

For the financial year ended 31 December 2019

# **ANNUAL REPORT INFINITY INVESTMENT SERIES**

**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 (Chief Executive Officer)  
Mr Tan Siew Peng  
Mr Ronnie Tan Yew Chye  
Ms Wee Ai Ning  
Ms Chong Chuan Neo  
Mr Leslie Teo Eng Sipp

### 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

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## PERFORMANCE OF THE FUND

For the financial year ended 31 December 2019

### INFINITY U.S. 500 STOCK INDEX FUND

Past performance is not necessarily indicative of future performance. Cumulative returns for the Fund are calculated up to 31 December 2019 in SGD terms, on a single pricing basis with dividends reinvested net of all charges payable upon reinvestment.

Time Period	Fund Returns (%)	
	Infinity U.S. 500 Stock Index Fund (SGD Class)	Benchmark* Returns (%)
3 months	5.6	5.9
6 months	9.5	9.9
1 year	27.8	28.9
3 years**	11.1	11.9
5 years**	10.5	11.3
10 years**	11.4	12.4
Since Inception** (31 May 2000)	3.4	4.4

Past performance is not necessarily indicative of future performance. Cumulative returns for the Fund are calculated up to 31 December 2019 in USD terms, on a single pricing basis with dividends reinvested net of all charges payable upon reinvestment.

Time Period	Fund Returns (%)	
	Infinity U.S. 500 Stock Index Fund (USD Class)	Benchmark* Returns (%)
3 months	8.7	8.9
6 months	10.2	10.6
1 year	29.6	30.7
3 years**	13.8	14.6
5 years**	10.2	11.0
10 years**	11.9	12.9
Since Inception** (17 October 2003)	7.8	8.8

Source: Morningstar/Lion Global Investors Ltd.

\* Benchmark: Standard & Poor's 500 Index.

\*\* Returns of more than 1 year are annualised.

### REVIEW

For the year ended 31 December 2019, the Fund returned 27.8%, underperforming the benchmark which returned 28.9%, in SGD terms.

US equity markets rounded out one of the best quarterly gains in nearly a decade in the 1st quarter, as investors were encouraged by signs of stability in the economy and assurances that the Federal Reserve is unlikely to raise rates over the balance of 2019. Markets were also boosted by signs that the US and China were inching closer to resolving their trade spat. However, the US-China trade dispute escalated in May 2019, clouding the US's economic outlook. Bond yields fell sharply as the market began to price in an "insurance cut" by the Federal Reserve amid a slowing global economy, trade frictions and low inflation.

The Federal Reserve cut rates by 25 basis points (bps) in July 2019 and September 2019, which helped to support markets. During the 3rd quarter, President Trump announced new tariffs of 15% on an additional \$300 billion (bn) worth of Chinese imports effective 1 September 2019 and increased tariffs on the existing \$250bn worth of Chinese imports from 25% to 30% effective 1 October 2019. Beijing retaliated with tariffs targeting U.S. soybeans, crude oil, and pharmaceuticals. Towards the end of the quarter, President Trump delayed the imposition of increased tariffs on the existing \$250bn worth of Chinese imports from 1 October 2019 to 15 October 2019. On the political front, Democrats ratcheted up impeachment efforts against President Trump.

US equities ended the year on a strong note, supported by the Federal Reserve which cut rates for the 3rd time in October 2019, while positive sentiment over perceived trade-related progress supplanted downbeat economic data and growing tensions in the Middle East. Despite an economy flushed with jobs and a strong US consumer, businesses continued to struggle, and according to certain metrics, manufacturing activity declined unexpectedly in December 2019, hitting a new 10-year low.

In SGD terms, Information Technology (+47.6%) was the best performing sector, followed by Communication Services (+30.4%). On the other hand, Healthcare (18.6%) and Energy (9.1%) were the worst performing sectors.

The underlying fund in the Vanguard® Investment Series PLC has met the objectives of performing in-line with its benchmark before accounting for operating and transaction costs.

### STRATEGY AND OUTLOOK

The Fund will continue to pursue its objective of tracking the S&P 500 Index closely.

As of 20 February 2020.

## PERFORMANCE OF THE FUND

For the financial year ended 31 December 2019

### INFINITY EUROPEAN STOCK INDEX FUND

Past performance is not necessarily indicative of future performance. Cumulative returns for the Fund are calculated up to 31 December 2019 in SGD terms, on a single pricing basis with dividends reinvested net of all charges payable upon reinvestment.

Time Period	Fund Returns (%) Infinity European Stock Index Fund (SGD Class)	Benchmark* Returns (%)
3 months	5.7	5.8
6 months	5.9	6.2
1 year	21.3	22.1
3 years**	6.5	7.2
5 years**	4.5	5.4
10 years**	3.8	4.7
Since Inception** (31 May 2000)	1.7	2.6

Past performance is not necessarily indicative of future performance. Cumulative returns for the Fund are calculated up to 31 December 2019 in USD terms, on a single pricing basis with dividends reinvested net of all charges payable upon reinvestment.

Time Period	Fund Returns (%) Infinity European Stock Index Fund (USD Class)	Benchmark* Returns (%)
3 months	8.4	8.8
6 months	6.4	6.9
1 year	23.0	23.8
3 years**	9.1	9.8
5 years**	4.1	5.1
10 years**	4.2	5.2
Since Inception** (17 October 2003)	5.6	6.4

Source: Morningstar/Lion Global Investors Ltd.

\* Benchmark: MSCI Europe Index.

\*\* Returns of more than 1 year are annualised.

### REVIEW

For the year ended 31 December 2019, the Fund returned 21.3%, underperforming the benchmark which returned 22.1%, in SGD terms.

In Europe, despite the economy flagging under pressure from a weak global demand and political uncertainty, equities started the year on a strong note, boosted by positive news in the global trade war. In May 2019, investors rushed to shed risk as increased global trade tensions overshadowed solid corporate earnings and some improved economic data. European equities rose in June 2019 on hopes G-20 would ease trade tensions and news that the European Central Bank (ECB) was ready to use all tools available if the export-driven slowdown spilled over into other areas of the economy.

In September 2019, the ECB duly delivered by cutting its key interest rate and launching a sweeping package of bond purchases target to bolster growth. In the 4th quarter, investors were further boosted by a brightening trade outlook, which holds the potential to improve the prospects for the region's manufacturers. However, economic malaise continued to permeate the region and the downturn in Eurozone manufacturing deepened. Germany was particularly hard hit as weak Eurozone demand weighed on Europe's largest economy.

In the UK, the Brexit follies continued to grab headlines for most of the year, as risks of a no-deal Brexit heightened. Theresa May resigned as Prime Minister in July 2019, following the victory of Boris Johnson at the Conservative Party leadership election. Despite this, the Brexit saga continued until Boris Johnson's Conservatives' resounding victory in December 2019, which finally broke the Brexit gridlock, to provide clear direction and a path forward for Britain to leave the EU by 31 January 2020.

In SGD terms, Information Technology (+33.3%) was the best performing sector, followed by Industrials (+30.9%). On the other hand, Energy (+5.3%) and Communication Services (+1.4%) were the worst performing sectors.

The underlying fund in the Vanguard® Investment Series PLC has met the objectives of performing in-line with its benchmark before accounting for operating and transaction costs.

