



# **Global Investments Limited**

## **FY2021 Financial Results**

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# AGENDA

## **1. Financial Highlights**

2. Corporate Overview

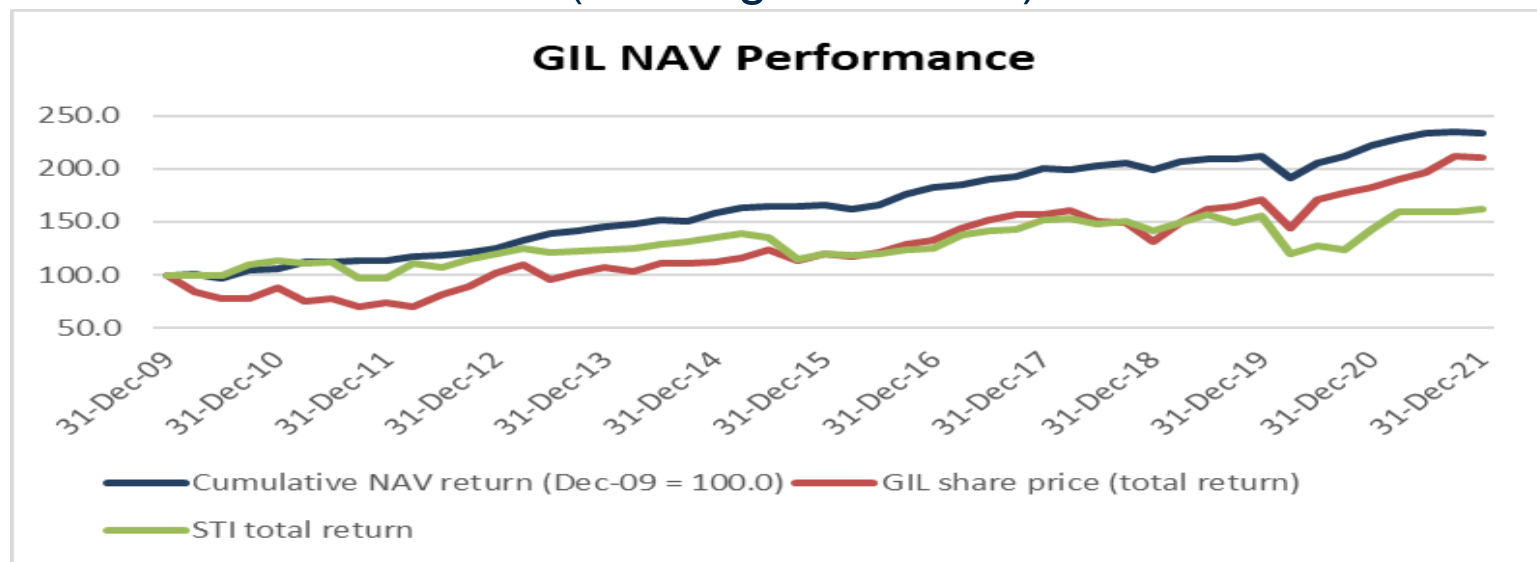
3. Portfolio Overview

4. Outlook

# Net Asset Value per Share

	FY 2021	FY 2020	Change (%)	Remarks
Net asset value per share (S\$ per share)	0.1933	0.1915	1.0	The net asset value per share of the Group as at 31 December 2021 was 19.33 Singapore cents after the payment of 2020 final dividend of 0.40 Singapore cents per share and 2021 interim 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. After adjusting for the 2021 interim dividend, the net asset value per share as at 31 December 2021 would have been 19.82 Singapore cents and the increase in net asset value per share would be 6.1%
	0.1982 (After adjustment for 2021 interim dividend paid and transfer of treasury shares relating to the Scrip Dividend Scheme)	0.1868 (After adjustment for 2020 final dividend paid and transfer of treasury shares relating to the Scrip Dividend Scheme)	6.1	

