



GLOBAL INVESTMENTS
LIMITED

Global Investments Limited

FY2015 Financial Results

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AGENDA

1. Financial Highlights

2. Corporate Overview

3. Portfolio Overview

4. Outlook

1. Financial Highlights

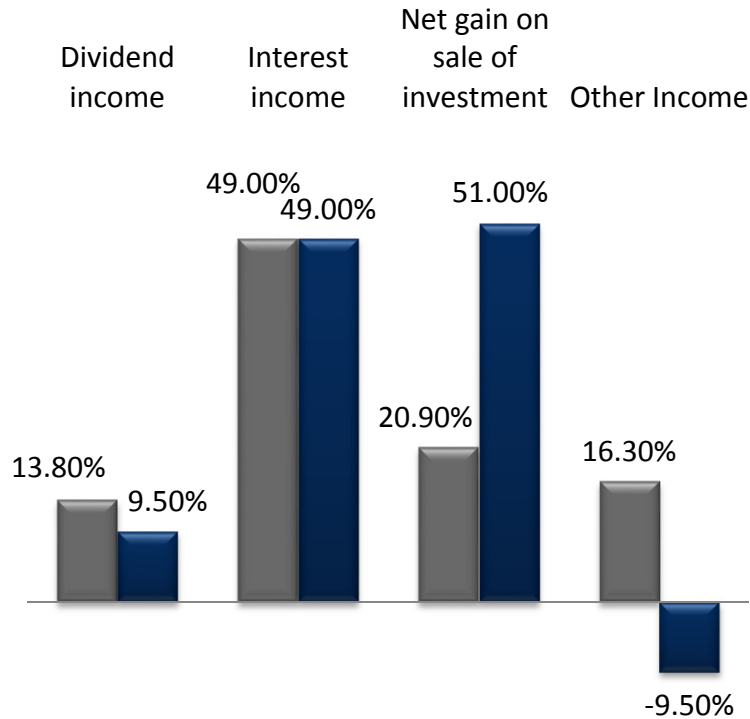
	FY 2015	FY 2014	% Change	
Net Profit after Tax	S\$16.9M	S\$24.3M	30.5%	<p>Net profit after tax dropped by 30.5% on a year-on-year basis to S\$16.9 million from S\$24.3 million. The lower profit after tax is due to fair value loss and net impairment expense and higher incentive fees in the current year. For the year ended 31 December 2015, the Group recognised a net impairment expense of S\$1.6 million arising from the impairment of AFS financial assets of S\$11.7 million. This was partially offset by a reversal of impairment from the sale of Seiza Series 2006-1 Class G note of S\$10.1 million. As a result of the reclassification of fair value loss to impairment expense, there was a positive AFS revaluation reserve of S\$3.6 million reflected in the statement of financial position.</p>
Total Revenue	S\$28.3M	S\$30.9M	8.4%	<p>Revenue for the current year was S\$28.3 million, lower than last year by S\$2.6 million despite the absence of S\$4.9 million gain following the transfer of the investment in Ascendos from an associate to an AFS financial asset in 4Q 2014. Gain on sale of investment increased by 121.5% to S\$14.4 million in 2015 as compared to S\$6.5 million in the prior year. However, the increase was partially offset by the net unrealised loss on financial assets designated as fair value through profit or loss of S\$2.7 million and lower dividend and interest income.</p>
Total Expenses	S\$9.5M	S\$8.1M	17.3%	<p>Expenses for the year ended 31 December 2015 increased to S\$9.5 million from S\$8.1 million in the prior year. The increase was mainly due to the higher incentive fee of S\$2.8 million charged during the current year. In the previous year, the corresponding figure was S\$0.5 million.</p>

