

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

Reflationary trade continued into February 2021 with yields on a firm upward trend. Generally stronger economic data, rollout of vaccine and progress in the fiscal package underpinned the optimism in global recovery with comments from US Treasury Secretary Yellen also helping to fuel the climb in yields. In Powell's testimony to the Senate Banking Committee, he maintained that the Federal is nowhere near to tapering as the economy is a long way from employment and inflation goals and that it could take more than three years to hit the 2% average inflation target. Despite dovish comments from Powell and other Federal governors, bonds continue to sell off and a mini tantrum occurred in the last week of the month with 10 Year US Treasury spiking to a high of 1.61% on 25th February 2021 during intraday trading before unwinding on the last trading day of the month. On the whole, Federal did not seem to be concerned about the rise in yields. On the other hand, European Central Bank (ECB) Lagarde said they are closely monitoring the evolution of longer term nominal yields which suggests the Central Bank is uncomfortable with the current bond sell-off.

Minutes of the January 2021 Federal Open Market Committee meeting indicated that members of the committee generally had a more upbeat assessment of the economy given the expectations of more fiscal support and rollout of vaccine. However, it was noted that economic performance varied widely across sectors. On the inflation front, any near term inflationary pressures are likely to be look through as the price pressures are likely to be driven by transitory factors. While overall outlook has improved, the Federal believes that the economy is still a long way from achieving its dual mandate objectives of full employment and 2% average inflation goals and it will take some time for substantial progress to be achieved.

The selloff in rates saw the US Treasury (UST) curve bear steepening with the difference between 2 Year (Y) and 10Y UST yields increasing by 32 basis points to 128 basis points. Underperforming the rest of the tenors, 10Y UST yield reached a one-year high of 1.52% before retracing part of the climb to end at 1.41%, 34 basis points higher than end of January 2021. The belly of the curve also sold off with 5Y UST yield up by 31 basis points. Apart from the sharp rise in nominal yields, real yields also moved higher with 10Y real yield at around -0.74% from -1.04% at end January 2021. Singapore Government Securities (SGS) saw a similar rise in yields in February 2021 with 30Y SGS registering the biggest increase in yield of 43 basis points. 30Y SGS underperformed 30Y UST with the sell off in the 30Y SGS likely exacerbated by news of the Singapore government's plan to issue infrastructure bonds. The government intends to issue SGD 90 billion of infrastructure bonds over the next 15 years to finance long term infrastructure projects like new MRT lines and building of tidal walls.

Central banks around the world had reacted differently to the recent surge in yields. While Federal officials appeared unfazed, some central banks were uncomfortable with the sharp rise in yields with the Reserve Bank of Australia doubling its purchase of bonds. ECB officials had also expressed concerns about the selloff in bonds with the Governor of Bank of France saying that the recent rise in bond yields was unwarranted and ECB needs to push back using the flexibility embedded in its bond purchase program. Thus far, Federal government were generally not too concerned with the rise in yields save for Federal Governor Brainard who stated that she would be concerned if she saw disorderly conditions or persistently tightening in financial conditions that could affect the progress to Federal's dual goals. Market is waiting to see if Federal will push back on the rising yields. On the domestic front, Monetary Authority of Singapore is unlikely to begin tightening at its April 2021 meeting and is likely to keep monetary conditions accommodative so as to support the recovery of the Singapore economy.

Performance (%)

