

# 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 2017

#### 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 2017.

#### STATEMENT OF TOTAL RETURN

For the half year ended 31 December 2017 (Unaudited)

	31 December 2017 \$	31 December 2016 \$
<b>Income</b>		
Dividends	763,977	892,899
Interest on cash and bank balances	19	2
	<u>763,996</u>	<u>892,901</u>
<b>Less: Expenses</b>		
Audit fee	11,090	13,214
Bank charges	589	1,293
Custody fees	9,716	9,492
Management fees	144,789	133,035
Printing expenses	9,075	10,255
Professional fees	17,146	13,457
Registrar fees	18,169	17,907
Trustee fees	16,216	14,900
Accounting and valuation fees	6,950	6,385
Transaction cost	7,153	7,888
Miscellaneous expenses*	1,436	(8,288)
	<u>242,329</u>	<u>219,538</u>
<b>Net income</b>	<u>521,667</u>	<u>673,363</u>
<b>Net gain on value of investments</b>		
Net gain on investments	2,449,743	593,833
Net foreign exchange gain	354	5,128
	<u>2,450,097</u>	<u>598,961</u>
<b>Total return for the period before income tax</b>	<u>2,971,764</u>	<u>1,272,324</u>
Less: Income tax	(10,056)	(13,701)
<b>Total return for the period</b>	<u>2,961,708</u>	<u>1,258,623</u>

\* Miscellaneous expenses includes GST rebate

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2017 (Unaudited)

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	31 December 2017 \$	30 June 2017 \$
<b>Assets</b>		
Portfolio of investments	43,099,944	42,399,232
Receivables	105,075	88,737
Cash and bank balances	255,296	1,220,323
<b>Total Assets</b>	<b>43,460,315</b>	<b>43,708,292</b>
<b>Liabilities</b>		
Payables	162,622	1,099,808
<b>Total Liabilities</b>	<b>162,622</b>	<b>1,099,808</b>
<b>Equity</b>		
Net assets attributable to unitholders	<b>43,297,693</b>	<b>42,608,484</b>

**STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS***For the half year ended 31 December 2017 (Unaudited)*

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	<b>31 December 2017 \$</b>	30 June 2017 \$
<b>Net assets attributable to unitholders at the beginning of the financial period/year</b>	<b>42,608,484</b>	42,136,143
<b>Operations</b>		
Change in net assets attributable to unitholders resulting from operations	<b>2,961,708</b>	6,662,406
<b>Unitholders' contributions/(withdrawals)</b>		
Cancellation of units	<b>(2,272,499)</b>	(6,190,065)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	<b>(2,272,499)</b>	(6,190,065)
Total increase in net assets attributable to unitholders	<b>689,209</b>	472,341
<b>Net assets attributable to unitholders at the end of the financial period/year</b>	<b>43,297,693</b>	42,608,484

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**STATEMENT OF PORTFOLIO**  
As at 31 December 2017 (Unaudited)

	Holdings at 31 December 2017	Fair value at 31 December 2017 \$	Percentage of total net assets attributable to unitholders at 31 December 2017 %
<b>By Industry - (Primary)* Quoted Equities</b>			
<b>Consumer Discretionary</b>			
Genting Singapore Public Limited Company	832,100	1,090,051	2.52
Jardine Cycle & Carriage Limited	14,266	580,198	1.34
Singapore Press Holdings Limited	229,800	608,970	1.40
<b>Total</b>		<b>2,279,219</b>	<b>5.26</b>
<b>Consumer Staple</b>			
Golden Agri-Resources Limited	918,632	339,894	0.79
Thai Beverages PCL	1,412,900	1,299,868	3.00
Wilmar International Limited	280,100	865,509	2.00
<b>Total</b>		<b>2,505,271</b>	<b>5.79</b>
<b>Financials</b>			
DBS Group Holdings Limited	259,267	6,442,785	14.88
Oversea-Chinese Banking Corporation	471,943	5,847,374	13.51
Singapore Exchange Limited	118,500	881,640	2.04
United Overseas Bank Limited	184,657	4,884,178	11.28
<b>Total</b>		<b>18,055,977</b>	<b>41.71</b>
<b>Industrials</b>			
ComfortDelgro Corporation Limited	295,300	584,694	1.35
Hutchison Port Holdings Trust	728,400	403,975	0.93
Jardine Matheson Holdings Limited	22,246	1,806,070	4.17
Jardine Strategic Holdings Limited	19,400	1,026,157	2.37
Keppel Corporation Limited	205,850	1,512,998	3.49
SATS Limited	91,500	475,800	1.10
Sembcorp Industries Limited	130,840	396,445	0.92
Singapore Airlines Limited	73,340	782,538	1.81
Singapore Technologies Engineering	219,500	715,570	1.65
Yangzijiang Shipbuilding Holdings Limited	306,500	450,555	1.04
<b>Total</b>		<b>8,154,802</b>	<b>18.83</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 2017 (Unaudited)*

