

LionGlobal Singapore Fixed Income Investment

The LionGlobal Singapore Fixed Income Investment aims to achieve steady returns over time by investing primarily in bonds and other debt securities denominated in Singapore Dollars. In addition, the Fund may also invest in bonds and other debt securities in currencies other than the Singapore Dollar. It is the current intention of the Managers to invest this as a direct investment portfolio.

Fund Manager's Commentary

December 2020 was a fairly heavy event and headline driven month, where US Food and Drug Administration approves Pfizer and Moderna's vaccines, along with another bout of fiscal stimulus resulted in stronger market sentiment. Over the course of the month, movements on the US Treasury curve(UST) remained unfazed by the persistent rise in COVID-19 cases and weak labour market from the deteriorating US employment, served to reinforce market's expectation for the bi-partisan government to finalise the fiscal stimulus package. After several iterations, US lawmakers approved a fiscal stimulus package totaling USD900 billion, which would provide some interim support for individuals and small businesses ahead of President-elect Joe Biden's inauguration on 20th January 2020. As a result, the UST curve steepened, pivoted at the 5th year, where yields on the mid to longer tenors edged higher by 3-11basis points (bps) while short dated UST yields inched lower 2-3bps. On the geopolitical front, the US Department of Commerce released a list containing Chinese companies who have ties with the China military, this imposed additional license requirements on US entities that have businesses with the named companies on the list, keeping all eyes on incoming President-elect Biden's lean on foreign policy, expectations for the latter to keep up with the tough stance through his term.

In the Eurozone, the spread of COVID-19 cases continues, this resulted in incremental lockdown measures across the bloc. In Germany, the authorities mandated the closures of all schools, daycares, as well as non-essential shops, restaurants, and bars, except for delivery and carryout services, with the measures to remain effect until at least 10th January 2020. US monetary policy bore the heavy lifting in the Europe, with European Central Bank(ECB) announcing additional easing measures in December 2020. ECB increased the Public Employment Pension Plan by EUR500 billion and extended the program by 9 months to March 2022. The Long Term Repo Operations 3 loan program is increased from 50% to 55% of their eligible stock of loans, with its tenor extended to June 2022.

Over in Singapore, the government announced that the first batch of vaccines will be arriving by the end of December 2020, with the COVID-19 vaccinations to be made free for all Singaporeans and long-term residents currently in Singapore, targeting for everyone who wants a vaccination to receive it by the end of 2021. In spite of the gradual loosening of lockdown measures, Singapore's economic recovery remained uneven. On the rates front, Monetary Authority of Singapore's 28-day bill auction cutoffs reached a high of 0.64% in December 2020, fueling an inversion on the front end amid softer liquidity across the month. Separately, the 2 year and 10 year Singapore Government Securities have yields trading to a high of 0.37% and 0.95% respectively, before landing lower at 0.29% (+2bps Month on Month) and 0.84% (-4bps Month on Month), with stronger relative value over the longer dated 10 year Singapore Securities.

Performance (%)

		1-year	3-years p.a.	5- years p.a.	10-years p.a.	Since Inception p.a.
SGD Class A¹	NAV	7.1	4.3	4.3	3.4	3.2
	NAV [^]	3.9	3.3	3.6	3.1	3.2
	Benchmark [#]	8.0	5.0	4.4	3.3	3.0
SGD Class I^{##}	NAV	7.4	4.6	-	-	4.0
	NAV [^]	7.4	4.6	-	-	4.0
	Benchmark [#]	8.0	5.0	4.4	3.3	3.7

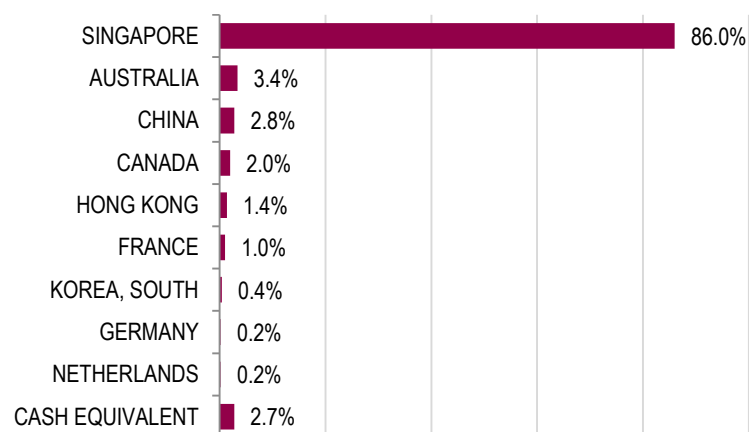
Past performance is not necessarily indicative of future performance

