



GLOBAL INVESTMENTS  
LIMITED

# Global Investments Limited

## 2021 Half Year Results

Period ended 30 June 2021

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# AGENDA

## **1. Key Financial Data**

2. 1H 2021 Overview

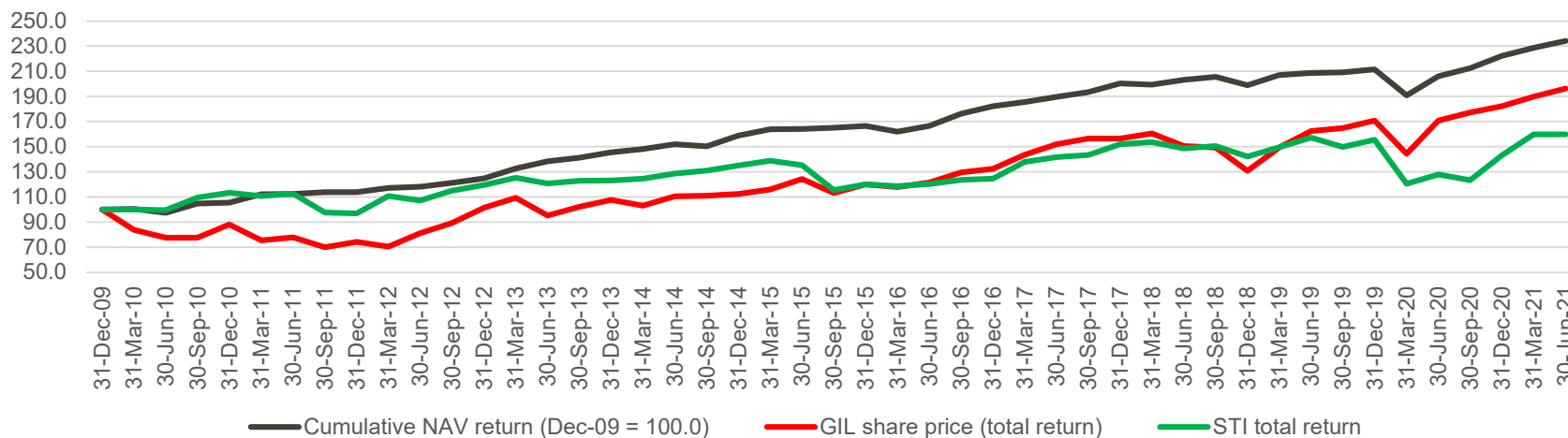
3. Portfolio Composition

4. Outlook

## Net asset value per share

	30 June 2021	31 December 2020	Change (%)	Remarks
Net asset value per share (S\$ per share)	0.1981	0.1915	6.0	The net asset value per share of the Group as at 30 June 2021 was 19.81 Singapore cents after the payment of 2020 final dividend of 0.40 Singapore cents per share. If the 2020 final dividend was paid and the treasury shares relating to the Scrip Dividend Scheme had been utilised before 31 December 2020, the net asset value per share as at 31 December 2020 would have been 18.68 Singapore cents instead of 19.15 Singapore cents per share. Therefore, the increase in net asset value per share from 18.68 to 19.81 Singapore cents would be 6.0% for the six months ended 30 June 2021.
	0.1981	0.1868 (After adjustment for 2020 final dividend)		

## Cumulative Performance (Starting from 2010)



# 1. Key Financial Data for 1H 2021

## Income

	1H 21 S\$m	1H 20 S\$m	Change (%)	Remarks
Dividend Income	0.9	0.9	-	The Group reported an income of S\$21.1 million as compared to a negative income of S\$6.6 million recorded in the same period last year.
Interest Income	6.3	7.4	(14.9)	
Net foreign exchange gain	0.4	1.7	(76.5)	The main difference in the income level was due to the fluctuation in fair value movement on financial assets at FVTPL of S\$13.4 million gain for the six months ended 30 June 2021 as compared to a S\$16.6 million fair value loss in the comparative period. The Group also reported a lower interest income of S\$6.3 million as compared to S\$7.4 million in the comparative period. This was due to the increase in the redemption/maturity of investments during the half year, resulting in lower interest income recorded. A lower net foreign exchange gain of S\$0.4 million was recorded as compared to S\$1.7 million in the comparative period.
Net gain/(loss) on financial assets designated as fair value through profit or loss (FVTPL)	13.4	(16.6)	Nm <sup>1</sup>	
<b>Total income</b>	<b>21.1</b>	<b>(6.6)</b>	<b>Nm<sup>1</sup></b>	

