Unicorn Financial Solutions Pte Ltd
538 Geylang Road #02-09
The Arizon Singapore 389493
Tel: (+65) 6887 3885
Website: www.unicorn.sg

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UNICORN'S PAST INVESTMENT CALLS

Any investment adviser who claims to have perfect forecasting ability is not to be trusted; no one knows the future perfectly. But with an alert and robust process for reviewing different investment opportunities as time goes by, a good investment adviser can be right a high percentage of the time.

Unicorn has just such a process – and the resulting investment calls have consequently been very helpful to clients.

Unicorn's investing committee members are made up of the same key members who had led a team within a major financial institution that advised individual investors through the crisis from 2007-2009.

These individuals, acting together, have successfully steered clients through the crisis from 2007 to 2009, and have also served them well through the challenging period since then. The number of clients and the total amount of assets under advice have thus also continued to grow.
Here are some of the more significant calls in recent years:

WHEN	INVESTMENT CALL	REMARKS
Jan 2007	Added gold as an asset class, as gold was often a safe haven in crisis at that time.	Gold was about US$640 per ounce in Jan 2007.[1] Currently, gold is about US$1,192 per ounce (12 May 2015).[2]
Oct 2007	Advised clients to allocate assets to achieve 50% Capital Preservation and 50% Capital Growth.	We foresaw troubled times ahead and wanted clients' portfolios to weather the impending global financial crisis to be ready for opportunities that would eventually emerge.

This is for general information only and should not be used as a basis for making any specific investment, business or commercial decisions. Past performance is not necessary indicative of future performance.

WHEN	INVESTMENT CALL	REMARKS
Sep 2008	Advised that 30% of client's investment portfolio should be in China Equities.	The Shanghai Composite Index had fallen about 65% in 2008[4] from its peak in Oct 2007, but the long-term story was, we felt, intact and attractive. Currently, it is about 118% up (12 May 2015).[5]
Jun 2009	Recommended that clients remove Europe entirely from their investment allocation. We believed Europe might go up further, albeit in the very short term, and we wanted to pre-empt what we felt would be a significant fall by reducing exposure fast.	Between Jun – Dec 2009, our recommended European fund, Aberdeen European Opportunities, was up 25%[6], but EU has been floundering since then. Aberdeen European Opportunities was about SGD$0.855 in Jun 2009 and is currently at SGD$1.39 (May 2015).[7] We remained unconvinced of a real recovery in Europe.
Jan 2010	Encouraged clients to hold positions in China, and continue dollar cost averaging into Chinese equities despite market fears of the Chinese economy.	Shanghai Composite Index went down to a low of about 1,950 pts in Dec 2012 before rising back to 4,401 pts on 12 May 2015[5]. It was even at a low of about 1,888 pts (Jun 2013)[9], which based on 12 May 2015[5], has proven to be great news.
May 2010	Allocated a small percentage of recommended portfolios into South Korean equities.	KOSPI ran up by about 30% in the next 12 months (May 2010 to May 2011).[10]
Sep 2010	Removed Middle East and North Africa from our recommended portfolios and introduced oil as an asset into client's portfolios as oil prices were at a low of USD$74 per barrel in September 2010[11].	Oil prices subsequently went up by an estimate of about 60%, peaking at about USD$120 per barrel in Apr 2011.[12]
Oct 2011	Added Global Emerging Market (GEM) funds into client's portfolio.	Between Oct 2011 and May 2013, the recommended GEM fund that we have bought into, Aberdeen Global Emerging Market, was up by 24%.

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WHEN	INVESTMENT CALL	REMARKS
Oct 2013	Recommended clients to either fully remove or to withdraw only the capital invested in the US from their portfolio due to an increase in price of US equities over a period of 4 years and 8 months. Portfolio allocation then had a 35% exposure to China, 15% to Asia, 15% GEM, 10% Resources & 5% Singapore, 20% Money Markets.	Since reaching a bottom in March 2009 (during the US subprime financial crisis), the S&P500 index has increased by almost 160%[13] as of Oct 2013.
Mar 2014	Recommended a reduction of client's exposure to equities, due to an expectation that a correction is due in the US, which might have an adverse impact on other markets. In this reallocation exercise, clients were advised to allocate 50% of their portfolio to Capital Preservation assets, and to increase exposure to China to 50%.	US Price-Earnings (PE) ratio was 18 times[14], where we believe is fair value, and the probability of a correction in the US equity market will increase as prices climb higher from here. The bull run in the US has also lasted over 5 years, one of the longest ever. The slowing of Quantitative Easing, expectations of lower liquidity and the eventual interest rate increases also played a part in our decision with exit the US. PE ratios for Chinese equities are at its lowest in nearly 10 years, and from a fundamental standpoint, are very attractively priced. The Chinese economy is also more insulated to US economic situation & monetary policies than most other economies, due to its huge savings, foreign exchange reserves & capital controls. China's growth is also domestically driven, making it more resistant against external shocks[15].
Jan 2015	Recommended clients to allocate 15% of portfolio into energy funds.	Price of oil fell 60% since its recent peak in June 2014 (to approx USD45/bbl from about USD107/bbl)[16]

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Source

[1]2007 Gold Price History:
http://www.usagold.com/reference/prices/2007.html

[2]Gold, Silver, and Industrial Metals Prices:
http://www.bloomberg.com/markets/commodities/futures/metals/

[3]Vietnam Stock Market (VN-Index):
http://www.tradingeconomics.com/vietnam/stock-market &
Vietnam Ho Chi Minh Stock Index:
http://www.bloomberg.com/quote/VNINDEX:IND/chart

[4]"China's Stock Market Drops Over 65 Percent in 2008"
http://www.theepochtimes.com/n2/china-news/china-stock-market-2008-drop-9962.html

[5]Shanghai Stock Exchange Composite Index:
http://www.bloomberg.com/quote/SHCOMP:IND/chart

[6]Euro Stoxx 50 Chart:
http://www.bloomberg.com/quote/SX5E:IND/chart

[7]Fundsupermart.com's Chart Centre:
http://www.fundsupermart.com/main/fundinfo/chartCenter_switch.svdo

The **S&P 500, or the **Standard & Poor's 500**, is a stock market index based on the market capitalizations of 500 leading companies publicly traded in the U.S. stock market, as determined by Standard & Poor's. It is one of the most commonly followed equity indices and many consider it the best representation of the market as well as a bellwether for the U.S. economy. https://en.wikipedia.org/wiki/S%26P_500

[8]S&P 500 Index:
http://www.bloomberg.com/quote/SPX:IND/chart

[9]"Shanghai Composite Index drops to lowest in 4 years"
http://english.cntv.cn/program/newsupdate/20130625/105015.shtml

[10]Korea Stock Exchange KOSPI Index:
http://www.bloomberg.com/quote/KOSPI:IND/chart

[11]"Oil falls below $74 a barrel as summer driving season ends":
http://articles.latimes.com/2010/sep/07/business/la-fi-0907-oil-20100907

[12]Crude Oil (petroleum) Monthly Price - US Dollars per Barrel:
http://www.indexmundi.com/commodities/?commodity=crude-oil&months=300

[13]Yahoo Finance

[14]http://www.multpl.com/table?f=m

[15]New$ and View$:
http://www.news-to-use.com/category/manufacturing/europe-manufacturing

[16]Oil-price.net, Crude oil and Commodity price:
http://www.oil-price.net/

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