1. Financial Highlights

	FY 2015	FY 2014	% Change	
Return on Equity	5.9%	8.8%	33.0%	Return on Equity decreased to 5.9% in FY2015 (based on average Total Equity of S\$288.47 million) from 8.8% in FY2014 (based on average Total Equity of S\$277.23 million)
Earnings per Share	1.22cts	1.92cts	36.5%	Earnings per share decreased by 36.5% to 1.22 Singapore cents in FY2015 (based on the weighted average number of shares of 1,385.89 million after taking into account the additional shares issued pursuant to the Scrip Dividend Scheme) from 1.92 Singapore cents (based on the weighted average number of shares of 1,267.75 million) in FY2014.
Net Asset Value	S\$292.2M	S\$284.7M	2.6%	Net Asset Value ("NAV") increased by 2.6% to S\$292.2 million in FY2015 after payment of FY2014 Final Dividend and FY2015 Interim Dividend. If the FY2014 final dividend was paid and the shares relating to the Scrip Dividend Scheme had been issued before 31 December 2014, the net asset value per share as at 31 December 2014 would have been 20.3 Singapore cents instead of 21.3 Singapore cents per share. After adjusting for the 1H 2015 interim dividend and shares relating to the Scrip Dividend Scheme, the net asset value per share as at 31 December 2015 would have been 21.2 Singapore cents and the increase in NAV per share would be 4.4% for the year ended 31 December 2015.
Dividend Distribution	S\$21.3M	S\$19.6M	8.6%	Dividend distribution per share totalled 1.5 Singapore cents (based on larger 1,446,433,831 shares) in FY2015. The total amount of dividend to be paid increased by 8.6% to S\$21.3 million in FY2015 from S\$19.6 million in FY2014.

