PC Financial (SG) Pte. Ltd.
寶鉅金融（新加坡）有限公司

Southeast Asia Edition

# Heritage Account
# 2022 Q3 Global Investment Guide

Quarterly Discussion Theme -
Global inflation continues and worries

Heritage
HK · SG

# Content

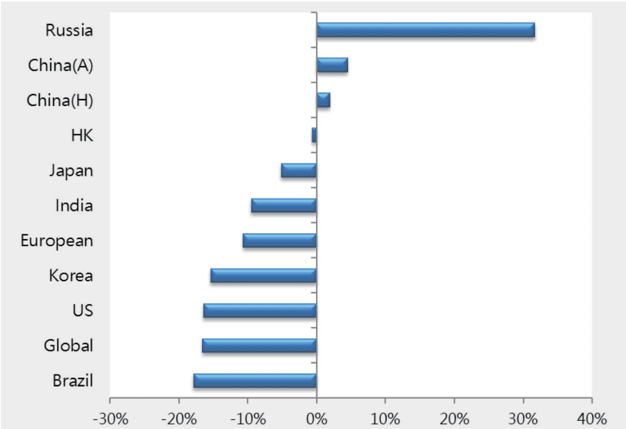
# Foreword

Entering 2022, as many countries around the world adopted the policy of "co-existing with the virus" to deal with the Covid-19 epidemic, and the vaccination rate of various countries continues to increase, communication and interaction between countries are rapidly recovering. The impact of the Covid-19 epidemic on global economies is gradually playing down. Unfortunately, the process of global economic recovery has not been as ideal as expected. In February 2022, a war between Russia and Ukraine is broke out, not only increasing geopolitical risks, but also making another beast, the inflation, more rampant.

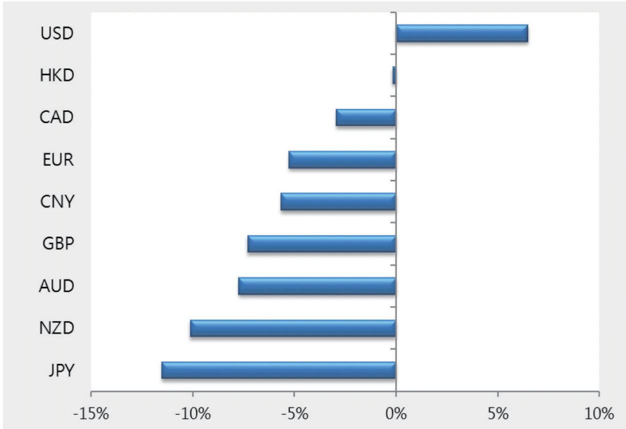
Affected by the shortage of manpower and supply chain disruptions caused by the epidemic, the price of raw materials and the cost of enterprises are rising rapidly. In addition, the war between the two major exporters of commodities has further tightened the supply of raw materials, which boosted inflation further. In fact, the problem of inflation has been noticed by countries and investors as early as the middle of last year, and central banks worldwide have also actively implemented various tightening monetary policies to combat inflation during the year, but natural resources and food prices are still high due to various factors, causing inflation continued to expand in the second quarter. On the other hand, the market is also worried that the tightening of monetary policy may bring heavy pressure on the budding of  economic recovery, and may even put the global economy into recession.

Coming to the third quarter of 2022, the uncertainty of geopolitical disputes, coupled with inflationary pressures and potential economic recession will continue to bring more instability to the market, and risk diversification is especially important in such volatile market conditions. As your private professional wealth manager, we are committed to our mission to continuously create value for our customers. We aim to safeguard our clients' wealth by delivering sustainable and steady returns, and accomplish our core mission goals for our clients. We construct asset allocation and implement our investment strategies with care and diligence, striving to help our customers navigate their way through unpredictable financial markets. Customers navigate their way through unpredictable financial markets.

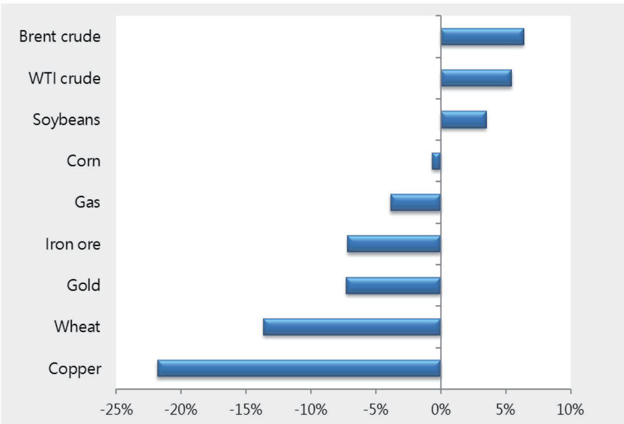
## Markets' Performance in the Previous Quarter



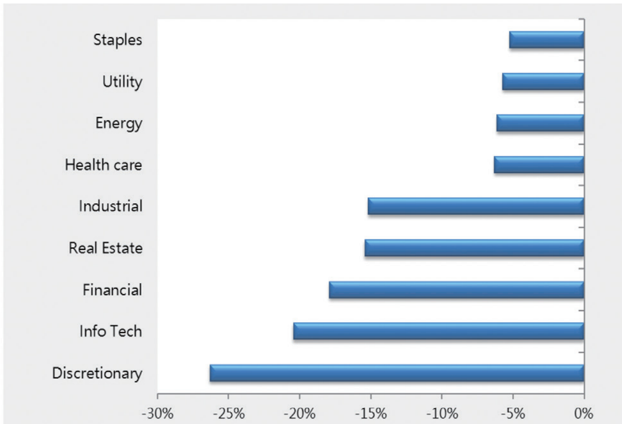

Global Equity Indexes




Major Currencies




Commodities




Sectors

## Market Commentary on Previous Outperformers and Underperformers

### Outperformers : Russia, US Dollar

Europe and the U.S. have successively imposed numerous sanctions on Russia, including imposing a ban on imports from Russia and expelling some Russian banks from the SWIFT due to Russia's invasion of Ukraine. These moves severely impacted the operations and income of Russian companies. As Russia's stock market recorded a considerable decline in the first quarter, the Russian government imposed a ban on short selling and stock selling, in order to avoid further declines in the market. Therefore, the RST index rebounded sharply in the second quarter and recorded an increase of 31.7%, outperforming the major global stock markets. Moreover, the Federal Reserve has repeatedly reiterated that it will raise interest rates to curb high inflation. Investors was betting on the continued strength of the US dollar due to rising expectations of further rate hikes from the Fed and the relatively weak market sentiment. The US Dollar Spot Index rose 6.48% in the second quarter, the best performing major currency.

### Underperformers : Copper, Consumer Discreatioanry

Copper has long been considered as one of the important industrial metals, its price is closely correlated to the health of the economy. Global central banks became more aggressive to raise interest rates and soaring energy prices led to rising corporate costs as well as high inflation putting pressure on both consumer confidence and demand. Thus, the market is worried that the economy will possibly fall into recession. The price of copper dropped 20.38% in the second quarter and underperformed other commodities since various economic indicators demonstrated that the global economy began to slow down. Additionally, as US's inflation remained high, its consumer price index rose 8.6% year-on-year in May, the highest level in nearly 40 years. The market is worried that high inflation and aggressive rate hikes by the Fed will be detrimental to the demand side, especially consumer discretionary industry. Lastly, consumer discretionary sector fell 9.19% in the second quarter, underperforming any other sectors.

## Quarterly Discussion Theme

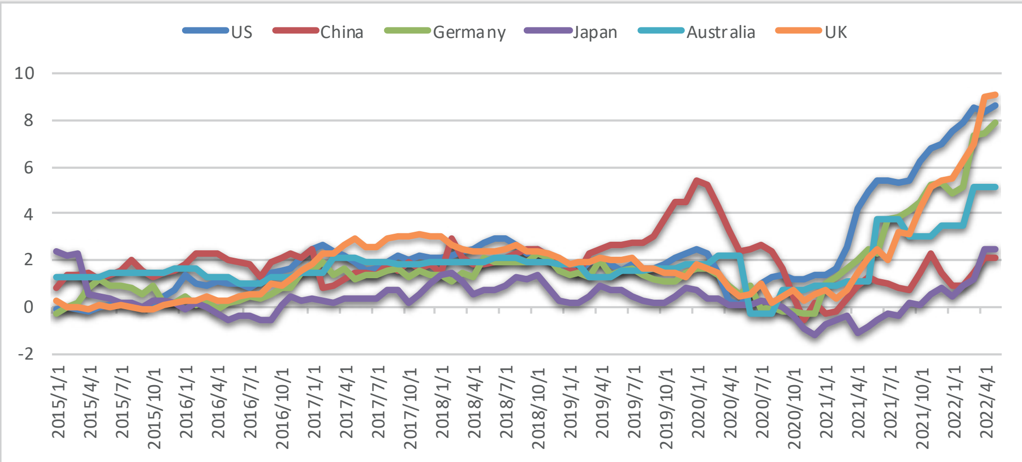
# High inflation continues and worries

## The global high inflation environment is continuing

Although the market has gradually shifted its attention from Covid-19 of various countries to high inflation problem since last year, the problem does not seem to have significant improvements in the second quarter and is continuing to hit new highs. According to data released governments, Australia is approaching the highest inflation level in 20 years, and the U.S., the U.K. and Germany are even facing the highest inflation level in nearly 40 years or even 50 years(Figure 1). Reflecting high inflation is still a imminent issue.

Why is high inflation still going on? In addition to the fact that the labor force has not been able to return to pre-pandemic levels to meet the demand brought by the global economic recovery, the supply chain has been pushed to a critical point, resulting in production bottlenecks, prolonged delivery times and rising prices, leading to rapid increases in raw material prices. In addition, the war broke out in Russia and Ukraine in February this year, which aggravated the problem of supply and demand imbalance. The war not only disrupted supply chains between countries, since both countries are major exporter of commodities, the outbreak of war also represented a lack of major suppliers of commodities, causing shortages of energy and food which eventually pushed up the prices, creating the current environment of cost-driven inflation.

Figure1：CPI of the world's major economies, YoY (%)




Source：Bloomberg, Statistics Department worldwide

## How Central Banks Responded

Facing the most severe inflation environment in recent decades, central banks around the world, especially in Europe and the U.S., is dealing with it seriously. In order to suppress soaring prices, many countries have adopted tighten monetary policies in response. The Federal Reserve, which bore the brunt, took a very "hawkish" stance, raising interest rates by 0.75% at the June meeting (Figure 2), to the current level of 1.75%. Other countries such as Canada, the U.K., Switzerland and Australia also followed the pace of interest rate hikes in the country's interest rate meeting in June. Individual countries such as Hungary and the Czech Republic even raised interest rates by more than 1% to cope with the current high inflation environment.

