

# PhillipCapital U Talk

Issue: July 2006

Brought to you by  Phillip Securities Pte Ltd

## Dear Investors,

In July, financial markets remained volatile as investors focused on several events including the Middle East conflict, comments from Fed chairman Bernanke and corporate earnings announcements. This will be discussed in detail as we provide the outlook of the global equity and bond markets.

We are recommending China funds to investors as we expect them to continue their strong performance.

We provide an illustration of investor profiles in the current market environment.

We also highlight new fund and fund promotion from various fund houses.

Happy reading and investing!

Regards,  
Unit Trust Team

## Fund News

- ❖ Outlook of the global equity and bond markets
- ❖ Recommendation on China funds
- ❖ Illustration of investor profiles

## Funds Watch

- ❖ Highlights of new fund
- ❖ Funds Promotion

# PhillipCapital U Talk

Alfred Low  
☎ 65-6531 1791  
FAX 65-6536 4435  
✉ [alfredlowjh@phillip.com.sg](mailto:alfredlowjh@phillip.com.sg)

## *Market Outlook*

In July, there were major incidents that shake the financial markets. First, there was bombing in India that led to worries of more terrorist attacks globally.

This was followed by escalating violence in the Middle East between Israeli forces and Hezbollah guerillas due to Hezbollah guerillas capturing two Israeli soldiers and killing eight in a cross-border raid. Israel continued its air strikes and staged ground attacks in Lebanon against the Hezbollah guerillas. Western and Middle East nations are meeting to discuss possible solutions to the crisis. However, US has yet to support a ceasefire from the Israelis. As a result, it is uncertain when the current conflict will come to an end. This kept investors concerned over high oil prices as oil prices reached record highs above USD 78 in July.

The relief came from Fed Chairman Bernanke after he mentioned that inflation risks remained but moderating growth could curb price pressures over time, suggesting that the Fed might be close to ending its increases in interest rates. The current high US interest rates should slow the US economy growth, and inflation pressures should ease in the coming months. This leaves analysts divided on whether the Fed will raise rates at its next Fed meeting in August.

Elsewhere, the Bank of Japan raised the overnight call rate target to 0.25 percent from zero, effectively ending its zero interest rate policy and signaling an end to deflation. This occurs as the economy continues to expand and unemployment remains low.

The European Central Bank (ECB) is also expected to increase interest rates further in August following comments of vigilance from ECB president. This came as no surprise as the economy is strong, consumer confidence is high and the manufacturing and services sectors remain optimistic about prospects.

# *PhillipCapital U Talk*

High interest rates are not good for equity markets. The increase in interest rates on cash leads to investments shifting from equities to cash. The costs of financing for companies increase and dent the earnings of companies. Housing loans for individuals will become more expensive.

Furthermore, high interest rates can lead to a drop in bond investments. This is because the prices of bonds fall as interest rates rise.

Moreover, analysts' downgrades of the technology sector and disappointing earnings from Intel and Dell led to further slides in Nasdaq. The stiff competition between Advanced Micro Devices (AMD) and Intel has resulted in a fall in chip prices and dented their earnings. Although technology stocks may appear undervalued after a series of falls, most analysts expect the performance outlook to be poor.

In this environment of high interest rates, high oil prices, slow US economic growth and poor performance of the technology sector, equity markets are likely to remain volatile with downside risks. Therefore, investors should remain cautious and focus on companies that post strong earnings and pay high dividends.

## **Equity Markets**

We provide our updates and recommendations on the Asian and European equity markets.

China: The Chinese economy is doing well with GDP growth of 10.3% in 1Q 2006 and 11.3% in 2Q 2006. The resumption of IPOs in Chinese stock markets has also led to money flowing into the markets. Although the Chinese government introduced measures to cool the property sector and increase the bank reserves requirements to curb increases in bank loans, the economy is expected to continue to post excellent growth. The performance of the Chinese stock markets is also fairly independent of developments in other markets. We recommend that investors take a close look on the China funds as they are expected to continue to perform well.

# PhillipCapital U Talk

**Singapore:** In a risky environment, large and developed equity markets including Singapore are expected to trade at premiums. For 2Q 2006, GDP growth was 7.5%. However, the economy is also expected to slow down in the second half of 2006.

**Hong Kong:** The Hong Kong market is also another developed market that is expected to perform as it benefits from the influx of Chinese tourists and demand. Stocks are currently trading at price earnings (PE) ratios of 13 times.