	Holdings at 31 December 2017	Fair value at 31 December 2017 \$	Percentage of total net assets attributable to unitholders at 31 December 2017 %
<b>By Industry - (Primary)* (continued)</b>			
<b>Quoted Equities</b>			
<b>Real Estate</b>			
Ascendas Real Estate Investment Trust	337,900	919,088	2.12
CapitaLand Commercial Trust	338,700	653,691	1.51
CapitaLand Limited	362,100	1,278,213	2.95
CapitaLand Mall Trust	332,250	707,693	1.63
City Developments Limited	67,680	845,323	1.95
Global Logistic Properties Limited	422,500	1,423,825	3.29
Hongkong Land Holdings Limited	168,400	1,584,350	3.66
UOL Group Limited	70,800	627,996	1.45
<b>Total</b>		<b>8,040,179</b>	<b>18.56</b>
<b>Telecommunications</b>			
Singapore Telecommunications Limited	1,072,190	3,827,718	8.84
Starhub Limited	83,080	236,778	0.55
<b>Total</b>		<b>4,064,496</b>	<b>9.39</b>
<b>Portfolio of investments</b>		<b>43,099,944</b>	<b>99.54</b>
<b>Other net assets</b>		<b>197,749</b>	<b>0.46</b>
<b>Net assets attributable to unitholders</b>		<b>43,297,693</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).

**STATEMENT OF PORTFOLIO**  
*As at 31 December 2017 (Unaudited)*

	<b>Percentage of total net assets attributable to unitholders at 31 December 2017 %</b>	<b>Percentage of total net assets attributable to unitholders at 30 June 2017 %</b>
<b>By Industry (Primary)* (Summary)</b>		
<b>Quoted Equities</b>		
Consumer Discretionary	5.26	5.73
Consumer Staple	5.79	6.44
Financials	41.71	39.28
Industrials	18.83	18.24
Real Estate	18.56	18.74
Telecommunications	9.39	11.08
<b>Portfolio of investments</b>	<b>99.54</b>	<b>99.51</b>
<b>Other net assets</b>	<b>0.46</b>	<b>0.49</b>
<b>Net assets attributable to unitholders</b>	<b>100.00</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).

**STATEMENT OF PORTFOLIO**  
*As at 31 December 2017 (Unaudited)*

	Fair value at 31 December 2017 \$	Percentage of total net assets attributable to unitholders at 31 December 2017 %	Percentage of total net assets attributable to unitholders at 30 June 2017 %
<b>By Geography - Secondary*</b>			
<b>Quoted Equities</b>			
China	450,555	1.04	0.89
Hong Kong	4,416,577	10.20	9.15
Singapore	36,932,944	85.30	86.27
Thailand	1,299,868	3.00	3.20
<b>Portfolio of investments</b>	<b>43,099,944</b>	<b>99.54</b>	<b>99.51</b>
<b>Other net assets</b>	<b>197,749</b>	<b>0.46</b>	<b>0.49</b>
<b>Net assets attributable to unitholders</b>	<b>43,297,693</b>	<b>100.00</b>	<b>100.00</b>

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

## 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 2017

#### A) Fund Performance

Fund Performance/ Benchmark Returns	3 mth % Growth	6 mth % Growth	1yr % 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 <sup>1</sup>	6.09	7.10	21.17	2.99	3.78	2.08	4.47
Benchmark <sup>2</sup>	6.07	7.27	22.08	4.02	4.91	3.17	3.94

Note: Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

<sup>1</sup> The performance returns of the Fund are in Singapore dollars based on a bid-to-bid price with net dividends reinvested.

<sup>2</sup> The performance returns of the Benchmark is 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.

#### Market and Portfolio Review

For the six months ended 31 December 2017:

The Straits Times Index (STI) posted a gain of 5.5% in the second half of 2017, continuing the strong performance seen in the first half of 2017 albeit at a slower pace. This was driven by a similar strength in the Singapore economy which concluded 2017 on a high note with GDP growth numbers exceeding expectations. Global growth continued to pick up, with growth becoming more broad-based across the advanced and emerging economies. Global employment numbers maintained their upward momentum, boosting consumer expectations and driving consumption. These factors have benefited externally-orientated sectors, such as trade-related industries and electronics manufacturing.

Singapore's GDP grew by 3.1% over the last six months according to the Ministry of Trade and Industry (MTI), supported by strong growth in the services sector, particularly the finance & insurance, wholesale & retail trade and transportation & storage sectors. The manufacturing sector also expanded as a whole, with growth in the electronics and precision engineering clusters outweighing a contraction in the transport engineering and biomedical manufacturing clusters. On the other hand, the construction sector extended its weakness from the first half of 2017. The Monetary Authority of Singapore kept its monetary policy unchanged with a view that core inflation is expected to be stable in the short term.



