signs of weakness, the Fed may be forced to increase the pace of rate cuts to avoid slipping into recession.
- ❑ The Singapore sovereign yield curve remained slightly inverted, as 10-year yields rose 50bps to 3.21% while 2-year yields also rose 8bps to 3.34% in 1H 2024.

4. Market Overview

❑ Other Bonds and Collateralised Loan Obligations

- ❑ The Bloomberg Barclays Global High Yield Total Return Index rose 6.0% and 12.1% over the past 6 and 12 months respectively, in SGD terms. Investment grade bonds underperformed high yield bonds as the equivalent investment grade index fell 0.5% and rose 1.2% over the same period respectively. Specifically, corporate investment grade bonds rose 1.8% and 5.2% over the past 6 and 12 months respectively, in SGD terms.

4. Market Overview

❑ Listed Equities

- ❑ In the World Economic Outlook report published in April 2024, the International Monetary Fund (“IMF”) projected global GDP growth at 3.2% for 2024, same as 2023. This was attributed to restrictive monetary policies and withdrawal of fiscal policies support, as well as low underlying productivity growth. Concerns surrounding China economic condition presented a significant headwind while emerging geopolitical risks threaten to weigh down on the global economy.
- ❑ The IMF expected inflation to fall from 6.8% in 2023 to 5.9% in 2024 due to decline in energy prices, easing supply-chain friction, decline in Chinese export prices and reduced labour market pressures. As inflation converges toward target levels, central banks pivot toward policy easing in many economies. A tightening of fiscal policies aimed at curbing high government debts, with higher taxes and lower government spending, is expected to weigh on growth.

4. Market Overview

❑ Listed Equities

- ❑ During the 1H 2024, emerging markets underperformed developed markets with SGD total returns of MCSI Emerging Markets Index at 10.63% compared to MSCI World Index which grew 15.16%.
- ❑ The MSCI All Country World Index (ACWI), rose 14.69% and 20.34% in SGD terms 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.