### STRATEGY AND OUTLOOK

The Fund will continue to pursue its objective of tracking the MSCI Europe Index closely.

As of 20 February 2020.

## PERFORMANCE OF THE FUND

For the financial year ended 31 December 2019

### INFINITY GLOBAL STOCK INDEX FUND

Past performance is not necessarily indicative of future performance. Cumulative returns for the Fund are calculated up to 31 December 2019 in SGD terms, on a single pricing basis with dividends reinvested net of all charges payable upon reinvestment.

Time Period	Fund Returns (%) Infinity Global Stock Index Fund (SGD Class)	Benchmark* Returns (%)
3 months	5.4	5.6
6 months	8.0	8.5
1 year	25.5	26.0
3 years**	9.1	9.9
5 years**	8.2	9.1
10 years**	8.1	9.0
Since Inception** (31 May 2000)	2.6	3.6

Past performance is not necessarily indicative of future performance. Cumulative returns for the Fund are calculated up to 31 December 2019 in USD terms, on a single pricing basis with dividends reinvested net of all charges payable upon reinvestment.

Time Period	Fund Returns (%) Infinity Global Stock Index Fund (USD Class)	Benchmark* Returns (%)
3 months	8.0	8.6
6 months	8.4	9.1
1 year	27.2	27.7
3 years**	11.6	12.6
5 years**	7.9	8.7
10 years**	8.6	9.5
Since Inception** (17 October 2003)	6.9	7.8

Source: Morningstar/Lion Global Investors Ltd.

\* Benchmark: MSCI World Free Index.

\*\* Returns of more than 1 year are annualised.



### REVIEW

For the year ended 31 December 2019, the Fund returned 25.5%, underperforming the benchmark which returned 26.0%, in SGD terms.

Global equity markets started the year well as recession fears that preoccupied markets late last year continue to fade. Investors were also encouraged by positive developments in the US-China trade negotiations in the first quarter, the avoidance of an April 2019 no-deal Brexit, and accommodative central banks. The sudden intensification of US-China trade tensions in May 2019 upended market calm and sowed fears that the escalating conflicts could spill over into slower worldwide economic growth. However, markets recovered in June 2019, in anticipation of easing monetary policy and on hopes that the G-20 meeting would lead to the resumption of US-China trade talks.

The US-China trade war continued to cloud the outlook for global growth in the 2nd half, while dovish central banks provided hopes that looser monetary policy could offset headwinds from slowing global trade. The US Federal Reserve cut rates three times, in July 2019, September 2019 and October 2019, while the European Central Bank (ECB) cut its key interest rate and launched a sweeping package of bond purchases target to bolster growth in September 2019, both of which helped to support markets. Tariff proposals and posturing by both the US and China made frequent headlines although there was little progress in finding common ground to end the trade war. In the 4th quarter, the announcement of a "phase one" US-China trade deal and progress by British and European leaders to avoid a no-deal Brexit, sent equity markets up strongly to end the year at the high.

In SGD terms, by region, US (+28.9%) and Europe (+22.1%) outperformed Asia Pacific ex-Japan (+17.6%) and Japan (+18.0%). Information Technology (+44.9%) was the best performing sector, followed by Consumer Discretionary (+26.0%). On the other hand, Materials (+18.5%) and Energy (+11.3%) were the worst performing sectors.

The underlying fund in the Vanguard® Investment Series PLC has met the objectives of performing in-line with its benchmark before accounting for operating and transaction costs.

### STRATEGY AND OUTLOOK

The Fund will continue to pursue its objective of tracking the MSCI World Index closely.

As of 20 February 2020.

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**DISCLOSURES ON THE FUND <sup>1</sup>***For the financial year ended 31 December 2019***INFINITY U.S. 500 STOCK INDEX FUND****1. DISTRIBUTION OF INVESTMENTS AS AT 31 DECEMBER 2019**

	<b>Fair Value</b> <b>\$</b>	<b>Percentage of total net assets attributable to unitholders</b> <b>%</b>
a) <u>By Asset Class</u>		
Fund	53,774,370	99.3
Cash and other net assets	369,066	0.7
<b>Net assets attributable to unitholders</b>	<b>54,143,436</b>	<b>100.0</b>

b) By Credit Rating of Debt Securities

Not applicable

c) By Derivative Type

The total net realised losses from financial derivatives at the end of the year were \$2,092.

**2. TOP 10 HOLDINGS****As at 31 December 2019**

	<b>Fair Value</b> <b>\$</b>	<b>Percentage of total net assets attributable to unitholders</b> <b>%</b>
Vanguard® U.S. 500 Stock Index Fund	53,774,370	99.3

**As at 31 December 2018**

	<b>Fair Value</b> <b>\$</b>	<b>Percentage of total net assets attributable to unitholders</b> <b>%</b>
Vanguard® U.S. 500 Stock Index Fund	38,653,394	97.3

<sup>1</sup> As required by the Code on Collective Investment Schemes.

### 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

Please refer to Statement of Portfolio.

### 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<sup>2</sup>

	31 December 2019	31 December 2018
a) Ratio of expenses to average net assets	0.10%	0.10%
b) Turnover ratios	14%	23%
c) Top 10 holdings		

### As at 31 December 2019

	Fair Value US\$ million	Percentage of total assets %
Apple Inc.	354.7	4.6
Microsoft Corp.	346.9	4.5
Alphabet Inc.	231.3	3.0
Amazon.com Inc.	223.6	2.9
Facebook Inc.	138.8	1.8
Berkshire Hathaway Inc.	123.4	1.6
JPMorgan Chase & Co.	123.4	1.6
Johnson & Johnson	107.9	1.4
Visa Inc.	92.5	1.2
Procter & Gamble Co.	92.5	1.2

### As at 31 December 2018

	Fair Value US\$ million	Percentage of total assets %
Microsoft Corp.	222.5	3.7
Apple Inc.	204.4	3.4
Alphabet Inc.	180.4	3.0
Amazon.com Inc.	174.4	2.9
Berkshire Hathaway Inc.	114.2	1.9
Johnson & Johnson	96.2	1.6
JPMorgan Chase & Co.	90.2	1.5
Facebook Inc.	90.2	1.5
Exxon Mobil Corp.	84.2	1.4
Pfizer Inc.	72.1	1.2

<sup>2</sup> Based on latest available information provided by the underlying sub-fund managers.

**DISCLOSURES ON THE FUND <sup>1</sup>***For the financial year ended 31 December 2019***INFINITY EUROPEAN STOCK INDEX FUND****1. DISTRIBUTION OF INVESTMENTS AS AT 31 DECEMBER 2019**

	<b>Fair Value</b> <b>\$</b>	<b>Percentage of</b> <b>total net assets</b> <b>attributable to</b> <b>unitholders</b> <b>%</b>
a) <u>By Asset Class</u>		
Fund	7,366,288	99.4
Cash and other net assets	47,213	0.6
<b>Net assets attributable to unitholders</b>	<b>7,413,501</b>	<b>100.0</b>

b) By Credit Rating of Debt Securities

Not applicable

c) By Derivative Type

The total net realised gains from financial derivatives at the end of the year were \$574.