## Cumulative Performance (Starting from 2009)



# 1. Key Financial Highlights for 2H 2021

## Statement of Comprehensive Income

	2H 21 S\$m	2H 20 S\$m	Change (%)	Remarks
Dividend income	0.8	0.7	15.3	The Group reported an income of S\$0.9 million as compared to an income of S\$25.4 million recorded in the same period last year.
Interest income	6.4	7.5	(14.8)	
Net foreign exchange gain	0.6	-	Nm <sup>1</sup>	The main difference in the income level was due to the fluctuation in fair value movement on financial assets at fair value FVTPL of S\$6.9 million losses for the six months ended 31 December 2021 as compared to a S\$17.2 million fair value gain in the comparative period. The Group also reported a lower interest income of S\$6.4 million as compared to S\$7.5 million in the comparative period. This was due to the increased in the redemption/maturity of investments during the half year, resulting in lower interest income recorded. The lower income in the current year was cushioned by a net foreign exchange gain of S\$0.6 million.
Net gain/(loss) on financial assets designated as fair value through profit or loss (FVTPL)	(6.9)	17.2	Nm <sup>1</sup>	
<b>Total income</b>	<b>0.9</b>	<b>25.4</b>	<b>(96.4)</b>	
Management fees	1.3	1.2	12.9	Expenses for the half year ended 31 Decemeber 2021 remain unchanged at S\$2.4 million as compared to the same period last year.
Incentive fees	-	-	-	
Net foreign exchange loss	-	0.1	(100)	
Other operating expenses	1.1	1.1	(2.9)	
<b>Total expenses</b>	<b>2.4</b>	<b>2.4</b>	<b>0.7</b>	

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

# 1. Key Financial Highlights for 2H 2021

## Statement of Comprehensive Income (cont'd)

	2H 21 S\$m	2H 20 S\$m	Change (%)	Remarks
Profit / (loss) before tax	(1.5)	23.0	Nm <sup>1</sup>	
Income tax expense	0.1	0.1	15.4	
<b>Profit / (loss) after tax</b>	<b>(1.5)</b>	<b>23.0</b>	Nm <sup>1</sup>	For the six months ended 31 December 2021, the Group reported a net loss after tax of S\$1.5 million as compared to a net profit after tax of S\$23.0 million recorded for the six months ended 31 December 2020.
Total comprehensive income for the period attributable to shareholders	(1.5)	23.0	Nm <sup>1</sup>	Total comprehensive income for the Group was a loss of S\$1.5 million in 2H 2021 as compared to a gain of S\$23.0 million in 2H 2020.
Basic earnings per share (cents per share)	(0.10)	1.41	Nm <sup>1</sup>	As a result of the net loss of S\$1.5 million for the half year, earnings per share was negative 0.10 Singapore cents compared to 1.41 Singapore cents for 2H 2020.
Diluted earnings per share (cents per share)	(0.10)	1.41	Nm <sup>1</sup>	

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

# 1. Key Financial Highlights for FY 2021

## Statement of Comprehensive Income

	FY 21 S\$m	FY 20 S\$m	Change (%)	Remarks
Dividend income	1.7	1.6	8.6	The Group reported an income of S\$22.0 million which is about 17% higher than the S\$18.8 million recorded last year. The higher income was due to the higher fair value gain for financial assets at FVTPL of S\$6.5 million gain versus a gain of S\$0.7 million last year. The higher fair value gain was offset partially by lower interest income of S\$12.7 million due to the increase in the redemption/maturity of investments during the year. For the previous year, interest income was S\$14.9 million. A lower net foreign exchange gain of S\$1.0 million was recorded as compared to S\$1.6 million last year.
Interest income	12.7	14.9	(14.8)	
Net foreign exchange gain	1.0	1.6	(35.5)	
Net gain/(loss) on financial assets designated as fair value through profit or loss (FVTPL)	6.5	0.7	882.6	
<b>Total income</b>	<b>22.0</b>	<b>18.8</b>	<b>17.3</b>	
Management fees	2.6	2.3	13.2	Expenses for the year ended 31 December 2021 was S\$7.0 million, higher than the S\$4.3 million recorded last year. This was mainly due to incentive fee of S\$2.3 million charged during the year.
Incentive fees	2.3	-	Nm <sup>1</sup>	
Other operating expenses	2.0	2.0	0.7	
<b>Total expenses</b>	<b>7.0</b>	<b>4.3</b>	<b>61.4</b>	