**Taiwan:** Given the current technological cycle slowdown and the unstable political climate, most funds are underweight on the market.

**India:** India remains expensive as the PE ratios of the stocks remain high at 19 times. Although the economy is expected to continue to do well, most funds are underweight due to the high valuations and expect stock prices to drop further.

**Thailand:** Thailand stocks are currently cheap at undemanding PE ratios of 10 times. However, the economy is slowing down due to high oil prices. The market is expected to perform well when the political uncertainties are resolved and investor confidence returns.

**Malaysia:** Although most funds are not investing in Malaysia, valuations are attractive as companies continue to return their high cash flows to investors.

**Korea:** Most funds are mixed on Korea funds. The domestic economy is doing well and should benefit the banks and consumables while the technological sector is negatively affected by the cyclical downturn.

**Japan:** Most funds are slight overweight on Japan, especially the financial sector. This is because the valuations of equities have come down, the economy continues on its recovery track and unemployment remains low.

**Europe:** European equities are expected to perform as most funds find the valuations attractive and the economies continue to perform well.

# PhillipCapital U Talk

## Sectors

| Sector            | Short Term          | Medium Term | Long Term  |
|-------------------|---------------------|-------------|------------|
| Property          | Overweight          | Overweight  | Overweight |
| Healthcare        | Overweight          | Overweight  | Overweight |
| Technology        | Underweight         | Overweight  | Overweight |
| Banking & Finance | Overweight          | Overweight  | Overweight |
| Resources         | (Strong) Overweight | Overweight  | Neutral    |

Property: Currently, most funds are overweight on the property sector. This is because of high demand for office and retail space for businesses that are growing globally. Moreover, property companies, especially those in Singapore and Hong Kong, are raising funds for further investments by selling their existing properties to Real Estate Investment Funds (REITs). We expect this trend to continue as companies expand their operations globally and the world economies continue to grow.

Healthcare: The healthcare sector is also expected to continue to grow. As people become more affluent and life spans become longer, better healthcare is required. This is especially so in the developed countries where the expectations of the population for quality healthcare are higher.

Technology: In the US, technology companies such as Yahoo, Advanced Micro Devices (AMD), Intel and Dell had reported disappointing earnings and forecast while Nokia, Texas Instruments, Apple and Sandisk reported better than expected earnings. Generally, most analysts are bearish on sector with the exceptions of gems such as Apple and Sandisk. We are underweight over the short term and expect a recovery in the medium and long term as more companies innovate their products and make acquisitions.

Banking and Finance: The banking sector has often been beneficiaries of growing economies. This is due to the increase in credit spending, bank loans and fees from investment services. We expect the sector to continue its strong performance from the short to long term.

# *PhillipCapital U Talk*

Resources: Oil prices remain high due to strong demand from US and China, possible hurricanes in US in September as well as the escalating Middle East conflict. Energy companies benefit from high prices as a result of demand for their products and services. As oil prices are expected to remain high at between USD 60 and USD 80 over the short, we are recommending this sector to our investors for the short and medium terms. In fact, this was also mentioned in our June issue of UTalk. However, as more supplies of oil will enter the markets as a result of more exploration and refining, the oil prices will drop and the sector will be neutral over the long term.

## **Bond Markets**

With the Fed, European Central Bank and Bank of Japan hiking interest rates, this does not bode well for bonds. Global bonds continue to be unattractive as investors expect further monetary tightening by the central banks. For investors who wish to continue investing, they should select high yield bonds that have good credit ratings.

## **Conclusion**

Due to high interest rates, slow US economy and high oil prices, global equity markets are expected to perform poorly over the short term. The only exception is the Chinese markets as a result of its strong economic growth. We are recommending a list of China funds in our next section, Fund Recommendation.

For funds that invest in sectors, in the June issue of UTalk, we had recommended funds that are exposed to the oil and gas industry as a result of high oil prices. This included First State Global Resources Fund and UOB United Global Resources Fund.

As central banks are expected to continue their rates hikes, global interest rates will remain high over the short term. As interest rates rise, bond prices fall. Therefore, we are bearish on bonds.

# PhillipCapital U Talk

## Fund Recommendation

As mentioned earlier, we are recommending China funds to our investors as the Chinese economy is expected to post strong growth. In fact, we expect the China and China (Greater) funds to perform strongly over the next one to two years.

