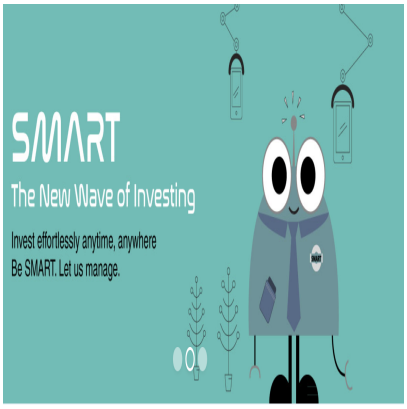


Review of Phillip SMART Portfolio â?? a silent and steady performer

Description

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Among the different robo-advisors in Singapore, Phillip SMART Portfolio has one of the lowest fees for folks wanting to invest with just S$300. By leveraging artificial intelligence and personal profiling, it recommends a suitable portfolio for you, which is then combined with their investment managersâ?? expertise who select and rebalance portfolios whenever market conditions call for it. But how exactly does it work, and could it be a good robo option for you? Read on to find out.

Introduction: How to choose a robo-advisor

The invention of robo-advisors has been a godsend to both newbie investors as well as folks too busy to do their own investments, but yet do not wish to pay the typically high fees for wealth management services (or do not have that level of capital to get started). In the past 5 years alone, weâ??ve seen various banks and brokerages launch their own robo option for investors as well, to the point where Singaporeans now find themselves spoilt for choice.

When it comes to choosing a robo, you should aim to find one that meets the following criteria:

1. Do you trust the provider?
2. Do you have the minimum capital needed to get started?
3. Do you feel the fees charged are reasonable?
4. Do you understand their investing methodology?

#1 has been a sensitive issue among Singaporeans ever since fintech robo-advisory service Smartly shut down in March 2020. This is why some people still prefer to go with a provider that has been around for a much longer time â?? Phillip SMART Portfolio stands out for this reason as it is being offered by Phillip Securities (a member of PhillipCapital Group), which has been around since 1975. With their extended history and experience in the field, the brand has gained trust among many Singaporeans for their quality of service, commitment and even having customer hubs (Phillip Investor Centres) located around Singapore for investors to visit in-person.

#2 and #3 often go hand-in-hand, as many robos have a tiered pricing system i.e. the more money you invest with them, the lower fees you pay. And for #4, this came to light recently when Stashaway (got unlucky) and sold KWEB literally right before a rebound.

Phillip SMART Portfolio is not new, but while it hasnâ??t been as aggressively marketed vs. its other competitors, it has been a silent but steady performer for quite some time â?? *see its prior mentions in the Business Times here and its user reviews on Seedly here.*



Letâ??s dive into how this robo-advisor works to see if it could be a good fit for you today.

How does Phillip SMART Portfolio work?



Phillip SMART Portfolio refers to itself as â??the new wave of investingâ?•, which combines technology, human expertise and low fees to make investing more accessible so that even complete beginners can get started easily.

SMART uses artificial intelligence to manage its portfolios, which are invested in unit trusts across different geographic regions, thematic sectors and asset classes.

Whatâ??s interesting is its â??Cyborg Methodologyâ?•, which essentially refers to their proprietary algorithm built by their Principal Data Scientist. This algo digests more than 1,000 data points daily at a breadth and depth (that cannot be simply interpreted at a human level) to pick up robust and actionable signals:

- Breadth = the number of unique securities studied
- Depth = the number of discretized inputs per security being monitored on a daily basis
- Strict position limits for risk management are then put in place to ensure optimisation for investment performance

With this, it allows the team to react quickly and dynamically to changing market developments around the world.

How often is Phillip SMART Portfolio rebalanced?

Unlike some other robo advisory services in the market, Phillip SMART Portfolio **does not have a fixed rebalancing schedule**, and there are **no fees charged whenever rebalancing** takes place.

The rationale behind this is because PhillipCapital has designed it such that the SMART algorithm can react in a timely manner whenever market conditions change. Their rebalancing frequency is based on market volatility. As a result, investorsâ?? portfolio performance does not suffer (from fees) even if there is a higher frequency of rebalancing applied.

FYI: Using myself as an example, I happened to invest right before the recent interest rate hikes, and the marketsâ?? anticipation caused higher volatility in the markets. As a result, Phillip SMART Portfolio had a strong rally last month which resulted in a 4.4% increase for the high risk portfolio (in a single month!) whereas fixed income holdings had been retracing for the past few weeks. My account buy-in was therefore delayed, and my capital only got deployed during the marketâ??s temporary retracement (which Phillip SMART Portfolio measured from the 5.6% drop in the S&P and MSCI World Index). This was a good start for my portfolio and I appreciated the move.