<sup>1</sup> Nm: not meaningful

# 1. Key Financial Data for 1H 2021

## Expenses

	1H 21 S\$m	1H 20 S\$m	Change (%)	Remarks
Management fees	1.3	1.1	18.2	Expenses for the half year ended 30 June 2021 was higher at S\$4.6 million as compared to S\$2.1 million recorded in the comparative period. This was mainly due to incentive fee of S\$2.3 million charged during the current period.
Incentive fees	2.3	-	Nm <sup>1</sup>	
Other operating expenses	1.0	0.9	11.1	
<b>Total expenses</b>	<b>4.6</b>	<b>2.1</b>	<b>119.0</b>	
Profit/(loss) before tax	16.5	(8.6)	Nm <sup>1</sup>	
Income tax expense	0.1	0.1	-	
<b>Profit/(loss) after tax</b>	<b>16.4</b>	<b>(8.7)</b>	<b>Nm<sup>1</sup></b>	For the six months ended 30 June 2021, the Group reported a net profit after tax of S\$16.4 million as compared to a net loss after tax of S\$8.7 million recorded for the six months ended 30 June 2020.

<sup>1</sup> Nm: not meaningful

# 1. Key Financial Data for 1H 2021

## Total comprehensive income

	1H 21 S\$m	1H 20 S\$m	Change (%)	Remarks
Total comprehensive income for the period attributable to shareholders	16.4	(8.7)	Nm <sup>1</sup>	Total comprehensive income for the Group was S\$16.4 million in 1H 2021 versus a loss of S\$8.7 million in 1H 2020.
Basic earnings per share (cents per share)	1.02	(0.52)	Nm <sup>1</sup>	The group achieved earnings per share of 1.02 Singapore cents (based on weighted average number of shares of 1.61 billion) in 1H 2021 compared to negative 0.52 Singapore cents (based on weighted average number of shares of 1.66 billion) in 1H 2020.
Diluted earnings per share (cents per share)	1.02	(0.52)	Nm <sup>1</sup>	

## Dividend

	1H 21 S\$m	2H 20 S\$m	Change (%)	Remarks
Dividend	6.4 <sup>2</sup>	6.4	-	The Company has declared an interim dividend of 0.40 Singapore cents per share for the financial year ending 31 December 2021. This dividend will be paid on or about 7 October 2021.

<sup>1</sup> Nm: not meaningful

<sup>2</sup> FY 21 interim dividend is calculated based on the number of outstanding shares as at 30 June 2021. Actual amount paid will be dependent on the number of outstanding shares on record date.

# Statement of Financial Position

	Group as at 30 June 2021 S\$m	Group as at 31 December 2020 S\$m	Change %	Remarks
<b>Assets</b>				
<b>Non-current assets</b>				
Financial assets at fair value through profit or loss	216.1	214.3	0.8	Comprised investments in loan portfolio and securitisation assets, bonds and bank contingent convertibles
<b>Total non-current assets</b>	<b>216.1</b>	<b>214.3</b>	<b>0.8</b>	
<b>Current assets</b>				
Cash and cash equivalents	46.4	26.9	72.5	The increase was due to the net redemption/maturity of investments, offset by the purchase of treasury shares and payment of FY2020 final dividend.
Financial assets at fair value through profit or loss	60.1	68.2	(11.9)	Comprised investments in listed equities and bonds maturing within a year.
Other assets	3.8	4.0	(5.0)	Comprised interest and dividend receivable.
<b>Total current assets</b>	<b>110.3</b>	<b>99.1</b>	<b>11.3</b>	
<b>Total Assets</b>	<b>326.4</b>	<b>313.5</b>	<b>4.1</b>	
<b>Liabilities</b>				
Other liabilities	7.1	1.6	343.8	Comprised fees payable to the Manager and accrual of operating expenses
<b>Total Liabilities</b>	<b>7.1</b>	<b>1.6</b>	<b>343.8</b>	
<b>Net assets attributable to shareholders</b>	<b>319.3</b>	<b>311.9</b>	<b>2.4</b>	
<b>Equity</b>				
Share capital	270.8	270.8	-	
Treasury shares	(15.9)	(13.0)	22.3	A total of 45,685,800 ordinary shares which amounted to S\$6.7 million were purchased and held as treasury shares during 1H 2021. As part of the Scrip Dividend Scheme, 28,280,673 treasury shares were transferred for the purpose of allotment of shares and amounted to S\$3.8 million.
Capital reserve	0.4	0.1	300.0	
Retained earnings	64.0	53.9	18.7	
<b>Total Equity</b>	<b>319.3</b>	<b>311.9</b>	<b>2.4</b>	
<b>Net asset value per share (S\$ per share)</b>	<b>0.1981</b>	<b>0.1915</b>	<b>3.4</b>	



