

For the financial year ended 30 June 2019

ANNUAL REPORT LIONGLOBAL SHORT DURATION BOND FUND

Lion Global Investors Ltd

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DIRECTORY

Manager

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

Directors of Lion Global Investors Limited

Mr Khor Hock Seng (Chairman)
Mr Ching Wei Hong (Deputy Chairman)
Mr Gerard Lee How Cheng (CEO)
Mr Norman Ip Ka Cheung
Mr Tan Siew Peng
Mr Ronnie Tan Yew Chye
Ms Wee Ai Ning
Ms Chong Chuan Neo (appointed on 13 August 2019)

Trustee/Registrar

HSBC Institutional Trust Services (Singapore) Limited
21 Collyer Quay
#13-02 HSBC Building
Singapore 049320

Custodian

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road
Central, Hong Kong

Independent Auditor

PricewaterhouseCoopers LLP
7 Straits View, Marina One
East Tower, Level 12
Singapore 018936

PERFORMANCE OF THE FUND

For the financial year ended 30 June 2019

Past performance is not necessarily indicative of future performance. Cumulative returns for the fund are calculated up to 30 June 2019 in SGD terms, on a single pricing basis with dividends reinvested net of all charges payable upon reinvestment.

Time Period	Fund Returns (%) (SGD Class A Dist)	Benchmark* Returns (%)
3 months	1.4	0.5
6 months	3.4	0.9
1 year	4.4	1.8
3 years**	2.6	1.4
5 years**	2.9	1.2
10 years**	3.7	0.8
Since Inception** (22 March 1991)	3.9	1.7

Time Period	Fund Returns (%) (SGD Class I Dist)	Benchmark* Returns (%)
3 months	1.4	0.5
6 months	3.5	0.9
1 year	4.6	1.8
3 years**	2.8	1.4
5 years**	-	-
10 years**	-	-
Since Inception** (8 July 2014)	3.3	1.2

Source: Morningstar/Lion Global Investors Ltd.

*Benchmark

1-month SGD Interbank Bid Rate: Inception – 6 August 2006

12-month SGD Interbank Bid Rate: from 7 August 2006

12-month Singapore Interbank Offer Rate - 0.25%: from 1 May 2014

12-Month London Interbank Bid Rate ("LIBID")

** Returns of more than 1 year are annualised.

LIONGLOBAL SHORT DURATION BOND FUND

Time Period	Fund Returns (%) (SGD Class A Acc)	Benchmark* Returns (%)
3 months	1.4	0.5
6 months	3.4	0.9
1 year	4.3	1.8
3 years**	-	-
5 years**	-	-
10 years**	-	-
Since Inception** (28 December 2016)	3.1	1.5

Time Period	Fund Returns (%) (SGD Class I Acc)	Benchmark* Returns (%)
3 months	1.4	0.5
6 months	3.5	0.9
1 year	4.6	1.8
3 years**	-	-
5 years**	-	-
10 years**	-	-
Since Inception** (28 December 2016)	2.9	1.5

Source: Morningstar/Lion Global Investors Ltd.

*Benchmark

1-month SGD Interbank Bid Rate: Inception – 6 August 2006

12-month SGD Interbank Bid Rate: from 7 August 2006

12-month Singapore Interbank Offer Rate - 0.25%: from 1 May 2014

12-Month London Interbank Bid Rate ("LIBID")

** Returns of more than 1 year are annualised.

LIONGLOBAL SHORT DURATION BOND FUND

Past performance is not necessarily indicative of future performance. Cumulative returns for the Fund are calculated up to 30 June 2019 in USD terms, on a single pricing basis with dividends reinvested net of all charges payable upon reinvestment.

Time Period	Fund Returns (%) (USD-Hedged Class A Dist)	Benchmark ^{##} Returns (%)
3 months	1.8	0.6
6 months	4.0	1.3
1 year	5.3	2.7
3 years**	3.2	2.1
5 years**	-	-
10 years**	-	-
Since Inception** (4 January 2016)	3.1	1.9

Time Period	Fund Returns (%) (USD-Hedged Class I Dist)	Benchmark ^{##} Returns (%)
3 months	1.8	0.6
6 months	4.1	1.3
1 year	6.0	2.7
3 years**	3.6	2.1
5 years**	-	-
10 years**	-	-
Since Inception** (28 April 2016)	3.2	2.0

Source: Morningstar/Lion Global Investors Ltd.

*Benchmark

1-month SGD Interbank Bid Rate: Inception – 6 August 2006

12-month SGD Interbank Bid Rate: from 7 August 2006

12-month Singapore Interbank Offer Rate - 0.25%: from 1 May 2014

^{##} 12-Month London Interbank Bid Rate ("LIBID")

** Returns of more than 1 year are annualised.

REVIEW

For the year ended 30 June 2019, the Fund returned 4.4%, outperforming the benchmark 12-month Singapore Interbank Offer Rate - 0.25% which returned 1.8%, in SGD terms.

Global interest rates fell over the last 12 months as the Fed shifted gear to an easing mode as the global economic recovery started to wane. Interest rates took another leg down in late May this year as US President Donald Trump ratcheted up his trade war with China by imposing tariffs on Chinese imports and blacklisted Huawei from buying essential components from US companies. The US Fed, after raising rates 4 times in 2018, lowered the Fed Funds rate 25 basis points in July 2019 and looked to further cut its rates for the rest of 2019.

Credit spreads rose sharply during the 2nd half of 2018 before tightening back to the same level at the end of 1st half 2019 on the back of easing liquidity by the US Fed and the People's Bank of China. Lower yields due to central bank easing led to investors seeking for yield, resulting in better performance for corporate bonds.

The Monetary Authority of Singapore (MAS) maintained its policy of a "slight appreciation bias" for the SGD nominal effective exchange rate (NEER) in its April 2019 policy meeting amid slowing growth and easing core inflation. The decision follows two consecutive tightening moves last year. Core inflation forecast has been cut to 1-2% in 2019 from previous 1.5-2.5% due to the larger than expected impact from the Open Electricity Market roll-out and lower oil prices. Post weak first quarter Gross Domestic Product (GDP) data, the Ministry of Trade and Industry (MTI) also narrowed its GDP forecast for 2019 to 1.5-2.5% (from 1.5%-3.5%).

The sharp fall in US rates has led to Singapore interest rates underperforming the US with yields on 10 year US Treasury falling to yielding the same as the 10 year Singapore Government Securities (SGS) at 2.0% as at the end of 1st half of 2019¹.

STRATEGY AND OUTLOOK

Global economic activity has weakened notably in 1st half of 2019. Growth softened amid an escalation in trade tensions and tariff hikes between the United States and China, a decline in business confidence and a tightening of financial conditions. The International Monetary Fund (IMF) estimates that the broadening of the US-China tariffs could reduce its global GDP growth forecasts of +3.3% in 2019 and +3.6% in 2020 by 0.3% and 0.5%, respectively.

The Fed is likely to continue to lower the Fed funds rates for 2nd half of 2019 in an attempt to protect the US economy from downside risk arising from trade tensions. Interest rates are expected remain low as the US-China trade war does not look to be resolved in the near term.

The Monetary Authority of Singapore (MAS) is also likely to ease in October 2019 given the weaker economic growth Singapore is experiencing. MTI's GDP forecast could be further revised lower after advance estimates showed the economy growing by only 0.1% year-on-year in the second quarter. This expectation and the potential drop in US Treasury yields are likely to keep US rates outperforming Singapore interest rates.

Notwithstanding the volatility arising from risk-off events, the lower global rates environment will eventually be supportive of credit spreads as funds continue to deploy their cash into corporate bonds in their search for yield. The Fund is positioned to benefit from corporate spread tightening from its holdings of short dated high quality corporate bonds.

¹ Source: Bloomberg, as of June 2019.

As of 23 August 2019.

DISCLOSURES ON THE FUND¹

For the financial year ended 30 June 2019

1. DISTRIBUTION OF INVESTMENTS AS AT 30 JUNE 2019

	Fair Value \$	Percentage of total net assets attributable to unitholders %
a) <u>By Asset Class</u>		
Debt securities (including accrued interest on debt securities)	425,883,768	95.9
Financial derivatives at fair value	1,324,778	0.3
Cash and other net assets	16,784,977	3.8
Net assets attributable to unitholders	443,993,523	100.0
b) <u>By Credit Rating of Debt Securities</u>		
Aaa	11,402,600	2.6
Aa3	1,897,587	0.4
A1	15,314,505	3.4
A2	25,509,483	5.7
A3	16,499,648	3.7
Baa1	34,668,796	7.8
Baa2	98,345,711	22.2
Baa3	34,703,658	7.8
Ba2	5,669,199	1.3
Unrated	178,143,845	40.2
Accrued interest on debt securities	3,728,736	0.8
Total debt securities	425,883,768	95.9
c) <u>By Derivative Type</u>		
Foreign exchange forward contracts	1,359,088	0.3
Futures contracts	(34,310)	*
	1,324,778	0.3

The net realised losses and unrealised gains from financial derivatives at the end of the year were \$1,432,758 and \$1,324,778 respectively.

* denotes amount less than 0.1%

¹ As required by the Code on Collective Investment Schemes.

