

PromiseLand



Introduction To PromiseLand's Portfolio Allocation Model (PPAM)

Wealth Management Department



Contents

1	PromiseLand's Investment Capabilities	3
2	Benefits of the PPAM	3
2.1	Technical Analysis (TA)	3
2.2	Fundamental Analysis (FA)	4
2.3	Fund Manager Comparison Analysis	4
3	Available Model Portfolios	4
4	Minimum Investment Size	4
5	Account Type	4
6	Strategic Asset Allocation (SAA)	5
7	Tactical Asset Allocation (TAA)	5
8	Rebalancing Schedule	5
9	Additional Information	5
10	Ending Notes	6



1 PromiseLand's Investment Capabilities

Our service does not start when we first meet with our clients. It begins way back when our Financial Adviser Representatives sweat it out in weekly trainings. Our in-house investment specialists go through a thorough process of analyzing the huge universe of thousands of Unit Trust funds, to narrow down the list of best-in-breed funds. This rigorous process is repeated regularly to ensure the funds we utilize are always the best. Our process of selecting funds starts with scrutinizing the fund managers and their investment philosophy for the various funds in their suite of offerings. We also look into the historical, economical, political and other pertinent factors which affect markets in different continents, regions and countries.

Our Financial Adviser Representatives are constantly updated through regular in-house briefings and discussions. We understand that the investment market is dynamic and that today's star performers can be tomorrow's duds.

Fund managers may be the ones who manage the investments, but that does not mean that PromiseLand takes our responsibility lightly. We monitor their performance religiously and ensure that the fund managers deliver a reasonable level of performance consistently. Fund managers may come and go but PromiseLand keeps in close contact with the present fund managers and have direct access to them. Fund managers visit PromiseLand to brief us on their fund performance regularly, and we ask them the hard questions on your behalf.

We do not manage our own funds which ensure that we are truly independent when it comes to our recommendations as we do not have any vested interest in the funds. PromiseLand is proud to operate as a truly independent Financial Adviser that is committed to serving our clients objectively and fairly.

Our Financial Adviser Representatives are well-trained and committed to serving our clients. Unlike other institutions where these professionals may come and go, our Financial Adviser Representatives stick with you unless you opt for a change. Clients can expect a close relationship with our Financial Adviser Representatives who truly work for your best interests.

2 Benefits of the PPAM

The intention of the PPAM is to offer PromiseLand's clients an option to invest a single sum of money into a range of 1) asset classes, 2) geographical regions, 3) investment strategies, and 4) fund managers in order to enjoy the risk reduction advantage of having a diversified investment portfolio. The PPAM also saves clients' time by removing the need for them to monitor and rebalance their own investment portfolios. PromiseLand will be leveraging on the portfolio rebalancing tools offered by the platforms (FAME, Navigator and iFast) to conduct regular rebalancing on investment portfolios that are tagged to the PPAM. This service will not be available on the Havenport platform. The PPAM will be supported by Technical Analysis, Fundamental Analysis and Fund Manager Comparison Analysis.

2.1 Technical Analysis (TA)

The philosophy underlying the technical calculations is based off the financial concept of "mean reversion". Our technical indicators attempt to spot opportunities in the market to enter when the price is "low". On the other hand, when prices are deemed to be "high", the technical indicators would signal for the investment team to reduce exposure. Technical analysis is given a weightage of 25% in determining our rebalancing decisions.



2.2 Fundamental Analysis (FA)

Fundamental analysis support comes from the PromiseLand's Investment Research Framework (PIRF). The investment team in PromiseLand analyzes critical public information to come up with estimated intrinsic values for different markets to drive investment allocation decisions. Fundamental analysis includes macroeconomic analysis, business cycle analysis and industry analysis. Fundamental analysis is given a weightage of 75% in determining our rebalancing decisions.

2.3 Fund Manager Comparison Analysis

With the asset allocation decisions finalized through TA and FA, the remaining step in the PPAM involves deciding on the appropriate funds to pursue our investment objectives. The fund manager comparison analysis step involves using our existing PromiseLand's Fund Selection Criterion (PFSC). This is a rigorous and systematic Fund Managers selection process that relies on 7 different criteria.