We have highlighted the historical returns (as at 25 July 2006) of the funds as follows:

| Fund Name                             | Total Return (%) as at 25/07/06 |         |        |       |       |
|---------------------------------------|---------------------------------|---------|--------|-------|-------|
|                                       | 1 mth                           | 3 mths  | 6 mths | 1 yr  | YTD   |
| <b>China Funds</b>                    |                                 |         |        |       |       |
| HSBC Chinese Growth Fund              | 9.1                             | (5.72)  | 9.49   | 26.81 | 19.91 |
| Aberdeen China Opportunities Fund     | 4.86                            | (3.75)  | 2.77   | 5.82  | 4.49  |
| Fidelity China Focus Fund (US\$)      | 6.94                            | (3.21)  | 16.76  | NA    | 31.76 |
| <b>China (Greater) Funds</b>          |                                 |         |        |       |       |
| Fidelity Greater China Class A (US\$) | 2.79                            | (7.21)  | 2.32   | 10.55 | 6.22  |
| DBS Shenton Greater China Fund        | 5.47                            | (10.56) | 3.17   | 10.23 | 6.31  |
| First State Regional China Fund       | 6.99                            | (7.98)  | 1.89   | 11.66 | 7.13  |
| SGAM Golden China Fund (US\$)         | 8.31                            | (4.24)  | 16.21  | 36.59 | 28.68 |
| Schroder Greater China Fund           | 5.21                            | (7.73)  | 3.49   | 11.74 | 5.57  |
| DWS China Equity Fund                 | 6.32                            | (6.47)  | 11.57  | NA    | 21.81 |
| Templeton FTF China Fund              | 3.79                            | (5.75)  | 2.25   | 11.27 | 4.67  |
| SGAM Golden China Fund                | 8.03                            | (4.96)  | 12.85  | 28.69 | 22.58 |
| Lion Capital China Growth Fund        | 6.03                            | (8.49)  | 9.21   | 20.00 | 13.67 |
| UOB United Greater China Fund         | 6.76                            | (8.43)  | 11.67  | 24.12 | 20.41 |

Source: [www.eunittrust.com](http://www.eunittrust.com)

In our evaluation of the performance of China and China (Greater) funds, we are focusing on their one-year performance. In fact, we are evaluating the short term performance of the fund managers as we expect the Chinese markets to continue their rally over the next one to two years. We are recommending the following funds as they have outperformed the others with one year returns of at least 20 percent: HSBC Chinese Growth Fund, SGAM Golden China Fund (US\$), SGAM

# Phillip Capital U Talk

Golden China Fund, Lion Capital China Growth Fund and UOB United Greater China Fund. There is a new fund, Fidelity China Focus Fund (US\$), that has been in existence for less than one year. Its six-month return of 16.76 percent is the highest among all the funds and we also recommend this fund to investors.

The details and descriptions of the funds are as follows:

## **China Funds**

|                       | <b>HSBC Chinese Growth Fund</b>                | <b>Aberdeen China Opportunities Fund</b>                | <b>Fidelity China Focus Fund (US\$)</b>  |
|-----------------------|--|---|--|
| Launch Date           | 15 Mar 2000                                    | 13 Jul 2001   | 15 Aug 2003  |
| Latest Fund Size      | S\$108.12 million                              | S\$122.1 million  | US\$1.739 billion  |
| Investment objective  | Invest in securities quoted on Chinese markets | Invest in companies which invest in or trade with China | Invest in companies listed in China or Hong Kong or non-Chinese companies which have activities in China |
| Minimum investment    | S\$1000 (initial);<br>S\$500 (subsequent)      | S\$1000 (initial);<br>S\$100 (subsequent)               | US\$2500 (initial);<br>US\$1000 (subsequent)   |
| Fees & charges        |  |   |  |
| Normal sales charge   | 5.5%   | 5%  | 5%   |
| Annual management fee | 1.5%   | 1.5%  | 1.5%   |