# AGENDA

1. Key Financial Data

**2. 1H 2021 Overview**

3. Portfolio Composition

4. Outlook

## 2. 1H 2021 Overview

### ❑ Annual General Meeting for FY2020 (2021 AGM)

- ❑ The 2021 AGM was held on Thursday, 22 April 2021 at 10.00 a.m., by electronic means. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast, submission of questions in advance of the AGM and voting by appointing the Chairman of the AGM as proxy), were set out in the in the Notice of AGM dated 26 March 2021.
- ❑ The Company's Annual Report and Addendum were despatched to shareholders who have requested for the printed copy.
- ❑ All resolutions put to the vote at the 2021 AGM were duly approved and passed by the Company's shareholders.

## 2. 1H 2021 Overview

### ❑ Retirement of Director

- ❑ Mr Tan Wee Peng Kelvin retired as a Director of the Company at the conclusion of the 2021 AGM and ceased to be a member of the Audit and Risk Management Committee and the Remuneration Committee.
- ❑ Mr Lay Charlie Nhuc Hiang, who was elected as a Director of the Company at the 2021 AGM, was also appointed as a member of the Audit and Risk Management on the same day.

### ❑ Change of Registered Address

- ❑ With effect from 1 July 2021, GIL's address of registered office and principal place of business were changed to #09-01 St Andrew's Centre, 250 Tanjong Pagar Road, Singapore 088541. The contact number was changed to (65) 6908 4860.

## 2. 1H 2021 Overview

### ❑ **Scrip Dividend Scheme – FY 2020 Final Dividend**

- ❑ The Scrip Dividend Scheme was applied to the final dividend of 0.40 Singapore cents per share for FY 2020 and approximately 64.24% of the total final dividend amount was issued as shares under the scheme.
- ❑ The Company transferred 28,280,673 treasury shares for the allotment of shares at an issue price of 14.50 Singapore cents per share. Dividend payment date was 10 June 2021.

### ❑ **FY 2021 Interim Dividend**

- ❑ Interim dividend of 0.40 Singapore cents per share for FY 2021 is declared on 12 August 2021 and the Scrip Dividend Scheme will be applied to the interim dividend.

## 2. 1H 2021 Overview

### ❑ **Singapore Governance and Transparency Index 2021**

- ❑ The Singapore Governance and Transparency Index (SGTI) 2021 was released in The Business Times on 5 August 2021. The Company was ranked 30th out of 519 listed companies in the SGTI 2021. The Company was awarded SGTI base score of 79 points and bonus score of 19 points. The Company achieved an overall SGTI score of 98 points.

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### 3. Portfolio Composition (By Asset Class\*)

Asset Class	As At 30 June 2021 %	As At 31 December 2020 %	Change In Percentage Point %
Listed Equities	16.2	12.8	▲ 3.4
Bank Contingent Convertibles	54.7	58.0	▼ 3.3
Loan Portfolio And Securitisation Assets	2.6	3.1	▼ 0.5
Bonds	13.0	16.7	▼ 3.7
Cash And Other Assets	13.5	9.4	▲ 4.1
Total	100.0	100.0	-

\* Percentage of the Group's net asset value.

### 3. Portfolio Composition (By Currency Exposure\*)

Currency	As At 30 June 2021 %	As At 31 December 2020 %	Change In Percentage Point %
SGD	25.1	27.8	▼ 2.7
USD	34.8	33.7	▲ 1.1
CNH/CNY	15.0	14.0	▲ 1.0
HKD	10.1	8.6	▲ 1.5
EUR	6.3	7.2	▼ 0.9
AUD	5.6	5.9	▼ 0.3
Others	3.1	2.8	▲ 0.3
Total	100.0	100.0	-

\* Percentage of the Group's net asset value.