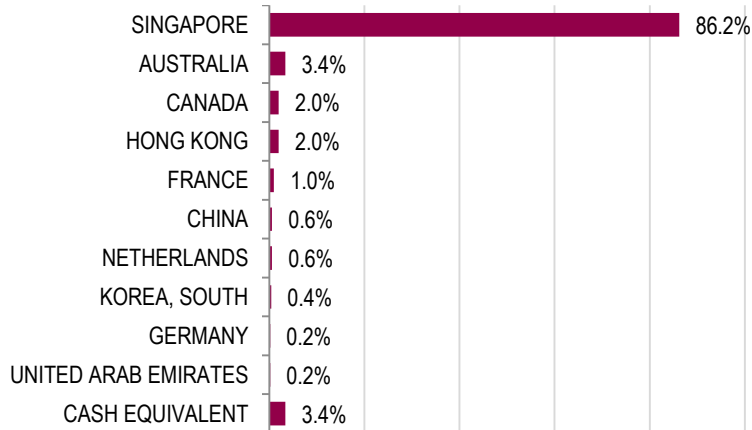
		1-year	3- years p.a.	5- years p.a.	10- years p.a.	Since Inception p.a.
SGD Class A¹	NAV	1.4	3.9	3.3	3.0	3.1
	NAV [^]	-1.6	2.9	2.7	2.7	3.0
	Benchmark [#]	1.4	4.4	3.3	2.9	3.3
SGD Class I^{##}	NAV	1.7	4.2	-	-	3.2
	NAV [^]	1.7	4.2	-	-	3.2
	Benchmark [#]	1.4	4.4	-	-	3.2

Past performance is not necessarily indicative of future performance
Source: Lion Global Investors Ltd / Morningstar

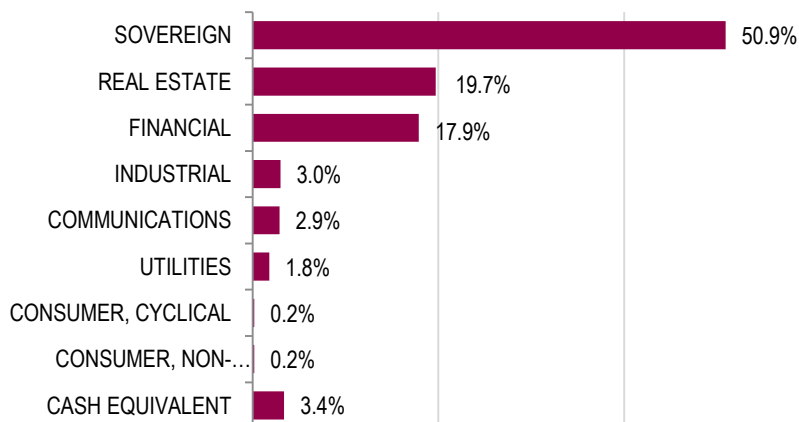
Fund Facts

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	
	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. 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\$1.828/S\$1.849	
Fund Size:	S\$127.1million	
Weighted Yield to Maturity ² :	1.54%	
Weighted Duration ³ :	7.08years	
Weighted Credit Rating ⁴ :	AA-	

Country Allocation (% of NAV)



Sector Allocation (% of NAV)



Codes

SGD Class A	SG9999003263
	OCBSFIA
SGD Class I	SG9999003271
	OCBSFII

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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 28 February 2021, 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.

Currency Exposure of Bonds

(% of NAV)

SGD	100.0
	100.0

Credits Rating⁴ (% of NAV)

Investment Grade	99.8
Investment Yield	0.2
	100.0

Top 10 Holdings (% of NAV)

SINGAPORE (GOVT OF) 2.875%	
01/09/2030	11.4
SINGAPORE GOVERNMENT 2.25%	
01/08/2036	8.1
SINGAPORE (GOVT OF) 3.5%	
01/03/2027	5.4
SINGAPORE GOVERNMENT 2.75%	
01/03/2046	5.1
SINGAPORE (REPUBLIC OF) 2.875%	
01/07/2029	4.7
SINGAPORE (GOVT OF) 3.375%	
01/09/2033	4.1
SINGAPORE GOVERNMENT 1.875%	
01/03/2050	3.0
SINGAPORE (GOVT OF) 2.75%	
01/04/2042	2.9
SINGAPORE GOVERNMENT 2.125%	
01/06/2026	2.2
HOUSING & DEVELOPMENT BOARD	
MTN (BR) 2.505% 27/06/2024	2.1

For further information or to obtain a copy of the prospectus:

Funds Hotline | +65 6417 6900
Facsimile | +65 6417 6806
www.lionglobalinvestors.com

Lion Global Investors Limited
65 Chulia Street #18-01
OCBC Centre
Singapore 049513

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