You can view the portfolio schedule here.

Table 1: Assets allocation

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	Phillip SMART Portfolio – Income	Phillip SMART Portfolio – Income & Growth	Phill
ASIAN BONDS	UP TO 100%	UP TO 100%	
US BONDS			
EUROPE BONDS			
GLOBAL BONDS			
EMERGING MARKET BONDS			
ASIAN EQUITIES	UP TO 40%	UP TO 60%	
US EQUITIES			
EUROPE EQUITIES			
GLOBAL EQUITIES			
EMERGING MARKET EQUITIES			
COMMODITIES / ALTERNATIVES			

Note: The actual portfolio holdings are subject to change without notice when the portfolios are rebalanced in a
prevailing investment conditions

Who is suitable for Phillip SMART Portfolio?

If youâ??re

- new to investing
- too busy to monitor the markets

- wish to diversify your investments
- looking for a low-cost provider
- wish to start investing even though you donâ??t have a lot of capital yet
- looking for affordable Wealth Management solutions to grow your wealth

then youâ??ll want to seriously consider if Phillip SMART Portfolio could be good for you, especially given its low minimum starting capital of S$300, which means almost anyone can invest with Phillip SMART Portfolio. And if you wish to do dollar-cost averaging, there is also an optional monthly regular top-up from S$100.

Investment capital (you can fund this using either cash or SRS):

- minimum starting capital of S$300
- (optional) monthly DCA from S$100

I can imagine that parents who wish to start teaching their children about investing can even set up an account on their behalf and start investing your kidsâ?? ang pao money. *Note: there are no joint accounts due to KYC purposes, similar to many other robos.*

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All the funds in your Phillip SMART Portfolio are your assets, which are held under your name in the custody of Phillip Securities Pte Ltd.

How much are fees?

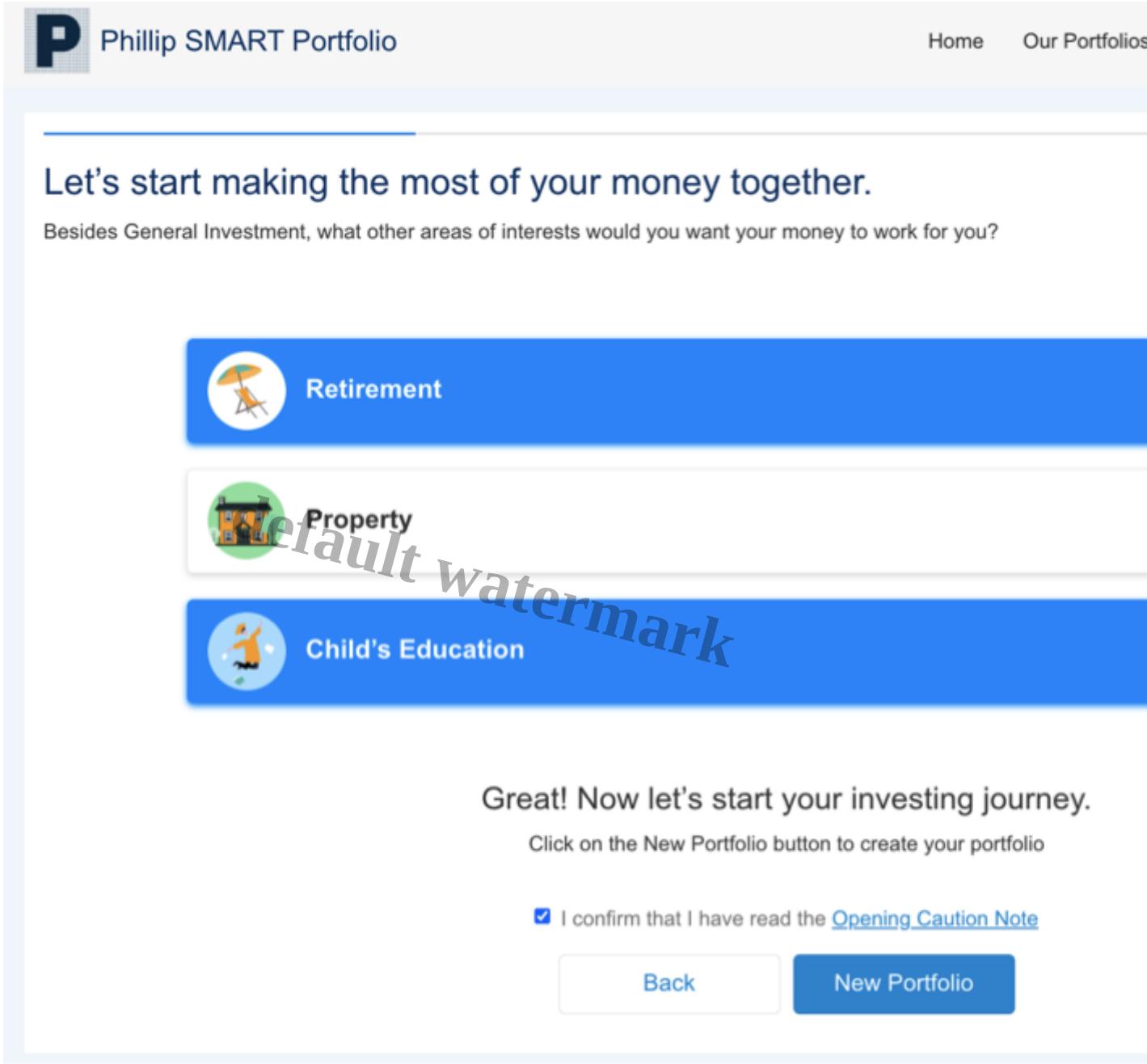
Phillip SMART Portfolio charges just **0.5% per annum** for its services, which is **among the lowest of all robo services** in Singapore right now. *What you pay for essentially is to have your portfolio managed by professional portfolio managers, who curate the portfolio holdings and execute rebalancing strategies for you.*