**2. TOP 10 HOLDINGS****As at 31 December 2019**

	<b>Fair Value</b> <b>\$</b>	<b>Percentage of</b> <b>total net assets</b> <b>attributable to</b> <b>unitholders</b> <b>%</b>
Vanguard® European Stock Index Fund	7,366,288	99.4

**As at 31 December 2018**

	<b>Fair Value</b> <b>\$</b>	<b>Percentage of</b> <b>total net assets</b> <b>attributable to</b> <b>unitholders</b> <b>%</b>
Vanguard® European Stock Index Fund	6,446,791	97.5

<sup>1</sup> As required by the Code on Collective Investment Schemes.

### 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

Please refer to Statement of Portfolio.

### 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<sup>2</sup>

	31 December 2019	31 December 2018
a) Ratio of expenses to average net assets	0.12%	0.29%
b) Turnover ratios	11%	9%
c) Top 10 holdings		

## As at 31 December 2019

	Fair Value US\$ Million	Percentage of total assets %
Nestle SA	163.2	3.4
Royal Dutch Shell plc	120.0	2.5
Roche Holding AG	115.2	2.4
Novartis AG	105.6	2.2
HSBC Holdings plc	81.6	1.7
Unilever	76.8	1.6
SAP SE	67.2	1.4
TOTAL SA	67.2	1.4
AstraZeneca plc	67.2	1.4
LVMH Moët Hennessy Louis Vuitton SE	67.2	1.4

## As at 31 December 2018

	Fair Value US\$ Million	Percentage of total assets %
Nestle SA	129.6	3.1
Royal Dutch Shell plc	128.8	3.1
Novartis AG	96.7	2.3
Roche Holding AG	90.6	2.2
HSBC Holdings plc	85.7	2.1
Unilever	74.7	1.8
TOTAL SA	66.2	1.6
BP plc	66.0	1.5
SAP SE	51.0	1.2
Sanofi	51.0	1.2

<sup>2</sup> Based on latest available information provided by the underlying sub-fund managers.



**DISCLOSURES ON THE FUND <sup>1</sup>***For the financial year ended 31 December 2019***INFINITY GLOBAL STOCK INDEX FUND****1. DISTRIBUTION OF INVESTMENTS AS AT 31 DECEMBER 2019**

	<b>Fair Value</b> <b>\$</b>	<b>Percentage of</b> <b>total net assets</b> <b>attributable to</b> <b>unitholders</b> <b>%</b>
a) <u>By Asset Class</u>		
Fund	63,047,457	99.2
Cash and other net assets	500,992	0.8
<b>Net assets attributable to unitholders</b>	<b>63,548,449</b>	<b>100.0</b>

b) By Credit Rating of Debt Securities

Not applicable

c) By Derivative Type

The total net realised gains from financial derivatives at the end of the year were \$413.

**2. TOP 10 HOLDINGS****As at 31 December 2019**

	<b>Fair Value</b> <b>\$</b>	<b>Percentage of</b> <b>total net assets</b> <b>attributable to</b> <b>unitholders</b> <b>%</b>
Vanguard® Global Stock Index Fund	63,047,457	99.2

**As at 31 December 2018**

	<b>Fair Value</b> <b>\$</b>	<b>Percentage of</b> <b>total net assets</b> <b>attributable to</b> <b>unitholders</b> <b>%</b>
Vanguard® Global Stock Index Fund	53,698,781	99.0

<sup>1</sup> As required by the Code on Collective Investment Schemes.

### 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

Please refer to Statement of Portfolio.

### 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<sup>2</sup>

	31 December 2019	31 December 2018
a) Ratio of expenses to average net assets	0.18%	0.25%
b) Turnover ratios	8%	15%
c) Top 10 holdings		

### As at 31 December 2019

	Fair Value US\$ Million	Percentage of total assets %
Apple Inc.	344.7	3.0
Microsoft Corp.	298.7	2.6
Alphabet Inc.	206.8	1.8
Amazon.com Inc.	195.3	1.7
Facebook Inc.	126.4	1.1
JPMorgan Chase & Co.	114.9	1.0
Johnson & Johnson	103.4	0.9
Visa Inc.	80.4	0.7
Nestle SA	80.4	0.7
Procter & Gamble Co.	80.4	0.7

### As at 31 December 2018

	Fair Value US\$ Million	Percentage of total assets %
Apple Inc.	209.2	2.1
Microsoft Corp.	199.2	2.0
Alphabet Inc.	179.3	1.8
Amazon.com Inc.	169.3	1.7
Johnson & Johnson	99.6	1.0
JPMorgan Chase & Co.	89.7	0.9
Facebook Inc.	89.7	0.9
Exxon Mobil Corp.	79.7	0.8
Berkshire Hathaway Inc.	69.7	0.7
Pfizer Inc.	69.7	0.7

<sup>2</sup> Based on latest available information provided by the underlying sub-fund managers.

### REPORT OF THE TRUSTEE

*For the financial year ended 31 December 2019*

The Trustee is under a duty to take into custody and to hold the assets of the sub-funds of Infinity Investment Series, namely Infinity U.S. 500 Stock Index Fund, Infinity European Stock Index Fund and Infinity Global Stock Index Fund (collectively referred to as the “Sub-Funds”) 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 Sub-Funds during the financial year covered by these financial statements, set out on pages 23 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

26 March 2020

### STATEMENT BY THE MANAGER

*For the financial year ended 31 December 2019*

In the opinion of Lion Global Investors Limited, the accompanying financial statements set out on pages 23 to 60, comprising the Statements of Total Return, Statements of Financial Position, Statements of Movements of Unitholders' Funds, Statements of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial positions and the portfolio holdings of the sub-funds of Infinity Investment Series, namely Infinity U.S. 500 Stock Index Fund, Infinity European Stock Index Fund and Infinity Global Stock Index Fund (collectively referred to as the "Sub-Funds") as at 31 December 2019, and the financial performance and movements in unitholders' funds for the 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 Sub-Funds will be able to meet its financial obligations as and when they materialise.

For and on behalf of  
LION GLOBAL INVESTORS LIMITED

GERARD LEE HOW CHENG  
CEO

26 March 2020

### INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE INFINITY INVESTMENT SERIES

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

#### ***Our Opinion***

In our opinion, the accompanying financial statements of the sub-funds of Infinity Investment Series, namely Infinity U.S. 500 Stock Index Fund, Infinity European Stock Index Fund and Infinity Global Stock Index Fund (collectively known as the “Sub-Funds”) 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 Sub-Funds as at 31 December 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 Sub-Funds comprise:

- the Statements of Total Return for the financial year ended 31 December 2019;
- the Statements of Financial Position as at 31 December 2019;
- the Statements of Movements of Unitholders' Funds for the financial year ended 31 December 2019;
- the Statements of Portfolio as at 31 December 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 Sub-Funds 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.

### **INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE INFINITY INVESTMENT SERIES**

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

#### ***Other Information***

The Sub-Funds' 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 Sub-Funds' 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 Sub-Funds or to cease the Sub-Funds' operations, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Sub-Funds' 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.

### INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE INFINITY INVESTMENT SERIES

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

#### ***Auditor's Responsibilities for the Audit of the Financial Statements (continued)***

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 Sub-Funds' 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 Sub-Funds' 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 Sub-Funds 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, 26 March 2020



**STATEMENTS OF TOTAL RETURN***For the financial year ended 31 December 2019*

		<b>Infinity U.S. 500 Stock Index Fund</b>	
		<b>2019</b>	<b>2018</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>Expenses</b>			
Audit fee		10,318	10,588
Management fee	10	226,297	198,365
Professional fees		17,846	10,981
Registration fee	10	16,766	18,678
Transaction costs		600	575
Miscellaneous expenses		16,603	12,739
		<u>288,430</u>	<u>251,926</u>
<b>Net expense</b>		<u>(288,430)</u>	<u>(251,926)</u>
<b>Net gains or losses on value of investments and financial derivatives</b>			
Net gains/(losses) on investments		11,587,190	(1,391,806)
Net losses on foreign exchange spot contracts		(2,092)	(6,498)
Net foreign exchange (losses)/gains		<u>(389)</u>	<u>8,238</u>
		<u>11,584,709</u>	<u>(1,390,066)</u>
<b>Total return/(deficit) for the year before income tax</b>		11,296,279	(1,641,992)
<b>Less: Income tax</b>	3	-	-
<b>Total return/(deficit) for the year</b>		<u>11,296,279</u>	<u>(1,641,992)</u>

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

**STATEMENTS OF TOTAL RETURN***For the financial year ended 31 December 2019*

		<b>Infinity European Stock Index Fund</b>	
		<b>2019</b>	<b>2018</b>
<b>Note</b>		<b>\$</b>	<b>\$</b>
<b>Expenses</b>			
Audit fee		5,424	8,713
Management fee	10	34,776	36,010
Professional fees		9,883	6,320
Registration fee	10	14,175	15,502
Transaction costs		225	225
Miscellaneous expenses		4,763	5,719
		69,246	72,489
<b>Net expense</b>		<b>(69,246)</b>	<b>(72,489)</b>
<b>Net gains or losses on value of investments and financial derivatives</b>			
Net gains/(losses) on investments		1,443,580	(976,803)
Net gains on foreign exchange spot contracts		574	18
Net foreign exchange (losses)/gains		(2,437)	1,372
		1,441,717	(975,413)
<b>Total return/(deficit) for the year before income tax</b>		<b>1,372,471</b>	<b>(1,047,902)</b>
<b>Less: Income tax</b>	3	-	-
<b>Total return/(deficit) for the year</b>		<b>1,372,471</b>	<b>(1,047,902)</b>

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

## STATEMENTS OF TOTAL RETURN

For the financial year ended 31 December 2019

		Infinity Global Stock Index Fund	
		2019	2018
Note		\$	\$
<b>Expenses</b>			
		10,350	10,556
Audit fee			
Management fee	10	281,214	284,248
Professional fees		12,449	14,350
Registration fee	10	16,571	18,236
Transaction costs		525	350
Miscellaneous expenses		14,118	12,541
		335,227	340,281
<b>Net expense</b>		(335,227)	(340,281)
<b>Net gains or losses on value of investments and financial derivatives</b>			
Net gains/(losses) on investments		13,307,461	(3,938,726)
Net gains on foreign exchange spot contracts		413	4,513
Net foreign exchange losses		(2,709)	(8,095)
		13,305,165	(3,942,308)
<b>Total return/(deficit) for the year before income tax</b>		12,969,938	(4,282,589)
<b>Less: Income tax</b>	3	-	-
<b>Total return/(deficit) for the year</b>		12,969,938	(4,282,589)

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

**STATEMENTS OF FINANCIAL POSITION***As at 31 December 2019*

		<b>Infinity U.S. 500 Stock Index Fund</b>	
	<b>Note</b>	<b>2019</b>	<b>2018</b>
		<b>\$</b>	<b>\$</b>
<b>ASSETS</b>			
Portfolio of investment		53,774,370	38,653,394
Receivables	4	117,771	118,972
Cash and bank balances	5	369,119	1,049,664
<b>Total assets</b>		<u>54,261,260</u>	<u>39,822,030</u>
<b>LIABILITIES</b>			
Payables	6	117,824	111,749
<b>Total liabilities</b>		<u>117,824</u>	<u>111,749</u>
<b>EQUITY</b>			
Net assets attributable to unitholders	7	<u>54,143,436</u>	<u>39,710,281</u>

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

**STATEMENTS OF FINANCIAL POSITION***As at 31 December 2019*

		<b>Infinity European Stock Index Fund</b>	
		<b>2019</b>	<b>2018</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>			
Portfolio of investment		7,366,288	6,446,791
Receivables	4	2,804	3,335
Cash and bank balances	5	63,988	178,043
<b>Total assets</b>		<b>7,433,080</b>	<b>6,628,169</b>
<b>LIABILITIES</b>			
Payables	6	19,579	15,890
<b>Total liabilities</b>		<b>19,579</b>	<b>15,890</b>
<b>EQUITY</b>			
Net assets attributable to unitholders	7	7,413,501	6,612,279

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

**STATEMENTS OF FINANCIAL POSITION***As at 31 December 2019*

		<b>Infinity Global Stock Index Fund</b>	
	<b>Note</b>	<b>2019</b>	<b>2018</b>
		<b>\$</b>	<b>\$</b>
<b>ASSETS</b>			
Portfolio of investment		63,047,457	53,698,781
Receivables	4	24,528	90,455
Cash and bank balances	5	608,877	560,129
<b>Total assets</b>		<b>63,680,862</b>	<b>54,349,365</b>
<b>LIABILITIES</b>			
Payables	6	132,413	114,110
<b>Total liabilities</b>		<b>132,413</b>	<b>114,110</b>
<b>EQUITY</b>			
Net assets attributable to unitholders	7	63,548,449	54,235,255

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

**STATEMENTS OF MOVEMENTS OF UNITHOLDERS' FUNDS***For the financial year ended 31 December 2019*

	Note	Infinity U.S. 500 Stock Index Fund	
		2019	2018
		\$	\$
<b>Net assets attributable to unitholders at the beginning of the financial year</b>		39,710,281	39,163,742
<b>Operations</b>			
Change in net assets attributable to unitholders resulting from operations		11,296,279	(1,641,992)
<b>Unitholders' contributions/(withdrawals)</b>			
Creation of units		15,333,801	17,275,046
Cancellation of units		(12,196,925)	(15,086,515)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		3,136,876	2,188,531
Total increase in net assets attributable to unitholders		14,433,155	546,539
<b>Net assets attributable to unitholders at the end of the financial year</b>	7	54,143,436	39,710,281

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

**STATEMENTS OF MOVEMENTS OF UNITHOLDERS' FUNDS***For the financial year ended 31 December 2019*

	Note	Infinity European Stock Index Fund	
		2019	2018
		\$	\$
<b>Net assets attributable to unitholders at the beginning of the financial year</b>		6,612,279	8,339,144
<b>Operations</b>			
Change in net assets attributable to unitholders resulting from operations		1,372,471	(1,047,902)
<b>Unitholders' contributions/(withdrawals)</b>			
Creation of units		749,219	1,299,004
Cancellation of units		(1,320,468)	(1,977,967)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		(571,249)	(678,963)
Total increase/(decrease) in net assets attributable to unitholders		801,222	(1,726,865)
<b>Net assets attributable to unitholders at the end of the financial year</b>	7	7,413,501	6,612,279