2. TOP 10 HOLDINGS
As at 30 June 2019

	Fair Value	Percentage of
	\$	total net assets
		attributable to
		unitholders
		%
Lend Lease Retail Investments 3 Private Limited Series MTN 3.28% due 03/09/2021	8,014,880	1.8
United Overseas Bank Limited Series EMTN Var due 16/09/2026	7,804,434	1.8
IOI Investment Berhad Series EMTN 4.375% due 27/06/2022	7,571,574	1.7
Government of Singapore 3% due 01/09/2024	7,404,600	1.7
Ascott REIT MTN Private Limited Series MTN 4.205% due 23/11/2022	7,061,513	1.6
CapitaLand Limited 2.8% due 08/06/2025	7,011,935	1.6
Straits Trading Company Limited Series EMTN 3.73% due 19/07/2021	6,807,240	1.5
Keppel Land Financial Series EMTN 3.259% due 11/12/2019	6,774,931	1.5
Standard Chartered PLC Var due 23/01/2026	6,387,688	1.4
Wing Tai Holdings Limited Series MTN 4.5% due 26/09/2022	6,208,920	1.4

As at 30 June 2018

	Fair Value	Percentage of
	\$	total net assets
		attributable to
		unitholders
		%
Sembcorp Industries Limited Series MTN Var Perpetual	8,703,437	2.5
United Overseas Bank Limited Series EMTN Var due 16/09/2026	7,632,016	2.2
Ascendas Hospitality Trust Series MTN 3.3% due 07/04/2020	7,079,800	2.0
Ascott REIT MTN Private Limited Series MTN 4.205% due 23/11/2022	7,035,053	2.0
Straits Trading Company Limited Series EMTN 3.73% due 19/07/2021	6,848,213	2.0
CapitaLand Limited 2.8% due 08/06/2025	6,830,215	1.9
ICBC Asia Limited Series EMTN Var due 10/10/2023	6,355,397	1.8
Mapletree Treasury Services Limited Series EMTN Var Perpetual	6,317,875	1.8
Standard Chartered PLC Var due 23/01/2026	6,139,440	1.7
ONGC Videsh Limited 3.25% due 15/7/2019	6,053,862	1.7

3. GLOBAL EXPOSURE

The global exposure relating to derivative instruments is calculated using the commitment approach by converting the derivative positions into equivalent positions in the underlying assets embedded in those derivatives.

The global exposure of the Fund to financial derivative instruments or embedded financial derivative instruments will not exceed 100% of the net asset value of the Fund at any time.

4. COLLATERAL

Nil

5. SECURITIES LENDING OR REPURCHASE TRANSACTIONS

Nil

6. INVESTMENT IN OTHER UNIT TRUSTS, MUTUAL FUNDS AND COLLECTIVE INVESTMENT SCHEMES

Nil

7. BORROWINGS

Nil

8. SOFT DOLLAR COMMISSION RECEIVED BY THE MANAGERS

The soft dollar commissions from various brokers for the year were utilised on research and advisory services, economic and political analyses, portfolio analyses, market analyses, data and quotation analyses and computer hardware and software used for and in support of the investment process of fund managers. Goods and services received were for the benefit of the scheme and there was no churning of trades. These brokers also execute trades for other funds managed by the managers. The trades are conducted on best available terms and in accordance with best practices.

9. OTHER MATERIAL INFORMATION

There is no other material information that will adversely impact the valuation of the Fund.

10. SUPPLEMENTAL INFORMATION ON UNDERLYING SUB-FUNDS

Not applicable

REPORT OF THE TRUSTEE

For the financial year ended 30 June 2019

The Trustee is under a duty to take into custody and hold the assets of LionGlobal Short Duration Bond Fund (the "Fund") in trust for the unitholders. In accordance with the Securities and Futures Act (Cap. 289), its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting year and report thereon to unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Fund during the financial year covered by these financial statements, set out on pages 14 to 60, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee
HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED

Authorised signatory

25 September 2019

STATEMENT BY THE MANAGER

For the financial year ended 30 June 2019

In the opinion of Lion Global Investors Limited, the accompanying financial statements set out on pages 14 to 60, comprising the Statement of Total Return, Statement of Financial Position, Statement of Movements of Unitholders' Funds, Statement of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position and the portfolio holdings of LionGlobal Short Duration Bond Fund (the "Fund") as at 30 June 2019, and the financial performance and movements in unitholders' funds for the financial year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the Fund will be able to meet its financial obligations as and when they materialise.

For and on behalf of directors of
LION GLOBAL INVESTORS LIMITED

Authorised signatory

25 September 2019

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF LIONGLOBAL SHORT DURATION BOND FUND

(Constituted under a Trust Deed in the Republic of Singapore)

Our Opinion

In our opinion, the accompanying financial statements of the LionGlobal Short Duration Bond Fund (the "Fund") are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants, so as to present fairly, in all material respects, the financial position and portfolio holdings of the Fund as at 30 June 2019, and of the financial performance and movements of unitholders' funds for the financial year ended on that date.

What we have audited

The financial statements of the Fund comprise:

- the Statement of Total Return for the financial year ended 30 June 2019;
- the Statement of Financial Position as at 30 June 2019;
- the Statement of Movements of Unitholders' Funds for the financial year ended 30 June 2019;
- the Statement of Portfolio as at 30 June 2019; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

We are independent of the Fund in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Other Information

The Fund's Manager (the "Manager") is responsible for the other information. The other information comprises all sections of the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Fund or to cease the Fund's operations, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 25 September 2019

STATEMENT OF TOTAL RETURN

For the financial year ended 30 June 2019

	Note	2019 \$	2018 \$
Income			
Dividends		-	781,212
Interest on cash and bank balances		25,415	6,867
Other income		12,523	42,368
		<u>37,938</u>	<u>830,447</u>
Less: Expenses			
Audit fee		25,606	43,495
Custodian fees	14	62,421	60,272
Management fee	3, 14	1,689,944	1,650,442
Professional fees		31,796	33,667
Registration fee	14	30,703	32,366
Transaction cost		8,306	5,683
Trustee fee	14	20,002	20,002
Valuation and administration fees	14	129,494	122,822
Miscellaneous expenses		40,188	56,923
		<u>2,038,460</u>	<u>2,025,672</u>
Net expenses		<u>(2,000,522)</u>	<u>(1,195,225)</u>
Net gains or losses on value of investments and financial derivatives			
Net gains on investments		17,974,570	1,153,265
Net losses on foreign exchange spot contracts		(5,290)	(17,143)
Net gains on foreign exchange forward contracts		313,877	618,087
Net (losses)/gains on futures contracts		(416,567)	927,507
Net foreign exchange losses		(231,830)	(166,617)
		<u>17,634,760</u>	<u>2,515,099</u>
Total return for the financial year before income tax		15,634,238	1,319,874
Less: Income tax	4	(1,329)	(54,455)
Total return for the financial year		<u>15,632,909</u>	<u>1,265,419</u>

The accompanying notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

	Note	2019 \$	2018 \$
ASSETS			
Portfolio of investments		425,883,768	362,768,311
Receivables	6	20,499,320	899,615
Due from brokers	7	3,847,866	948,892
Financial derivatives at fair value	10	1,484,733	32,277
Cash and bank balances	8	8,974,409	5,698,889
Total assets		<u>460,690,096</u>	<u>370,347,984</u>
LIABILITIES			
Payables	9	5,222,641	16,343,944
Due to brokers	7	11,313,977	1,227,150
Financial derivatives at fair value	10	159,955	1,579,981
Total liabilities		<u>16,696,573</u>	<u>19,151,075</u>
EQUITY			
Net assets attributable to unitholders	11	<u>443,993,523</u>	<u>351,196,909</u>

The accompanying notes form an integral part of these financial statements.

STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS

For the financial year ended 30 June 2019

	Note	2019 \$	2018 \$
Net assets attributable to unitholders at the beginning of the financial year		351,196,909	325,796,977
Operations			
Change in net assets attributable to unitholders resulting from operations		15,632,909	1,265,419
Unitholders' contributions/(withdrawals)			
Creation of units		245,122,562	182,478,127
Cancellation of units		(157,983,970)	(148,459,436)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		87,138,592	34,018,691
Distributions	5	(9,974,887)	(9,884,178)
Total increase in net assets attributable to unitholders		92,796,614	25,399,932
Net assets attributable to unitholders at the end of the financial year	11	<u>443,993,523</u>	<u>351,196,909</u>

The accompanying notes form an integral part of these financial statements.

STATEMENT OF PORTFOLIO
As at 30 June 2019

	Holdings at 30 June 2019	Fair value at 30 June 2019 \$	Percentage of total net assets attributable to unitholders at 30 June 2019 %
By Geography (Primary)			
QUOTED DEBT SECURITIES			
SINGAPORE			
Lend Lease Retail Investments 3 Private Limited Series MTN 3.28% due 03/09/2021	8,000,000	8,014,880	1.8
United Overseas Bank Limited Series EMTN Var due 16/09/2026	5,700,000	7,804,434	1.8
Government of Singapore 3% due 01/09/2024	7,000,000	7,404,600	1.7
Ascott REIT MTN Private Limited Series MTN 4.205% due 23/11/2022	6,750,000	7,061,513	1.6
CapitaLand Limited 2.8% due 08/06/2025	7,000,000	7,011,935	1.6
Straits Trading Company Limited Series EMTN 3.73% due 19/07/2021	6,750,000	6,807,240	1.5
Keppel Land Financial Series EMTN 3.259% due 11/12/2019	5,000,000	6,774,931	1.5
Wing Tai Holdings Limited Series MTN 4.5% due 26/09/2022	6,000,000	6,208,920	1.4
FCOT Treasury Private Limited Series MTN FRN due 03/05/2022	6,000,000	5,894,040	1.3
United Engineers Limited Series MTN 3.68% due 01/06/2021	5,750,000	5,820,782	1.3
Cambridge MTN Private Limited Series MTN 3.95% due 21/05/2020	5,750,000	5,762,133	1.3
FH REIT Treasury Private Limited Series EMTN 2.63% due 06/07/2022	5,750,000	5,700,320	1.3
Wing Tai Holdings Limited Series MTN 4% due 07/10/2021	5,500,000	5,592,950	1.3
CapitaLand Limited 1.85% due 19/06/2020	5,000,000	4,977,150	1.1

The accompanying notes form an integral part of these financial statements.