The European Central Bank, which has been relatively dovish all the time, failed to avoid such situation, and pointed out that it will raise interest rates by 25 basis points in July this year, which will also be the first time in nearly 11 years to raise interest rates. Among many countries, only China and Japan, where inflationary pressures are relatively low, have not changed their interest rates in the past period.

Figure 2：Central banks interest rate adjustments

| Country | Current Interest Rate (%) | Direction Change | Previous Interest Rate (%) | Last Change Date |
|---|---|---|---|---|
| US | 1.75% | ↑ | 1.00% | 15/6/2022 |
| Canada | 1.50% | ↑ | 1.00% | 1/6/2022 |
| UK | 1.25% | ↑ | 1.00% | 16/6/2022 |
| Poland | 6.00% | ↑ | 5.25% | 8/6/2022 |
| Switzerland | -0.25% | ↑ | -0.75% | 16/6/2022 |
| Australia | 0.85% | ↑ | 0.35% | 7/6/2022 |
| Brazil | 13.25% | ↑ | 12.75% | 15/6/2022 |
| Hungry | 7.75% | ↑ | 5.90% | 28/6/2022 |
| Czech | 7.00% | ↑ | 5.75% | 22/6/2022 |
| Norway | 1.25% | ↑ | 0.75% | 23/6/2022 |
| China | 3.70% | ↓ | 3.80% | 20/1/2022 |
| Japan | -0.10% | ↓ | 0.00% | 1/2/2016 |

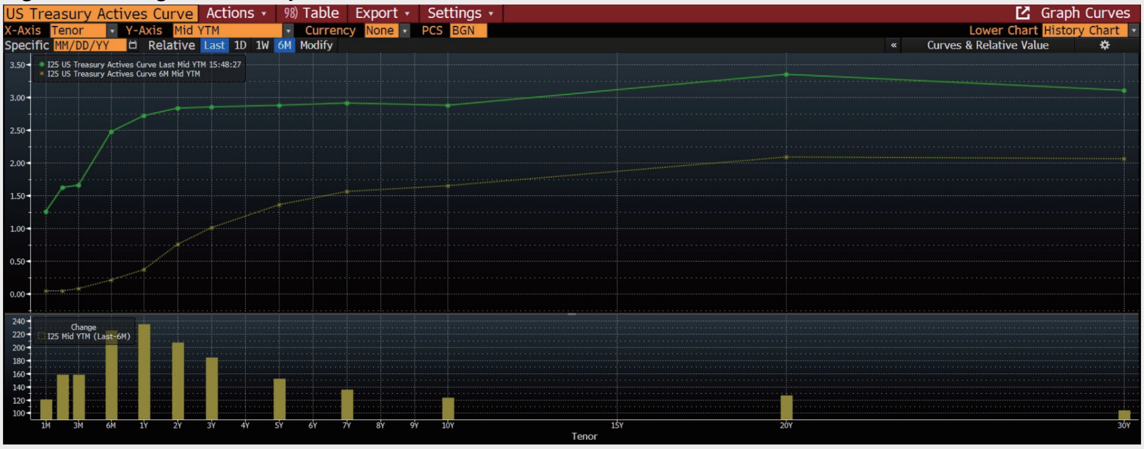
Source：Centrals banks worldwide

# High inflation continues and worries

## Supply and demand imbalance arising from economic recovery

With the impact of inflation, it is understandable that central banks around the world have adopted tightening monetary policies such as raising interest rates and shrinking balance sheets. However, the global economy has already been blown by the Covid-19 epidemic in the past two years. After that, many countries have adopted various measures to stimulate their economy, which lead the global economy to smoothly enter the process of recovery from 2022. However, in just the initial stage of recovery, global economies have already faced a tightening monetary policy environment due to high inflation. If central banks worldwide adopt an overly aggressive tightening monetary policy, it may greatly affect the recovery path of the regions, or even into declines.

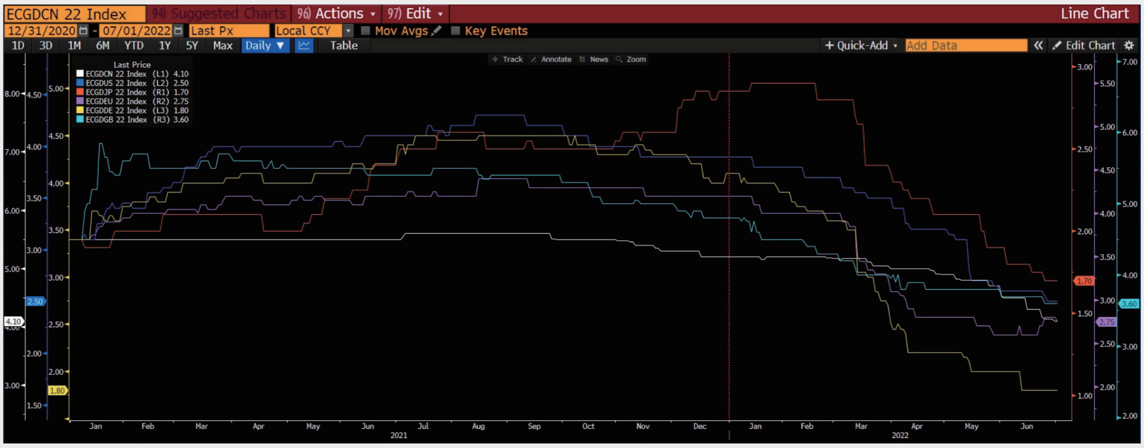
Figure 3：Changes of the US yield Curve




Source：Bloomberg

In fact, the market has also expressed deep concern about the economic contraction. According to market data, the U.S. yield curve has recently inverted again (Figure 3), that is, the interest rate of medium and long-term government bonds is lower than the interest rate of short-term government bonds, which not only reflects the pressure of short-term capital flows, but also indicates the market believes that the U.S. may be in the future, fall into recession.

Figure 4：Economic growth forecast of the world's major economies in 2022




Source：Bloomberg

Besides the U.S., since 2022, many major global economies have gradually lowered their economic growth forecasts over time (Figure 4), and many of them have raised their inflation expectations, showing that countries' forecasts of their own economic prospects are not optimistic.

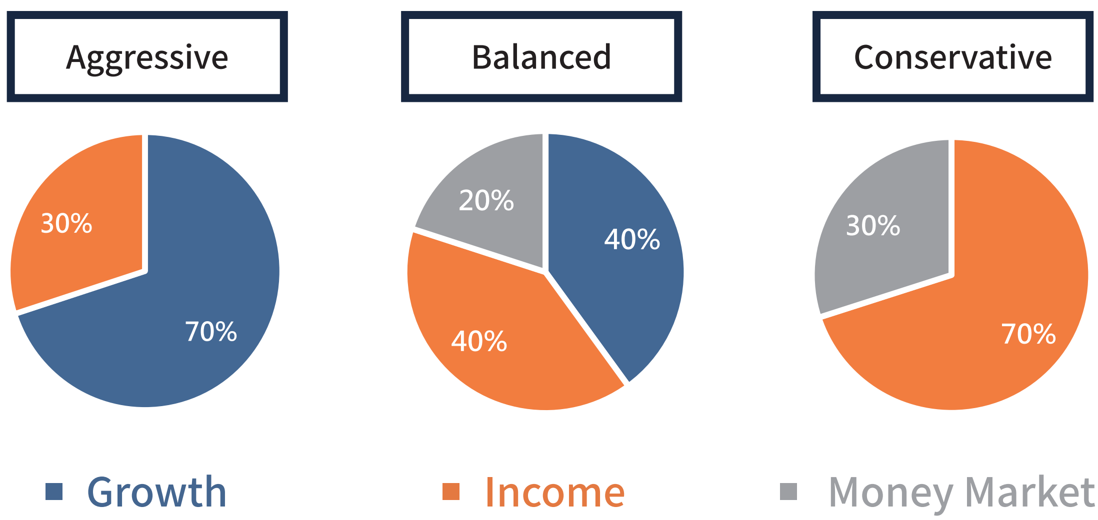
Therefore, when choosing investment products, investors should not only pay attention to the pressure that the interest rate hike cycle may bring to the capital market, but also to the potential risk of stagflation. Therefore, in these volatile and uncertain market conditions, portfolios and products that can achieve both risk diversification and hedge against inflation risk will become more crucial.

## Quarterly Market Outlook

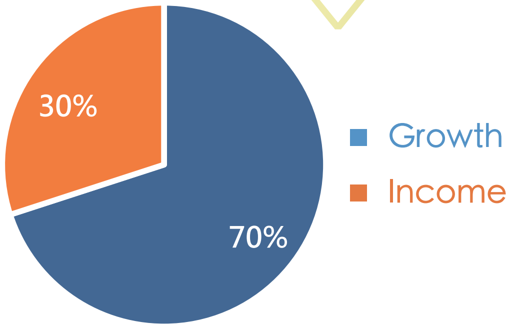
| Investment Market | -2 | -1 | 0 | +1 | +2 | Key Points |
|---|---|---|---|---|---|---|
| Stock Market | | | | | | |
| US | | | ■ | | | Aggressive Fed rate hikes and the concerns over economic recession will put pressure on US equities |
| Europe | | ■ | | | | The ongoing Russia-Ukraine war and rising inflation will continue to weigh on European equities |
| Japan | | | | ■ | | Japanese equities still have their edges over other countries because of their attractive valuation and the BOJ's ultra-loose policy |
| China | | | | ■ | | Loose monetary policy and fiscal stimulus will provide support to Chinese equities |
| North Asia | | | ■ | | | Global supply chain issues and semiconductor shortages continue to benefit South Korean and Taiwan market |
| Southeast Asia | | ■ | | | | Strong USD will put pressure on Southeast Aisan market |
| Other EM markets | | ■ | | | | Aggressive Fed rate hikes and geopolitical uncertainties pose downside risks for EM equities |
| Fixed Income | | | | | | |
| IG Bonds | | | ■ | | | Investors should invest in bonds with short duration, stay selective |
| Asian Bonds | | ■ | | | | Strong USD may spell trouble for EM Bonds |
| Real Estate | | ■ | | | | Cautious on real estate sector as major central banks shift to tighter policy |
| Commodities | | | | | | |
| Energy | | | | ■ | | Supply gap will continue to push up oil and gas prices |
| Basic Metal | | | | ■ | | China's pro-growth policies will boost the demand for basic metals |
| Agriculture | | | | ■ | | Wheat prices will probably continue its strength due to the ongoing Russia-Ukraine war |