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



**STATEMENTS OF MOVEMENTS OF UNITHOLDERS' FUNDS***For the financial year ended 31 December 2019*

	Note	Infinity Global Stock Index Fund	
		2019	2018
		\$	\$
<b>Net assets attributable to unitholders at the beginning of the financial year</b>		54,235,255	60,604,327
<b>Operations</b>			
Change in net assets attributable to unitholders resulting from operations		12,969,938	(4,282,589)
<b>Unitholders' contributions/(withdrawals)</b>			
Creation of units		14,073,318	16,222,288
Cancellation of units		(17,730,062)	(18,308,771)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		(3,656,744)	(2,086,483)
Total increase/(decrease) in net assets attributable to unitholders		9,313,194	(6,369,072)
<b>Net assets attributable to unitholders at the end of the financial year</b>	7	63,548,449	54,235,255

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

## STATEMENTS OF PORTFOLIO

*As at 31 December 2019*

## INFINITY U.S. 500 STOCK INDEX FUND

	Holdings at 31 December 2019	Fair value at 31 December 2019 \$	Percentage of total net assets attributable to unitholders at 31 December 2019 %	Percentage of total net assets attributable to unitholders at 31 December 2018 %
<b>QUOTED FUND</b>				
Vanguard® U.S. 500 Stock Index Fund	1,081,432	53,774,370	99.3	97.3
<b>Portfolio of investment</b>		53,774,370	99.3	97.3
<b>Other net assets</b>		369,066	0.7	2.7
<b>Net assets attributable to unitholders</b>		54,143,436	100.0	100.0

Information on investment portfolio by industry and geographical segments is not presented as the Sub-Fund is a feeder into another investment fund, which invests primarily in United States stocks.

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

## STATEMENTS OF PORTFOLIO

*As at 31 December 2019*

## INFINITY EUROPEAN STOCK INDEX FUND

	Holdings at 31 December 2019	Fair value at 31 December 2019 \$	Percentage of total net assets attributable to unitholders at 31 December 2019 %	Percentage of total net assets attributable to unitholders at 31 December 2018 %
<b>QUOTED FUND</b>				
Vanguard® European Stock Index Fund	214,382	7,366,288	99.4	97.5
<b>Portfolio of investment</b>		7,366,288	99.4	97.5
<b>Other net assets</b>		47,213	0.6	2.5
<b>Net assets attributable to unitholders</b>		7,413,501	100.0	100.0

Information on investment portfolio by industry and geographical segments is not presented as the Sub-Fund is a feeder into another investment fund, which invests primarily in European stocks.

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

## STATEMENTS OF PORTFOLIO

*As at 31 December 2019*

## INFINITY GLOBAL STOCK INDEX FUND

	Holdings at 31 December 2019	Fair value at 31 December 2019 \$	Percentage of total net assets attributable to unitholders at 31 December 2019 %	Percentage of total net assets attributable to unitholders at 31 December 2018 %
<b>QUOTED FUND</b>				
Vanguard® Global Stock Index Fund	1,468,800	63,047,457	99.2	99.0
<b>Portfolio of investment</b>		63,047,457	99.2	99.0
<b>Other net assets</b>		500,992	0.8	1.0
<b>Net assets attributable to unitholders</b>		63,548,449	100.0	100.0

Information on investment portfolio by industry and geographical segments is not presented as the Sub-Fund is a feeder into another investment fund, which invests primarily in global stocks.

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

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2019*

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

**1. GENERAL**

Infinity Investment Series (the “Fund”) is a Singapore domiciled umbrella fund constituted by a Deed of Trust dated 23 May 2000 together with several 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 comprises a collection of sub-funds, each of which has a separate investment objective. The sub-funds are established as feeder funds investing into various master funds.

The Fund currently comprises three sub-funds:

- Infinity U.S. 500 Stock Index Fund (“IUSI”);
- Infinity European Stock Index Fund (“IESI”); and
- Infinity Global Stock Index Fund (“IGSI”) (collectively referred to as the “Sub-Funds”).

IUSI feeds into the Vanguard® U.S. 500 Stock Index Fund, IESI feeds into the Vanguard® European Stock Index Fund, and IGSI feeds into the Vanguard® Global Stock Index Fund.

Subscriptions and redemptions of the Sub-Funds are denominated in Singapore Dollar and United States Dollar. Investors may subscribe in United States Dollar at the applicable rate of exchange from Singapore Dollar.

**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” issued by the Institute of Singapore Chartered Accountants.

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)****(b) Recognition of income**

Dividend income is recognised when the right to receive payment is established.

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 Statements of Total Return.

**(d) 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.

**(ii) Subsequent measurement**

Investments are subsequently carried at fair value. Net change in the fair value of investments are included in the Statements 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 Statements of Total Return.

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)****(e) Basis of valuation of investments**

The fair value of investments held in underlying funds is the quoted net asset value of the underlying fund as determined by the underlying funds' administrator. Net changes in fair value of investments are included in the Statements of Total Return in the year which they arise.

**(f) 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.

**(g) 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.

**(h) Payables**

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

**(i) Foreign currencies****(i) Functional and presentation currency**

Subscriptions and redemptions of the units in the Fund are denominated in Singapore Dollar and United States Dollar.

The performance is measured and reported to the investors in Singapore Dollar. In addition, the activities are substantially based in Singapore and expenses are predominantly 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 functional and presentation currency is the Singapore Dollar.

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(i) Foreign currencies (continued)

## (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 Statements of Total Return. Translation differences on non-monetary financial assets and liabilities such as equities are also recognised in the Statements of Total Return within the net gain or loss on investments.

(j) 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 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 Statements of Total Return in "Net gains/losses on investments".



## 3. INCOME TAX

The Fund has been approved by the Monetary Authority of Singapore under the Enhanced-Tier Fund (“ETF”) Scheme (section 13X of the Income Tax Act and the relevant Regulations). Subject to certain conditions being met on an annual basis, the Fund may enjoy Singapore corporate income tax exemption on “specified income” derived from “designated investments” for the life of the Fund. The tax exemption does not apply in the year when the relevant conditions are not met. Losses from “designated investments” are correspondingly disregarded. The terms “specified income” and “designated investments” are defined in the relevant income tax Regulations.

The Trustee of the Fund will ensure that the Fund fulfills its reporting obligations under the ETF Scheme.