LIONGLOBAL SHORT DURATION BOND FUND

	Holdings at 30 June 2019	Fair value at 30 June 2019 \$	Percentage of total net assets attributable to unitholders at 30 June 2019 %
By Geography (Primary) (continued)			
QUOTED DEBT SECURITIES (continued)			
SINGAPORE (continued)			
Suntec REIT 1.75% due 30/11/2024	5,000,000	4,972,475	1.1
Soilbuild Business Space Series EMTN 3.6% due 08/04/2021	4,250,000	4,265,555	1.0
Sembcorp Financial Services Series MTN 3.64% due 27/05/2024	4,000,000	4,078,720	0.9
United Overseas Bank Limited Series Var due 08/03/2027	3,000,000	4,047,059	0.9
Government of Singapore 1.625% due 01/10/2019	4,000,000	3,998,000	0.9
GLL IHT Private Limited Series MTN 4% due 31/01/2022	3,750,000	3,801,713	0.8
Keppel REIT MTN Private Limited Series MTN 3.275% due 08/04/2024	3,750,000	3,765,788	0.8
Singapore Post Limited Var Perpetual	3,500,000	3,600,135	0.8
Ascendas Hospitality Trust Series MTN 3.3% due 07/04/2020	3,500,000	3,514,665	0.8
FCT MTN Private Limited Series MTN 2.77% due 08/11/2024	3,500,000	3,433,360	0.8
Mapletree Logistics Trust Var Perpetual (SG72D0000009)	3,250,000	3,289,845	0.7
Ascendas REIT Var Perpetual	3,000,000	3,069,480	0.7
Frasers Property Treasury Private Limited 4.25% due 21/04/2026	3,000,000	3,057,120	0.7
OUE Limited Series MTN 4.25% due 30/10/2019	3,000,000	3,006,780	0.7
CCT MTN Private Limited Series MTN 2.77% due 04/07/2022	3,000,000	3,002,310	0.7
AACI REIT MTN Private Limited Series MTN 4.35% due 05/12/2019	3,000,000	2,992,650	0.7
Government of Singapore 1.25% due 01/10/2021	3,000,000	2,973,000	0.7
UOL Treasury Services Series MTN 3% due 23/05/2024	2,750,000	2,760,697	0.6

The accompanying notes form an integral part of these financial statements.

LIONGLOBAL SHORT DURATION BOND FUND

	Holdings at 30 June 2019	Fair value at 30 June 2019 \$	Percentage of total net assets attributable to unitholders at 30 June 2019 %
By Geography (Primary) (continued)			
QUOTED DEBT SECURITIES (continued)			
SINGAPORE (continued)			
Cambridge MTN Private Limited Series MTN 4.1% due 29/04/2020	2,750,000	2,757,672	0.6
United Overseas Bank Limited Var due 15/04/2029	1,900,000	2,648,700	0.6
Frasers Property Treasury Private Limited 3.95% due 07/10/2021	2,500,000	2,547,975	0.6
F&N Treasury Private Limited Series MTN 2.8% due 22/08/2022	2,250,000	2,220,187	0.5
Keppel Land Limited Series MTN 3.8% due 08/06/2022	2,000,000	2,055,440	0.5
City Developments Limited Series MTN 3.48% due 03/04/2023	2,000,000	2,041,860	0.5
Sembcorp Industries Limited MTN Var Perpetual	1,750,000	1,755,652	0.4
Keppel Land Limited Series MTN 2.843% due 05/09/2023	1,500,000	1,491,615	0.3
Wing Tai Holdings Limited Series MTN 4.7% due 28/02/2024	1,250,000	1,305,287	0.3
United Overseas Bank Limited Series 4% due 29/12/2049	1,250,000	1,273,013	0.3
Gold Ridge Private Limited 2.9% due 15/08/2023	1,250,000	1,246,075	0.3
Capitamalls Asia Treasury Series EMTN 3.7% due 29/08/2022	1,000,000	1,028,060	0.2
Wing Tai Holdings Limited Series MTN 4.25% due 15/03/2023	1,000,000	1,026,550	0.2
Mapletree Commercial Trust Series EMTN 3.25% due 03/02/2023	1,000,000	1,016,520	0.2
Sembcorp Financial Services Private Limited Series MTN 3.7325% due 9/4/2020	1,000,000	1,008,200	0.2
FCOT Treasury Private Limited Series MTN 3.185% due 28/02/2023	1,000,000	1,006,650	0.2

The accompanying notes form an integral part of these financial statements.

LIONGLOBAL SHORT DURATION BOND FUND

	Holdings at 30 June 2019	Fair value at 30 June 2019 \$	Percentage of total net assets attributable to unitholders at 30 June 2019 %
By Geography (Primary) (continued)			
QUOTED DEBT SECURITIES (continued)			
SINGAPORE (continued)			
Keppel Corporation Limited Series MTN 3.145% due 14/02/2022	500,000	503,590	0.1
OUE Limited Series MTN 3.8% due 15/04/2020	500,000	502,075	0.1
F&N Treasury Private Limited Series MTN 3.09% due 23/03/2022	500,000	500,035	0.1
Fraser's Property Treasury Private Limited 3.65% due 22/05/2022	437,000	441,099	0.1
ASL Marine Holdings Limited Series MTN STP 3% due 28/03/2025	690,000	367,660	0.1
Ascendas REIT Series MTN 4% due 03/02/2022	250,000	259,220	0.1
Keppel Corporation Limited Series MTN 3.1% due 12/10/2020	250,000	251,387	0.1
		<u>183,719,702</u>	<u>41.4</u>
CHINA			
Anhui Provincial Investment Group Holding Company Limited 4.875% due 18/10/2021	3,950,000	5,469,847	1.2
Beijing Capital Polaris Investment Company Limited 4.25% due 26/03/2021	3,500,000	4,802,993	1.1
CNAC Hong Kong Finbridge Company Limited 3.5% due 19/07/2022	3,500,000	4,769,846	1.1
China State Construction Finance II 3.375% due 29/11/2022	3,000,000	4,089,109	0.9
JD.Com Inc. 3.125% due 29/04/2021	3,000,000	4,074,953	0.9
BOSC International BVI 3.125% due 18/01/2021	2,950,000	4,003,036	0.9
Sunshine Life Insurance Series 5 Year 3.15% due 20/04/2021	3,000,000	3,987,820	0.9

The accompanying notes form an integral part of these financial statements.

LIONGLOBAL SHORT DURATION BOND FUND

	Holdings at 30 June 2019	Fair value at 30 June 2019 \$	Percentage of total net assets attributable to unitholders at 30 June 2019 %
By Geography (Primary) (continued)			
QUOTED DEBT SECURITIES (continued)			
CHINA (continued)			
China Construction Bank Asia Corporation Limited Series EMTN Var due 20/08/2024	2,840,000	3,849,582	0.9
CCCI Treasure Limited Var Perpetual	2,653,000	3,602,836	0.8
Anhui Transportation Hong Kong 4.875% due 13/09/2021	2,600,000	3,594,795	0.8
Haitong International Finance 2014 Limited 3.99% due 11/09/2019	2,500,000	3,386,789	0.8
CSSC Capital One Limited 4.125% due 27/09/2021	2,350,000	3,257,344	0.7
Azure Nova International Series EMTN 3% due 21/03/2020	2,250,000	3,044,975	0.7
Huarong Finance 2017 Company 3.2% due 27/04/2021	3,000,000	2,988,810	0.7
KWG Group Holdings 9.85% due 26/11/2020	2,000,000	2,877,305	0.6
Chalco Hong Kong Investment 4.875% due 07/09/2021	2,000,000	2,793,747	0.6
CH OVS Grand OCE Finance 4.875% due 01/06/2021	2,000,000	2,782,085	0.6
CNAC Hong Kong Finbridge Company Limited 4.125% due 14/03/2021	2,000,000	2,754,430	0.6
Country Garden Holdings Company Limited 7.5% due 09/03/2020	2,000,000	2,753,253	0.6
Hainan Airlines Hong Kong Company Limited 3.625% due 07/02/2020	2,000,000	2,713,165	0.6
Sichuan Railway Investment Group Company Limited 3.8% due 27/06/2022	1,900,000	2,583,844	0.6
Far East Horizon Limited Series EMTN FRN due 03/07/2021	1,900,000	2,577,031	0.6
SPIC Lux Latam Re Energy 4.25% due 30/10/2021	1,800,000	2,505,532	0.6

The accompanying notes form an integral part of these financial statements.

LIONGLOBAL SHORT DURATION BOND FUND

	Holdings at 30 June 2019	Fair value at 30 June 2019 \$	Percentage of total net assets attributable to unitholders at 30 June 2019 %
By Geography (Primary) (continued)			
QUOTED DEBT SECURITIES (continued)			
CHINA (continued)			
Azure Nova International Series EMTN 3.5% due 21/03/2022	1,700,000	2,324,579	0.5
Huarong Finance Company Limited Var Perpetual	1,700,000	2,310,319	0.5
Tewoo Group No. 4 Limited 3.15% due 01/12/2020	1,590,000	2,134,325	0.5
CDBL Funding 1 FRN due 15/11/2021	1,500,000	2,035,686	0.5
China Construction Bank Var due 27/02/2029	1,450,000	2,028,448	0.5
Vanke Real Estate Hong Kong Series EMTN 4.15% due 18/04/2023	1,400,000	1,943,179	0.4
ICBCIL Finance Corporation Limited Series EMTN 3.65% due 05/03/2022	1,350,000	1,862,565	0.4
CICC Hong Kong Finance 2016 MTN Series EMTN FRN due 03/05/2022	1,350,000	1,832,345	0.4
Fortune Star BVI Limited 6.875% due 31/01/2021	1,100,000	1,529,172	0.4
Shimao Property Holdings 6.375% due 15/10/2021	1,000,000	1,420,598	0.3
Logan Property Holdings 8.75% due 12/12/2020	1,000,000	1,420,598	0.3
China Overseas Finance Cayman II Limited 5.5% due 10/11/2020	1,000,000	1,405,539	0.3
Leader Goal International Limited Var Perpetual	1,000,000	1,374,935	0.3
Huarong Finance Company Limited 4.5% due 16/01/2020	1,000,000	1,363,314	0.3
CFLD Cayman Investment 6.5% due 21/12/2020	1,000,000	1,361,477	0.3
Dianjian Haixing FRN Perpetual	1,000,000	1,359,715	0.3

The accompanying notes form an integral part of these financial statements.