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

# 1. Key Financial Highlights for FY 2021

## Statement of Comprehensive Income (cont'd)

	FY 21 S\$m	FY 20 S\$m	Change (%)	Remarks
Profit / (loss) before tax	15.0	14.4	4.0	
Income tax expense	0.1	0.1	8.3	
<b>Profit / (loss) after tax</b>	<b>14.9</b>	<b>14.3</b>	<b>4.0</b>	For the year ended 31 December 2021, the Group reported a higher net profit after tax of S\$14.9 million as compared to a net profit after tax of S\$14.3 million recorded for the year ended 31 December 2020.
Total comprehensive income for the period attributable to shareholders	14.9	14.3	4.0	Total comprehensive income for the Group was S\$14.9 million in FY 2021 versus S\$14.3 million in FY 2020.
Basic earnings per share (cents per share)	0.93	0.87	6.6	The group achieved earnings per share of 0.93 Singapore cents (based on weighted average number of shares of 1.61 billion) for the full year ended 31 December 2021 compared to 0.87 Singapore cents (based on weighted average number of shares of 1.65 billion) for the full year ended 31 December 2020.
Diluted earnings per share (cents per share)	0.93	0.87	6.6	



# Statement of Financial Position

	Group as at 31 December 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	212.1	214.3	(1.1)	Comprised investments in loan portfolio and securitisation assets, bonds and bank contingent convertibles
Right-of-use asset	0.2	0.1	234.5	
<b>Total non-current assets</b>	<b>212.2</b>	<b>214.4</b>	<b>(1.1)</b>	
<b>Current assets</b>				
Cash and cash equivalents	41.9	26.9	55.8	The increase was due to the net redemption/maturity of investments, offset by the purchase of treasury shares and payment of FY2020 final dividend and FY 2021 interim dividend.
Financial assets at fair value through profit or loss	53.8	68.2	(21.2)	Comprised investments in listed equities and bonds maturing within a year.
Other assets	3.0	4.0	(23.4)	Comprised interest and dividend receivable.
<b>Total current assets</b>	<b>98.7</b>	<b>99.1</b>	<b>(0.3)</b>	
<b>Total Assets</b>	<b>311.0</b>	<b>313.5</b>	<b>(0.8)</b>	
<b>Liabilities</b>				
<b>Current liabilities</b>				
Lease liabilities	0.1	0.1	4.9	
Other liabilities	1.4	1.5	(9.2)	Comprised fees payable to the Manager and accrual of operating expenses
<b>Total current liabilities</b>	<b>1.5</b>	<b>1.6</b>	<b>(8.6)</b>	
<b>Non-current liabilities</b>				
Lease liabilities	0.1	-	Nm <sup>1</sup>	
<b>Total non-current liabilities</b>	<b>0.1</b>	<b>-</b>	<b>Nm<sup>1</sup></b>	
<b>Total Liabilities</b>	<b>1.6</b>	<b>1.6</b>	<b>(0.8)</b>	
<b>Net assets attributable to shareholders</b>	<b>309.4</b>	<b>311.9</b>	<b>(0.8)</b>	