☆ -2 = Strong Sell；-1 = Underweight； 0 = Neutral； 1 = Overweight； 2 = Strong Buy

## Portfolio Recommendations



# Aggressive Portfolio




## Growth

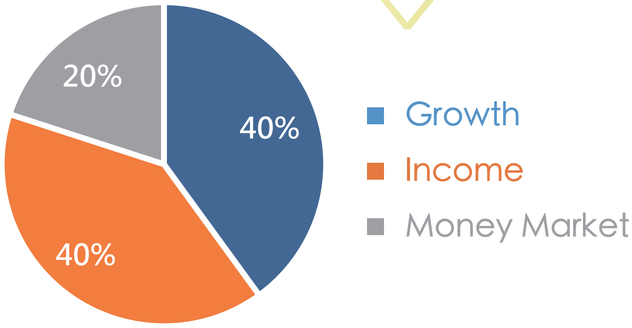
| Mutual Fund ** For professional investor only* | | | | |
|---|---|---|---|---|
| Investment Asset | CUR | Investment mandate | Market | ISIN |
| **BGF Natural Resources Growth & Income Fund A2 USD** | USD | Invests in equity securities of companies whose predominant economic activity is in the natural resources sector | Global | LU0612318385 |
| Fidelity Funds - China Consumer Fund A | USD | Invests in involved in the development, manufacture or sales of goods in China or Hong Kong | China | LU0594300179 |
| Franklin Templeton Investment Funds - Franklin Biotechnology Discovery Fund | USD | Invests in equity securities of biotechnology companies and discovery research firms mainly located in the US | USA | LU0109394709 |
| **Manulife U.S. Bank Equity Segregated Portfolio** | USD | Invests in the equity securities of sustainable energy companies | Global | LU0124384867 |
| **Corporate Stock / Equity Linked Note (ELN)** | | | | |
| Investment Asset | CUR | Company Description | Exchange | Ticker |
| Singapore Telecommunications | SGD | Provides ISP, IPTV, mobile phone networks and fixed line telephony services | SGX | Z74.SI |
| Geely Auto | HKD | Mainland private car manufacturers | HKSE | 175.HK |
| ConocoPhillips | USD | Multinational corporation engaged in hydrocarbon exploration and production | NYSE | COP.US |

## Income

| Corporate Bond | | | | |
|---|---|---|---|---|
| Investment Asset | CUR | Investment Description | Coupon | ISIN |
| SoftBank Group Corp | USD | YTM : 7.556% / Maturity Date : Perpetual | 6.000% | XS1642682410 |
| Standard Chartered PLC | USD | YTM : 7.563% / Maturity Date : Perpetual | 4.750% | USG84228EP90 |
| <Note> Indicative YTM for reference only. Actual YTM is based on the quoted price at point of transaction. | | | | |
| **Mutual Fund** | | | | |
| Investment Asset | CUR | Investment Mandate | Market | Ticker |
| **Schroder International Selection Fund Global Gold A Accumulation USD** | USD | Invests in equities of companies in the gold industry | Global | LU1223082196 |
| Aberdeen Standard SICAV I - Diversified Income Fund A MDis USD | USD | Invests globally in permitted investments including equities, equity-related securities, investment grade and sub-investment grade debt and debt related securities | Global | LU1124234862 |

*Fund in Focus*

## Balanced Portfolio




### Growth

| Mutual Fund * For professional investor only | | | | |
|---|---|---|---|---|
| Investment Asset | CUR | Investment Mandate | Market | ISIN |
| Franklin Income Fund | USD | Invests principally in equity securities of companies from a variety of industries, stocks with attractive dividend yields, long and short-term debt securities | Mainly US | LU0098860793 |
| JPMorgan Funds - Japan Equity Fund | USD | Invests in Japanese companies | Japan | LU0129465034 |
| **BlackRock Global Funds - World Mining Fund A2** | USD | Invests in the equity securities of mining and metals companies whose predominant economic activity is the production of base metals | Global | LU0075056555 |

| Exchange Traded Fund | | | | |
|---|---|---|---|---|
| Investment Asset | CUR | Investment Mandate | Market | Ticker |
| Invesco DB Agriculture Fund ETF | USD | Tracks DBIQ Diversified Agriculture Index Excess Return | USA | DBA US |
| Energy Select Sector SPDR Fund | USD | Tracks Energy Select Sector Index | USA | XLE US |

### Income

| Corporate Bond * For professional investor only | | | | |
|---|---|---|---|---|
| Investment Asset | CUR | Investment Description | Coupon | ISIN |
| BNP Paribas SA | SGD | YTM : 5.005% / Maturity Date : 2032.07.12 | 5.250% | FR001400BLE6 |
| Credit Suisse Group AG | USD | YTM : 7.303% / Maturity Date :Perpetual | 7.000% | USH4209UAT37 |
| Intel Corp | USD | YTM : 4.674% / Maturity Date : 2045.7.29 | 4.900% | US458140AT73 |
| <Note> Indicative YTM for reference only. Actual YTM is based on the quoted price at point of transaction. | | | | |

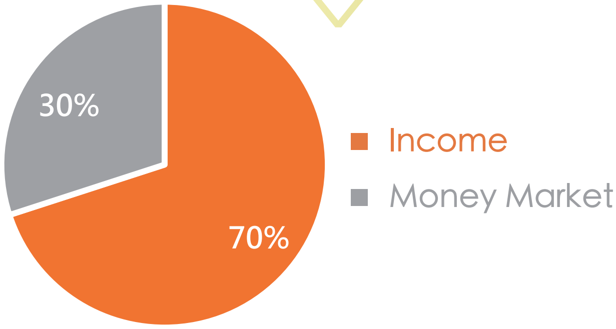
| Exchange Traded Fund | | | | |
|---|---|---|---|---|
| Investment Asset | CUR | Investment Mandate | Market | ISIN |
| Invesco DB Base Metals Fund | USD | Tracks DBIQ Optimum Yield Industrial Metals Index Excess Return | USA | DBB US |
| SPDR Bloomberg Short Term High Yield Bond ETF | USD | Tracks Bloomberg US High Yield 350mn Cash Pay 0-5 Yr 2% Capped Index | USA | SJNK US |

### Money Market

| Mutual Fund | | | | |
|---|---|---|---|---|
| Investment Asset | CUR | Investment Type | Market | ISIN |
| CSOP RMB Money Market ETF | CNY | Invests primarily in RMB denominated and settled fixed-rate bonds | China | 3122.HK |

*Fund in Focus*

## Conservative Portfolio




### Income

| Corporate Bond ** For professional investor only* | | | | |
|---|---|---|---|---|
| Investment Asset | CUR | Investment Description | Coupon | ISIN |
| Royal Bank of Scotland Group PLC | USD | YTM : 4.444% / Maturity Date : 2023.12.19 | 6.000% | US780097AZ42 |
| Oversea-Chinese Banking Corp Ltd | USD | YTM : 3.846% / Maturity Date : 2024.06.19 | 4.250% | US69033DAC11 |
| <Note> Indicative YTM for reference only. Actual YTM is based on the quoted price at point of transaction. | | | | |

| Mutual Fund | | | | |
|---|---|---|---|---|
| Investment Asset | CUR | Investment Mandate | Market | ISIN |
| **Aberdeen Standard SICAV II - Global Inflation-Linked Government Bond Fund A** | USD | Invests in inflation-linked bonds worldwide | Global | LU0213069676 |
| BlackRock Global High Yield Bond Fund | USD | Invests in high yield fixed income transferable securities and non-investment grade bond, etc. | Global | LU0171284937 |
| MFS Emerging Markets Debt Fund | USD | Invests primarily in sovereign debt securities from emerging market issuers | EM | LU0125948108 |
| **ChinaAMC Select Asia Bond Fund Class A USD** | USD | Invests in fixed income and debt instruments in Asia which predominant business will benefit from or is related to the economic growth in Asia | Asia | HK0000301942 |

| Exchange Traded Fund | | | | |
|---|---|---|---|---|
| Investment Asset | CUR | Investment Mandate | Market | ISIN |
| iShares Short Treasury Bond ETF | USD | Tracks ICE Short US Treasury Securities Index | USA | SHV US |
| iShares 1-3 Year International Treasury Bond ETF | USD | Tracks FTSE World Government Bond Index – Developed Markets 1-3 Years Capped Select Index | Global | ISHG US |
| Vanguard Intermediate - Term Corp Bond Index Fund ETF | USD | Tracks Bloomberg Barclays U.S. 1-3 Year Corporate Bond Index | USA | VCIT US |
| **iShares 0-5 Year TIPS Bond ETF** | USD | Tracks Bloomberg Barclays U.S. Treasury Inflation-Protected Securities (TIPS) 0-5 Years Index (Series-L) | USA | STIP US |

### Money Market

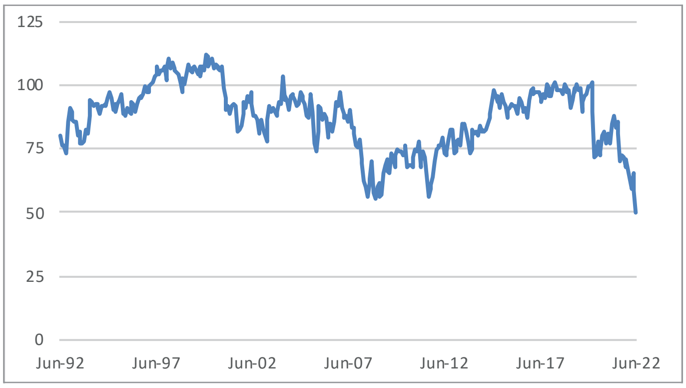
| Mutual Fund | | | | |
|---|---|---|---|---|
| Investment Asset | CUR | Investment Type | Market | ISIN |
| Fullerton SGD Cash Fund | SGD | Invests in short-term liquid assets denominated in SGD | Singapore | SG9999005961 |
| Fidelity US Dollar Cash Fund | USD | Invests principally in USD denominated debt securities | USA | LU0064963852 |

*Fund in Focus*

## US：Aggressive Fed rate hikes and the concerns over economic recession will put pressure on US equities

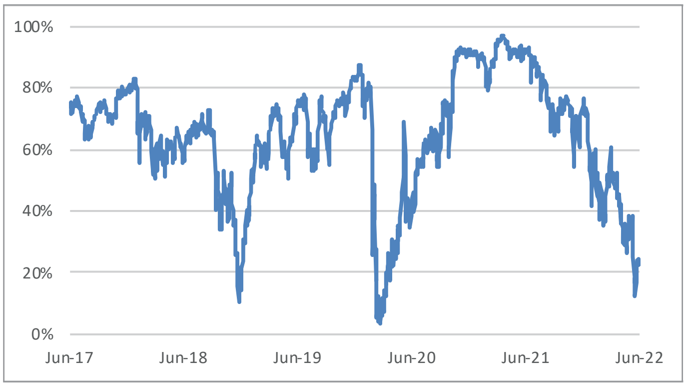
★ The U.S. consumer price index rose 8.6% year-on-year in May and hitting a fresh four-decade high. With inflation still at a high level, the Fed has reiterated its hawkish stance and raised interest rates in both May and June. At the time of writing, the federal funds rate has been raised to 1.75%. Powell has said that the Fed will continue to raise interest rates until inflation falls, and the market expects the federal funds rate to reach 3.50% by the end of the year. As the Fed accelerates rate hikes and raw material prices continue to rise, the market is worried that this may lead to a recession in the U.S. According to the forecast from Bloomberg Economics, the probability of a recession in the U.S. economy has risen sharply to approximately 98% in the next 24 months. According to the latest survey conducted by the University of Michigan, its consumer confidence index fell to 50.0 in June, hitting a record low in almost 44 years. It can be seen that American were extremely concerned over the current economic outlook and persistently high inflation.