LIONGLOBAL SHORT DURATION BOND FUND

	Holdings at 30 June 2019	Fair value at 30 June 2019 \$	Percentage of total net assets attributable to unitholders at 30 June 2019 %
By Geography (Primary) (continued)			
QUOTED DEBT SECURITIES (continued)			
CHINA (continued)			
China International Capital Corporation (CICC) FRN due 25/04/2021	900,000	1,221,180	0.3
Bocom Leasing Management Series EMTN 4% due 22/01/2022	800,000	1,109,148	0.2
Guotai Junan Holdings 3.875% due 11/03/2022	800,000	1,108,997	0.2
CFLD Cayman Investment 8.625% due 28/02/2021	700,000	984,948	0.2
Chang Development International Limited 3.625% due 20/01/2020	500,000	675,207	0.2
China Mengniu Dairy 4.25% due 07/08/2023	450,000	636,937	0.2
Weibo Corporation 3.5% due 05/07/2024	400,000	543,277	0.1
China Cinda Finance 2017 Limited Series EMTN 3.875% due 08/02/2023	300,000	418,017	0.1
Sunny Express 3.5% due 21/03/2022	250,000	345,794	0.1
Joy Treasure Assets Holdings 3.875% due 20/03/2024	200,000	279,112	0.1
Horse Gallop Finance Limited Series EMTN FRN due 28/06/2021	200,000	271,407	0.1
Huarong Finance Company Limited 4% due 17/07/2019	200,000	270,685	0.1
		<u>114,834,630</u>	<u>25.9</u>

The accompanying notes form an integral part of these financial statements.

LIONGLOBAL SHORT DURATION BOND FUND

	Holdings at 30 June 2019	Fair value at 30 June 2019 \$	Percentage of total net assets attributable to unitholders at 30 June 2019 %
By Geography (Primary) (continued)			
QUOTED DEBT SECURITIES (continued)			
INDIA			
ONGC Videsh Limited 3.25% due 15/07/2019	4,450,000	6,021,862	1.4
Indian Oil Corporation Limited 4.1% due 15/10/2022	4,770,000	4,899,052	1.1
NTPC Limited 3.75% due 03/04/2024	2,150,000	2,964,314	0.7
Bharat Petroleum Corporation 4.375% due 24/01/2022	2,000,000	2,803,989	0.6
Bank of Baroda/London 3.5% due 04/04/2022	1,500,000	2,051,383	0.5
ICICI Bank Limited/Dubai 3.65% due 14/01/2020	1,500,000	1,507,005	0.3
ICICI Bank Limited (Hong Kong) 5.75% due 16/11/2020	1,000,000	1,404,525	0.3
JSW Steel Limited 5.25% due 13/04/2022	1,000,000	1,386,774	0.3
Indian Railway Finance Series EMTN 3.73% due 29/03/2024	850,000	1,175,969	0.3
Ascendas India Trust Series MTN 3.9% due 05/10/2020	500,000	506,850	0.1
		<u>24,721,723</u>	<u>5.6</u>

The accompanying notes form an integral part of these financial statements.

LIONGLOBAL SHORT DURATION BOND FUND

	Holdings at 30 June 2019	Fair value at 30 June 2019 \$	Percentage of total net assets attributable to unitholders at 30 June 2019 %
By Geography (Primary) (continued)			
QUOTED DEBT SECURITIES (continued)			
QATAR			
QIIB Senior Sukuk Limited 4.264% due 05/03/2024	2,500,000	3,505,764	0.8
QIB Sukuk Limited Series EMTN 3.982% due 26/03/2024	1,550,000	2,157,615	0.5
AKCB Finance Limited 4.75% due 09/10/2023	1,500,000	2,147,385	0.5
QIB Sukuk Limited 2.754% due 27/10/2020	1,500,000	2,023,560	0.5
QIB Sukuk Limited 3.251% due 23/05/2022	1,400,000	1,901,886	0.4
QNB Finance Limited FRN due 02/05/2022	1,400,000	1,897,587	0.4
		<u>13,633,797</u>	<u>3.1</u>
MALAYSIA			
IOI Investment Berhad Series EMTN 4.375% due 27/06/2022	5,400,000	7,571,574	1.7
Bagan Capital Limited 0% Convertible due 23/09/2021	1,000,000	1,340,604	0.3
RHB Bank Series EMTN 3.766% due 19/02/2024	450,000	631,180	0.1
		<u>9,543,358</u>	<u>2.1</u>

The accompanying notes form an integral part of these financial statements.

LIONGLOBAL SHORT DURATION BOND FUND

	Holdings at 30 June 2019	Fair value at 30 June 2019 \$	Percentage of total net assets attributable to unitholders at 30 June 2019 %
By Geography (Primary) (continued)			
QUOTED DEBT SECURITIES (continued)			
AUSTRALIA			
Ausnet Services Holdings Private Limited Var due 17/03/2076	3,000,000	4,246,572	1.0
National Australia Bank Limited Series GMTN Var due 19/05/2028	3,000,000	3,098,160	0.7
Australia and New Zealand Banking Group Series EMTN 4.75% due 30/01/2025	5,000,000	996,691	0.2
Commonwealth Bank of Australia Series EMTN Var due 11/03/2025	5,000,000	994,879	0.2
		<u>9,336,302</u>	<u>2.1</u>
UNITED ARAB EMIRATES			
MAF Global Securities Series 4.75% due 07/05/2024	2,000,000	2,831,048	0.6
DIB Sukuk Limited Series EMTN 2.921% due 03/06/2020	1,500,000	2,024,960	0.5
SIB Sukuk Company III Limited 3.084% due 08/09/2021	1,500,000	2,018,426	0.4
ADCB Finance Cayman Limited Series 4% due 29/03/2023	600,000	846,051	0.2
		<u>7,720,485</u>	<u>1.7</u>
UNITED STATES OF AMERICA			
Ford Motor Credit Corporation LLC Series EMTN 4.125% due 20/06/2024	3,750,000	3,741,638	0.8
Hyundai Capital America 3.95% due 01/02/2022	2,500,000	3,476,450	0.8
		<u>7,218,088</u>	<u>1.6</u>

The accompanying notes form an integral part of these financial statements.

LIONGLOBAL SHORT DURATION BOND FUND

	Holdings at 30 June 2019	Fair value at 30 June 2019 \$	Percentage of total net assets attributable to unitholders at 30 June 2019 %
By Geography (Primary) (continued)			
QUOTED DEBT SECURITIES (continued)			
INDONESIA			
PT Federal International Finance Series EMTN 4.125% due 10/05/2021	3,000,000	4,106,643	0.9
Indonesia Eximbank Series EMTN 4.135% due 03/11/2020	1,000,000	1,016,180	0.2
Bank Rakyat Indonesia 3.95% due 28/03/2024	700,000	975,832	0.2
PT Bank Mandiri Series EMTN 3.75% due 11/04/2024	300,000	414,200	0.1
		<u>6,512,855</u>	<u>1.4</u>
UNITED KINGDOM			
Standard Chartered PLC Var due 23/01/2026	6,250,000	<u>6,387,688</u>	<u>1.4</u>
NETHERLANDS			
ABN Amro Bank NV Var due 27/03/2028	3,400,000	4,749,784	1.1
ABN Amro Bank NV Series EMTN Var due 01/04/2026	1,000,000	<u>1,029,000</u>	<u>0.2</u>
		<u>5,778,784</u>	<u>1.3</u>
HONG KONG			
Bank of East Asia Limited EMTN 6.125% due 16/07/2020	2,500,000	3,495,651	0.8
Vigorous Champ International Limited Series EMTN 4.375% due 10/09/2023	800,000	1,129,426	0.3
Wharf Finance No. 1 Limited Series EMTN 4.5% due 20/07/2021	500,000	520,980	0.1
Wheelock Finance Limited EMTN 4.5% due 02/09/2021	250,000	<u>260,113</u>	<u>0.1</u>
		<u>5,406,170</u>	<u>1.3</u>

The accompanying notes form an integral part of these financial statements.

LIONGLOBAL SHORT DURATION BOND FUND

	Holdings at 30 June 2019	Fair value at 30 June 2019 \$	Percentage of total net assets attributable to unitholders at 30 June 2019 %
By Geography (Primary) (continued)			
QUOTED DEBT SECURITIES (continued)			
PHILIPPINES			
Union Bank of Philippines Series EMTN 3.369% due 29/11/2022	2,000,000	2,735,679	0.6
Philippine National Bank Series EMTN 3.28% due 27/09/2024	1,850,000	2,502,757	0.6
		<u>5,238,436</u>	<u>1.2</u>
GERMANY			
LB Baden-Wuerttemberg Series EMTN Var due 18/05/2027	5,000,000	<u>5,036,800</u>	<u>1.1</u>
CANADA			
Manulife Financial Corporation Var due 25/05/2026	4,250,000	<u>4,317,788</u>	<u>1.0</u>
THAILAND			
Minor International PLC Var Perpetual	2,350,000	3,277,629	0.7
Siam Commercial Bank CAY Series GMTN 3.9% due 11/02/2024	600,000	849,672	0.2
		<u>4,127,301</u>	<u>0.9</u>
FRANCE			
BNP Paribas Series EMTN Var due 03/12/2025	1,750,000	1,785,123	0.4
BPCE Series EMTN Var due 03/06/2026	500,000	512,970	0.1
BPCE Var due 17/12/2025	500,000	509,835	0.1
		<u>2,807,928</u>	<u>0.6</u>
SAUDI ARABIA			
Almarai Corporation Joint Stock company 4.311% due 05/03/2024	1,500,000	<u>2,119,146</u>	<u>0.5</u>

The accompanying notes form an integral part of these financial statements.

LIONGLOBAL SHORT DURATION BOND FUND

	Holdings at 30 June 2019	Fair value at 30 June 2019 \$	Percentage of total net assets attributable to unitholders at 30 June 2019 %
By Geography (Primary) (continued)			
QUOTED DEBT SECURITIES (continued)			
SOUTH KOREA			
Mirae Asset Daewoo Company 3.125% due 07/05/2022	1,550,000	2,117,477	0.5
CAYMAN ISLANDS			
AHB Sukuk Company 4.375% due 19/09/2023	825,000	1,170,949	0.3
IRELAND			
SMBC Aviation Capital Finance 2.65% due 15/07/2021	300,000	405,625	0.1
Accrued interest receivable on debt securities		3,728,736	0.8
TOTAL DEBT SECURITIES		425,883,768	95.9
UNQUOTED EQUITIES			
SINGAPORE			
ASL Marine Holdings Limited Warrants 31/12/2049*	1,380,000	-	-
Ezion Holdings Limited Call Warrants 12/04/2020*	750,000	-	-
		-	-
Portfolio of investments		425,883,768	95.9
Other net assets		18,109,755	4.1
Net assets attributable to unitholders		443,993,523	100.0

* There is no readily available market quotation as the securities are not traded. The Manager made certain estimates and assumptions to arrive at the fair value, after taking into account all relevant information.