## 4. RECEIVABLES

	<b>Infinity U.S. 500 Stock Index Fund</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Amount receivable for creation of units	111,976	110,104
Other receivables	5,795	8,868
	<u>117,771</u>	<u>118,972</u>

	<b>Infinity European Stock Index Fund</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Amount receivable for creation of units	-	1,027
Other receivables	2,804	2,308
	<u>2,804</u>	<u>3,335</u>

	<b>Infinity Global Stock Index Fund</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Amount receivable for creation of units	12,491	78,611
Other receivables	12,037	11,844
	<u>24,528</u>	<u>90,455</u>

## 5. CASH AND BANK BALANCES

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

## 6. PAYABLES

	<b>Infinity U.S. 500 Stock Index Fund</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Amount payable for cancellation of units	80,134	78,227
Amount due to the Manager	23,765	16,846
Amount due to the Trustee	150	-
Amount due to the Registrar	3,425	5,592
Other payables	10,350	11,084
	<u>117,824</u>	<u>111,749</u>

	<b>Infinity European Stock Index Fund</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Amount payable for cancellation of units	4,598	-
Amount due to the Manager	3,055	2,666
Amount due to the Trustee	75	-
Amount due to the Registrar	3,425	4,282
Other payables	8,426	8,942
	<u>19,579</u>	<u>15,890</u>

	<b>Infinity Global Stock Index Fund</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Amount payable for cancellation of units	92,830	72,109
Amount due to the Manager	25,709	23,935
Amount due to the Trustee	100	25
Amount due to the Registrar	3,425	5,038
Other payables	10,349	13,003
	<u>132,413</u>	<u>114,110</u>

## 7. UNITS IN ISSUE

	<b>Infinity U.S. 500 Stock Index Fund</b>	
	<b>2019</b>	<b>2018</b>
	<b>Units</b>	<b>Units</b>
Units at beginning of the year	26,271,752	24,972,587
Units created	8,673,243	10,540,890
Units cancelled	(6,918,769)	(9,241,725)
Units at end of the year	28,026,226	26,271,752
of which, units denominated in		
- USD	1,679,902	1,511,783
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Net assets attributable to unitholders	54,143,436	39,710,281
Net asset value per unit	1.931	1.511

There is no difference between the net assets attributable to unitholders per the financial statements and the net assets attributable to unitholders for issuing/redeeming units at the reporting date for Infinity U.S. 500 Stock Index Fund.

	<b>Infinity European Stock Index Fund</b>	
	<b>2019</b>	<b>2018</b>
	<b>Units</b>	<b>Units</b>
Units at beginning of the year	5,749,900	6,253,850
Units created	581,139	1,003,651
Units cancelled	(1,004,353)	(1,507,601)
Units at end of the year	5,326,686	5,749,900
of which, units denominated in		
- USD	85,590	137,816
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Net assets attributable to unitholders	7,413,501	6,612,279
Net asset value per unit	1.391	1.149

## 7. 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:

	<b>Infinity European Stock Index Fund</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Net assets attributable to unitholders per unit per financial statements	1.391	1.149
Effect for movement in the net asset value between the last dealing date and the financial year end date	0.002	(0.001)
Net assets attributable to unitholders per unit for issuing/redeeming units	1.393	1.148

  

	<b>Infinity Global Stock Index Fund</b>	
	<b>2019</b>	<b>2018</b>
	<b>Units</b>	<b>Units</b>
Units at beginning of the year	40,669,918	42,024,734
Units created	9,209,943	11,086,685
Units cancelled	(11,737,792)	(12,441,501)
Units at end of the year	38,142,069	40,669,918
of which, units denominated in - USD	1,423,957	1,427,369

  

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Net assets attributable to unitholders	63,548,449	54,235,255
Net asset value per unit	1.666	1.333

**7. 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:

	<b>Infinity Global Stock Index Fund</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Net assets attributable to unitholders per unit per financial statements	1.666	1.333
Effect for movement in the net asset value between the last dealing date and the financial year end date	-	(0.006)
Net assets attributable to unitholders per unit for issuing/redeeming units	1.666	1.327

**8. FINANCIAL RISK MANAGEMENT**

The Sub-Funds' activities expose them to a variety of market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Sub-Funds' overall risk management programme seeks to minimise potential adverse effects on the Sub-Funds' financial performance. The Sub-Funds 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 Sub-Funds at any time as part of the overall financial risk management to reduce the Sub-Funds' risk exposures.

The Sub-Funds' assets principally consist of investments in other mutual funds. They are held in accordance with the published investment policies of the Sub-Funds. The allocation of assets between the various types of investments is determined by the Manager to achieve their investment objectives.

## 8. FINANCIAL RISK MANAGEMENT (continued)

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 assets' value.

The underlying Sub-Funds' investments are substantially dependent on changes in market prices. The Manager monitors the underlying Sub-Funds' 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 Sub-Funds.

The Sub-Funds' market risk is affected primarily by three main components: changes in actual market prices, interest rate volatility and foreign exchange movements.

(i) Price risk

The Sub-Funds' sensitivity to the market is measured using their beta, a ratio that describes how the expected return of a portfolio is correlated to the return of the financial market as a whole. The daily Sub-Funds' price movements are measured against the daily price movement of the benchmark to derive the beta.

The Sub-Funds' beta was calculated based on the daily returns over the preceding 12 months for the Sub-Funds and their benchmark.

Sub-Funds	Benchmark	Beta as of	
		2019	2018
Infinity U.S. 500 Stock Index Fund	Standard & Poor's 500 Index	0.99	0.99
Infinity European Stock Index Fund	MSCI Europe Index	0.99	0.98
Infinity Global Stock Index Fund	MSCI World Free Index	0.99	1.00

**8. FINANCIAL RISK MANAGEMENT (continued)**(a) Market risk (continued)(i) Price risk (continued)

The tables below summarise the impact of increases/decreases from the Sub-Funds' underlying investments in equities on the Sub-Funds' net assets attributable to the unitholders as at 31 December 2019 and 2018. The analysis was based on the assumptions that the index components within the benchmark index increased/decreased by a reasonable possible shift, with all variables held constant and that the fair value of the Sub-Funds' investments moved according to the beta.

Sub-Funds	Benchmark	Impact of 8% (2018: 5%) movement in benchmark on net assets attributable to the unitholders	
		2019 \$	2018 \$
Infinity U.S. 500 Stock Index Fund	Standard & Poor's 500 Index	4,258,930	1,913,343
Infinity European Stock Index Fund	MSCI Europe Index	583,410	315,893
Infinity Global Stock Index Fund	MSCI World Free Index	4,993,359	2,684,939

(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.

Investment funds that invest in equity securities may be subject to interest rate risk as any interest rate change may affect the equity risk premium though at varying degrees. To manage this risk, the Manager analyses how interest rate changes may affect different industries and securities and then seeks to adjust the Sub-Funds' portfolio investments accordingly. However, the effects of changes in interest rates on the Sub-Funds' portfolio may not be quantified as the relationship between interest rates and the value of the equity securities is indirect. Hence, no separate sensitivity analysis has been presented.

(iii) Currency risk

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

## 8. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(iii) Currency risk (continued)

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

### Infinity U.S. 500 Stock Index Fund

<b>As at 31 December 2019</b>	<b>USD \$</b>	<b>SGD \$</b>	<b>Total \$</b>
<b>Assets</b>			
Portfolio of investment	53,774,370	-	53,774,370
Receivables	-	117,771	117,771
Cash and bank balances	50,591	318,528	369,119
<b>Total assets</b>	<b>53,824,961</b>	<b>436,299</b>	<b>54,261,260</b>
<b>Liabilities</b>			
Payables	24,255	93,569	117,824
<b>Total liabilities</b>	<b>24,255</b>	<b>93,569</b>	<b>117,824</b>
<b>Net financial assets</b>	<b>53,800,706</b>	<b>342,730</b>	
<b>Net currency exposure</b>	<b>53,800,706</b>	<b>342,730</b>	
<b>As at 31 December 2018</b>	<b>USD \$</b>	<b>SGD \$</b>	<b>Total \$</b>
<b>Assets</b>			
Portfolio of investment	38,653,394	-	38,653,394
Receivables	10,649	108,323	118,972
Cash and bank balances	68,344	981,320	1,049,664
<b>Total assets</b>	<b>38,732,387</b>	<b>1,089,643</b>	<b>39,822,030</b>
<b>Liabilities</b>			
Payables	217	111,532	111,749
<b>Total liabilities</b>	<b>217</b>	<b>111,532</b>	<b>111,749</b>
<b>Net financial assets</b>	<b>38,732,170</b>	<b>978,111</b>	
<b>Net currency exposure</b>	<b>38,732,170</b>	<b>978,111</b>	