# PhillipCapital U Talk

## China (Greater) Funds

|                       | <b>Fidelity Greater China Class A (US\$)</b>                                     | <b>DBS Shenton Greater China Fund</b>                                     | <b>First State Regional China Fund</b>   |
|-----------------------|--|---|--|
| Launch Date           | 1 Oct 1990   | 25 May 1995   | 27 Sep 1993  |
| Latest Fund Size      | US\$389 million  | S\$27.7 million   | S\$298.5 million   |
| Investment objective  | Invest in companies listed on the stock exchanges of Hong Kong, China and Taiwan | Invest in Chinese companies with good prospects and attractive valuations | Invest in securities issued by companies with assets in or revenues from China, Hong Kong and Taiwan |
| Minimum investment    | US\$2500 (initial); US\$1000 (subsequent)  | S\$1000 (initial); S\$500 (subsequent)                                    | S\$1000 (initial); S\$100 (subsequent)   |
| Fees & charges        |  |   |  |
| Normal sales charge   | 5%   | 4%  | 5%   |
| Annual management fee | 1.5%   | 1.5%  | 1.5%   |

|                       | <b>Schroder Greater China Fund</b>                               | <b>DWS China Equity Fund</b>  | <b>Templeton FTF China Fund</b>  |
|-----------------------|--|---|--|
| Launch Date           | 28 Oct 1996  | 29 Dec 2004   | 26 Aug 1996  |
| Latest Fund Size      | S\$19.2 million  | S\$164.2 million  | S\$899.4 million   |
| Investment objective  | Invest in securities of companies in China, Hong Kong and Taiwan | Invest in securities issued by entities listed/to be listed on stock exchanges of China | Invest in companies that have significant revenue from and assets in China |
| Minimum investment    | S\$1000 (initial); S\$500 (subsequent)                           | S\$1000 (initial); S\$100 (subsequent)  | S\$1000 (initial); S\$500 (subsequent)                                     |
| Fees & charges        |  |   |  |
| Normal sales charge   | 5%   | 5%  | 5%   |
| Annual management fee | 1.5%   | 1.5%  | 2.5%   |

# PhillipCapital U Talk

|                       | <b>Lion Capital<br/>China Growth<br/>Fund</b>                           | <b>UOB United<br/>Greater China<br/>Fund</b>                             |
|-----------------------|---|--|
| Launch Date           | 10 Mar 1994   | 1 Apr 1997   |
| Latest Fund Size      | S\$54.9 million   | S\$79.99 million   |
| Investment objective  | Invest in securities of companies with earnings from or assets in China | Invest in securities that have businesses in China, Hong Kong and Taiwan |
| Minimum investment    | S\$1000 (initial);<br>S\$100 (subsequent)                               | S\$1000 (initial);<br>S\$500 (subsequent)                                |
| Fees & charges        |   |  |
| Normal sales charge   | 4%  | 5%   |
| Annual management fee | 1.25%   | 1.5%   |

Source: Factsheets from the various funds

# PhillipCapital U Talk

## Investor Profiles

We provide an illustration of investor profiles in the current market environment where China equity funds are expected to perform well in contrast to global equities, bonds are unattractive investments and cash provides relatively good returns.

Aggressive investors can continue to invest 75 percent in equity funds with a 40 percent focus on China funds that are expected to post high returns and 35 percent in other equity funds. Bonds are kept at a low of 20 percent as interest rates are high while cash remains at 5 percent.

Balanced investors can invest a total of 50 percent of the portfolio in equity funds including 30 percent in China funds and 20 percent in other equity funds. Bond funds can take 45 percent of total investments. Cash is at 5 percent.

Conservative investors are recommended to invest 20 percent in equity funds with 10 percent in China funds and the balance of 10 percent in other equity funds. Bond funds are kept at 75 percent while cash remains at 5 percent.

The details of the asset allocation are as follows:

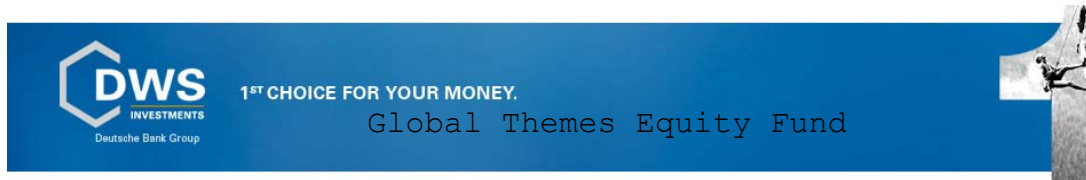
| Types of Funds     | Asset Allocation (Percentage) for Different Types of Investors |            |              |
|--------------------|--|------------|--------------|
|                    | Aggressive   | Balanced   | Conservative |
| China Funds        | 40   | 30         | 10           |
| Other Equity Funds | 35   | 20         | 10           |
| Bond Funds         | 20   | 45         | 75           |
| Cash               | 5  | 5          | 5            |
| <b>Total</b>       | <b>100</b>   | <b>100</b> | <b>100</b>   |

# PhillipCapital U Talk

*Funds Watch*

## Highlights of New Fund

*We are please to introduce*



*now available in Phillip Securities!*

This innovative fund does not focus on just one industry or geographical region. Instead, it invests in a wide variety of themes to transcend the ups and downs of the global economy while exploring a multitude of opportunities around the world.