The accompanying notes form an integral part of these financial statements.

LIONGLOBAL SHORT DURATION BOND FUND

	Percentage of total net assets attributable to unitholders at	
	30 June 2019	30 June 2018
	%	%
By Geography (Summary)		
Singapore	41.4	50.2
China	25.9	24.3
India	5.6	4.1
Qatar	3.1	0.4
Malaysia	2.1	1.4
Australia	2.1	2.1
United Arab Emirates	1.7	0.2
United States of America	1.6	-
Indonesia	1.4	1.5
United Kingdom	1.4	2.5
Netherlands	1.3	1.6
Hong Kong	1.3	4.8
Philippines	1.2	0.7
Germany	1.1	1.4
Canada	1.0	2.1
Thailand	0.9	-
France	0.6	0.8
Saudi Arabia	0.5	-
South Korea	0.5	3.7
Cayman Islands	0.3	-
Ireland	0.1	0.1
Japan	-	0.5
	<hr/>	<hr/>
	95.1	102.4
Accrued interest receivable on debt securities	0.8	0.9
	<hr/>	<hr/>
Portfolio of investments	95.9	103.3
Other net assets/(liabilities)	4.1	(3.3)
	<hr/>	<hr/>
Net assets attributable to unitholders	100.0	100.0

The accompanying notes form an integral part of these financial statements.

LIONGLOBAL SHORT DURATION BOND FUND

	Fair value at	Percentage of total net assets	
	30 June	30 June	30 June
	2019	2019	2018
	\$	%	%
By Industry (Secondary)			
Real Estate	154,532,521	34.8	38.5
Financial	147,223,401	33.2	32.8
Industrial	62,328,846	14.0	18.9
Sovereign	14,375,600	3.3	0.6
Energy	13,724,903	3.1	3.5
Consumer, Cyclical	11,440,014	2.6	2.9
Utilities	9,716,418	2.2	2.0
Consumer, Non-cyclical	5,476,305	1.2	0.1
Basic Materials	2,793,747	0.6	1.6
Communications	543,277	0.1	-
Technology	-	-	0.8
Funds	-	-	0.7
	422,155,032	95.1	102.4
Accrued interest receivable on debt securities	3,728,736	0.8	0.9
Portfolio of investments	425,883,768	95.9	103.3
Other net assets/(liabilities)	18,109,755	4.1	(3.3)
Net assets attributable to unitholders	443,993,523	100.0	100.0

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

LionGlobal Short Duration Bond Fund (the “Fund”) is a unit trust constituted by a Deed of Trust dated 13 February 1991 together with its Supplemental Deeds thereon (hereafter referred to as “Trust Deed”) between Lion Global Investors Limited (the “Manager”) and HSBC Institutional Trust Services (Singapore) Limited (the “Trustee”). The Trust Deed is governed by the laws of the Republic of Singapore.

The Fund has been included as a CPF Investment Scheme on 28 February 2014.

The Fund offered eight class of units as at 30 June 2019, namely:

- Class A (SGD) (Dist)
- Class I (SGD) (Dist)
- Class A (USD Hedged) (Dist)
- Class I (USD Hedged) (Dist)
- Class A (SGD) (Acc)
- Class I (SGD) (Acc)
- Class A (USD Hedged) (Acc)
- Class I (USD Hedged) (Acc)

As at 30 June 2019, there were no subscription of units of Class A (USD Hedged) (Acc) and Class I (USD Hedged) (Acc). Classes with “(SGD)” are each denominated in Singapore Dollar whilst Classes with “(USD Hedged)” are each denominated in United States Dollar.

Classes with “(Acc)” are accumulation classes of units where a unit accumulates the net income attributable to such unit so that is reflected in the increased value of such unit whilst classes with “(Dist)” are distribution classes of units where a unit distributes its net investment income.

Class ‘A’ units and Class ‘I’ units have different subscription and minimum holding requirements and different fee structures. In respect of the USD Hedged Class units, the Manager has the ability to hedge the units of such class in relation to the base currency of the Fund or the currency of the underlying investments in such manner as they deem appropriate. Where hedging of this kind is undertaken, the effect of this hedging will be reflected in the net asset value of the USD Hedged Class units, and therefore, in the performance of the USD Hedged Class units. Similarly, any expenses arising from such hedging transactions will be borne by the USD Hedged Class units.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” (“RAP 7”) issued by the Institute of Singapore Chartered Accountants.

(b) Recognition of income

Interest income is recognised on a time proportion basis using the effective interest method.

(c) Financial derivatives

Financial derivatives are entered into for the purposes of efficient portfolio management, tactical asset allocation or specific hedging of financial assets held as determined by the Manager and in accordance with the provisions of the Trust Deed.

Financial derivatives outstanding at the end of the financial year are measured at their fair values using the marked-to-market method, and the resultant gains and losses are taken up in the Statement of Total Return.

(d) Distributions

The Manager has the absolute discretion to determine whether a distribution is to be made. In such an event, an appropriate amount will be transferred to a distribution account, to be paid out on the distribution date. The amount shall not be treated as part of the property of the Fund. Distributions are accrued for at the reporting date if the necessary approvals have been obtained and a legal or constructive obligation has been created.

(e) Investments

Investments are classified as financial assets at fair value through profit or loss.

(i) Initial recognition

Purchases of investments are recognised on the trade date. Investments are recorded at fair value on initial recognition.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Investments (continued)

(ii) Subsequent measurement

Investments are subsequently carried at fair value. Net change in the fair value of investments are included in the Statement of Total Return in the year in which they arise.

(iii) Derecognition

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sale of investments are computed on the basis of the difference between the weighted average cost and selling price gross of transaction costs, and are taken up in the Statement of Total Return.

(f) Basis of valuation of investments

The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at the close of trading on the reporting date. The quoted market price used for investments in debt securities held by the Fund is the market mid prices. Accrued interest or discount or premium on debt securities at the reporting date are included in the fair value of debt securities. Interest income on debt securities is presented within net gains or losses on investments on the Statement of Total Return. The quoted market price used for investments in underlying funds held by the Fund is the published price of the underlying funds at the close of trading on the reporting date.

(g) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are initially recognised at their fair value and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

(h) Due from and due to brokers

Sales and purchases awaiting settlement represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. These amounts are recognised initially at fair value and subsequently measured at amortised cost.

The margin deposits comprise cash held with the financial derivatives counterparties for the purpose of transferring of cash to fund futures margin maintained with the clearinghouse.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Cash and bank balances

Cash and bank balances comprise cash at banks and on hand which are subject to an insignificant risk of changes in value.

(j) Payables

Payables are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

(k) Foreign currencies

(i) Functional and presentation currency

Subscriptions and redemptions of the units are denominated in Singapore Dollar and United States Dollar. The primary activity of the Fund is to invest in Singapore and international bonds, high quality interest rate securities, real estate investment trusts, business trusts and other related securities.

The performance of the Fund is measured and reported to the investors in Singapore Dollar. In addition, the Fund's activities are substantially based in Singapore and expenses are predominantly denominated in Singapore Dollar. Therefore, the Manager considers the Singapore Dollar as the currency which most faithfully represents the economic effects of the underlying transactions, events and conditions. The Fund's functional and presentation currency is the Singapore Dollar.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in the Statement of Total Return. Translation differences on non-monetary financial assets and liabilities such as equities are also recognised in the Statement of Total Return within the net gain or loss on investment.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Fund or the counterparty.

(m) Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes: (a) restricted activities, (b) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors, (c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support and (d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The Fund considers its investment in the other funds ("Investee Fund") to be investment in unconsolidated structured entities. The Fund invests in the Investee Fund whose objectives range from achieving short to long term capital growth and whose investment strategy does not include the use of leverage. The Investee Fund is managed by related asset managers and apply various investment strategies to accomplish their respective investment objectives. The Investee Fund finances their operations by issuing redeemable shares which are puttable at the holder's option and entitles the holder to a proportional stake in the respective fund's net assets. The Fund holds redeemable shares in each of its Investee Fund.

The change in fair value of the Investee Fund is included in the Statement of Total Return in "Net gains/losses on investments".

3. MANAGEMENT FEE

The management fee rates for Class A units is 0.50% per annum, and Class I units is 0.25% per annum.

4. INCOME TAX

The Fund was granted the status of a Designated Unit Trust ("DUT") in Singapore. The Trustee of the Fund will ensure that the Fund fulfills its reporting obligations under the DUT Scheme.

Under the DUT Scheme, subject to certain conditions and reporting obligations being met, certain income of the DUT Fund is not taxable in accordance with Sections 35(12) and 35(12A) of the Income Tax Act. Such income includes:

- (a) gains or profits derived from Singapore or elsewhere from the disposal of securities;
- (b) interest (other than interest for which tax has been deducted under Section 45 of the Income Tax Act);
- (c) dividends derived from outside Singapore and received in Singapore;
- (d) gains or profits derived from foreign exchange transactions, transactions in futures contracts, transactions in interest rate or currency forwards, swaps or option contracts and transactions in forwards, swaps or option contracts relating to any securities or financial index;
- (e) discount, prepayment fee, redemption premium and break cost from qualifying debt securities issued during the prescribed period; and
- (f) distributions from foreign unit trusts derived from outside Singapore and received in Singapore.

	2019	2018
	\$	\$
Singapore income tax	1,329	1,902
Overseas income tax	-	25,717
Capital gain tax	-	26,836
	<u>1,329</u>	<u>54,455</u>

The Singapore income tax represents tax deducted at source for Singapore sourced dividends. The overseas income tax represents tax deducted at source on dividends derived from outside Singapore.