There was no change in the index following STI's quarterly reviews. In terms of constituent performance, 18 counters advanced while 12 counters declined. The top three performing counters were Yangzijiang Shipbuilding Holdings Ltd, Genting Singapore PLC and DBS Group Holdings Ltd which gained 23.5%, 20.7% and 19.8% respectively. The bottom three performing counters were Singapore Press Holdings Ltd, ComfortDelgro Corporation Ltd and Singapore Technologies Engineering which declined 18.0%, 13.9% and 11.4% respectively.

Financials excelled, as the domestic banks continued to outperform due to expectations of higher interest rates, and easing of pressure on asset quality from the oil and gas sector. Both real estate and REITs had also rallied as economic conditions improved and the outlook for Singapore's property market turned positive. Yangzijiang Shipbuilding outperformed as a result of a more favourable supply and demand dynamics in the shipping market. On the other end of the spectrum, Singapore Press Holdings declined as industry fundamentals continue to weaken with falling subscription numbers and advertising revenue.

## **Market Outlook**

According to MTI, global growth is expected to improve marginally in 2018, with stronger growth expected in the US, as well as in some emerging markets and developed economies. Growth in the US economy will be driven by private consumption and spending on investment. Continued growth is also expected in the ASEAN economies, supported by domestic demand and merchandise exports. Conversely, growth is expected to slow in the Eurozone and China.

A recent increase in US wage growth and inflation expectations had led to a correction and increased volatility across the global equity markets. The downside risks remain, primarily arising from i) uncertainty over the US administration's policies and lingering concerns over the rise in protectionist sentiments, ii) geopolitical tension between US and North Korea, iii) and an unexpectedly large increase in inflation that will result in monetary policy normalizing faster than expected, causing tightening of global financial conditions.

MTI forecasts that Singapore's GDP will grow by 1.5–3.5% in 2018. The manufacturing sector is expected to benefit from sustained global economic growth, especially the electronics and precision engineering clusters, although the pace of growth is expected to slow. Externally oriented services sectors like finance & insurance, and wholesale trade will likely experience slower growth in tandem with key advanced and regional economies. Information & communications, education and health & social services sectors will stay resilient. The outlook for the construction sector, however, remains negative due to weak demand.

## 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 2017 under review classified by

i) Country	Fair Value \$	% of NAV
<b>Quoted Equities</b>		
China	450,555	1.04
Hong Kong	4,416,577	10.20
Singapore	36,932,944	85.30
Thailand	1,299,868	3.00
	<u>43,099,944</u>	<u>99.54</u>
<b>Portfolio of investments</b>	<b>43,099,944</b>	<b>99.54</b>
<b>Other net assets</b>	<b>197,749</b>	<b>0.46</b>
<b>Total</b>	<b><u>43,297,693</u></b>	<b><u>100.00</u></b>

ii) Industry	Fair Value \$	% of NAV
<b>Quoted Equities</b>		
Consumer Discretionary	2,279,219	5.26
Consumer Staple	2,505,271	5.79
Financials	18,055,977	41.71
Industrials	8,154,802	18.83
Real Estate	8,040,179	18.56
Telecommunications	4,064,496	9.39
	<u>43,099,944</u>	<u>99.54</u>
<b>Portfolio of investments</b>	<b>43,099,944</b>	<b>99.54</b>
<b>Other net assets</b>	<b>197,749</b>	<b>0.46</b>
<b>Net assets attributable to unitholders</b>	<b><u>43,297,693</u></b>	<b><u>100.00</u></b>

### iii) Asset Class

	Fair value at 31 December 2017 \$	Percentage of total net assets at 31 December 2017 %	Percentage of total net assets at 31 December 2016 %
Quoted Equities	43,099,944	99.54	100.10
Other net assets/(liabilities)	197,749	0.46	(0.10)
<b>Total</b>	<b><u>43,297,693</u></b>	<b><u>100.00</u></b>	<b><u>100.00</u></b>

### iv) Credit rating of debt securities

Not Applicable

### C) Top Ten Holdings

The top ten holdings as at 31 December 2017 and 31 December 2016

#### 10 largest holdings at 31 December 2017

	Fair Value \$	Percentage of total net assets attributable to unitholders %
DBS Group Holdings Limited	6,442,785	14.88
Oversea-Chinese Banking Corporation	5,847,374	13.51
United Overseas Bank Limited	4,884,178	11.28
Singapore Telecommunications Limited	3,827,718	8.84
Jardine Matheson Holdings Limited	1,806,070	4.17
Hongkong Land Holdings Limited	1,584,350	3.66
Keppel Corporation Limited	1,512,998	3.49
Global Logistic Properties Limited	1,423,825	3.29
Thai Beverages PCL	1,299,868	3.00
CapitaLand Limited	1,278,213	2.95