### The University of Michigan consumer confidence index plunged to the lowest level in 44 years




★ As the Fed aggressively raised interest rates and the market was worry about recession possibility, the S&P 500 fell into bear market territory and around 76% of S&P 500 constituents closed below 200 days moving average, which was the weakest level since the pandemic. Although the valuation of U.S. equities has retreated to a relatively reasonable level and its forward price-earnings ratio is below the five-year average, the Fed's tightening plan to curb inflation and rising costs will possibly lead to a slowdown or decline in corporate earnings in the upcoming year, which will in turn prompt money flowing out of equity markets. With global monetary tightening and commodity prices continuing to rise, investors should select companies with strong pricing power and balance sheets as well as reasonable valuations. Lastly, we believe the energy, consumer staples and financials sectors can benefit from the current economic backdrop.

### The long-term market breadth of US equities dropped to the lowest level since the pandemic

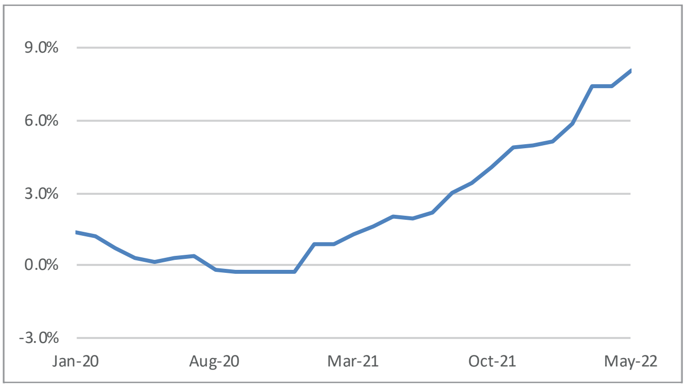



Data Source：Bloomberg, 2022/6/30

## Europe：The ongoing Russia-Ukraine war and rising inflation will continue to weigh on European equities

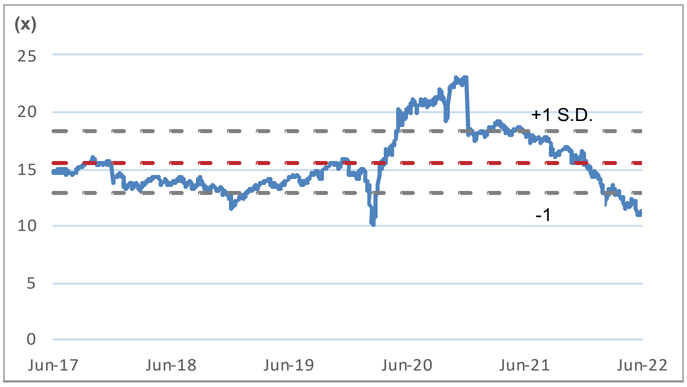
★ The problem of energy supply in Europe has deteriorate since the conflict between Russia and Ukraine and the sanctions imposed on Russia by European and American countries. This has led to a significant increase in inflation. Eurozone's consumer price index rose 8.1% year-on-year in May, the highest level in decades. High raw material prices and commodity prices have hit local business confidence and consumer demand severely. The market expects that the growth of corporate earnings may slow down, which result in a selloff in European equities. In order to curb high inflation, the ECB President Lagarde said that the ECB will raise interest rates in July based on the market expectations. According to Bloomberg, the market foresees the ECB to raise the benchmark rate by 25 basis points. In addition, Lagarde also emphasized that the central bank may accelerate the pace of its rate hike if the inflation continues to stay high, which will lead to increasing borrowing cost to businesses.

Eurozone's Consumer Price Index YoY




★ Several recession indicators have flashed warnings to investors. For instance, copper price is closely correlated to the health of the economy. The price of copper recently dropped to a near 14-month low amid rising concerns over the economic growth. Eurozone's manufacturing PMI fell to 52.0 in June from 54.6 in May, below the market consensus and also hitting a near 22-month low. Furthermore, the probability of a recession in Eurozone's economy over the next 12 months has soared to 30%. Although the valuation of European stocks looks relatively attractive to investors nowadays, its forward price-earnings ratio is trading around 11.3 times, slightly higher than the low during the pandemic, the conflict between Russia and Ukraine has not eased and energy supply issues will be difficult to solve in the near term as well as costs are rising to businesses, we believe that European equities will face heavy outflow in the upcoming quarter. In conclusion, we maintain "Underweight" rating on European equities.

Euro Stoxx 50 Index Forward PE ratio for the last 5 years

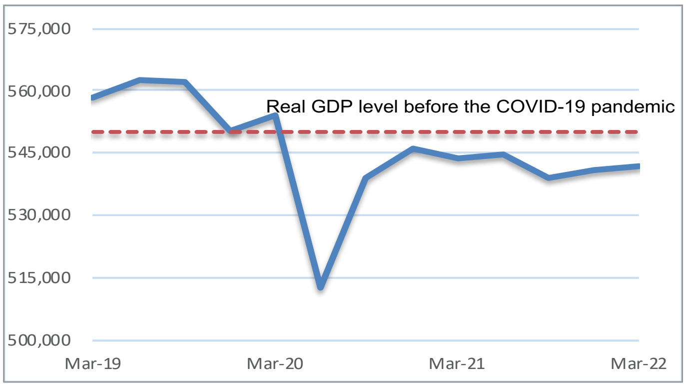



Data Source：Bloomberg, 2022/6/30

## Japan：Japanese equities still have their edges over other countries because of their attractive valuation and the BOJ's ultra-loose policy

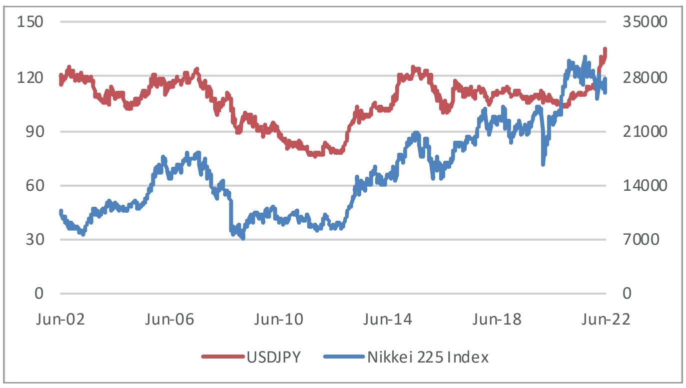
★ Global inflation rate has surged as supply chain issues for commodities worsen, prompting central banks around the world to tighten their monetary policies. In contrast, Japan's economy has not recovered to its pre-pandemic level and local wages still lack of growth. The Bank of Japan (BOJ) decided to maintain its loose monetary policy, and the policy divergence with other central banks gradually widened. According to the latest inflation data, Japan's core consumer price index increased by 2.1% year-on-year in May, unchanged from the previous month and above the BOJ's 2% inflation target for two consecutive months. However, the market believes that the gasoline subsidies and the recent peak in energy prices will prompt signs of easing in inflation going forward.

### Japan's real GDP is still below its pre-pandemic level




★ The policy divergence between Japan and other countries are widening, the yen will probably continue to stay weak in the third quarter. Due to Japan is an export-oriented economy, weak yen has always been beneficial to Japanese equities and some export companies. More importantly, Japan's government gradually eased its border restrictions in the second quarter, opening up boarder to many low-risk countries and regions, as Japan loosen its travel restrictions, weak yen will benefit the tourism industry, which we believe this will be a key driver to the growth of Japan's economy in the future. In addition, the BOJ maintained its loose monetary policy and continued to buy ETF from the market, which will help to underpin Japanese stocks in the coming quarter. We think that the Japanese equities which are mainly composed of value stocks have an edge when major central banks implement tightening policies, the forward PE ratio of the Nikkei 225 is at five-year low. To sum up, we are still optimistic on Japanese equities and therefore maintain our "overweight" rating.