### Promotion!

Invest in the *new* **DWS Global Themes Equity Fund** between the periods **24 July - 25 Aug 2006** and be rewarded with S\$10 worth of petrol vouchers for every S\$ 10,000 invested!

## Fund Details

|                                      |                                     |
|--------------------------------------|-------------------------------------|
| <b>Offer Period</b>                  | 24 July – 25 August                 |
| <b>Launch Price</b>                  | S\$1.00 (fixed during offer period) |
| <b>Minimum Initial Investment</b>    | S\$1,000                            |
| <b>Minimum Subsequent Investment</b> | S\$100                              |
| <b>Sales Charge</b>                  | 5%                                  |
| <b>Annual Management Fee</b>         | 1.3%                                |
| <b>Subscription Mode</b>             | Cash, SRS                           |
| <b>Dealing Currency</b>              | SGD and USD                         |
| <b>Dealing Frequency</b>             | Daily                               |

# PhillipCapital U Talk

## Promotion!



## Prudential Asset Management Offers Special Voucher Promotion!

*Good news for all clients!*

For every S\$10,000 invested in

- PRU Global Basics Fund and/or
- PRU Income X

Clients will be entitled to a \$10 voucher from 1<sup>st</sup> Aug 06 to 30<sup>th</sup> Sep 06

Terms and Condition

- Orders must be placed before 3 pm on the 30 September 06
- This promotion only apply to non wrap buy (for cash/SRS transaction only)

## Why invest in these funds?

### PRU Global Basics Fund

PRU Global Basics Fund feeds into the highly successful M&G Global Basics Fund which is rated 5 star by both S&P and Mercer.

The fund manager of M&G Global Basics Fund, Graham French, have been managing the fund since launch in November 2000. He is rated "AAA" by Citywire- a high profile UK financial information provider.

The investment objective of the fund is to invest wholly in companies operating in basic industries e.g. primary industries like raw materials and secondary industries like product and services. Also it may invest in other global equities.

See an attached table for the fund performance in the sector.

| <input type="checkbox"/>            | Fund Name                    | S&P Fund Stars | S&P FMR Ratings | Currency | Since Inception | 1m          | 3m          | 6m          | 1y         | YTD         | Vol 1y |
|-------------------------------------|------------------------------|----------------|-----------------|----------|-----------------|-------------|-------------|-------------|------------|-------------|--------|
| <input checked="" type="checkbox"/> | Equity Global                |                |                 |          | -5.22           | -0.14<br>49 | -5.55<br>49 | -3.99<br>48 | 3.88<br>47 | -2.01<br>48 | 10.90  |
| <input type="checkbox"/>            | PRU Global Basics            |                |                 | SGD      | 12.20           | 2.65<br>2   | -1.23<br>1  | 5.65<br>1   |            | 8.30<br>1   |        |
| <input type="checkbox"/>            | UOB United Global IPO        |                |                 | SGD      | 17.38           | 0.96<br>5   | -6.16<br>29 | 2.32<br>2   | 11.59<br>2 | 5.21<br>2   | 13.97  |
| <input type="checkbox"/>            | UOB Optimix Contrarian       | ★★★★           |                 | SGD      | 9.47            | 2.77<br>1   | -7.43<br>37 | -2.67<br>15 | 25.86<br>1 | 3.06<br>3   | 21.28  |
| <input type="checkbox"/>            | UOB Optimix Sure Fd          | ★★★★           |                 | SGD      | 49.47           | -0.95<br>41 | -2.91<br>7  | 0.54<br>3   | 3.64<br>24 | 2.03<br>4   | 9.79   |
| <input type="checkbox"/>            | ING (L) Inv Glob Hi Div XC € | ★★★★           | ▲               | €        | 60.93           | 0.47<br>8   | -1.45<br>2  | 0.31<br>4   | 6.50<br>9  | 1.67<br>5   | 8.77   |

Source: S&P

# PhillipCapital U Talk

## Prudential Income X

Pru Income X is a unique fund in Singapore to participate in multi-currency interest rate arbitrage strategies via derivative transactions. These strategies will involve obtaining positive interest rate differentials between a number of selected currency pairs.