## 8. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)(iii) Currency risk (continued)**Infinity European Stock Index Fund**

<b>As at 31 December 2019</b>	<b>USD \$</b>	<b>SGD \$</b>	<b>Total \$</b>
<b>Assets</b>			
Portfolio of investment	7,366,288	-	7,366,288
Receivables	-	2,804	2,804
Cash and bank balances	28,184	35,804	63,988
<b>Total assets</b>	<b>7,394,472</b>	<b>38,608</b>	<b>7,433,080</b>
<b>Liabilities</b>			
Payables	-	19,579	19,579
<b>Total liabilities</b>	<b>-</b>	<b>19,579</b>	<b>19,579</b>
<b>Net financial assets</b>	<b>7,394,472</b>	<b>19,029</b>	
<b>Net currency exposure</b>	<b>7,394,472</b>	<b>19,029</b>	
<b>As at 31 December 2018</b>	<b>USD \$</b>	<b>SGD \$</b>	<b>Total \$</b>
<b>Assets</b>			
Portfolio of investment	6,446,791	-	6,446,791
Receivables	-	3,335	3,335
Cash and bank balances	5,570	172,473	178,043
<b>Total assets</b>	<b>6,452,361</b>	<b>175,808</b>	<b>6,628,169</b>
<b>Liabilities</b>			
Payables	-	15,890	15,890
<b>Total liabilities</b>	<b>-</b>	<b>15,890</b>	<b>15,890</b>
<b>Net financial assets</b>	<b>6,452,361</b>	<b>159,918</b>	
<b>Net currency exposure</b>	<b>6,452,361</b>	<b>159,918</b>	

**8. FINANCIAL RISK MANAGEMENT (continued)**(a) Market risk (continued)(iii) Currency risk (continued)**Infinity Global Stock Index Fund****As at 31 December 2019**

	<b>USD</b>	<b>SGD</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Assets</b>			
Portfolio of investment	63,047,457	-	63,047,457
Receivables	-	24,528	24,528
Cash and bank balances	22,672	586,205	608,877
<b>Total assets</b>	<b>63,070,129</b>	<b>610,733</b>	<b>63,680,862</b>

**Liabilities**

Payables	-	132,413	132,413
<b>Total liabilities</b>	<b>-</b>	<b>132,413</b>	<b>132,413</b>

**Net financial assets**

63,070,129      478,320

**Net currency exposure**

63,070,129      478,320

**As at 31 December 2018**

	<b>USD</b>	<b>SGD</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Assets</b>			
Portfolio of investment	53,698,781	-	53,698,781
Receivables	991	89,464	90,455
Cash and bank balances	1,372	558,757	560,129
<b>Total assets</b>	<b>53,701,144</b>	<b>648,221</b>	<b>54,349,365</b>

**Liabilities**

Payables	-	114,110	114,110
<b>Total liabilities</b>	<b>-</b>	<b>114,110</b>	<b>114,110</b>

**Net financial assets**

53,701,144      534,111

**Net currency exposure**

53,701,144      534,111

## 8. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(iii) Currency risk (continued)

Mutual fund investments are non-monetary financial assets and are exposed to both currency risk and price risk. As these financial assets are non-monetary, no separate sensitivity analysis has been performed to analyse currency risk. The impact of currency risk arising from these financial assets on the Sub-Funds' net asset value has been included in the above price risk sensitivity analysis.

The Sub-Funds' 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 Sub-Funds.

As of 31 December 2019 and 2018, the Sub-Funds' exposures to foreign currency fluctuations with respect to the monetary assets/liabilities are not considered to be significant and consequently no sensitivity analysis on foreign currency risk has been presented.

(b) Liquidity risk

The Sub-Funds are exposed to daily redemption of units. They therefore invest the majority of their assets in investments that are traded in active markets and can be readily disposed of.

The tables below analyse the Sub-Funds' 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.

### **Infinity U.S. 500 Stock Index Fund**

<b>As at 31 December 2019</b>	<b>Less than 3 months \$</b>	<b>3 months- 1 year \$</b>	<b>1-5 years \$</b>	<b>Above 5 years \$</b>
Payables	117,824	-	-	-
<b>As at 31 December 2018</b>	<b>Less than 3 months \$</b>	<b>3 months- 1 year \$</b>	<b>1-5 years \$</b>	<b>Above 5 years \$</b>
Payables	111,749	-	-	-

## 8. FINANCIAL RISK MANAGEMENT (continued)

(b) Liquidity risk (continued)**Infinity European Stock Index Fund**

<b>As at 31 December 2019</b>	<b>Less than 3 months \$</b>	<b>3 months- 1 year \$</b>	<b>1-5 years \$</b>	<b>Above 5 years \$</b>
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Payables	19,579	-	-	-
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<b>As at 31 December 2018</b>	<b>Less than 3 months \$</b>	<b>3 months- 1 year \$</b>	<b>1-5 years \$</b>	<b>Above 5 years \$</b>
-------------------------------	--------------------------------------	------------------------------------	-----------------------------	---------------------------------

Payables	15,890	-	-	-
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**Infinity Global Stock Index Fund**

<b>As at 31 December 2019</b>	<b>Less than 3 months \$</b>	<b>3 months- 1 year \$</b>	<b>1-5 years \$</b>	<b>Above 5 years \$</b>
-------------------------------	--------------------------------------	------------------------------------	-----------------------------	---------------------------------

Payables	132,413	-	-	-
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<b>As at 31 December 2018</b>	<b>Less than 3 months \$</b>	<b>3 months- 1 year \$</b>	<b>1-5 years \$</b>	<b>Above 5 years \$</b>
-------------------------------	--------------------------------------	------------------------------------	-----------------------------	---------------------------------

Payables	114,110	-	-	-
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(c) Credit risk

Credit risk is the risk that the 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.

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

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

The tables below summarise the credit rating of bank and custodian in which the Sub-Funds' assets are held as at 31 December 2019 and 2018.