### Japanese equities usually benefit from weak yen

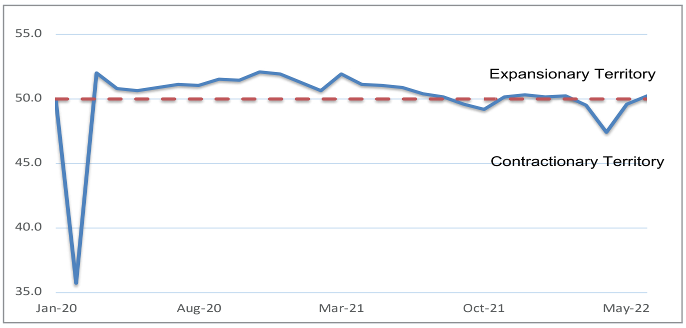



Data Source： Bloomberg, 2022/6/30

## China：Loose monetary policy and fiscal stimulus will provide support to Chinese equities

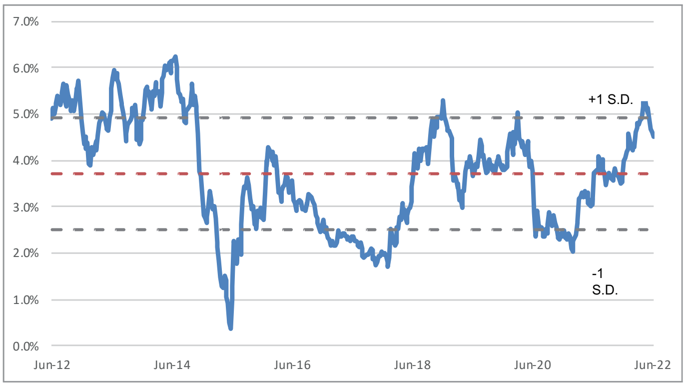
★ As the Covid outbreak in China has stabilized, Shanghai lockdown was lifted in early June, and Chinese authorities has reiterated that it will stimulate the economy through various policies or tools, including interest rate cuts, tax cuts, increasing infrastructure and fiscal spending, and etc. Investors expect Chinese economy will have a strong recovery. According to the latest official data, China's manufacturing and non-manufacturing PMIs returned to expansionary territory in June, growing to 50.2 and 54.7 respectively. Additionally, given that Chinese housing market was still sluggish, the People's Bank of China (PBOC) lowered 5-year loan prime rate by 15 basis points to 4.45% in May, more than the market expectations. This move will possibly be conducive to new-home sales in the future, which will be able to boost the cash flow for developers and improve their debt-servicing abilities.

### China's manufacturing PMI returned to Expansionary Territory in June




★ China's inflation is still at a controllable level nowadays since its consumer price index increased by 2.1% year-on-year in May, which was unchanged from the previous month and slightly lower than the market expectation of 2.2% as well as far lower than any other countries. Thus, we believe that this will provide more rooms for the PBOC to loosen its monetary policy in the near term. Moreover, Chinese government ended its cybersecurity review of Didi and lifted its ban on new users. Meanwhile, the National Press and Publication Administration issued a new batch of game licenses and investors believe that this move imply that the regulatory crackdown probably come to an end. As Chinese authorities adopts various policies to support the real economy and the regulatory crackdown gradually subsides as well as the recent revelation by the governor that the PBOC will stay accommodative and promote credit growth, hence we believe that the Chinese stock market will probably outperform other markets, especially other central banks around the world are tightening. The equity risk premium (ERP) for Chinese equities is still fluctuating around one standard deviation from the five-year average, indicating that investing in Chinese equities is still attractive to investors.

### The ERP of Shanghai Composite Index demonstrated that Chinese equities are still attractive to investors



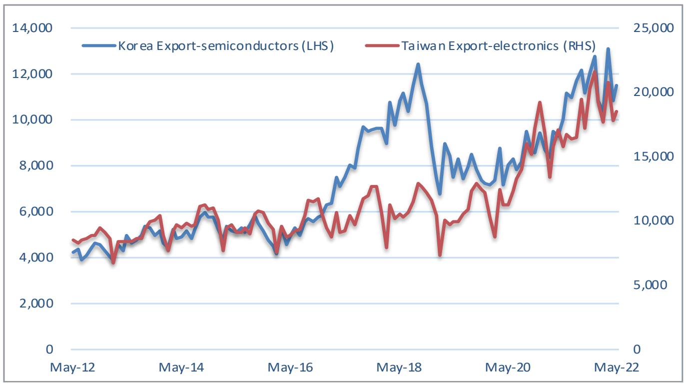

Data Source： Bloomberg, 2022/6/30

Heritage HK · SG

## *North Asia：Global supply chain issues and semiconductor shortages continue to benefit South Korean and Taiwan markets*

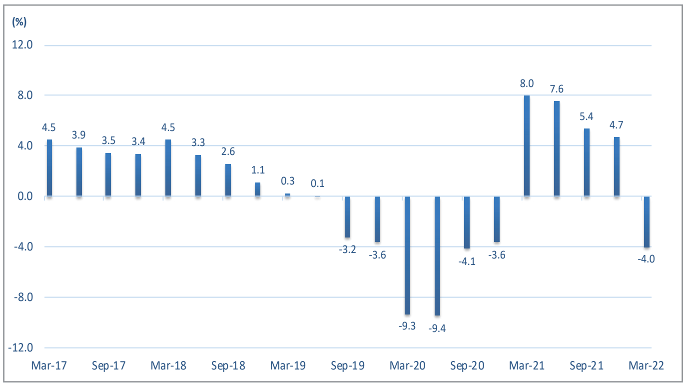
★ Taiwan's central bank raised the benchmark discount rate by 12.5 bps to 1.5% in June to help curb inflation pressure. In addition, Taiwan's government downgraded its economic outlook and expected GDP to rise 3.91% this year, down from 4.42% growth forecast in February. On the other hand, South Korea's President Yoon Suk-yeol said it had lowered this year's growth forecast to 2.6% from 3.1% and raised the inflation forecast from 2.2% to 4.7%. In addition, BOK Governor Rhee Chang-yong has signaled another interest-rate hike is likely in July as he stressed the importance of reining in price pressures. However, South Korea's economy has proven to be exceptionally resilient, expanded 4.1% last year and rebounding faster than most developed nations. Policy makers remain hopeful that exports will continue to underpin growth, while consumption will pick up with the lifting of more virus restrictions. With the ongoing semiconductor shortages and continued strong demand for technology goods and electric parts, both Taiwan and South Korea are well positioned to benefit, thanks to their leading roles in semiconductor industry.

### South Korea and Taiwan's electronics export (Millions, In USD)




★ Hong Kong's economy contracted in 1Q22 for the first time since end-2020, by a steep -4.0% y/y as the fifth COVID wave hit. While the government resisted a citywide lockdown, the strict containment measures between February to April 2022 still had a significant impact throughout the economy. Except for government consumption, all the other major expenditure components contracted in 1Q22, including gross fixed capital formation, private consumption expenditure, exports and imports of goods and services. However, there have been encouraging signs of recovery with the easing of the COVID curbs and distribution of the first batch of government's consumption vouchers in early April together with the support scheme for employment and temporary unemployment relief scheme. In addition, as PBOC continued to ease its monetary policy, we believe that there are still room for Hong Kong stocks to rise in the upcoming quarter due to Hong Kong stocks currently trading at a relatively attractive level.

### Hong Kong's YoY GDP Growth (%)

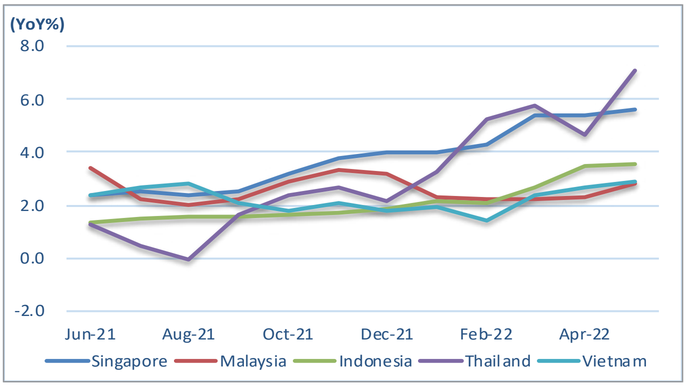



Data Source：Bloomberg, 2022/6/30

## Southeast Asia：Strong USD will put pressure on Southeast Asian market

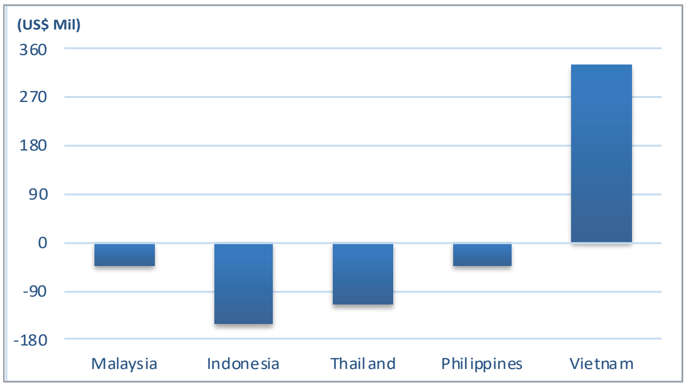
★ Just as Southeast Asia countries have begun shifting their focus from COVID-19 to post-pandemic recovery, global inflation accelerated by Russia-Ukraine war and supply chain disruptions have placed Southeast Asia countries economic growth plans in jeopardy. According to the World Bank Global Economic Prospects Report published on June 2022, the average inflation rate in Southeast Asia countries increased from 0.9% in January 2021 to 3.1% in December 2021 and then to 4.7% in April 2022. Four economies have experienced a rapid increase in the inflation rate in the year to April, which is Indonesia (149%), Singapore (161%), Laos (206%), and Thailand (267%). Unlike the Fed, central banks in Southeast Asia countries have not yet responded to the rise of inflation by implementing a tight monetary policy. However, with domestic inflation running at a record high and an aggressive US rate hike trajectory, several central banks in the region may have to shift to a hawkish monetary policy stance and start hiking interest rates in the second half of the year.

### Southeast Asia countries CPI




★ Although direct effects of the war on Southeast Asia countries have been limited because of modest trade and financial linkages with Russia and Ukraine, however, the war's effects on commodity prices, supply chain disruption and China's near-term slowdown are expected to dampen the recovery. In addition, as external financing conditions have tightened, risk premiums have edged up following faster-than-expected monetary policy tightening in the United States and the war-related volatility in global financial markets, net debt and equity flows to the region may stay negative in the upcoming quarter. We also expect USD to stay strong in the foreseeable months as Fed reaffirms hawkish stance. The concurrent risks of strong USD and negative investor sentiment will cause investors to flight-to-safety by moving their capital away from Southeast Asia equities and into DM equities.

