Global Investments Limited

2018 Half Year Results

Period ended 30 June 2018

DISCLAIMER

Information contained in this presentation is intended solely for your personal reference and is strictly confidential. Such information is subject to change without notice, its accuracy is not guaranteed and it may not contain all material information concerning Global Investments Limited (GIL) or Singapore Consortium Investment Management Limited (SICIM). Neither GIL, SICIM nor any of their respective affiliates, advisors or representatives make any representation regarding, and none of them assumes any responsibility or liability whatsoever (whether arising out of tort, contract or otherwise) for, the accuracy or completeness of, or any errors or omissions in, any information contained herein nor for any loss howsoever arising from any use of this presentation. The recipient should consult with their own legal, tax and accounting advisers as to the accuracy and application of the information contained in this presentation and should conduct their own due diligence and other enquiries in relation to such information. By attending this presentation, you are agreeing to be bound by the restrictions set out below. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

The information contained in this presentation has not been independently verified. No representation or warranty, expressed or implied, is made as to, and no reliance should be placed on the fairness, accuracy, completeness or correctness of, the information or opinions contained herein. It is not the intention to provide, and you may not rely on this presentation as providing, a complete or comprehensive analysis of GIL's financial or trading position or prospects. The information and opinions contained in this presentation are provided as at the date of this presentation and are subject to change without notice.

In addition, the information contained herein contains projections and forward-looking statements that reflect GIL's current views with respect to future events and financial performance. These views are based on a number of estimates and current assumptions which are subject to business, economic and competitive uncertainties and contingencies as well as various risks and these may change over time and, in many cases, are outside the control of GIL, SICIM, their associates and all their directors. No assurance can be given that future events will occur, that projections will be achieved, or that assumptions underpinning expectations are correct. Actual results may differ materially from those forecasted, projected or guided.

This presentation is not and does not constitute or form part of any financial product advice, offer, invitation or recommendation to purchase or subscribe for any securities and no part of it shall form the basis of or be relied upon in connection with any contract, commitment or investment decision in relation thereto. This presentation does not carry any right of publication. This presentation may not be used or relied upon by any other party, or for any other purpose, and may not be reproduced, disseminated or quoted without the prior written consent of GIL or SICIM.

This presentation is not for distribution, directly or indirectly, in or into the United States.

This presentation is not an offer of securities for sale into the United States. The securities may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the US Securities Act of 1933, as amended) unless they are registered or exempt from registration.

AGENDA

1. **Key Financial Data for 2Q 2018/1H 2018**
2. 2018 Half Year Overview
3. Portfolio Composition
4. Outlook

1. Key Financial Data for 2Q 2018

Net Profit after tax

	2Q 18 S$'m	2Q 17[1] S$'m	Change (%)	Remarks
Net profit after tax	4.2	4.8	(12.5)	Net profit after tax for 2Q 2018 decreased by 12.5% to S$4.2m compared to S$4.8m in 2Q 2017.

Income

	2Q 18 S$'m	2Q 17[1] S$'m	Change (%)	Remarks
Dividend Income	0.8	0.6	33.3	Income for 2Q 2018 was lower at S$5.4 million as compared to S$9.8 million reported in 2Q 2017. During the quarter, the Group received S$6.8 million of settlement proceeds from the BBRNA litigation in addition to interest, net foreign exchange gain and dividend of S$5.3 million. However, this was offset by a net fair value loss of S$6.8 million due to the overall reduction in market prices of securities. In 2Q 2017, the Group's income was mainly contributed by interest income and net foreign exchange gain of S$4.6 million and S$2.6 million respectively.
Interest Income	3.9	4.6	(15.2)	
Net foreign exchange gain (net of hedges)	0.7	2.6	(73.1)	
Net gain on sale of investments	-	1.2	Nm[2]	
Net (loss)/gain on financial assets designated as fair value through profit or loss	(6.8)	0.8	Nm[2]	
Other income	6.8	-	Nm[2]	
Total income	**5.4**	**9.8**	**(44.9)**	