Thereâ??s no entry or exit fees, meaning you can terminate at any time without a penalty if you *reallllllly* needed the cash urgently for something else.

How to get started

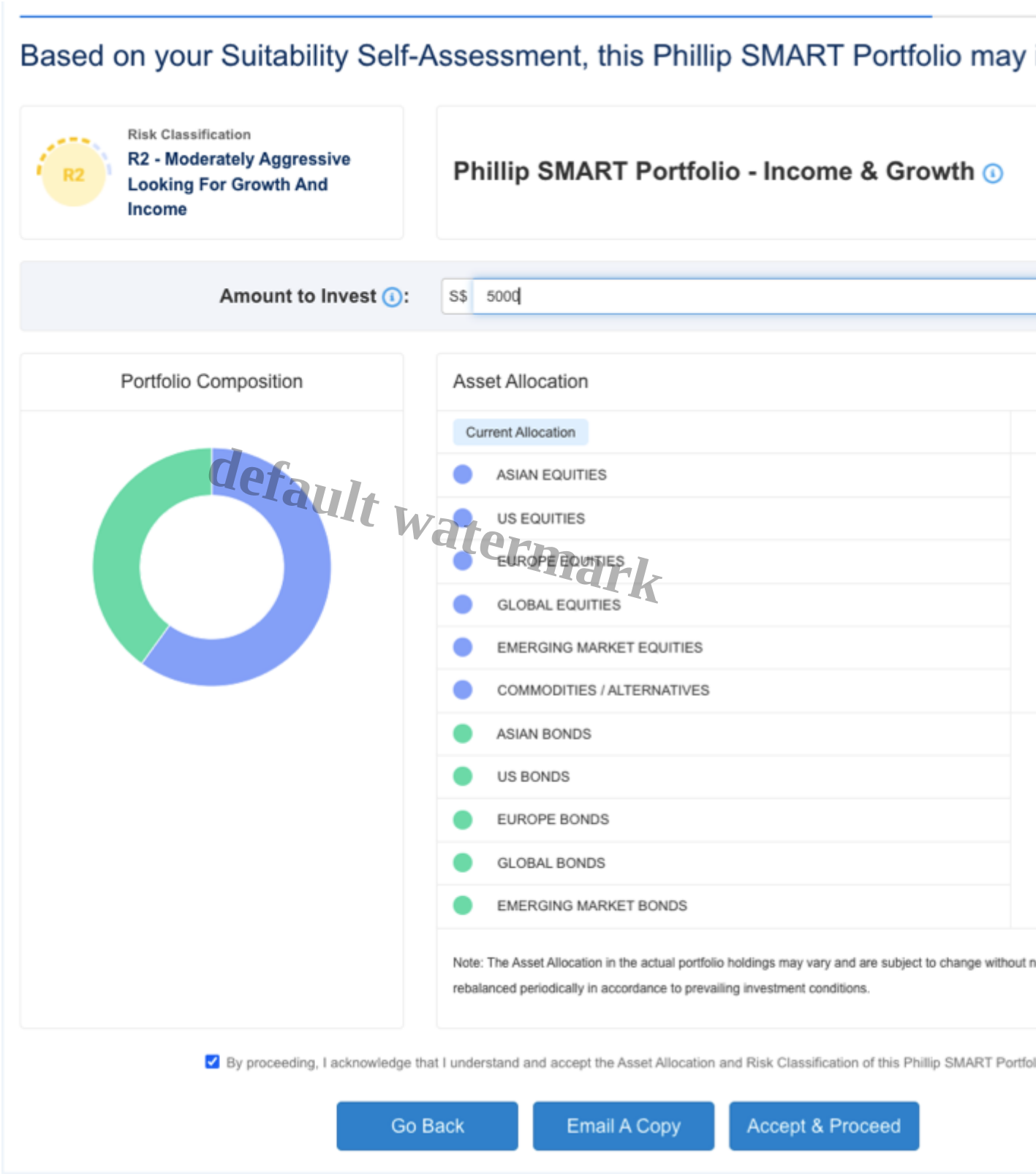
It is easy to get started with just 3 steps:

- Complete an online risk assessment
- Submit your personal details in the application
- Fund your account



Once youâ??ve completed the suitability assessment to determine your risk profile, youâ??ll get a proposed portfolio recommendation. In general, there are 3 risk profiles:

- Low risk â?? with high liquidity needs
- Moderately aggressive â?? looking for growth and income
- Aggressive â?? looking for growth



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Hereâ??s a view of my funded portfolio:

Portfolio Holdings Breakdown by Country

Collapse All | Expand All

Name	Fund Source	Product	Geography	Qty	Traded Ccy	Ave Cost	Last Done	Total Cost (SGD)	Market Value (SGD)	% Port	UnR P/L (SGD)	UnR P/L%
Equities												
JPM BRAZIL EQUITY A (ACC) SGD (LU0532187761) - W*	Cash	Unit Trusts	BRAZIL	0.00	SGD	0.0000	7.7200	121.26	121.26	24.25	0.00	0.00
PINEBRIDGE INDIA EQUITY FUND A5CP SGD - W*	Cash	Unit Trusts	INDIA	0.00	SGD	0.0000	37.7604	3.54	3.54	0.71	0.00	0.00
ABRDN INDONESIA EQUITY FUND - W*	Cash	Unit Trusts	INDONESIA	0.00	SGD	0.0000	5.7548	44.96	44.96	8.99	0.00	0.00
Sub Total :									169.76	33.95	0.00	0.00
Cash and Equivalents												
CASH BAL (SGD 0.00)	Cash	Cash	OTHERS	0.00	SGD	0.0000	0.0000	0.00	0.00	0.00	0.00	0.00
PHILLIP MONEY MARKET FUND	Cash	Unit Trusts	SINGAPORE	170.08	SGD	1.2290	1.2292	209.03	209.06	41.81	0.03	0.01
Sub Total :									209.06	41.81	0.03	0.01
Commodities												
FTIF FRANKLIN GOLD AND PRECIOUS METALS FD A (ACC) SGD - W*	Cash	Unit Trusts	GLOBAL	0.00	SGD	0.0000	7.4900	121.26	121.26	24.25	0.00	0.00
Sub Total :									121.26	24.25	0.00	0.00
Grand Total									500.08	100.00	0.03	0.01

Dawn's SMART Portfolio
www.sgbudgetbabe.com

Image: Authorâ??s own / Dawnâ??s Phillip SMART Portfolio

P.S. Should your lifeâ??s priorities change and you ever need to adjust your risk profile to take on another portfolio option, you can do so by following the instructions here.

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TLDR: Verdict of Phillip SMART Portfolio

Phillip SMART Portfolio makes it easy to invest your money, especially if you have little time to do so yourself but wish to outsource that for a low cost. The key benefits are:

- Low starting investment amount of only SGD 300
- No upfront fee, no brokerage & no platform fee
- Low management fee of 0.5% p.a.
- Managed by professional portfolio managers
- Fast and simple online account opening
- Online access to your portfolio holdings

Opening an account is free, and the low starting capital makes it easy for even investors with a smaller sum to get started.

Sponsored Message
Start investing in Phillip SMART Portfolio with just S$300 with a low manageme

Your journey to fuss-free investing starts here.
Open an account here now!

Category

1. Investing