5. DISTRIBUTIONS

	2019 \$	2018 \$
<u>Class A (SGD) (Dist)</u>		
Distribution of \$1.21 per 100 units on 19 October 2018 to unitholders on the register as at 28 September 2018	2,299,430	-
Distribution of \$1.20 per 100 units on 22 January 2019 to unitholders on the register as at 31 December 2018	2,176,925	-
Distribution of \$1.22 per 100 units on 22 April 2019 to unitholders on the register as at 29 March 2019	2,229,777	-
Distribution of \$1.22 per 100 units on 19 July 2019 to unitholders on the register as at 28 June 2019	2,753,068	-
Distribution of \$1.24 per 100 units on 23 October 2017 to unitholders on the register as at 30 September 2017	-	2,183,132
Distribution of \$1.24 per 100 units on 22 January 2018 to unitholders on the register as at 31 December 2017	-	2,205,384
Distribution of \$1.22 per 100 units on 20 April 2018 to unitholders on the register as at 31 March 2018	-	2,301,311
Distribution of \$1.21 per 100 units on 20 July 2018 to unitholders on the register as at 30 June 2018	-	2,321,247
<u>Class I (SGD) (Dist)</u>		
Distribution of \$0.76 per 100 units on 19 October 2018 to unitholders on the register as at 28 September 2018	74,720	-
Distribution of \$0.76 per 100 units on 22 January 2019 to unitholders on the register as at 31 December 2018	59,345	-
Distribution of \$0.77 per 100 units on 22 April 2019 to unitholders on the register as at 29 March 2019	60,394	-
Distribution of \$0.77 per 100 units on 19 July 2019 to unitholders on the register as at 28 June 2019	61,420	-

5. DISTRIBUTIONS (continued)

	2019 \$	2018 \$
<u>Class I (SGD) (Dist) (continued)</u>		
Distribution of \$0.78 per 100 units on 23 October 2017 to unitholders on the register as at 30 September 2017	-	111,469
Distribution of \$0.78 per 100 units on 22 January 2018 to unitholders on the register as at 31 December 2017	-	58,036
Distribution of \$0.77 per 100 units on 20 April 2018 to unitholders on the register as at 31 March 2018	-	57,672
Distribution of \$0.76 per 100 units on 20 July 2018 to unitholders on the register as at 30 June 2018	-	57,300
<u>Class A (USD Hedged) (Dist)</u>		
Distribution of US\$0.75 per 100 units on 19 October 2018 to unitholders on the register as at 28 September 2018	13,580	-
Distribution of US\$0.74 per 100 units on 22 January 2019 to unitholders on the register as at 31 December 2018	13,428	-
Distribution of US\$0.75 per 100 units on 22 April 2019 to unitholders on the register as at 29 March 2019	13,714	-
Distribution of US\$0.76 per 100 units on 19 July 2019 to unitholders on the register as at 28 June 2019	13,992	-
Distribution of US\$0.76 per 100 units on 23 October 2017 to unitholders on the register as at 30 September 2017	-	24,080
Distribution of US\$0.76 per 100 units on 22 January 2018 to unitholders on the register as at 31 December 2017	-	23,588
Distribution of US\$0.75 per 100 units on 20 April 2018 to unitholders on the register as at 31 March 2018	-	23,044
Distribution of US\$0.74 per 100 units on 20 July 2018 to unitholders on the register as at 30 June 2018	-	14,240

5. DISTRIBUTIONS (continued)

	2019 \$	2018 \$
<u>Class I (USD Hedged) (Dist)</u>		
Distribution of US\$0.75 per 100 units on 19 October 2018 to unitholders on the register as at 28 September 2018	51,470	-
Distribution of US\$0.74 per 100 units on 22 January 2019 to unitholders on the register as at 31 December 2018	50,565	-
Distribution of US\$0.76 per 100 units on 22 April 2019 to unitholders on the register as at 29 March 2019	51,519	-
Distribution of US\$0.76 per 100 units on 19 July 2019 to unitholders on the register as at 28 June 2019	51,540	-
Distribution of US\$0.76 per 100 units on 23 October 2017 to unitholders on the register as at 30 September 2017	-	154,858
Distribution of US\$0.76 per 100 units on 22 January 2018 to unitholders on the register as at 31 December 2017	-	151,162
Distribution of US\$0.75 per 100 units on 20 April 2018 to unitholders on the register as at 31 March 2018	-	147,153
Distribution of US\$0.74 per 100 units on 20 July 2018 to unitholders on the register as at 30 June 2018	-	50,502
	<u>9,974,887</u>	<u>9,884,178</u>

6. RECEIVABLES

	2019 \$	2018 \$
Amount receivable for creation of units	20,364,431	833,290
Other receivable	134,889	66,325
	<u>20,499,320</u>	<u>899,615</u>

7. DUE FROM/(TO) BROKERS

	2019	2018
	\$	\$
Margin deposits	103,475	948,892
Sales awaiting settlement	3,744,391	-
	<u>3,847,866</u>	<u>948,892</u>

The margin deposits are placed with a financial institution which is a non-related company.

	2019	2018
	\$	\$
Purchases awaiting settlement	<u>(11,313,977)</u>	<u>(1,227,150)</u>

8. CASH AND BANK BALANCES

The cash and bank balances are placed with a financial institution which is a related company of the Trustee.

9. PAYABLES

	2019	2018
	\$	\$
Amount payable for cancellation of units	2,133,635	13,700,697
Amount due to the Manager	156,933	142,236
Amount due to the Trustee	13,717	12,575
Amount due to the Custodian	986	986
Amount due to the Registrar	4,715	6,708
Distribution payable	2,880,022	2,443,289
Other payables	32,633	37,453
	<u>5,222,641</u>	<u>16,343,944</u>

10. FINANCIAL DERIVATIVES AT FAIR VALUE

Financial derivative contracts comprise futures contracts and foreign exchange forward contracts due for settlement within 6 months (30 June 2018: 2 months) from the reporting date. The contracts or underlying principal amounts of these financial derivatives and their corresponding gross fair values at the at the reporting date are analysed below.

30 June 2019

	Contract or underlying principal amount	Fair value	
		Asset	Liability
	\$	\$	\$
Foreign exchange forward contracts	236,938,439	1,484,733	125,645
Futures contracts	9,397,400	-	34,310
		<u>1,484,733</u>	<u>159,955</u>

30 June 2018

	Contract or underlying principal amount	Fair value	
		Asset	Liability
	\$	\$	\$
Foreign exchange forward contracts	183,427,594	32,277	1,419,122
Futures contracts	56,909,797	-	160,859
		<u>32,277</u>	<u>1,579,981</u>

11. UNITS IN ISSUE

	Class A (SGD) (Dist)		Class I (SGD) (Dist)	
	2019	2018	2019	2018
	Units	Units	Units	Units
Units at beginning of the year	191,838,570	165,145,163	7,539,492	14,227,021
Units created	129,236,472	86,386,403	2,510,413	227,262
Units cancelled	(95,413,725)	(59,692,996)	(2,073,283)	(6,914,791)
Units at end of the year	<u>225,661,317</u>	<u>191,838,570</u>	<u>7,976,622</u>	<u>7,539,492</u>
	2019	2018	2019	2018
	\$	\$	\$	\$
Net assets attributable to unitholders	365,201,562	306,594,425	8,125,957	7,566,717
Net asset value per unit	<u>1.6183</u>	<u>1.5981</u>	<u>1.0187</u>	<u>1.0036</u>

LIONGLOBAL SHORT DURATION BOND FUND

11. UNITS IN ISSUE (continued)

	Class A (USD Hedged) (Dist)		Class I (USD Hedged) (Dist)	
	2019	2018	2019	2018
	Units	Units	Units	Units
Units at beginning of the year	1,411,264	2,219,626	5,005,196	5,000,405
Units created	46,548	182,717	-	9,963,266
Units cancelled	(99,030)	(991,079)	-	(9,958,475)
Units at end of the year	1,358,782	1,411,264	5,005,196	5,005,196
	2019	2018	2019	2018
	US\$	US\$	US\$	US\$
Net assets attributable to unitholders	1,359,208	1,385,484	5,028,978	4,902,037
Net assets attributable to unitholders (SGD equivalent)	1,838,941	1,889,108	6,803,956	6,683,927
Net asset value per unit	1.0003	0.9817	1.0047	0.9793
Net asset value per unit (SGD equivalent)	1.3533	1.3385	1.3593	1.3353
	Class A (SGD) (Acc)		Class I (SGD) (Acc)	
	2019	2018	2019	2018
	Units	Units	Units	Units
Units at beginning of the year	75,785	28,560,917	27,663,939	1,036,131
Units created	19,788,507	112,449	12,871,405	26,658,988
Units cancelled	(1,563,586)	(28,597,581)	(1,164,544)	(31,180)
Units at end of the year	18,300,706	75,785	39,370,800	27,663,939
	2019	2018	2019	2018
	\$	\$	\$	\$
Net assets attributable to unitholders	19,760,175	78,429	42,262,932	28,384,303
Net asset value per unit	1.0797	1.0348	1.0734	1.0260

Distributions are accrued for at the reporting period if the necessary approvals have been obtained and a legal or constructive obligation has been created, for the purpose of determining the accounting net asset values in the financial statements.