3 Available Model Portfolios

There will be a choice of 15 investment portfolios within the PPAM. Clients can choose to invest using CASH or CPFOA/SRS. Each class is further divided into five categories based on clients' desired risk tolerance preference. These include Conservative, Moderately Conservative, Balanced, Moderately Aggressive and Aggressive. Please speak with your friendly PromiseLand Financial Adviser Representative to find out which risk profile may be more suitable for your unique investment objective.

4 Minimum Investment Size

For iFast, the minimum investment amount is \$1,000. Clients may also opt for a Regular Savings Plan (RSP) for iFast, with a minimum amount of \$500. For Navigator and FAME, the minimum investment amount is \$30,000.

5 Account Type

The investment account opened has to be under a Wrap Account model. Please speak with your friendly PromiseLand Financial Adviser Representative to find out about the differences between a non-wrap account and a wrap account.



6 Strategic Asset Allocation (SAA)

SAA is based on clients' risk tolerance preference. At present we have 15 existing SAA models. In order to achieve reasonable diversification among Fund Managers, each Fund Manager cannot be repeated for each Portfolio, as much as possible. Funds will be selected primarily to ensure geographical diversification in order to minimize unsystematic risk.

Table 1: Strategic Asset Allocation for Cash (%)

Cash	Conservative	Moderately Conservative	Balanced	Moderately Aggressive	Aggressive
Equity	30-50	40-60	45-65	55-75	70-90
Fixed Income	50-70	40-60	35-55	25-45	10-30

Table 2: Strategic Asset Allocation for CPFOA/SRS (%)

CPFOA/SRS	Conservative	Moderately Conservative	Balanced	Moderately Aggressive	Aggressive
Equity	30-50	40-60	45-65	55-75	65-85
Fixed Income	50-70	40-60	35-55	25-45	15-35

7 Tactical Asset Allocation (TAA)

TAA seeks to improve on the risk-adjusted returns of the SAA by increasing (decreasing) exposure into asset classes/regions that are expected to outperform (underperform). Tactical asset allocation decisions will be based off technical and fundamental analysis. No asset class/region/fund will be over/under-weighted by more than 5% of that dictated by the SAA. We cannot risk tactical asset allocation to make redundant our goal of investment diversification.

8 Rebalancing Schedule

With the final asset allocation percentages ascertained via SAA and TAA, all new monies placed within the PPAM will be invested as such. Existing invested monies in the PPAM will be rebalanced to meet these same asset allocation percentages during the rebalancing timeline. Rebalancing will be done on a quarterly basis. The expected timeframe would be on the last Week of January, April, July and October. Clients retain the right to accept or reject each quarterly rebalancing recommendation.

9 Additional Information

If any fund in the portfolio falls below its operationally minimum switching amount, the rebalancing of the client's portfolio will not go through. As a result, the client is at a disadvantage since the portfolio allocation has deviated from the ideal asset allocation and yet rebalancing is unable to proceed, thus bringing about unnecessary investment risk for clients.

To ensure that our clients' portfolios will be rebalanced each quarter, at each rebalancing all of the funds in the current portfolio will have to be switched into a new set of fund combination which follows the same breakdown into geographic region and asset class. This solution allows PromiseLand to keep the minimum



investment sum of the PPAM at a low level of \$30,000, while ensuring that the quarterly rebalancing of client's portfolios can be effected despite the existence of the operational minimum switch amounts set by the Fund Managers.

Clients should not be surprised if they observe that their portfolios are invested in the same funds for alternate quarters. For example, the same funds invested in the first quarter are the same as the third quarter, and the same funds invested in the second quarter are the same funds for the fourth quarter portfolio. Clients ultimately benefit from these changes because this also means that an investor would effectively have her portfolio invested into 12 different funds over each investment year.

10 Ending Notes

Please contact your friendly PromiseLand Financial Adviser Representative if you have further questions on the PPAM. You can also contact your friendly PromiseLand Financial Adviser Representative to understand how you can start a PPAM Investment Portfolio today.

If you do not already have a dedicated PromiseLand Financial Adviser Representative serving your financial needs, please contact PromiseLand at +65 6505 4100 or email us at enquiries@promiseland.com.sg. We will arrange for a PromiseLand Financial Adviser Representative to attend to your unique investment needs.