[1] Comparative figures have not been restated and are still accounted for under International Accounting Standards 39
[2] Nm: not meaningful

GLOBAL INVESTMENTS LIMITED

1. Key Financial Data for 2Q 2018

Expenses

	2Q 18 S$'m	2Q 17[1] S$'m	Change (%)	Remarks
Management fees	0.6	0.6	-	Total expenses for 2Q 2018 reduced to S$1.2 million from S$3.2 million reported in 2Q 2017. This was largely due to the absence of incentive fee accrual during the quarter.
Incentive fees	-	2.1	Nm[2]	
Other operating expenses	0.6	0.6	-	
Total expenses	**1.2**	**3.2**	**(62.5)**	
Net impairment expense	-	1.8	Nm[2]	No impairment expense or reversal of impairment expense will be recognised going forward as all financial assets held is classified as FVTPL following the adoption of IFRS 9. In 2Q 2017, a net impairment expense of S$1.8 million was recognised from the portfolio of listed equities and bonds, offset partially by the reversal of impairment following the sale of bonds and a bank contingent convertible.
Profit before tax	4.2	4.8	(12.5)	
Income tax expense	- [3]	- [3]	-	
Profit after tax	4.2	4.8	(12.5)	

[1] Comparative figures have not been restated and are still accounted for under International Accounting Standards 39

[2] Nm: not meaningful

[3] Denotes amount less than S$0.1m

1. Key Financial Data for 2Q 2018

Total comprehensive income

	2Q 18 S$'m	2Q 17[1] S$'m	Change (%)	Remarks
Other comprehensive income Items that may be reclassified subsequently to profit or loss Available-for-sale financial assets				Other comprehensive income for the Group amounted to S$2.2 million in 2Q 2018 which relates to a translation gain as a result of the strengthening of USD against SGD during the quarter. In 2Q 2017, the other comprehensive income of S$2.1 million was attributed to a net fair value gain in the AFS financial asset revaluation reserve of S$3.4 million, offset partially by a translation loss of S$1.3 million.
- Fair value gain	-	2.1	Nm[2]	
- Reclassification to profit or loss	-	1.3	Nm[2]	
Currency translation differences arising from consolidation				
- Gain/(Loss)	2.2	(1.3)	Nm[2]	
Other comprehensive income for the period after tax	**2.2**	**2.1**	**4.8**	
Total comprehensive income for the period attributable to shareholders	**6.4**	**6.9**	**(7.2)**	Total comprehensive income for the Group was S$6.4 million in 2Q 2018 as compared to S$6.9 million in 2Q 2017.
Basic earnings per share (cents per share)	**0.25**	**0.30**	**(16.7)**	The Group achieved earnings per share of 0.25 Singapore cents (based on weighted average number of shares of 1,684.76 million after taking into account the additional shares issued pursuant to the Scrip Dividend Scheme) in 2Q 2018 compared to 0.30 Singapore cents (based on weighted average number of shares of 1,592.88 million) in 2Q 2017.
Diluted earnings per share (cents per share)	**0.25**	**0.30**	**(16.7)**	

[1] Comparative figures have not been restated and are still accounted for under International Accounting Standards 39
[2] Nm: not meaningful

GLOBAL INVESTMENTS LIMITED

1. Key Financial Data for 1H 2018

Net Profit after tax

	1H 18 S$'m	1H 17[1] S$'m	Change (%)	Remarks
Net profit after tax	**1.9**	**11.6**	**(83.6)**	For the half year ended 30 June 2018, the Group reported a net profit after tax of S$1.9 million as compared to S$11.6 million recorded in 1H 2017.