11. UNITS IN ISSUE (continued)

A reconciliation of the net assets attributable to unitholders per unit per the financial statements and the net assets attributable to unitholders per unit for issuing/redeeming units at the reporting date is presented below:

	Class A (SGD) (Dist)		Class I (SGD) (Dist)	
	2019	2018	2019	2018
	\$	\$	\$	\$
Net assets attributable to unitholders per unit per the financial statements	1.6183	1.5981	1.0187	1.0036
Effect of distribution per unit	0.0122	0.0121	0.0077	0.0076
Effect of movement in the net asset value between the last dealing date and the financial year end date	<u>(0.0002)</u>	<u>(0.0001)</u>	<u>(0.0002)</u>	<u>(0.0001)</u>
Net assets attributable to unitholders per unit for issuing/redeeming units	<u>1.6303</u>	<u>1.6101</u>	<u>1.0262</u>	<u>1.0111</u>

	Class A (USD Hedged) (Dist)		Class I (USD Hedged) (Dist)	
	2019	2018	2019	2018
	US\$	US\$	US\$	US\$
Net assets attributable to unitholders per unit per the financial statements	1.0003	0.9817	1.0047	0.9793
Effect of distribution per unit	0.0076	0.0074	0.0076	0.0074
Effect of movement in the net asset value between the last dealing date and the financial year end date	<u>(0.0002)</u>	<u>(0.0001)</u>	<u>(0.0001)</u>	<u>(0.0003)</u>
Net assets attributable to unitholders per unit for issuing/redeeming units	<u>1.0077</u>	<u>0.9890</u>	<u>1.0122</u>	<u>0.9864</u>

11. UNITS IN ISSUE (continued)

	Class A (SGD) (Acc)		Class I (SGD) (Acc)	
	2019	2018	2019	2018
	\$	\$	\$	\$
Net assets attributable to unitholders per unit per the financial statements	1.0797	1.0348	1.0734	1.0260
Effect of movement in the net asset value between the last dealing date and the financial year end date	<u>(0.0002)</u>	<u>(0.0001)</u>	<u>(0.0002)</u>	<u>(0.0001)</u>
Net assets attributable to unitholders per unit for issuing/redeeming units	<u>1.0795</u>	<u>1.0347</u>	<u>1.0732</u>	<u>1.0259</u>

12. FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Fund's overall risk management programme seeks to minimise potential adverse effects on the Fund's financial performance. The Fund may use financial futures contracts, options and/or currency forward contracts subject to the terms of the Trust Deed to moderate certain risk exposures. Specific guidelines on exposures to individual securities and certain industries are in place for the Fund at any time as part of the overall financial risk management to reduce the Fund's risk exposures.

The Fund's assets principally consist of investments in debt securities. They are held in accordance with the published investment policies of the Fund. The allocation of assets between the various types of investments is determined by the Manager to achieve their investment objectives.

The following is a summary of the main risks and risk management policies:

(a) Market risk

Market risk is the risk of loss to the value of financial investments because of changes in market conditions like interest and currency rate movements and volatility in security prices. External factors such as changes in economic environment, consumption patterns and investor's expectation contribute to market risk which may have a significant impact on the asset's value.

12. FINANCIAL RISK MANAGEMENT (continued)**(a) Market risk (continued)**

The Fund's investments are substantially dependent on changes in market prices. The Manager monitors the Fund's investments closely so as to assess changes in fundamentals and valuation. Although the Manager makes reasonable efforts in the choice of investments, events beyond reasonable control of the Manager could affect the prices of the underlying investments and hence the asset value of the Fund. Guidelines are set to reduce the Fund's risk exposures to market volatility such as diversifying the portfolio by investing across various geographies/industries.

The Fund's market risk is affected primarily by changes in three main components: changes in actual market prices, interest rate volatilities and foreign exchange movements.

(i) Price risk

Price risk primarily results from exposure to volatility of equities prices. As of 30 June 2019, the Fund has disposed of its shares in the Investee Fund. As of 30 June 2018, the Fund's exposure to price risk with respect to the Investee Fund was not considered to be significant and hence no sensitivity analysis on price risk had been presented.

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

It affects the value of fixed income securities more directly than equities. As interest rates rise, prices of fixed income securities may fall and vice versa. The rationale is that as interest rates increase, the opportunity cost of holding a fixed income security increases since investors are able to realise greater yields by switching to other investments that reflect the higher interest rate. The Manager will regularly assess the economic condition, monitor changes in interest rates outlook and take appropriate measures accordingly to control the impact of interest rate risk.

12. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

The tables below summarise the Fund's exposure to interest rate risks. They include the Fund's assets and liabilities at fair value, categorised by interest rate types.

30 June 2019	Variable rates \$	Fixed rates \$	Non-interest bearing \$	Total \$
Assets				
Portfolio of investments	95,054,008	327,101,024	3,728,736	425,883,768
Receivables	-	-	20,499,320	20,499,320
Due from brokers	-	-	3,847,866	3,847,866
Financial derivatives at fair value	-	-	1,484,733	1,484,733
Cash and bank balances	8,974,409	-	-	8,974,409
Total assets	104,028,417	327,101,024	29,560,655	460,690,096
Liabilities				
Payables	-	-	5,222,641	5,222,641
Due to brokers	-	-	11,313,977	11,313,977
Financial derivatives at fair value	-	-	159,955	159,955
Total liabilities	-	-	16,696,573	16,696,573

12. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

30 June 2018	Variable rates \$	Fixed rates \$	Non-interest bearing \$	Total \$
Assets				
Portfolio of investments	119,566,626	237,503,744	5,697,941	362,768,311
Receivables	-	-	899,615	899,615
Due from brokers	-	-	948,892	948,892
Financial derivatives at fair value	-	-	32,277	32,277
Cash and bank balances	5,698,889	-	-	5,698,889
Total assets	125,265,515	237,503,744	7,578,725	370,347,984
Liabilities				
Payables	-	-	16,343,944	16,343,944
Due to brokers	-	-	1,227,150	1,227,150
Financial derivatives at fair value	-	-	1,579,981	1,579,981
Total liabilities	-	-	19,151,075	19,151,075

The duration, a measure of the sensitivity of the price of a fixed income security to a change in interest as at 30 June 2019 is 2.22 (2018: 2.92). As of 30 June 2019, should interest rates lower or rise by 1% (2018: 1%) with all other variables remaining constant, the increase or decrease in net assets attributable to unitholders would be as follows:

Fund	Impact of 1% (2018: 1%) movement in interest rate on net assets attributable to the unitholders	
	2019	2018
	\$	\$
LionGlobal Short Duration Bond Fund	7,261,643	6,935,109

12. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(iii) Currency risk

The Fund has monetary financial assets/liabilities denominated in currencies other than Singapore Dollars and the Fund may be affected favourably or unfavourably by exchange rate regulations or changes in the exchange rates between the Singapore Dollar and such other currencies. The Fund may enter into foreign currency contracts designed to either hedge some or all of this exposure, or alternatively increase exposure to preferred foreign currencies.

The tables below summarise the Fund's exposure to key currencies at the end of the financial year. Monetary and non-monetary items have been taken into the account for the analysis.

30 June 2019	USD	CNH	SGD	Total
	\$	\$	\$	\$
Assets				
Portfolio of investments	221,771,877	2,026,593	202,085,298	425,883,768
Receivables	17	-	20,499,303	20,499,320
Due from brokers	3,847,866	-	-	3,847,866
Cash and bank balances	274,369	-	8,700,040	8,974,409
Total assets	<u>225,894,129</u>	<u>2,026,593</u>	<u>231,284,641</u>	<u>459,205,363</u>
Liabilities				
Payables	66,475	-	5,156,166	5,222,641
Due to brokers	4,261,793	-	7,052,184	11,313,977
Financial derivatives at fair value	34,310	-	-	34,310
Total liabilities	<u>4,362,578</u>	<u>-</u>	<u>12,208,350</u>	<u>16,570,928</u>
Net financial assets	221,531,551	2,026,593	219,076,291	442,634,435
Currency forwards	<u>(205,881,301)</u>	<u>(2,012,462)</u>	<u>207,893,763</u>	
Net currency exposure	<u>15,650,250</u>	<u>14,131</u>	<u>426,970,054</u>	

12. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(iii) Currency risk (continued)

30 June 2018	USD \$	CNH \$	SGD \$	Total \$
Assets				
Portfolio of investments	160,418,703	2,424,772	199,924,836	362,768,311
Receivables	28	-	899,587	899,615
Due from brokers	948,892	-	-	948,892
Cash and bank balances	2,019,082	-	3,679,807	5,698,889
Total assets	<u>163,386,705</u>	<u>2,424,772</u>	<u>204,504,230</u>	<u>370,315,707</u>
Liabilities				
Payables	13,458,688	-	2,885,256	16,343,944
Due to brokers	1,227,150	-	-	1,227,150
Financial derivatives at fair value	160,859	-	-	160,859
Total liabilities	<u>14,846,697</u>	<u>-</u>	<u>2,885,256</u>	<u>17,731,953</u>
Net financial assets	148,540,008	2,424,772	201,618,974	352,583,754
Currency forwards	<u>(138,172,338)</u>	<u>(1,977,766)</u>	<u>140,150,104</u>	
Net currency exposure	<u>10,367,670</u>	<u>447,006</u>	<u>341,769,078</u>	

The Fund's monetary assets/liabilities are measured for their sensitivity to exchange rate movements based on the balance of the monetary assets/liabilities, forecasted exchange rate movements and the net asset value of the Fund.

12. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(iii) Currency risk (continued)

As of 30 June 2019 and 2018, the Fund's exposure to foreign currency fluctuations with respect to the monetary assets/liabilities is not considered to be significant except for the currency presented in the table below which shows the Fund's sensitivity to exchange rate movements on significant monetary assets/liabilities denominated in foreign currencies, should those currencies increase by a reasonable possible shift with all other variables held constant. This sensitivity analysis is not presented separately should the currency decrease as it is the reversal of the impact disclosed below.

Currency	Reasonable possible FX movement		Impact of increase in FX rates on net assets attributable to the unitholders	
	2019	2018	2019	2018
	%	%	\$	\$
USD	5	5	782,513	518,384

(b) Liquidity risk

The Fund is exposed to daily redemption of units in the Fund. It therefore invests the majority of its assets in investments that are traded in an active market and can be readily disposed of.

The tables below analyse the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

30 June 2019	Less than 3 months \$	3 months- 1 year \$	1-5 years \$	Above 5 years \$
Derivative financial instruments				
- inflows	(14,488,028)	-	-	-
- outflows	14,647,983	-	-	-
Payables	5,222,641	-	-	-
Due to brokers	11,313,977	-	-	-

12. FINANCIAL RISK MANAGEMENT (continued)

(b) Liquidity risk (continued)

30 June 2018	Less than 3 months \$	3 months- 1 year \$	1-5 years \$	Above 5 years \$
Derivative financial instruments				
- inflows	(159,650,224)	-	-	-
- outflows	161,230,205	-	-	-
Payables	16,343,944	-	-	-
Due to brokers	1,227,150	-	-	-

(c) Credit risk

Credit risk is the risk that counterparty will fail to perform contractual obligations, either in whole or in part, under a contract.