#### 10 largest holdings at 31 December 2016

	Fair Value \$	Percentage of total net assets attributable to unitholders %
DBS Group Holdings Limited	5,249,980	12.64
Oversea-Chinese Banking Corporation	4,953,660	11.93
Singapore Telecommunications Limited	4,607,724	11.10
United Overseas Bank Limited	4,205,603	10.13
Jardine Matheson Holdings Limited	1,955,582	4.71
Hongkong Land Holdings Limited	1,807,957	4.35
Thai Beverages PCL	1,399,015	3.37
Keppel Corporation Limited	1,395,680	3.36
CapitaLand Limited	1,290,446	3.11
Wilmar International Limited	1,257,577	3.03

### D) Exposure to Derivatives

i) Fair value of derivative contracts and as a percentage of NAV as at 31 December 2017

Not applicable

ii) Net gain/(loss) on derivative contracts realised during the half year ended 31 December 2017

Not applicable

iii) Net gain/(loss) on outstanding derivative contracts marked to market as at 31 December 2017

Not applicable

**E) Investments in other unit trusts, mutual funds and collective investment schemes as at 31 December 2017**

	<b>Fair value at 31 December 2017</b>	<b>Percentage of total net assets attributable to unitholders at 31 December 2017</b>
	\$	%
Ascendas Real Estate Investment Trust	919,088	2.12
CapitaLand Commercial Trust	653,691	1.51
CapitaLand Mall Trust	707,693	1.63

**F) Amount and percentage of borrowings to net asset value (NAV) as at 31 December 2017**

Not applicable

**G) Amount of subscriptions and redemptions for the period 01 July 2017 to 31 December 2017**

Total amount of subscriptions	SGD	-
Total amount of redemptions	SGD	2,272,499

**H) Amount of related party transactions for the period 01 July 2017 to 31 December 2017**

	\$
Accounting and valuation fee expense charged by a related company of the Trustee	6,950
Transaction fee expense charged by the Trustee and its related company	3,690
Custody fee expense charged by a related company to the Trustee	9,716
Registrar fee expense charged by a related company of the Trustee	16,738

**I) Expense Ratios**

<b>31 December 2017</b>	<b>1.02%</b>
31 December 2016	1.03%

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 2017 was based on total operating expenses of \$442,607 (2016: \$526,915) divided by the average net asset value of \$43,577,334 (2016: \$50,991,719) 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 gain/loss, 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 2017</b>	<b>3.06%</b>
31 December 2016	5.71%

Note: The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. 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 purchases of \$1,313,578 (2016: purchases of \$2,413,300) divided by the average daily net asset value of \$42,942,813 (2016: \$42,251,018).

## **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 2017			
	Cost SGD	Percentage of total net assets attributable to unitholders %	Dividends received SGD	Dividend cover ratio*
<b>DBS Group Holdings Limited</b>	3,329,836	14.88	89,353	2.76
<b>Oversea-Chinese Banking Corporation</b>	3,282,428	13.51	88,784	2.31
<b>United Overseas Bank Limited</b>	2,408,401	11.28	67,395	2.65
<b>Singapore Telecommunications Limited</b>	3,154,179	8.84	224,978	1.35
<b>Jardine Matheson Holdings Limited</b>	1,862,528	4.17	12,634	2.34
<b>Hongkong Land Holdings Limited</b>	927,195	3.66	14,377	7.49
<b>Keppel Corporation Limited</b>	1,089,042	3.49	17,684	2.16
<b>Global Logistic Properties Limited</b>	931,190	3.29	26,496	3.93
<b>Thai Beverages PCL</b>	886,196	3.00	-	2.05
<b>CapitaLand Limited</b>	1,063,871	2.95	-	2.81

\* Dividend cover ratio is the ratio of the company's net profit attributable to ordinary shareholders over the dividend payout as published in the latest annual report.

## Summary Of Investment Portfolio

	31 December 2017 Cost / Fair Value SGD	31 December 2016 Cost / Fair Value SGD
<b>Investments:</b>		
Cost	31,579,372	35,798,241
Unrealised gain on investments	11,520,572	5,764,811
Net Book Value	<u>43,099,944</u>	<u>41,563,052</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. As at date of announcement, the Manager also manages Global Investments Limited, a mutual fund company listed on the Main Board of the Singapore Exchange Securities Trading Limited.

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 13 February 2018.

By Order of the Board

Yeo Shann Wei  
Company Secretary

13 February 2018