Income

	1H 18 S$'m	1H 17[1] S$'m	Change (%)	Remarks
Dividend Income	0.8	0.7	14.3	The Group reported a lower income of S$4.2 million in 1H 2018 as compared to S$20.0 million in the same period last year. During the period, the Group received S$6.8 million of settlement proceeds from the BBRNA litigation in addition to interest, net foreign exchange gain and dividend of S$9.1 million. However, this was offset by a net fair value loss of S$11.7 million following the overall reduction in market prices of securities during 1H 2018. In 1H 2017, the Group's income was mainly contributed by interest income and net gain on sale of investments of S$8.8 million and S$7.0 million respectively.
Interest Income	7.5	8.8	(14.8)	
Net foreign exchange gain (net of hedges)	0.8	1.9	(57.9)	
Net gain on sale of investments	-	7.0	Nm[2]	
Net (loss)/gain on financial assets designated as fair value through profit or loss	(11.7)	1.6	Nm[2]	
Other income	6.8	-	Nm[2]	
Total income	**4.2**	**20.0**	**(79.0)**	

[1] Comparative figures have not been restated and are still accounted for under International Accounting Standards 39
[2] Nm: not meaningful

1. Key Financial Data for 1H 2018

Expenses

	1H 18 S$'m	1H 17[1] S$'m	Change (%)	Remarks
Management fees	1.2	1.1	9.1	Total expenses for 1H 2018 of S$2.3 million was S$4.1 million lower than the total expenses of S$6.4 million in 1H 2017. The lower expense was mainly due to the absence of incentive fee of S$4.2 million in 1H 2018.
Incentive fees	-	4.2	Nm[2]	
Other operating expenses	1.1	1.1	-	
Total expenses	**2.3**	**6.4**	**(64.1)**	
Net impairment expense	-	1.9	Nm[2]	As highlighted in the earlier slides, no impairment expense or reversal of impairment expense will be recognised going forward. In 1H 2017, the net impairment expense of S$1.9 million was contributed by the impairment of listed equities and bonds, partially offset by the reversal of impairment following the sale of bonds and a bank contingent convertible.
Profit before tax	2.0	11.7	(82.9)	
Income tax expense	0.1	0.1	-	
Profit after tax	1.9	11.6	(83.6)	

[1] Comparative figures have not been restated and are still accounted for under International Accounting Standards 39

[2] Nm: not meaningful

1. Key Financial Data for 1H 2018

Total comprehensive income

	1H 18 S$'m	1H 17[1] S$'m	Change (%)	Remarks
Other comprehensive income Items that may be reclassified subsequently to profit or loss Available-for-sale financial assets				Other comprehensive income for 1H 2018 amounted to S$1.1 million as compared to S$0.7 million in 1H 2017. The S$1.1 million recorded in 1H 2018 relates to a translation gain as a result of the strengthening of USD against SGD. This is in contrast to a translation loss of S$4.4 million recorded in 1H 2017 which was offset by a net fair value gain in the AFS financial assets revaluation reserve of S$5.1 million.
- Fair value gain	-	7.8	Nm[2]	
- Reclassification to profit or loss	-	(2.8)	Nm[2]	
Currency translation differences arising from consolidation				
- Gain/(Loss)	1.1	(4.4)	Nm[2]	
Other comprehensive income for the period after tax	**1.1**	**0.7**	**57.1**	
Total comprehensive income for the period attributable to shareholders	**3.1**	**12.3**	**(74.8)**	Total comprehensive income for the Group was S$3.1 million in 1H 2018 versus S$12.3 million in 1H 2017.
Basic earnings per share (cents per share)	**0.12**	**0.74**	**(83.8)**	The group achieved earnings per share of 0.12 Singapore cents (based on weighted of shares of 1,668.76 million after taking into account the additional shares issued pursuant to the Scrip Dividend Scheme) in 1H 2018 compared to S$0.74 (based on weighted average number of shares of 1,572.44 million) in 1H 2017.
Diluted earnings per share (cents per share)	**0.12**	**0.74**	**(83.8)**	

[1] Comparative figures have not been restated and are still accounted for under International Accounting Standards 39
[2] Nm: not meaningful