Concentrations of credit risk are minimised primarily by:

- ensuring counterparties, together with the respective credit limits, are approved,
- ensuring that transactions are undertaken with a large number of counterparties, and
- ensuring that the majority of transactions are undertaken on recognised exchanges.

The Fund invests mostly in financial assets, which have an investment grade as rated by Standard and Poor's ("S&P") or Moody's. The credit ratings are reviewed regularly.

12. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

The table below analyses the Fund's investments by credit ratings in percentage, out of total net assets attributable to unitholders.

	2019 %	2018 %
Aaa	2.6	0.6
Aa2	-	0.9
Aa3	0.4	-
A1	3.4	2.6
A2	5.7	2.3
A3	3.7	3.8
Baa1	7.8	17.0
Baa2	22.2	19.4
Baa3	7.8	7.5
Ba2	1.3	-
Ba3	-	0.8
B1	-	0.2
Unrated	40.2	46.6
Accrued interest on debt securities	0.8	0.9
Total debt securities	95.9	102.6

All transactions in listed securities are settled/paid upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

Credit risk also arises from cash and cash equivalents and assets held with financial institutions.

The Fund may also enter into derivatives to manage its exposures to currency risk and price risk, including foreign exchange forward contracts and options. Hence, the Fund is also exposed to the risk that its derivatives held with counterparties may not be recoverable in the event of any default by the parties concerned. The Manager minimises the Fund's credit risk by undertaking transactions with banks that are part of banking groups with good credit ratings assigned by S&P or Moody's.

12. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

The tables below summarise the credit rating of banks and custodian in which the Fund's assets are held as at 30 June 2019 and 2018.

	Credit rating ##	Source of credit rating
30 June 2019		
<u>Custodian</u>		
The Hongkong and Shanghai Banking Corporation Limited	AA-	S&P
<u>Bank</u>		
The Hongkong and Shanghai Banking Corporation Limited	AA-	S&P
Australia & New Zealand Banking Group Ltd.	AA-	S&P
BNY Mellon NA	AA-	S&P
<u>Margin deposit</u>		
UBS AG	A+	S&P
	Credit rating ##	Source of credit rating
30 June 2018		
<u>Custodian</u>		
The Hongkong and Shanghai Banking Corporation Limited	AA-	S&P
<u>Bank</u>		
The Hongkong and Shanghai Banking Corporation Limited	AA-	S&P
Oversea-Chinese Banking Corporation Limited	AA-	S&P
Australia & New Zealand Banking Group Ltd.	AA-	S&P
Standard Chartered Bank	A	S&P
UBS AG	A+	S&P
<u>Margin deposit</u>		
UBS AG	A+	S&P

Group credit ratings are presented for unrated subsidiaries.

12. FINANCIAL RISK MANAGEMENT (continued)**(c) Credit risk (continued)**

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

The credit ratings are based on the Long-Term Issuer Ratings published by the rating agency.

(d) Capital management

The Fund's capital is represented by the net assets attributable to unitholders. The Fund strives to invest the subscriptions of redeemable participating units in investments that meet the Fund's investment objectives while maintaining sufficient liquidity to meet unitholders' redemptions.

(e) Fair value estimation

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

12. FINANCIAL RISK MANAGEMENT (continued)

 (e) Fair value estimation (continued)

The following table analyses within the fair value hierarchy the Fund's financial assets and liabilities (by class) measured at fair value at 30 June 2019 and 2018:

30 June 2019	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Portfolio of investments				
- Quoted debt securities	-	425,883,768	-	425,883,768
- Unquoted equities^	-	-	-	-
Financial derivatives at fair value	-	1,484,733	-	1,484,733
	-	427,368,501	-	427,368,501

Liabilities

Financial derivatives at fair value	34,310	125,645	-	159,955
	34,310	125,645	-	159,955

30 June 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Portfolio of investments				
- Quoted fund	2,424,772	-	-	2,424,772
- Quoted debt securities	-	360,343,539	-	360,343,539
- Unquoted equity^	-	-	-	-
Financial derivatives at fair value	-	32,277	-	32,277
	2,424,772	360,375,816	-	362,800,588

Liabilities

Financial derivatives at fair value	160,859	1,419,122	-	1,579,981
	160,859	1,419,122	-	1,579,981

12. FINANCIAL RISK MANAGEMENT (continued)**(e) Fair value estimation (continued)**

Investments whose values are based on quoted market prices in active markets, and therefore classified within Level 1, comprise exchange traded derivatives. The Fund does not adjust the quoted price for these instruments.

Investments in open-ended investment funds whose net assets value is struck daily, price information published and readily available and units are subscribed and redeemable on demand at the published price are classified within Level 1.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include investment-grade corporate bonds and over-the-counter derivatives.

- ^ Investments classified within Level 3 have significant unobservable inputs as there are no readily available quoted market prices. Investments classified as Level 3 consists of two (2018: one) equity securities which are not traded on the recognised exchanges. The fair value of these securities have been written down to nil value. The valuation technique and key unobservable inputs for these investments are not disclosed and no sensitivity analysis is presented as the amount is insignificant.

Except for cash and cash balances and margin deposits which are classified as Level 1, the Fund's assets and liabilities not measured at fair value at 30 June 2019 and 2018 have been classified as Level 2. The carrying amounts of these assets and liabilities approximate their fair values as at the reporting date.

(f) Offsetting financial assets and financial liabilities

There are no financial assets or liabilities subject to offsetting, enforceable master netting arrangement and similar arrangements.

13. INTEREST IN UNCONSOLIDATED STRUCTURED ENTITIES

The Fund's investment in the Investee Fund is subject to the terms and conditions of the Investee Fund's offering documentation and are susceptible to market price risk arising from uncertainties about future values of the Investee Fund. The Manager makes investment decisions after extensive due diligence of the Investee Fund, its strategy and the overall quality of the Investee Fund's manager. The Investee Fund in the investment portfolio is managed by portfolio managers who are compensated by the respective Investee Fund for their services. Such compensation generally consists of an asset based fee and is reflected in the valuation of the Fund's investments in each of the Investee Fund.

The Fund has right to request redemption of its investments in Investee Fund on a daily basis.

The exposure to investments in the Investee Fund at fair value is disclosed under the Statement of Portfolio. These investments are included within "Portfolio of investments" in the Statement of Financial Position.

The Fund's holding in the Investee Fund, as a percentage of the Investee Fund's total net asset value, will vary from time to time dependent on the volume of subscriptions and redemptions at the Investee Fund level. It is possible that the Fund may, at any point in time, hold a majority of an Investee Fund's total units in issue.

The Fund's maximum exposure to loss from its interests in the Investee Fund is equal to the total fair value of its investments in the Investee Fund.

Once the Fund has disposed of its shares in the Investee Fund, the Fund ceases to be exposed to any risk from it.

14. RELATED PARTY TRANSACTIONS

Management fees are paid to the Manager, while trustee fee is paid to the Trustee. These fees paid or payable by the Fund shown in the Statement of Total Return and in the respective notes to the financial statements are on terms set out in the Trust Deed.

In addition to the related party information shown elsewhere in the financial statements, the following significant transactions took place during the financial year between the Fund and related parties at terms agreed between the parties and within the provisions of the Trust Deed:

	2019	2018
	\$	\$
Transaction fees charged by the Trustee	8,065	7,186
Registration fees charged by a related company of the Trustee	30,703	32,366
Valuation and administration fees charged by the Trustee	129,494	122,822
Custodian fees charged by a related company of the Trustee	62,421	60,272
Bank service fees charged by a bank which is a related company of the Trustee	2,597	3,154
Cash transfer fees charged by a related company of the Trustee	5,139	4,417

15. FINANCIAL RATIOS

	2019	2018
	%	%
Expense ratio ¹		
- Class A (SGD) (Dist)	0.59	0.61
- Class I (SGD) (Dist)	0.34	0.35
- Class A (USD Hedged) (Dist)	0.59	0.61
- Class I (USD Hedged) (Dist)	0.34	0.35
- Class A (SGD) (Acc)	0.60	0.60
- Class I (SGD) (Acc)	0.34	0.36
Portfolio Turnover ratio ²	58	55

15. FINANCIAL RATIOS (continued)

- ¹ The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the expense ratio at 30 June 2019 was based on total operating expenses divided by the average net asset value for the year. The total operating expenses do not include (where applicable) brokerage and other transaction costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. Expenses which are common to all Classes are apportioned based on the proportion of NAV of respective Class. The Fund does not pay any performance fee. The average net asset values are based on the daily balances.

The following table presents the total operating expenses and average net asset values of the Fund for the financial years ended 30 June 2019 and 2018.

	2019	2018
	\$	\$
Total operating expenses		
Class A (SGD) (Dist)	1,797,969	1,784,915
Class I (SGD) (Dist)	29,921	37,164
Class A (USD Hedged) (Dist)	10,671	18,217
Class I (USD Hedged) (Dist)	23,029	65,616
Class A (SGD) (Acc) (annualised in accordance with IMAS guidelines)	29,933	61,683
Class I (SGD) (Acc) (annualised in accordance with IMAS guidelines)	125,680	33,081
	<hr/>	<hr/>
Average net asset value		
Class A (SGD) (Dist)	304,583,710	293,693,706
Class I (SGD) (Dist)	8,823,158	10,470,889
Class A (USD Hedged) (Dist)	1,808,333	3,006,302
Class I (USD Hedged) (Dist)	6,774,139	18,516,651
Class A (SGD) (Acc)	5,020,594	10,202,379
Class I (SGD) (Acc)	36,930,057	9,186,117
	<hr/>	<hr/>

- ² The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the portfolio turnover ratio was based on the lower of the total value of purchases or sales of the underlying investments, being sales of \$209,455,775 (2018: sales of \$191,089,051) divided by the weighted average daily net asset value of \$363,939,991 (2018: \$345,076,044).

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