

PRESS RELEASE

Release Date : Embargoed until 28 February 2008

Origin Country : Singapore

Title : **GYC EVEREST Investment Portfolio offers 0% upfront sales charge**

Introduction

EVEREST is an investment solution for today's investors, bringing a high net worth proposition to the man-in-the-street at an unbeatable low cost. EVEREST's dynamic, versatile framework provides each client with a carefully constructed portfolio. It puts investors' wealth accumulation needs ahead of sales commissions.

Features of EVEREST:

- 0% upfront sales charge
- Hurdle rate of 2% before GYC is entitled to a performance fee
- High watermark
- Available to retail investors with low minimum of S\$50,000 cash to start

Retail investors have more often than not gotten the raw end of the deal. They pay high upfront fees or sales charge of up to 5.5% when buying authorised unit trusts. On the other hand, the high net worth (HNW) pay lower fees due to their larger investment amounts and greater bargaining power. Banks generally find it more efficient to service a single HNW client with say, \$10 million of investible funds versus an equivalent 100 clients with \$100,000 investments. The cost and effort involved is considerably higher for the latter even though the total invested funds is the same. The retail investor effectively subsidises the HNW's investments.

Financial Advisers (FAs) have tried to fill the gap by targeting the priority banking market segment. While they are better positioned to advise on individual needs, they have arguably less resources than banks in terms of portfolio management and customer service. Most FAs are still reliant on sales commission as the main income generator. It stands to reason that the number of clients any FA can competently serve is also limited, and like the banks, the clear preference is to find clients with greater investible assets.

The fallout from this current situation is twofold:

1. On the sell side, distributors (eg. banks and FAs) will be tempted to “churn” or encourage retail investors to switch from product to product, as long as there is an upfront sales charge.
2. On the buy side, retail investors would suffer a higher cost of investment which erodes their returns. The situation is further exacerbated when churning is carried out. The sum effect is that investors become exposed to greater risks on their invested capital.

Since 2004, GYC has been making portfolio management simpler and more robust for the benefit of the man-in-the-street. Our clients and advisers have experienced superior risk-adjusted returns using our asset allocation model. We believe that everyone, not just the HNW, should have access to good portfolio management. EVEREST is an extension of this philosophy, systematised and re-packaged to reduce the cost structure and minimum investment amount, currently set at \$50,000. EVEREST is managed by the GYC team supported by its external investment committee and technology infrastructure, not a singular adviser who may have the breadth but not the depth of investment expertise.

Each EVEREST portfolio encompasses different asset classes and geographical sectors, carefully balanced to mitigate risks while providing opportunities to take advantage of growth from the major economic blocs. To give investors a head-start, we will not charge investors a single cent to start an EVEREST portfolio. We are sufficiently confident of our investment process that we will only be paid if your investment returns more than our current hurdle rate of 2% pa. For example, no performance fee is collected if the portfolio returns 1.8% after one year, but if it returns 10%, you enjoy 8% net returns as GYC is entitled to 20% of profit, i.e. 2%.

We further align EVEREST to individuals' needs for long-term capital growth by having a high watermark. Over a 12-month period, any gains are locked in and together with the initial capital, treated as the new base for the subsequent year's performance fee calculation. Thus, the base can only go up.

GYC officially launches the revolutionary EVEREST today at the Tower Club, with invited guests and our partners in attendance. We believe it will transform the Singapore investment landscape and break the mould of how investment products have been designed and sold, for the benefit of the general public.

To find out more, please visit www.gyc.com.sg or call Aw Choon Hui at 6349 1443 (email choonhui@gyc.com.sg).

About GYC Financial Advisory Pte Ltd:

GYC is a leading independent financial solutions provider in Singapore to both individuals and companies. It is the number one financial adviser in Singapore (by net profit) as ranked by DP Info in its SME500 rankings. GYC has differentiated itself from its peers by its transparency in diligently tracking and publishing the average returns across all its clients' portfolios since it started operations in 2004.

As a licensed Financial Adviser, GYC provides comprehensive financial planning and managed portfolio services. In addition, it also provides discretionary investment management services including private equity funds to High Net Worth individuals.

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