**Infinity U.S. 500 Stock Index Fund**

	<b>Credit rating ##</b>	<b>Source of credit rating</b>
<b>As at 31 December 2019</b>		
<b><u>Custodian</u></b>		
The Hongkong and Shanghai Banking Corporation Limited	AA-	S&P
<b><u>Bank</u></b>		
The Hongkong and Shanghai Banking Corporation Limited	AA-	S&P

## 8. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)**Infinity U.S. 500 Stock Index Fund (continued)**

	<b>Credit rating <sup>##</sup></b>	<b>Source of credit rating</b>
<b>As at 31 December 2018</b>		

**Custodian**

The Hongkong and Shanghai Banking  
Corporation Limited

AA-

S&amp;P

**Bank**

The Hongkong and Shanghai Banking  
Corporation Limited

AA-

S&amp;P

**Infinity European Stock Index Fund**

	<b>Credit rating <sup>##</sup></b>	<b>Source of credit rating</b>
<b>As at 31 December 2019</b>		

**Custodian**

The Hongkong and Shanghai Banking  
Corporation Limited

AA-

S&amp;P

**Bank**

The Hongkong and Shanghai Banking  
Corporation Limited

AA-

S&amp;P

	<b>Credit rating <sup>##</sup></b>	<b>Source of credit rating</b>
<b>As at 31 December 2018</b>		

**Custodian**

The Hongkong and Shanghai Banking  
Corporation Limited

AA-

S&amp;P

**Bank**

The Hongkong and Shanghai Banking  
Corporation Limited

AA-

S&amp;P

## 8. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)**Infinity Global Stock Index Fund**

	<b>Credit rating <sup>##</sup></b>	<b>Source of credit rating</b>
<b>As at 31 December 2019</b>		

**Custodian**

The Hongkong and Shanghai Banking  
Corporation Limited

AA-

S&amp;P

**Bank**

The Hongkong and Shanghai Banking  
Corporation Limited

AA-

S&amp;P

	<b>Credit rating <sup>##</sup></b>	<b>Source of credit rating</b>
<b>As at 31 December 2018</b>		

**Custodian**

The Hongkong and Shanghai Banking  
Corporation Limited

AA-

S&amp;P

**Bank**

The Hongkong and Shanghai Banking  
Corporation Limited

AA-

S&amp;P

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.

<sup>##</sup> Group credit ratings are presented for unrated subsidiaries.

(d) Capital management

The Sub-Funds' capital are represented by the net assets attributable to unitholders. The Sub-Funds strive to invest the subscriptions of redeemable participating units in investments that meet the Sub-Funds' investment objectives while maintaining sufficient liquidity to meet unitholders' redemptions.

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

The Sub-Funds classify 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).

The following tables analyse within the fair value hierarchy the Sub-Funds' financial assets and liabilities (by class) measured at fair value at 31 December 2019 and 2018:

**Infinity U.S. 500 Stock Index Fund****As at 31 December 2019**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Assets</b>				
Portfolio of investment				
- Unit trust	53,774,370	-	-	53,774,370

**As at 31 December 2018**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Assets</b>				
Portfolio of investment				
- Unit trust	38,653,394	-	-	38,653,394



## 8. FINANCIAL RISK MANAGEMENT (continued)

(e) Fair value estimation (continued)

### Infinity European Stock Index Fund

**As at 31 December 2019**

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Assets</b>				
Portfolio of investment				
- Unit trust	7,366,288	-	-	7,366,288

**As at 31 December 2018**

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Assets</b>				
Portfolio of investment				
- Unit trust	6,446,791	-	-	6,446,791

### Infinity Global Stock Index Fund

**As at 31 December 2019**

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Assets</b>				
Portfolio of investment				
- Unit trust	63,047,457	-	-	63,047,457

**As at 31 December 2018**

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Assets</b>				
Portfolio of investment				
- Unit trust	53,698,781	-	-	53,698,781

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

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

Except for cash and bank balances which are classified as Level 1, the Sub-Funds' assets and liabilities not measured at fair value at 31 December 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.

**9. INTEREST IN UNCONSOLIDATED STRUCTURED ENTITIES**

The Sub-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 Sub-Fund's investments in each of the Investee Fund.

The Sub-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 Sub-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 Sub-Fund may, at any point in time, hold a majority of an Investee Fund's total units in issue.

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

**10. RELATED PARTY TRANSACTIONS**

Management fees are paid to the Manager. These fees paid or payable by the Sub-Funds shown in the Statements 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 Sub-Funds and related parties at terms agreed between the parties and within the provisions of the Trust Deed:

	<b>Infinity U.S. 500 Stock Index Fund</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Transaction fee charged by a related company of the Trustee	600	575
Registration fee charged by a related company of the Trustee	16,766	18,678
Cash transfer fees charged by a related company of the Trustee	6,030	4,245
	<b>Infinity European Stock Index Fund</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Transaction fee charged by a related company of the Trustee	225	225
Registration fee charged by a related company of the Trustee	14,175	15,502
Cash transfer fees charged by a related company of the Trustee	788	1,721

**10. RELATED PARTY TRANSACTIONS (continued)**

	<b>Infinity Global Stock Index Fund</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Interest expenses incurred with a bank which is a related company of the Trustee	-	79
Transaction fee charged by a related company of the Trustee	525	350
Registration fee charged by a related company of the Trustee	16,571	18,236
Cash transfer fees charged by a related company of the Trustee	5,355	3,644

**11. FINANCIAL RATIOS**

	<b>Infinity U.S. 500 Stock Index Fund</b>		<b>Infinity European Stock Index Fund</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Expense ratio (excludes underlying sub-fund's expense ratio) <sup>1</sup>	0.60	0.60	0.94	0.95
Expense ratio (includes underlying sub-fund's expense ratio) <sup>1</sup>	0.70	0.70	1.06	1.24
Portfolio turnover ratio <sup>2</sup>	5	10	2	1

	<b>Infinity Global Stock Index Fund</b>	
	<b>2019</b>	<b>2018</b>
	<b>%</b>	<b>%</b>
Expense ratio (excludes underlying sub-fund's expense ratio) <sup>1</sup>	0.57	0.57
Expense ratio (includes underlying sub-fund's expense ratio) <sup>1</sup>	0.75	0.82
Portfolio turnover ratio <sup>2</sup>	6	5

# 11. FINANCIAL RATIOS (continued)

- <sup>1</sup> 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 31 December 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 transactions 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. The Sub-Funds do not pay any performance fee. The average net asset value is based on the daily balances.

	Infinity U.S. 500 Stock Index Fund		Infinity European Stock Index Fund	
	2019	2018	2019	2018
	\$	\$	\$	\$
Total operating expenses	287,830	251,351	69,021	72,264
Average net asset value	47,660,162	41,795,722	7,317,779	7,600,336
Weighted average of the underlying fund's expense ratio	0.10%	0.10%	0.12%	0.29%

	Infinity Global Stock Index Fund	
	2019	2018
	\$	\$
Total operating expenses	334,702	339,852
Average net asset value	59,157,337	59,955,910
Weighted average of the underlying sub-fund's expense ratio	0.18%	0.25%

The expense ratio is the sum of the Sub-Fund's expense ratio and the weighted average of the underlying fund's unaudited expense ratio. The expense ratios of the underlying funds are unaudited. There is no requirement for the expense ratios of the underlying funds to be published or audited.

## 11. FINANCIAL RATIOS (continued)

- <sup>2</sup> 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 ratios was based on the lower of the total value of purchases or sales of the underlying investments divided by the average daily net asset value as follows:

	<b>Infinity U.S. 500 Stock Index Fund</b>		<b>Infinity European Stock Index Fund</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total value of sales or purchases of the underlying investments	2,384,146	4,146,874	162,560	82,530
Average daily net asset value	<u>47,660,162</u>	<u>41,795,722</u>	<u>7,317,779</u>	<u>7,600,336</u>

  

	<b>Infinity Global Stock Index Fund</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Total value of sales or purchases of the underlying investments	3,545,725	2,888,820
Average daily net asset value	<u>59,157,337</u>	<u>59,955,910</u>

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