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

# Statement of Financial Position (cont'd)

<b>Equity</b>				
Share capital	270.8	270.8	-	
Treasury shares	(18.2)	(13.0)	40.5	A total of 84,611,000 ordinary shares which amounted to S\$13.0 million were purchased and held as treasury shares during FY 2021. As part of the Scrip Dividend Scheme, 55,974,000 treasury shares were transferred for the purpose of allotment of shares and amounted to S\$7.7 million.
Capital reserve	0.7	0.1	-	
Retained earnings	56.0	53.9	3.9	
<b>Total Equity</b>	<b>309.4</b>	<b>311.9</b>	<b>(0.8)</b>	
<b>Net asset value per share (S\$ per share)</b>	<b>0.1933</b>	<b>0.1915</b>	<b>1.0</b>	

## Return on Equity

	FY 21 %	FY 20 %	Change (%)	Remarks
Return on Equity	4.8	4.5	0.1	The Group achieved a higher return on equity (computed based on net profit after tax over the average total equity) of 4.8% in 2021 as compared to 4.5% in 2020 due to higher profit after tax.

## Earnings per Share

	FY 21 cts	FY 20 cts	Change (%)	Remarks
Earnings per Share	0.93	0.87	6.9	The Group achieved earnings per share of 0.93 Singapore cents (based on weighted average number of shares of 1.61 billion) for the year ended 31 December 2021 compared to 0.87 Singapore cents (based on weighted average number of shares of 1.65 billion) for the year ended 31 December 2020.

## Dividend

	FY 21 S\$m	FY 20 S\$m	Change (%)	Remarks
Interim Dividend	6.4	6.6	(2.2)	The Group has recommended FY2021 final dividend of 0.4 Singapore cents per share. Together with the interim dividend of 0.4 Singapore cents per share paid in October 2021, total dividend for the financial year ended 31 December 2021 will be 0.8 Singapore cents per share.
Final Dividend	6.4 (Proposed)	6.4		

# AGENDA

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## 2. Corporate Overview

### ❑ Awards

- ❑ GIL will remain on the SGX Fast Track until the next review in 2023. SGX Fast Track recognises the efforts and achievements of listed issuers which have upheld high corporate governance standards and maintained a good compliance track record.

### ❑ 2021 Dividends

- ❑ Interim dividend for FY2021 of 0.40 Singapore cents per share was paid on 7 October 2021.
  - The Company transferred 28,693,591 treasury shares for the allotment of shares at an issue price of 15.00 Singapore cents per share.
  - The proportion of the total interim dividend amount issued as shares pursuant to the Scrip Dividend Scheme was approximately 67.05%.
- ❑ For the final dividend of 2021, the Company recommended a payout of 0.40 Singapore cents per share and the Scrip Dividend Scheme will be applied to it. This payment is subject to the approval of shareholders at the Annual General Meeting.
- ❑ Based on closing share price of 15.60 Singapore cents on 31 December 2021, the full year dividend paid of 0.80 Singapore cents per share represented an annual dividend yield of 5.13%.

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

Asset Class	As At 31 December 2021 % <sup>1</sup>	As At 31 December 2020 % <sup>2</sup>	Change In Percentage Point %
Listed Equities	16.7	12.8	▲ 3.9
Bank Contingent Convertibles	55.3	58.0	▼ 2.7
Loan Portfolio And Securitisation Assets	2.2	3.1	▼ 0.9
Bonds	11.7	16.7	▼ 5.0
Cash And Other Assets	14.1	9.4	▲ 4.7
Total	100.0	100.0	-

<sup>1</sup> Percentage of the Group's Net Asset Value as at 31/12/2021.

<sup>2</sup> Percentage of the Group's Net Asset Value as at 31/12/2020.

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

Currency	As At 31 December 2021 % <sup>1</sup>	As At 31 December 2020 % <sup>2</sup>	Change In Percentage Point %
SGD	27.8	27.8	-
USD	33.5	33.7	▼ 0.2
CNH/CNY	15.7	14.0	▲ 1.7
HKD	9.9	8.6	▲ 1.3
EUR	5.8	7.2	▼ 1.4
AUD	4.3	5.9	▼ 1.6
OTHERS	3.0	2.8	▲ 0.2
Total	100.0	100.0	-

<sup>1</sup> Percentage of the Group's Net Asset Value as at 31/12/2021.