### ETF net flows over the last quarter




Data Source：Bloomberg, 2022/6/30

## *Other Emerging Markets：Aggressive Fed rate hikes and geopolitical uncertainties pose downside risks for EM equities*

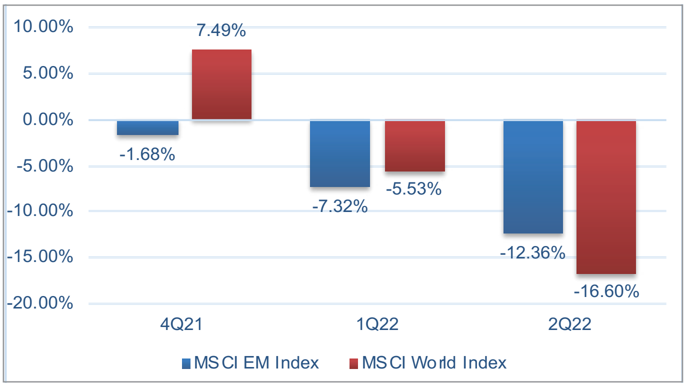
★ As most EM economies continue to recover from the pandemic, the Russia-Ukraine crisis and inflation risks now dominate the outlook. The crisis could be a long-drawn affair with no clear resolution in sight. Global disruption in the energy and food markets raise inflationary pressure broadly. In addition, we expect inflation to stay high in the near-term as EU officially announced of the partial ban on Russian crude imports at the end of May. On the other hand, we expect USD to stay strong in the foreseeable months as Fed reaffirms hawkish stance. The concurrent risks of strong USD and negative investor sentiment may trigger financial market volatility in EM. We believe that an aggressive US rate hike trajectory and geopolitical uncertainties will cause investors to flight-to-safety by moving their capital away from EM equities and into DM equities. Meanwhile, Brazil, Hungary and India raised interest rates in June to help curb inflation pressure and reduce capital outflows.

### EM major central banks interest rate policy decisions in June

| Country | Prior | Actual | Hike Rates? |
|---|---|---|---|
| Russia | 11.00% | 9.50% | No |
| Turkey | 14.00% | 14.00% | No |
| Brazil | 12.75% | 13.25% | Yes |
| Hungary | 5.90% | 7.75% | Yes |
| India | 4.40% | 4.90% | Yes |

★ Needless to say, the economic impact from the crisis is multifaceted and complex, and it is difficult to assess how long the conflict will last. Spiking commodity prices and inflation, supply chain disruption and tightening liquidity form the initial impact. Cautious market sentiment will continue to cast a long shadow on EMs. Until we see some normalization of supply chains, inflation expected to stay high in many EMs. Imported inflation is an important factor, as export prices across major trading partners have shot up, and this effect is in some cases compounded by weaker EM currencies. Thus, we are pessimistic about other EM in 3Q22 relative to other markets.

### MSCI EM Index vs MSCI World Index

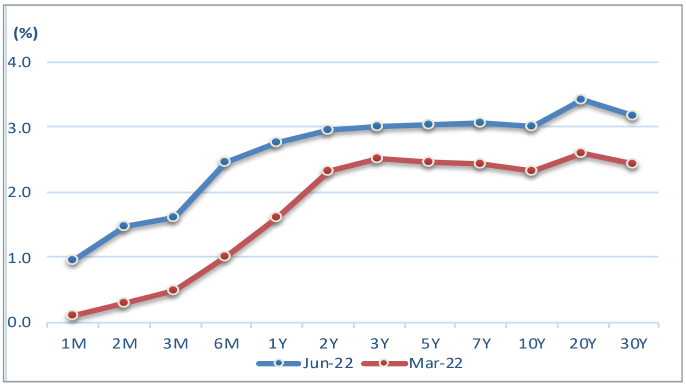



Data Sources： Bloomberg, 2022/6/30

## Bond Markets：Investors should invest in bonds with short duration, stay selective

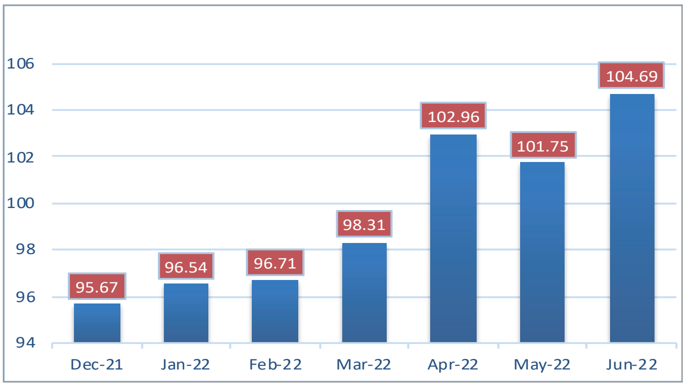
★ The US Inflation grew worse in May. It rose 8.6% from a year ago, which is the highest level in the last 40 years. On the other hand, Eurozone inflation rose 8.1% year-on-year in May, which is the highest level of inflation since 1997. This was primarily due to on-going war between Russia and Ukraine crisis and rising political tension between Russia and European countries. As the Ukraine crisis unfolds with Russia facing broadening sanctions (EU officially announced of the partial ban on Russian crude imports in May), we expect energy and food prices will stay elevated in the foreseeable future. Thus, we can expect Fed and ECB gets more hawkish on monetary policies to curb inflation pressure. Interest rate hikes are negative for bonds, particularly bonds with longer durations. The longer the bond duration, the steeper the price fall as interest rates rise. Meanwhile, the Fed's interest rate hike will boost USD.

### US Treasury Yield shift upward after Fed's June Meeting




★ Strong USD will continue to pose downside risks for Asian currencies in the coming quarter. Nevertheless, as Asia still offers attractive interest rate differentials, this factor will continue to encourage investors to invest in Asian bonds. We recommend investors to include Asian Investment Grade shorter-duration bonds in their fixed-income investment portfolios to hedge for a rise in US long-term interest rates. In addition, with high inflation becoming a risk that cannot be ignored, investors can consider to pick sectors that would benefit from the harbingers of higher inflation in order to derive a counter benefit from spread compression. We believe such sectoral beneficiaries are financial sector, energy and other commodity-related credits.

### Dollar Spot Index strengthen as a result of Hawkish Fed



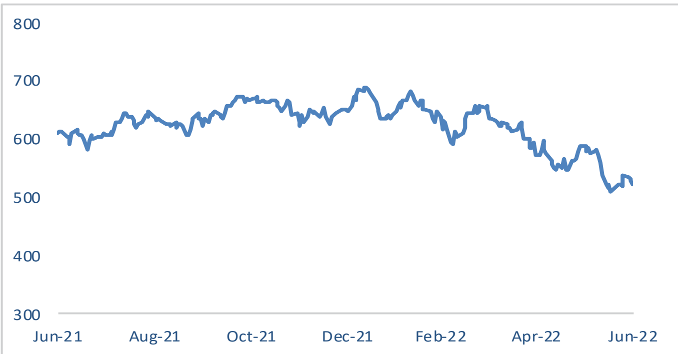

Data Sources： Bloomberg, 2022/6/30

## *Industry Trends and Outlook*

### Banking - Bank stocks benefit from rate hikes

★ The S&P 500 Financials Index fell 17.92% in the second quarter of 2022 as the market was concerned the rate hike cycle possibly leading to a recession in the U.S. economy. However, the Fed recently conducted an annual stress test for 34 banks in the U.S., and the results show that the banks have sufficient capital to face severe economic recession and are able to lend money to both households and businesses, which help to boosted investor confidence in bank stocks. Meanwhile, major banks have also raised the dividend payouts and conducting share. According to Bloomberg, the market expects that the Fed will raise interest rates 7 times by the end of the year, 25 basis points each time. The increase in interest rate is expected to drive the bank's net interest margin higher, and increase its profit. In term of valuation, bank stocks are relatively attractive now. In addition, bank stocks also offer stable dividends to their investors.

S&P 500 Financials Index




### Energy - The recent pullback of energy stocks provide a better buying opportunity to investors

★ The S&P 500 Energy Sector index rose 6.55% in the second quarter of 2022. The global energy supply has continued to remain tight, according to the data from the International Energy Forum (IEF), the total investment in oil and gas industry per year has been lower than the 2019 level for three consecutive years. Thus, the gap between supply and demand will stay wide in the near future. The energy sector has greatly outperformed other sectors year-to-date. This is because rising energy prices will boost the profitability of oil companies and allow them to pay higher dividends and conduct share buybacks. As countries will not easily lift the sanctions imposed on Russia and the lack of investment in the development of the energy sector in recent years, we believe that the issue of energy supply shortages will still exist and hence providing further support for energy prices. In conclusion, we remain optimistic about the outlook for energy stocks, and the recent pullback in energy stocks may provide investors with a better buying opportunity.

S&P 500 Energy Sector Index


Data Source：Bloomberg, 2022/6/30

## *Industry Trends and Outlook*

### Technology - Will be weighed down by the Fed's hawkish stance

★ The S&P 500 Information Technology index fell 20.44% in the second quarter of 2022. Since the Fed turned more hawkish and accelerated its pace of interest rate hikes, technology stocks continued to suffer from sell-off. The selling pressure on technology sector is based on the assumption that rising bond yields will translate to lower present value for high growth companies. Although the valuation of technology stocks has returned to a relatively reasonable level, its forward PE ratio is below the five-year average, inflation hit a nearly 40-year high in May and the Fed has repeatedly reiterated that it will continue to raise interest rates until inflation falls. Therefore, we believe it is difficult for technology stocks to outperform the market in the near term. If inflation shows clear signs of easing and the Fed stops hiking rates, technology stocks may once again receive big inflows from the market. In conclusion, we are neutral on technology stocks in the coming quarter.

S&P 500 Info Technology Sector Index


### Consumer Discretionary - Facing weak consumption and high inflation

★ The consumer discretionary sector was even worse among other sectors in the second quarter, with the S&P 500 Consumer Discretionary Index fell by 26.32% quarter-on-quarter. Investors worried about the outlook of the consumer discretionary sector and sold the stocks as energy and raw material prices rose. Several economic indicators have shown that US consumption and demand have gradually weakened. According to the latest survey conducted by the University of Michigan, its consumer confidence index fell to 50.0 in June, significantly below the market consensus and hitting the lowest level in almost 44 years. In addition, US retail sales fell 0.3% month-on-month in May, which also worse than the market consensus. Consumption has always been the major driver of the U.S. economy, accounting for about 70% of the U.S. GDP. Currently, high inflation has put pressure on household budgets and eroded their spending power. Given that inflation is difficult to resolve in the near term, we are pessimistic about outlook of the consumer discretionary sector in the upcoming quarter.