GLOBAL INVESTMENTS LIMITED

Statement of Financial Position

	Group as at 30 June 2018 S$'m	Group as at 31 December 2017[1] S$'m	Change %	Remarks
Assets				
Non-current assets				
Loans and receivables	-	35.6	Nm[2]	Following the adoption of IFRS 9 on 1 January 2018, debt securities held as loans and receivables will be reclassified to financial asset at FVTPL.
Available-for-sale financial assets	-	109.2	Nm[2]	Following the adoption of IFRS 9 on 1 January 2018, listed equities and debt securities held as AFS will be reclassified to financial asset at FVTPL.
Financial assets at fair value through profit or loss	257.2	59.0	335.9	The financial assets at FVTPL of S$257.2 million as at 30 June 2018 comprised investments in loan portfolio and securitisation assets, China domestic bonds, other bonds and bank contingent convertibles. The increase was mainly due to adoption of IFRS 9 where loans and receivables and debt securities were classified from loans and receivables and AFS as well as investments in China domestic bonds.
Total non-current assets	257.2	203.7	26.3	
Current assets				
Cash and cash equivalents	21.7	88.1	(75.4)	Cash and cash equivalents declined significantly to S$21.7 million as at 30 June 2018 compared to S$88.1 million as at 31 December 2017. This was due to the net purchase of investments, mainly China domestic bonds and listed equities.
Available-for-sale financial assets	-	38.1	Nm[2]	Following the adoption of IFRS 9 on 1 January 2018, listed equities held as AFS will be measured as financial assets at FVTPL.
Financial assets at fair value through profit or loss	50.7	-	Nm[2]	Comprised investments in listed equities following the adoption of IFRS 9.
Other assets	5.6	7.3	(23.3)	Comprised interest and dividend receivable.
Total current assets	77.9	133.6	(41.7)	
Total Assets	**335.1**	**337.3**	**(0.7)**	
Liabilities				
Other liabilities	1.1	4.4	(75.0)	Comprised fees payable to the manager as well as accrual of operating expenses.
Total Liabilities	**1.1**	**4.4**	**(75.0)**	
Net assets attributable to shareholders	**334.0**	**332.9**	**0.3**	
Equity				
Share capital	569.8	563.5	1.1	
Capital reserve	(65.8)	(65.8)	-	
Available-for-sale financial assets revaluation	-	7.6	Nm[2]	
Translation reserve	12.2	11.1	9.9	
Accumulated losses	(182.2)	(183.5)	(0.7)	
Total equity	**334.0**	**332.9**	**0.3**	
Net asset value per share (S$ per share)	**0.1969**	**0.2014**	**(2.2)**	

[1] Comparative figures have not been restated and are still accounted for under International Accounting Standards 39

[2] Nm: not meaningful

GLOBAL INVESTMENTS LIMITED

Statement of Financial Position

Net asset value

	30 June 2018	31 December 2017	Change (%)	Remarks
Net asset value per share (S$ per share)	0.1969	0.2014 0.1941 (after adjustment for dividend paid and shares relating to the Scrip Dividend Scheme)	(2.2) 1.4	If the 2017 final dividend was paid and the shares relating to the Scrip Dividend Scheme had been issued before 31 December 2017, the net asset value per share as at 31 December 2017 would have been 19.41 Singapore cents instead of 20.14 Singapore cents per share and the increase in net asset value per share would be 1.44% for the half year ended 30 June 2018.

Dividend

	1H 18 S$'m	2H 17 S$'m	Change (%)	Remarks
Dividend	8.5	9.9	(14.1)	The Company has declared an interim dividend of 0.50 Singapore cents per share for the financial year ending 31 December 2018 amounting to S$8.48 million. This dividend will be paid on or about 12 October 2018.

GLOBAL INVESTMENTS LIMITED

AGENDA

1. Key Financial Data for 2Q 2018/1H 2018

2. **2018 Half Year Overview**

3. Portfolio Composition

4. Outlook

2. 2018 Half Year Overview

❑ Scrip Dividend Scheme – FY 2017 Final Dividend

- ❑ The Scrip Dividend Scheme was applied to the final dividend of 0.60 Singapore cents per share for FY 2017 and approximately 63.05% of the total final dividend amount was issued as new shares under the scheme.
- ❑ The Company allotted and issued 43,720,395 new ordinary shares at an issue price of 14.30 Singapore cents for each new share. The new shares were listed on 25 April 2018.