<sup>2</sup> Percentage of the Group's Net Asset Value as at 31/12/2020.



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# 4. Outlook

## Listed Equities

- ❑ Global equities once again closed the year at record high in 2021. Despite global supply chain disruptions and rising commodity prices, global equities forged ahead, supported by strong corporate earnings and loose monetary policies. As vaccination rates approached 80% across major western countries, concerns over the pandemic took a back seat.
- ❑ In geopolitics, US and China maintained their confrontational stance as a broad range of issues remain unresolved. Under the Biden administration, the US deepened multilateral security in the Indo-Pacific with multiple security alliances as it adopted a coordinated strategy against China. Following initial meetings between leaders from both sides, the relationship appeared to have entered a stalemate. Pending the right conditions for further negotiations, the risk of any inadvertent trigger of sensitive red lines remains high.
- ❑ Major equities markets fell into negative territory after Russian President Putin ordered strikes on Ukraine. For the period from 1 January 2022 to 24 February 2022, S&P 500, Euro STOXX 50 and Nikkei 225 index were down about 10%, 11% and 8% respectively.

## 4. Outlook

### Bank Contingent Convertibles

- ❑ CoCos credit spreads tightened over the past 12 months. Spreads briefly reached pre-pandemic low levels in the third quarter of 2021, before widening slightly in the fourth quarter. This was due to a rise in overall market yields in response to an increasingly hawkish tone from the Fed, as inflation continued to trend higher. While the Fed has already begun tapering, the European Central Bank is expected to be more measured both in the initial timeline as well as the pace of tapering.

### Loan Portfolio and Securitisation Assets

- ❑ Credit spreads on leveraged loans are at a cyclical low as it continued its tightening trend in 2020. 2021 set a record year for leveraged loan and CLO issuances, as borrowers capitalized on low yields as well as strong demand from investors, in particular for floating rate loans with an eye on policy rate hikes in the horizon.
- ❑ While spread volatility is likely to be higher in the next 12 months given the uncertainties around the tightening of monetary policy, this is offset by low default rates that are expected to stay low.

# 4. Outlook

## Bonds

- ❑ Inflation became the dominant theme towards second half of 2021 as policy makers acknowledged the persistent nature of global rising prices. The US Fed in December announced the accelerated tapering of its bond purchases and signaled a much steeper interest rate trajectory. Additionally, liquidity in the market is expected to be drained as the Fed prepares to shrink its balance sheet. A multitude of challenges, from the impending interest rate hikes to supply chain constraints and the shifting landscape in the fight against the coronavirus, weighed on bond market towards the end of 2021.
- ❑ World central banks have revealed plans to roll back easy monetary policies and started to raise interest rates. In 2H21, bond yields continued their upward trend, pushed higher by the Fed's hawkish policy stance. The 10-year US Treasury topped 1.7% in October, its highest since June and ended the year at 1.5%.

# 4. Outlook

## Summary

- ❑ Global equities markets continued its ascent despite concerns over supply chain disruption and inflation pressure. Higher vaccination rates, especially across major western economies, gave support to further global economic reopening and improvements in business confidence.
- ❑ Major equities markets fell into negative territory after Russian President Putin ordered strikes on Ukraine. For the period from 1 January 2022 to 24 February 2022, S&P 500, Euro STOXX 50 and Nikkei 225 index were down about 10%, 11% and 8% respectively.
- ❑ For 2022, investors should be wary of high valuations in the financial markets and potential risks such as:
  - Unexpected shocks brought about by rate hikes and policy tightening by world central banks.
  - Geopolitical environment, particularly US/China relation and conflicts over Ukraine.
  - Declining efficacy of current vaccines and further COVID-19 mutations.

## 4. 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.
- ❑ 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.

# Q&A

# THANK YOU