S&P500 Consumer Discretionary Sector Index


Data Source：Bloomberg, 2022/6/30

## Commodity Trends and Outlook

### Crude Oil - Supply shortage will continue to support oil prices

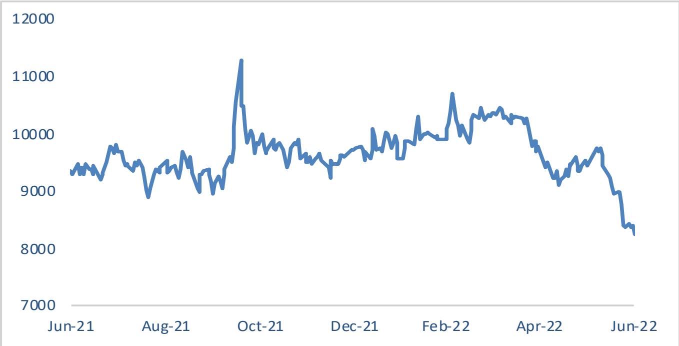
★ Europe and the U.S. imposed numerous sanctions on Russia, and will ban at least 90% of Russia's crude oil imports by the end of the year. In addition, given that countries with low investment in the oil industry which also causes rising oil prices. WTI crude oil rose 5.46% Q-o-Q in the second quarter. Looking forward to the third quarter, in order to curb high oil prices and fill the oil supply gap caused by the Russia-Ukraine war, the Biden administration released the US Strategic Petroleum Reserve in the second quarter, about 1 million barrels per day for half a year. Although this move can ease the supply issue in the near term, we think that the oil supply will once again remain tight by the end of the year. Given the lack of investment in the oil industry in recent years, especially in refining industry, we believe supply issues will persist for a while. As for the demand side, summer is the peak season for driving and tourism, which may provide support to crude oil prices. In conclusion, we remain optimistic about the outlook of crude oil in the third quarter.

### WTI Crude Oil Futures (US$/bbl)


### Copper prices - Copper will benefit from the recovery of Chinese economy

★ Copper has long been considered as one of the most important industrial metals due to its wide range of uses, so that its price is closely correlated to the health of the economy. As central banks around the world aggressively raise interest rates while energy prices soar, the market is concerned that the economy may enter into a recession. Therefore, copper was suffered a sell-off and dropped 20.38% in the second quarter. Looking forward to the third quarter, China is the world's largest copper consumer and now the Chinese economy has gradually recovered from the pandemics, coupled with China's manufacturing PMI returned to expansionary territory, as well as the Chinese authorities support the real economy, we believe that the Chinese economy will see a strong recovery in the second half of the year. Thus, the strong recovery of Chinese economy will probably boost the copper prices. In addition, Russia-Ukraine war has highlighted the importance of renewable energy. Some countries have therefore accelerated to achieve decarbonization, which will also help to push up the demand for copper. Lastly, we remain optimistic about the outlook for copper.

### Copper Futures (US$/tons)




Data Source：Bloomberg, 2022/6/30

## Palm Oil - The shortage of fertilizers will push up the prices of palm oil

★ Palm oil retreated from highs and recorded a 20.39% drop in the second quarter. This was because Indonesia, the world's largest palm oil producer, lifted its export ban, which pushed up the supplies of palm oil. Also, high prices dampened the demand for palm oil. Looking ahead to the third quarter, Malaysia palm oil output this year may be lower than market expectations due to the shortage of fertilizers and labor. Given that fertilizers account for approximately 40% of palm oil production costs and the Russia-Ukraine war has shrunk the supply of fertilizers over the past few months, fertilizer prices soared and also increase the cost of seeders, which in turn lead to the palm oil production gradually shrinking. Since Russia and Belarus are the major exporters of fertilizers in the world, the current sanctions imposed by Europe and the U.S. have affected the supply of fertilizers from both countries. Therefore, we believe that palm oil production will continue to be shortage, which will drive the prices of palm oil higher.

### Palm Oil Futures (MYR/tons)


## Wheat - Wheat prices will probably continue its strength due to the ongoing Russia-Ukraine war

★ The recent increase in the U.S. winter wheat harvest amounted to 41%, which was higher than market expectations and the five-year average level, thus wheat prices continued to be under pressure. Wheat fell from its highs in the second quarter and recorded a 10.62% decline as North American wheat supplies improved. Looking forward to the third quarter, Russia-Ukraine war is still ongoing and Ukraine is one of the most important wheat exporting countries, it accounts for about 9% of the global supply. According to Ukraine's Deputy Minister of Agriculture, the losses for food exports were at least US$1.5 billion. Moreover, Russia's wheat export accounts for approximately 20% of the global supply. As Russia is now facing sanctions from Europe and the U.S., it will not be able to export its food to anywhere. Therefore, we believe that wheat prices will probably continue its strength in the upcoming months.

### Wheat Futures (US$/bushel)


Data Source：Bloomberg, 2022/6/30

## Currency Trends and Outlook

### Dollar Index-Resistance：113.71 /Support：99.196

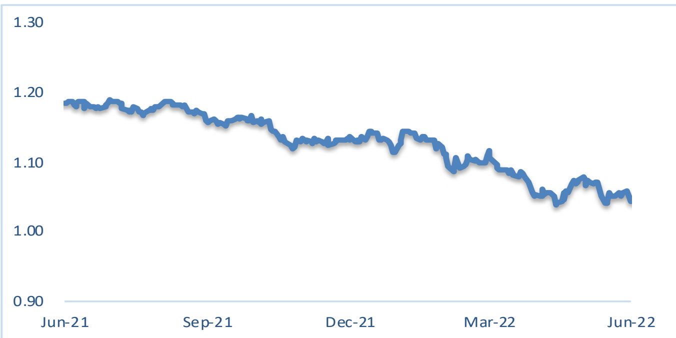
★ Backed by US President Joe Biden to bring down US inflation, the pace of Fed hikes has increased with each FOMC meeting from 25 bps in March to 50 bps in May and 75 bps in June. Besides that, the strong labour market also gave Fed the conviction to front-load its monetary tightening considerably in a bid to tame its soaring inflation. So far, the Fed has lived up to its credibility and delivered the markets' expectation of rate hikes. This has helped to underpin the USD strength, together with a slew of global growth downgrades which accentuated the safe haven appeal of the USD. However, record highs inflation in other G10 economies will pressure other central banks to tighten its monetary policies too. Therefore, we foreseen DXY appreciation in the second half of 2022 will be less aggressive than in first half of 2022. Support level at 99.196 (200days SMA) and resistance level at 113.71 (14 day RSI at 80%).

### Dollar Index


### EUR/USD-Resistance：1.0993 /Support：0.9379

★ Eurozone inflation surged to a record high of 8.1% in May, racing ahead of expectations once again and adding pressure on the ECB to step up its fight against spiraling prices. Scorching inflation continues to be primarily driven by energy prices, which were up 39.1% in May. The on-going war between Russia and Ukraine and rising political tension between Russia and European countries could means a prolonged period of high food and energy prices in the region. In order to curb inflation pressure, ECB end its asset-buying program on July 1 and ECB officials confirmed its intention to hike interest rates in the upcoming July and September policy meeting. However, there are growing questions about the future of monetary policy in the euro zone. If the central bank were to move quickly in hiking rates, this could hamper economic growth even further at a time when a slowdown is already underway. We continue to see USD strength against EUR in 3Q22 as we think that Fed has higher room than ECB in tightening its monetary policy. Support level at 0.9379 (14 day RSI at 20%) and resistance level at 1.0993 (200days SMA).

### EUR/USD



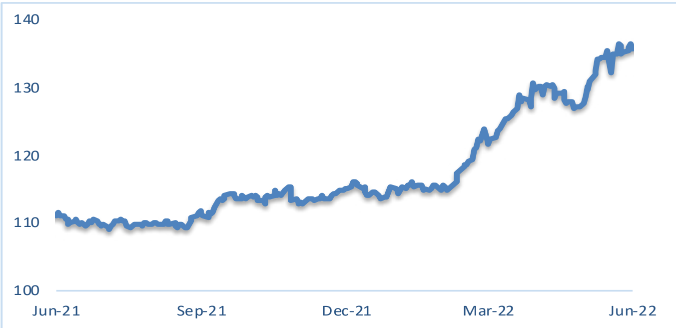

Source：Bloomberg, 2022/6/30

## Currency Trends and Outlook

### USD/JPY-Resistance：148.51 /Support：121.85

★ JPY was the weakest G10 currency in the first half of 2022, it depreciated more than 15% against USD. In the second half of 2022, we think that the monetary policy gap between the more hawkish Fed and the more dovish BOJ will continue to stay wide. As such, the monetary policy divergence will remain a key driver of USD outperform the JPY in the second half of 2022. The BOJ keep policy accommodative as inflation pressure remains benign in Japan. In the recent June policy meeting, BOJ maintained ultra-low interest rates and its guidance to keep borrowing costs at "present or lower" levels, signaling its resolve to focus on supporting the economy's tepid recovery. However, in a nod to the hit that the yen's recent sharp declines may have on the economy, BOJ said it must "closely watch" the impact exchange-rate moves could have on the economy. Therefore, a significant short squeeze of JPY cannot be ruled out given that the JPY's outsized drop in the last couple of months and overly negative positioning. Support level at 121.85 (200days SMA) and resistance level at 148.51 (14 day RSI at 80%).

USD/JPY




### XAU/USD-Resistance：1864.01 /Support：1569.07

★ Against high hopes, gold had a tough quarter across 2Q22. After the unsuccessful attempt to recover the US$2,000/oz handle in mid-April, gold pulled back to seek support at the US$1,800/oz level across May and June. The key headwind against gold appears to be the broadening strength and intensity of the USD. While gold was somewhat immune to USD strength previously, the further climb of DXY above 100 started to weigh down on gold. This comes at a time when Fed has committed to ramp up and front load its interest rate hikes, stepping up the pace with an outsized 75 bps hike at the Jun FOMC meeting. However, on-going geopolitical uncertainties and increased risk of global recession will no doubt fuel safe haven demand for gold. We expect gold prices to hold firm this quarter as investors seek refuge from soaring inflation and recession risk. Overall, we maintain cautiously optimistic outlook for gold. XAU/USD support level at 1,569.07 (low on Apr 1,2020) and resistance level at 1,864.01 (100days SMA).

XAU/USD

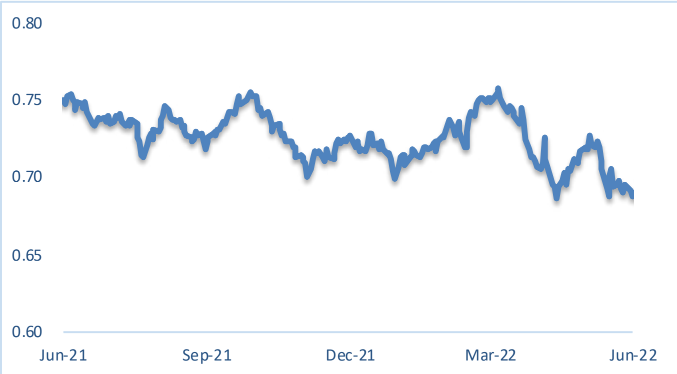

Source：Bloomberg, 2022/6/30

## Currency Trends and Outlook

### AUD/USD-Resistance：0.7185 /Support：0.6043

★ The RBA hiked the cash rate target in both May and June, increasing its rate to 0.85% and more 50 bps hike are likely at the next few meetings. In fact, market expects RBA is one of the most hawkish amongst the G-10 central banks, pricing in over 200 bps of rate hikes in the second half of 2022. On the other hand, Australia's inflation surged to 5.1% y/y in 1Q22 from 3.5% in 4Q21, well above the 2-3% target. According to the Statement of Monetary Policy in May, inflation is expected to rise to 6% by December 2022 before easing to 3.25% in December 2023. The unemployment rate is projected to stay in the "low fours to high threes" from June 2022 into June 2024. In addition, the AUD may also draw strengths from rising commodity prices as a prolonged Russia-Ukraine conflict intensified supply-side disruptions. Overall, we expect AUD strengthening against USD in 3Q22. AUD/USD support level at 0.6043 (14 days RSI at 20%) and resistance level at 0.7185 (200days SMA).