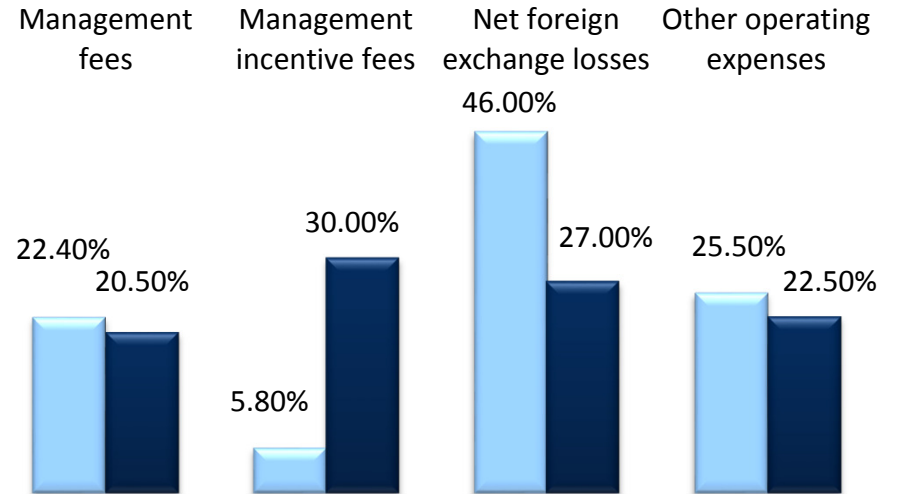
1. Financial Highlights

**Revenue Composition for the Year ended
31 December 2014/15**



■ 2014 ■ 2015

**Expenses Composition for the Year ended
31 December 2014/15**



■ 2014 ■ 2015

Consolidated Statement of Comprehensive Income

Income Statement	For the Year ended 31 December 15 S\$'000	For the Year ended 31 December 14 S\$'000	Change %
Revenue			
Dividend income	2,695	4,252	(37)
Interest income	13,838	15,131	(9)
Net gain on sale of investments	14,417	6,450	124
Net gain/(loss) on financial assets designated as fair value through profit or loss	(2,700)	156	(1,831)
Other income	-	4,866	N.A
Total Revenue	28,250	30,855	(8)
Expenses			
Management fees	(1,948)	(1,816)	7
Incentive fees	(2,840)	(466)	509
Net foreign exchange losses (net of hedges)	(2,560)	(3,725)	(31)
Finance costs	(3)	(1)	200
Other operating expenses	(2,129)	(2,084)	2
Total Expenses	(9,480)	(8,092)	17
Net reversal of impairment expense/(Net impairment expense)	(1,606)	2,148	(175)
Profit before tax	17,164	24,911	(31)
Income tax expense	(263)	(594)	(56)
Profit after tax	16,901	24,317	(30)
Other comprehensive income / (loss)			
Items that may be reclassified subsequently to profit or loss			
Available-for-sale financial assets			
- Fair value gain/(loss)	(8,979)	4,083	(320)
- Reclassification to profit or loss	(2,159)	(9,006)	76
Currency translation differences arising from consolidation			
- Gains	7,726	4,557	70
Other comprehensive for the period after tax	(3,412)	(366)	(832)
Total comprehensive income for the period attributable to shareholders	13,489	23,951	(44)
Basic earnings per share (cents per share)	1.22	1.92	
Diluted earnings per share (cents per share)	1.22	1.92	

Statement of Financial Position (Group)

	As at 31 December 2015 S\$'000	As at 31 December 2014 S\$'000	Change %
Assets			
Cash and cash equivalents	29,110	31,252	(7)
Financial assets at fair value through profit or loss	53,946	49,635	9
Available-for-sale financial assets	148,508	134,195	11
Loans and receivables	57,727	69,584	(17)
Other assets	4,005	1,403	185
Total Assets	293,296	286,069	3
Liabilities			
Other liabilities	1,082	1,347	(20)
Total Liabilities	1,082	1,347	(20)
Net assets attributable to shareholders	292,214	284,722	3
Shareholders equity	292,214	284,722	3

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2. Corporate Overview

❑ **Scrip Dividend Scheme**

- ❑ On 6 August 2015, the Company announced that the Scrip Dividend Scheme will be applied to the interim dividend of 0.75 Singapore cents per share for 1H2015.
- ❑ The Company allotted and issued 55,578,558 new ordinary shares at an issue price of 12.80 Singapore cents for each new share.
- ❑ The proportion of the total interim dividend amount issued as new shares pursuant to the Scrip Dividend Scheme was approximately 68.2%.
- ❑ New shares were listed on 13 October 2015.

❑ **Not Proceeding with the Proposed Share Consolidation**

- ❑ On 18 September 2015, the Company announced that it had received confirmation from the SGX that the minimum trading price requirement is not applicable to the Company as it is an investment fund.
- ❑ In view of this, the Company had decided not to proceed with the Proposed Share Consolidation and the proposed amendments to the bye-laws of the Company (the “Bye-laws”). Accordingly, the Company would not be seeking approval from Shareholders for the Proposed Share Consolidation and the proposed amendments to the Bye-laws at the SGM originally scheduled to be held on 12 October 2015. Neither circular nor notice of SGM was being issued or despatched.

2. Corporate Overview

❑ 2015 Dividend Distribution

- ❑ Interim dividend of 0.75 Singapore cents per share was paid on 12 October 2015.
- ❑ Final dividend of 0.75 Singapore cents per share is declared on 25 February 2016.
- ❑ The Scrip Dividend Scheme will be applied to the final dividend of 0.75 Singapore cents per share for FY2015.
- ❑ Based on closing share price of 13.8 cents on 31 December 2015, the full year dividend distribution of 1.5 Singapore cents per share represented an annual dividend yield of 10.87%.

❑ Corporate Governance

- ❑ The Governance and Transparency Index 2015 (“GTI 2015”) was released in The Business Times on 19 August 2015. The Company was ranked 29th out of 639 listed companies in the GTI 2015. The Company’s base GTI score was 69 points and was given a further 9 bonus points, totalling up to a final score of 78 points in comparison to last year’s final score of 73 points.

❑ 2015 Annual General Meeting

- ❑ All resolutions put to the vote at the annual general meeting held on 30 April 2015 were duly approved and passed by the Company’s shareholders.

2. Corporate Overview

❑ **Change of Company's Custodian**

- ❑ The company announced on 18 September 2015 that The Hongkong and Shanghai Banking Corporation Limited ("HSBC") has replaced Standard Chartered Bank Singapore as the Company's custodian with effect from 17 September 2015.