❑ Change Of Company Secretary

- ❑ Ms Ann M.D. Trott was appointed Secretary of the Company in place of Mr Mark Harold Ignatius with effect from 5 March 2018.

❑ 2018 Annual General Meeting (AGM) And Special General Meeting (SGM)

- ❑ All resolutions put to the vote at the AGM and SGM on 25 April 2018 were duly approved and passed by the Company's shareholders.

2. 2018 Half Year Overview

FY 2018 Interim Dividend

- Interim dividend of 0.50 Singapore cents per share for FY 2018 is declared on 8 August 2018 and the Scrip Dividend Scheme will be applied to the interim dividend.

BBRNA Litigation

- The Company had commenced proceedings in December 2013 against Babcock & Brown Global Investments Management Pty Ltd (BBGIM) and certain of its officers for, inter alia, false and misleading representations made to the Company in respect of its investments in railcar portfolios through Babcock & Brown Rail North America LLC, breaches of fiduciary duties and breaches of duty and contract (the Proceeding). The Company announced on 14 May 2018 that it had reached an amicable settlement in relation to the Proceeding. The Company received net proceeds of approximately A$6.7 million from the Proceeding. This would represent earnings per share of 0.40 Singapore cents based on the issued share capital of 1,696.30 million shares.

GLOBAL INVESTMENTS LIMITED

2. 2018 Half Year Overview

Special Commendation Award

- The Company received a Special Commendation Award at the Singapore Governance and Transparency Forum 2018 held on 6 August 2018. This award, for companies in the small cap category, was given in conjunction with the latest scores and corporate governance rankings of the Singapore Governance and Transparency Index (SGTI). The Company was ranked 17th out of 589 listed companies in the SGTI 2018. The Company's base SGTI score was 77 points and was given a further 23 bonus points, totalling up to a final score of 100 points, in comparison to last year's final score of 82 points.
- The SGTI assesses listed companies on their corporate governance disclosures and practices, as well as the timeliness, accessibility and transparency of their financial results announcements. The SGTI is a collaboration of CPA Australia, the Centre for Governance, Institutions and Organisations of the NUS Business School, and Singapore Institute of Directors supported by The Business Times.

AGENDA

1. Key Financial Data for 2Q 2018/1H 2018
2. 2018 Half Year Overview
3. **Portfolio Composition**
4. Outlook

3. Portfolio Composition (By Asset Class*)

Asset Class	As At 30 June 2018	As At 31 December 2017	Change In Percentage Point
Loan Portfolio And Securitisation Assets	10.3%	9.1%	▲ 1.2
China Domestic Bonds	17.0%	-	▲ 17.0
Other Bonds	19.0%	19.2%	▼ 0.2
Bank Contingent Convertibles	30.7%	32.8%	▼ 2.1
Listed Equities	15.2%	11.5%	▲ 3.7
Cash And Other Assets	7.8%	27.4%	▼ 19.6

* Percentage of the Company's Net Asset Value.

3. Portfolio Composition (By Currency Exposure*)

Currency	As At 30 June 2018	As At 31 December 2017	Change In Percentage Point
USD	32.1%	27.8%	▲ 4.3
CNH/CNY	21.3%	1.2%	▲ 20.1
SGD	17.6%	30.9%	▼ 13.3
HKD	11.1%	8.1%	▲ 3.0
AUD	9.9%	8.1%	▲ 1.8
EUR	6.3%	20.2%	▼ 13.9
GBP	0.9%	3.0%	▼ 2.1
KRW	0.8%	0.7%	▲ 0.1

* Percentage of the Group's net asset value after currency hedge.

AGENDA

1. Key Financial Data for 2Q 2018/1H 2018

2. 2018 Half Year Overview

3. Portfolio Composition

4. **Outlook**

4. Outlook

- **Loan Portfolio And Securitisation Assets**

  - Global CLO issuance for 1H 2018 reached a high of US$174 billion, with refinancing and reset deals accounting for around 51% of volumes. Refinancing volume has sharply fallen, as managers have chosen to extend the terms of existing deals through resets instead.