- 1) Regular income payouts, the fund manager intends to make a first annual distribution of 9 cents per unit.
- 2) Potential capital growth
- 3) Optimum risk-adjusted total return

**Don't miss this great offer! Contact your Financial Adviser Representative or call our Hotline at [6531 1555](tel:65311555) now for more information!**

The above is provided to you for information only and should not be construed as an offer or solicitation to deal in the product mentioned. It also does not have any regard to your specific investment objectives, financial situation or any of your particular needs. Investments are subject to risks and returns are not guaranteed and past performance is not necessarily indicative of future performance. You may wish to seek advice from a financial adviser before making a commitment to purchase any of the products. In the event that you choose not to seek advice from a financial adviser, you should consider whether the product in question is suitable for you

# PhillipCapital U Talk

## Disclaimer

This publication is solely for information and private circulation only. It should not be construed as an offer or solicitation for the subscription, purchase or sale of the securities, and specifically funds, mentioned herein. No actions should be taken without first viewing the details in a fund's prospectus. Past performance is not necessarily indicative of future returns. Investments in unit trusts are subjected to investment risks, including the possible loss of the principle amount invested. Investors should note that the value of the units and income from the fund may rise as well as decline. Investors should also note that there are limitations whenever performance is stated or comparison is made to another unit trust or index for any specific period as no funds or indices are directly comparable.

Whilst we have taken all reasonable care to ensure that the information contained in this publication is accurate, it does not guarantee the accuracy or completeness of this publication. Any advice contained in this publication is made only on a general basis and is subject to change without notice. We have not given any consideration to and have not made any investigation of the investment objectives, financial situation or particular needs of any specific person or group of persons as we are not in possession of any such information. Accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of any person or group of persons acting on such information and advice. Unit trusts are not obligations of, deposits in, or guaranteed by, Phillip Securities Pte Ltd or any of its affiliates.

### DISCLOSURE OF INTEREST

Statement pursuant to section 36 of the Financial Advisers Act. Phillip Securities Pte Ltd and its directors and employees may have interest in the securities recommended herein from time to time, and its associates and connected persons may also have positions from time to time. Opinions and views expressed in this report are subject to change without notice.

PhillipCapital is a group of companies who together offer a full range of quality and innovative financial services to retail, corporate and institutional customers. Member companies in Singapore include Phillip Securities Pte Ltd, Phillip Securities Research Pte Ltd, Phillip Financial Pte Ltd, Phillip Futures Pte Ltd, Phillip Trading Pte Ltd, Phillip Capital Management (S) Ltd, CyberQuote Pte Ltd, International Factors (Singapore) Ltd and ECICS Ltd.

Information on any and all independent PhillipCapital members and the respective financial services they offer can be obtained through the following website - [www.phillip.com.sg](http://www.phillip.com.sg). Members can otherwise be identified by their authorised use of PhillipCapital brand name along with their own name in their documentation and literature.

This publication is provided to you for information only and should not be construed as an offer or solicitation for the subscription, purchase or sale of the securities, and specifically funds, mentioned herein. It also does not have any regard to your specific investment objectives, financial situation and any of your particular needs. Accordingly, no warranty whatsoever is given and no liability whatsoever is accepted for any loss arising whether directly or indirectly as a result of you acting based on this information or advice.

# PhillipCapital U Talk

Investments are subject to investment risks including the possible loss of the principal amount invested. The value of units in any fund and the income from them may fall as well as rise.

Past performance figures as well as any projection or forecast used in this publication, are not necessarily indicative of future or likely performance of any investment products.

No actions should be taken without first viewing the details in a fund's prospectus.

Whilst we have taken all reasonable care to ensure that the information contained in this publication is accurate, it does not guarantee the accuracy or completeness of this publication. The companies and their employees mentioned in this article cannot be held liable for any errors, inaccuracies and/or omissions howsoever caused. Any opinion or advice herein is made on a general basis and is subject to change without notice. The information provided in this publication may contain optimistic statements regarding future events or future financial performance of countries, markets or companies. You must make your own financial assessment of the relevance, accuracy and adequacy of the information provided in this publication.

You may wish to seek advice from a financial adviser before investing in any of the products mentioned. In the event that you choose not to seek advice from a financial adviser, you should consider whether the investment product is suitable for you.

Directors and employees may have interest in the securities recommended herein from time to time, and its associates and connected persons may also have positions from time to time. Any unit trusts mentioned in the above newsletter is not intended for U.S. citizens.