❑ **Delegation of Services to SICIM**

- ❑ Pursuant to the announcements made on 16 July 2012 and 7 August 2013, Allgrace Investment Management Private Limited ("AIM") has been carrying out certain services under delegation from ST Asset Management Limited (the "Delegated Services"). On 29 December 2015, Singapore Consortium Investment Management Limited ("SICIM") was acquired by AIM, and all of AIM's assets, staff and business operations were transferred to SICIM. AIM's rights and obligations under the respective agreements in relation to the Delegated Services were also novated to SICIM.

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3. Portfolio Overview

- By Carrying Value as a % of the Company's Net Asset Value

	FY 2015	FY 2014	
Listed Equities	17%	32%	The listed equities portfolio decreased to 17% in 2015 as compared to 32% in 2014. During the year, the Company reduced its exposure in the Hong Kong, China 'A' Shares as well as the European market.
Bonds	46%	25%	The bond portfolio increased to 46% in 2015 as compared to 25% in 2014. Over the year, there was a net increase in USD and SGD bonds exposure and positions were established in AUD bonds.
Loan Portfolio & Securitisation Assets	18%	25%	The loan portfolio and securitisation assets decreased by 7% from 25% in 2014 to 18% in 2015, due to divestment of Seiza Series 2006-1 Trust, two USD and six EUR denominated CLO notes. Part of the sale proceeds was reinvested in four USD denominated CLO notes.
Operating Lease Asset	8%	7%	The operating lease asset portfolio increased by 1% due to the fair valuation of Ascendos Investments Limited. The Company continues to hold a 40.56% equity interest in Ascendos Investments Limited as at 31 December 2015.
Cash & Other Assets	11%	11%	Cash and other assets remained relatively unchanged as at 31 December 2015.

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4. Sector Outlook

Rail

- ❑ Freight demand in 4Q 2015 was supported by increased Eurozone exports to the rest of the world. In the first two months of 4Q2015, exports increased 3.2% y-o-y and imports increased 1.9% y-o-y.
- ❑ This will provide support for freight equipment lease rates, although freight markets will face headwinds from global market volatility in 2016.

Residential

- ❑ According to the CoreLogic RP Data Home Value Index for capital cities, house prices in Australia increased by 7.8% in 2015 compared to a gain of 7.9% in 2014.
- ❑ The Reserve Bank of Australia cut its benchmark cash rate from 2.5% to 2.0% in 2015, keeping housing loans affordable and providing support to the housing market, while unemployment has declined to 5.8% from 6.2% at the beginning of the year.
- ❑ Given recent market turmoil, it is likely the cash rate will remain on hold at current low levels for the rest of 2016.

Corporate Loans

- ❑ Concerns over further loan downgrades in the energy and metals sectors, rising interest rates, and the implementation of CLO risk retention rules will limit the level of CLO issuance in 2016.
- ❑ Moody's Global Speculative-Grade Corporate Default Rate ended 2015 at 3.4%, up from 2.1% at the end of 2014. Moody's expects the default rate to continue to rise to 3.9% by the end of 2016, driven by further defaults in the Metals & Mining and Oil & Gas sectors.

4. Sector Outlook

Listed Equities and Bonds

- The global growth outlook for 2016 remains one of much uncertainty. Prospects of an uneven global growth and diverging monetary policies pose near term risks and volatility to the global equity and bond markets. While modest growth is expected for emerging markets in 2016, it could be a slow and volatile one compared to developed markets where domestic demand is set to hold up better. In the near term, uncertainties surrounding the oil prices and China's growth prospects are important considerations weighing on investors.

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 to protect capital and grow value.

❑ **Investment Objective**

- ❑ To seek investment opportunities in high yield credits, hybrid instruments and public equities, operating lease assets, and securitisation assets.
- ❑ In light of the current currency and financial markets, the Company will be selective and will focus on fundamental bottom-up analysis, with preference for assets with defensive characteristics, and good cash flow generating ability.