  - Over the quarter, the weighted average funding cost for a standard deal widened across both US and EUR CLOs. As many CLOs will exit their non-call periods in the second half of 2018, a large supply of refinancings and resets are expected and investors may see spreads widen further.

  - As for Australian RMBS, public year-to-date issuances have totalled USD12.9 billion, down 13% from last year’s USD14.8 billion. Over the quarter, pricing widened due to increased supply, with progressively more prime RMBS being issued each month in April, May and June.

4. Outlook

- **Bank Contingent Convertibles**

  - Bank CoCo valuations as measured by the BAML COCO Index ended 4.45% lower for the first half of 2018 in USD terms and 2.51% lower in SGD terms. Spreads in the AT1 CoCo market widened as renewed concerns on the political front in Europe and increased geopolitical risk contributed to risk-off sentiment and higher market volatility within the asset class. USD denominated CoCos repriced downwards more than Euro denominated CoCos as the Fed continued its tighter interest rate trajectory vs the ECB which deferred hikes to 2019 at the earliest.

  - A continued accommodative monetary policy from ECB in the first half of 2018 contributed to broadly supportive credit conditions for European banks. NPL disposals accelerated, improving asset quality while capital buffers remained stable despite higher countercyclical buffers being applied by several of the European regulators.

  - In the near term, uncertainties surrounding political event risk within the Eurozone continue to be elevated, driven by investor concern of looser fiscal policies by the new Italian government.

4. Outlook

❑ Other Bonds

- ❑ The second quarter saw an overall weakness in the bond market, mostly investment grade and sovereign bonds as market digest a faster-than-expected rise in US interest rates and tightening monetary policies across central banks. The Federal Reserve (Fed) was more hawkish in June's meeting, raising its benchmark rate by 25 basis points to 1.75% - 2%, and increased its rate hike expectations for 2018 to four times from three.

- ❑ The yield curve flattened as investors priced in additional interest rate hikes amid supportive US domestic indicators' performances such as non-farm payrolls and housing data. In addition, heightened global trade war tensions gave rise to volatility which weighed on longer-term treasuries' yields as growth outlook dimmed.

- ❑ Overall, in the first half of 2018, US-denominated high yield bonds generally performed better than investment grade bonds.

- ❑ For the second half of 2018, issuers with better credit fundamentals are likely to perform better in anticipation that borrowing costs will rise more evidently which poses a more challenging environment for the high-yield issuers to tap the market.

4. Outlook

❑ Listed Equities

- ❑ Concerns over a potential trade war towards the end of the first half of 2018 saw most of the equity indices moved lower as Trump stepped up his rhetoric with US trading partners.
- ❑ The first half of 2018 also saw US impose tariffs on steel and aluminium imports, followed by further tariffs on Chinese imports, which also saw the Chinese government announcing similar retaliatory tariffs on US exports.
- ❑ Corporate earnings remain strong which continue to push for a positive global growth outlook, although some deceleration seems to be apparent among European and Japanese companies. Additionally, a desire to continue business as usual, resulting in continued discussions between major economies, is encouraging.
- ❑ The strong performance in selected companies have supported investors' confidence in 1H 2018, but careful sector and security selection is now even more important in view of a potential trade war and desynchronized global growth.

4. Outlook

Summary

- Financial markets had an eventful first half with volatility normalising following 2017's historically low levels.
- Some notable developments in 2H 2018 that are likely to weigh on investors' risk sentiments include:
  - The risk of an escalation in trade tension between major economic powers
  - Unexpected acceleration in inflation, whether from stronger commodity prices or wage inflation, leading to greater impetus in monetary tightening across the globe
  - Political risks that could arise from the US Congress mid-term elections in November
  - The impending deadline of the Brexit negotiations between the EU and UK

GLOBAL INVESTMENTS LIMITED

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 optimizing 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.