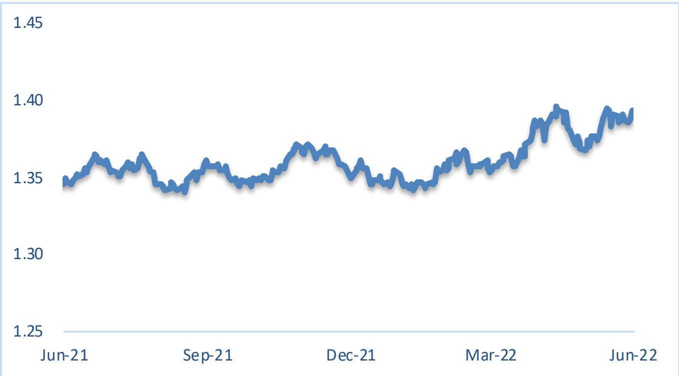
AUD/USD




### USD/SGD-Resistance：1.4647 /Support：1.3660

★ SGD depreciated ~3% against USD in the first half of 2022, which make SGD one of the most resilient Asian currencies. While not immune to a stronger USD, SGD was underpinned by a third and more aggressive tightening in the Singapore Dollar Nominal Effective Exchange Rate (S$NEER) policy in April. Since last October, MAS has steepened the policy band's slope thrice to an appreciation pace of 3% a year and recentered it once at the last meeting. We expect MAS lifting its inflation forecast again and recentering the band higher for the second time in the upcoming October policy review. Singapore has shifted to an endemic Covid strategy on a high vaccination rate and reopen its border via vaccinated travel lanes. Although Singapore's GDP growth is expected to slow in 2022, we think it is sufficient to absorb the labor slack and close the negative output gap. We expect USD/SGD traded rangebound in 3Q22. USD/SGD support level at 1.3660 (200days SMA) and resistance level at 1.4647 (high on Mar 3,2020).

USD/SGD




Source：Bloomberg, 2022/6/30

## *Currency Trends and Outlook*

### USD/CNY-Resistance：7.1777 /Support：6.4752

★ A triple whammy of slowing growth, COVID-19 related economic disruptions and aggressive US Fed tightening has put strong downward pressure on CNY, while Chinese authorities appear to be standing aside to let their tightly managed currency drop. We think that the Chinese authorities may welcome a weaker CNY to support growth and exports, as outflows are likely manageable. In addition, the primary goal of the PBOC right now is to support the Chinese economy, we can expect PBOC to continued its easing monetary policies. Therefore, we think that the monetary policy gap between the hawkish Fed and the dovish PBOC will continue to stay wide. As such, the monetary policy divergence will remain a key driver of USD outperform the CNY in the second half of 2022. Overall, we reiterate the view of further weakness in the CNY against USD. USD/CNY support level at 6.4752 (200 days SMA) and resistance level at 7.1777 (high on May 27,2020).

USD/CNY


### GBP/USD-Resistance：1.3022 / Support：1.1151

★ As widely expected, the BOE's Monetary Policy Committee, at its meeting in June, increased the Bank Rate by 25bps to 1.25%. This is the fifth consecutive policy meeting since Dec 2021 that the BOE has raised its key interest rate. As reflected in the latest Monetary Policy Summary and Minutes, BOE will take the actions necessary to return inflation to the 2% target sustainably in the medium term. The forward guidance language for higher interest rates was much stronger, endorsed by all the BOE's voters. Therefore, we are now penciling in more rate hikes in the coming months. In addition, the fiscal measures unveiled by the UK governments to help, as well as the latest jobs data, will give the BOE room to further deliver more hikes, even as evidence mounts that the economy is losing steam. We expect BOE is able to keep pace with the Fed in terms of tightening and this gives the GBP some form of interest rate support. Without a new negative catalyst, we expect GBP/USD traded rangebound in 3Q22. GBP/USD support level at 1.1151 (14 days RSI at 20%) and resistance level at 1.3022 (200 days SMA).

GBP/USD


Source：Bloomberg, 2022/6/30

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## PC Financial (SG) Pte. Ltd. diversified investment tools

### Securities

**Broad range of stocks from different markets**
HK Stocks, China A-shares, US Stocks, Singapore stocks

**Diversified stocks and ETFs investment recommendation**
Professional team execute rigorous stocks and ETFs selection and offer recommendation according to updated market outlook

**We help you track markets and gain insight to global markets**
Daily focused stocks, daily market updates, global market focus and weekly market updates

**Check your account status at any time**
Monthly statement, customized investment solutions

**Reasonable fees**
Enjoy premium service at a reasonable price

### Structured Products

**Equity Linked Note (ELN)**
Structured investment product linked to equity. Performance of the product depends on the stock price of the underlying equities

**Structured Note (SN)**
With a diverse range of underlying investment including equity, indexes, interest rates, commodities or a portfolio, an investor can receive agreed interest income or earn capital gain at agreed participation rate at maturity. The outperformance of the note at maturity depends on the performance of the underlying investment

**Dual Currency Investment (DCI)**
Also known as Premium Currency Investment (PCI), this is a structured investment that combines a foreign currency investment with a foreign exchange option

### Bonds

**Wide variety of bonds**
Wide range of bonds issued by different countries, government, financial institutions and other large corporates

**Various settlement methods to suit your needs**
Various currencies, rates and maturities available

**Bonds Portfolio Recommendation**
Advise fixed income asset allocation and help clients to construct bond portfolio fitting in with their risk-reward profile

### PC Series Fund

* For professional investor only

**Funds with flexible features to help you achieve your investment goals**

**Available fund types:**
- Equity Fund
- Hedge Fund
- Bond Fund
- Real Estate Fund
- Mortgage Fund

## *PC Financial (SG) Pte. Ltd. diversified investment tools*

### Mutual Funds

We provide access to more than 60 asset managers with more than 1,000 funds under management. Asset managers on our platforms are well known and focused in Asia, Europe, and the US and include such diverse areas as technology, fixed income, and alternative investments like hedge funds.
We can tailor-make a suitable fund portfolio for you based on your investment objectives.

| Reputable Fund Houses | | | | | |
|---|---|---|---|---|---|
| 01 | BlackRock (Singapore) Limited | 20 | Fidelity International - UCITS II ICAV | 39 | Natixis Investment Managers (Natixis IF Luxembourg) |
| 02 | Aberdeen Asset Management Plc | 21 | First State Investments (Hong Kong) Ltd | 40 | Natixis Investment Managers (Ostrum AM and H2O Funds) |
| 03 | Aberdeen Standard Investments (Asia) Limited | 22 | First State Investments (Singapore) | 41 | Neuberger Berman - Retail Funds |
| 04 | AllianceBernstein (Singapore) Ltd. ("ABSL") | 23 | Franklin Templeton Investments | 42 | Nikko Asset Management Asia Limited |
| 05 | Allianz Global Investors Singapore Ltd | 24 | Fullerton Fund Management Company Ltd | 43 | Nikko Asset Management Luxembourg S.A. |
| 06 | Amundi Luxembourg S.A. | 25 | Fullerton Fund Management Company Ltd - Fullerton Lux Funds | 44 | NN Investment Partners |
| 07 | Amundi Singapore Limited | 26 | HSBC Global Asset Management (Singapore) Limited | 45 | Philip Capital Management |
| 08 | APS Asset Management Pte Ltd | 27 | J.P. Morgan Asset Management | 46 | Philip Capital Management - Philip Select Fund |
| 09 | Aviva Investors Asia Pte Ltd | 28 | Janus Henderson Investors - Capital Funds SICAV | 47 | PIMCO Funds: Global Investors Series plc |
| 10 | BNP Paribas Asset Management - BNPP Funds & Paribas A | 29 | Janus Henderson Investors - Horizon Fund SICAV | 48 | PineBridge Investments Ireland Limited |
| 11 | BNY Mellon Investment Management Singapore Pte. Limited - MGF | 30 | Janus Henderson Investors (Singapore) Limited | 49 | PineBridge Investments Singapore Limited |
| 12 | Columbia Threadneedle Investments (Lux) | 31 | Legg Mason Asset Management Singapore Pte Ltd | 50 | Principal Asset Management (S) Pte Ltd |
| 13 | Columbia Threadneedle Investments (OEIC) | 32 | Legg Mason Asset Management Singapore Pte Ltd (Recognized) | 51 | RHB Asset Management Pte Ltd - China-ASEAN Fund |
| 14 | Deutsche Noor Islamic Funds plc | 33 | Lion Global Investors Limited | 52 | RHB Asset Management Pte Ltd - Retail Funds |
| 15 | DWS Investments S.A. | 34 | Lion Global Investors Limited - LGlobal Funds | 53 | Schroder Investment Management |
| 16 | DWS Investments Singapore Limited | 35 | Manulife Global Fund | 54 | UBS Asset Management (Singapore) Ltd |
| 17 | Eastspring Investments (Singapore) Limited | 36 | Manulife Investment Management (Singapore) Pte. Ltd. | 55 | UOB Asset Management |
| 18 | Fidelity International | 37 | Maybank Asset Management Singapore Pte Ltd | 56 | UTI International (Singapore) Pte Ltd |
| 19 | Fidelity International - S$ Share Class | 38 | Natixis Investment Managers (Natixis IF Dublin) | 57 | Wells Fargo Funds Management LLC |

**For more information, please contact our Relationship Managers.**


RIVER CRUISE
PC Financial (SG) Pte Ltd
寶鉅金融(新加坡)有限公司
PC iFAST Holding (SG) Pte Ltd
寶鉅奕豐控股(新加坡)有限公司

Singapore

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PC Securities Financial Group
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