Source: Lion Global Investors Ltd / Morningstar

Fund Facts

Fund Inception Date:	
SGD Class A	31 August 2001
SGD Class I	06 April 2016
Subscription Mode:	Cash, CPFIS-OA ⁵ , CPFIS-SA ⁵ , SRS ⁵
Minimum Investment:	
SGD Class A / SGD Class I	S\$1,000 / S\$1million
Initial Charge:	Class A: Currently 3% Maximum 5%
	Class I: Currently Nil Maximum 5%
Management Fee:	Class A: Currently 0.5%p.a.
SGD Class A/ SGD Class I	Maximum 2.0%p.a.
	Class I: Currently 0.25%p.a.
	Maximum 2.0%p.a.
Switching Fee SGD Class A / SGD Class I:	1.0% / Nil
Valuation Frequency:	Every dealing day
NAV Price (Class A / SGD Class I):	S\$1.883/S\$1.904
Fund Size:	S\$130.1 million
Weighted Yield to Maturity ² :	1.44%
Weighted Duration ³ :	7.29years
Weighted Credit Rating ⁴ :	AA-

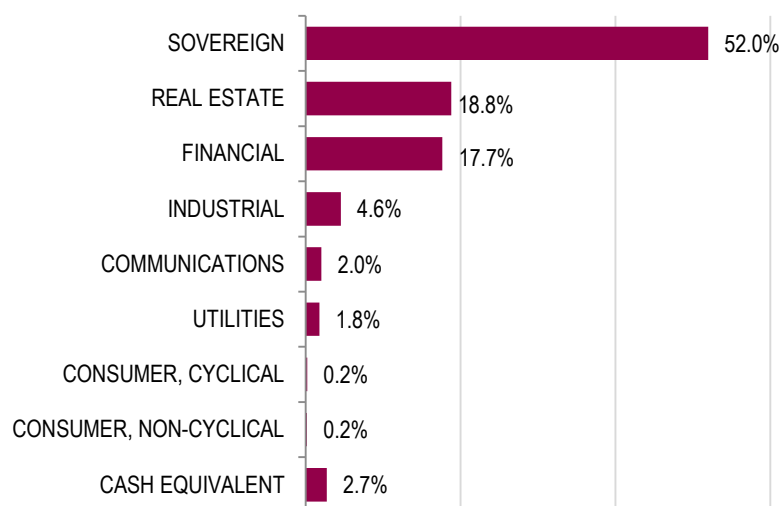
Country Allocation (% of NAV)



Codes

SGD Class A	SG9999003263 OCBSFIA
SGD Class I	SG9999003271 OCBSFII

Sector Allocation (% of NAV)



Currency Exposure of Bonds (% of NAV)

SGD	98.3
USD	1.7
	100.0

Credits Rating⁵ (% of NAV)

Investment Grade	99.0
High Yield	0.2

Benchmark: JP Morgan SGB Index.

Class I SGD reinstated on 6th April 2016

^ NAV: Figures include Initial Charge.

¹ Returns are based on a single pricing basis. Return periods longer than 1 year are annualised. Dividends are reinvested net of all charges payable upon reinvestment and in respective share class currency terms.

² In local currency yield terms and on unhedged Foreign Exchange (FX) basis. Inclusive of cash & equivalents at a yield of 0.10%.

³ Inclusive of cash & equivalents which are assumed to be zero duration.

⁴ Includes cash & equivalents @ AA, takes the worst of S&P, Moody's or Internal ratings and based on a straight-line model.

⁵ CPFIS Ordinary Account ("CPFIS-OA"), CPFIS Special Account ("CPFIS-SA ") and Supplementary Retirement Scheme ("SRS") monies may be used to purchase the Class A (SGD) Units only.

Distribution of income and capital will be at the Managers' sole discretion. Any distributions made out of capital will reduce the net asset value of the Fund.

The above is based on information available as of 31 December 2020, unless otherwise stated. The bonds referenced are not intended as recommendations to buy or sell. Opinions and estimates constitute our judgment and along with other portfolio data, are subject to change without notice.

Top 10 Holdings (% of NAV)

SINGAPORE (GOVT OF) 2.875% 01/09/2030	11.6
SINGAPORE GOVERNMENT 2.25% 01/08/2036	8.5
SINGAPORE GOVERNMENT 2.75% 01/03/2046	5.6
SINGAPORE (GOVT OF) 3.5% 01/03/2027	5.4
SINGAPORE (REPUBLIC OF) 2.875% 01/07/2029	4.7
SINGAPORE (GOVT OF) 3.375% 01/09/2033	4.2
SINGAPORE (GOVT OF) 2.75% 01/04/2042	3.0
SINGAPORE GOVERNMENT 1.875% 01/03/2050	2.4
SINGAPORE GOVERNMENT 2.125% 01/06/2026	2.2
SINGAPORE GOVERNMENT 2.375% 01/07/2039	2.1

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Lion Global Investors is the Singapore Representative for Lion Global Funds.

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