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## 4. Outlook

### ❑ Listed Equities

- ❑ The momentum from last year's rally lifted global equities in early 2021, but was cut short by unexpected disruptions in global supply chain and high commodity prices.
- ❑ As developed economies took tangible steps towards reopening, the market will be on the alert for inflationary pressures and possible tapering of asset purchase by central banks. The situation remains dynamic as optimism driven by higher vaccination rates in the west was eroded by new virus variant outbreaks across the world. Emerging economies remain especially vulnerable as they continued to struggle with vaccine rollouts.
- ❑ In geopolitics, US/China tension is expected to remain high as the new Biden administration maintained its pressure on China. While the threat of a military showdown remains remote, the market remains concerned over an increasingly polarised environment as both countries seek to reduce interdependence on national security concerns.

## 4. Outlook

### ❑ **Bank Contingent Convertibles**

- ❑ CoCo spreads further tightened by 76bps and 215bps over the past 6 and 12 months, respectively. The search for yield has led to investors taking on a greater degree of subordination risk, driven by negative yields in the senior part of the capital structure, as well as attractive yields that came with greater subordination.
- ❑ Several of the European banks made additional provisions in 2020 and beginning of 2021 in response to the coronavirus outbreak-induced stress. With fiscal support measures in place across the region, asset quality deterioration remained contained for the moment.
- ❑ These support measures are largely expected to remain in place for the next 6 months, which will maintain asset quality of the European banks. However, the inevitable withdrawal of support measures over the longer term will likely result in some deterioration of credit metrics, but this will be broadly manageable.

## 4. Outlook

### ❑ **Loan Portfolio And Securitisation Assets**

- ❑ The fundamental picture continued to improve within structured credits as most credit metrics continued to improve over the past 6 months following drastically impaired figures at the end of 2020.
- ❑ Issuances were strong, with new supply of \$88 billion of US and European CLOs and \$5.5 billion of Australian RMBS coming into the market in the first half of 2021.
- ❑ Looking back across a 12-month horizon, spreads stayed on a tightening trend as it moved to post-GFC lows, as any credit impact were mitigated by unprecedented government financial support along with measures taken by lenders to address financial difficulties.
- ❑ Securitisation issuance is expected to remain strong in the second half of 2021 on the back of strong demand from investors, while the improvement in loan issuer credit metrics should accelerate as the economy continues to recover.
- ❑ Financial conditions are expected to remain loose over the longer term with the US FOMC dot plot indicating the first interest hike only in 2023, which in turn will support credit conditions.

## 4. Outlook

### ❑ Bonds

- ❑ Major fixed income sectors ended last year at record high as credit spreads retraced much of their widening. Against the backdrop of recovering oil prices and optimistic corporate earnings in 2021, high yield credit is expected to outpace the investment-grade market.
- ❑ In the first half of the year, the Bloomberg Barclays Global High Yield Index rose 2.1% compared to the equivalent investment-grade index which returned -3.2%. Economic reopening and cross-border travels should gain traction for the rest of the year. Consequently, improved business activity and elevated commodity prices could stoke fresh concerns over inflation pressures.
- ❑ While policy makers maintain the view of a transitory inflation and are committed to loose monetary policy as they attempted to overshoot inflation targets, volatility would heighten should there be signs of tapering of asset purchase program.

# 4. Outlook

## Summary

- ❑ The emergence of new variants of the COVID-19 virus had resulted in subsequent waves of infections across the world. However, the rapid development of vaccines has maintained optimism in policymakers while some semblance of normality has resumed in some of the developed economies.
- ❑ Risk-on sentiments among investors have returned strongly as riskier asset classes, such as equities, continued their strong performance from 2020, and have so far outperformed government bonds and credits.
- ❑ However, the strong rebound in economic activity overwhelmed supply chains and raised inflation fears as commodity prices surged. Investors are concerned that this might lead to premature rollback of government support and stimulus programs.
- ❑ The divergence in vaccine availability between the developed and developing economies, which resulted in persistently high infection rates in the latter, are also raising concerns of new variants that will render current vaccines ineffective.

## 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.