

For the financial year ended 30 June 2020

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 (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
10 Marina Boulevard,
Marina Bay Financial Centre, Tower 2,
#48-01
Singapore 018983

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

LIONGLOBAL SHORT DURATION BOND FUND

PERFORMANCE OF THE FUND

For the financial year ended 30 June 2020

Past performance is not necessarily indicative of future performance. Cumulative returns for the Fund are calculated up to 30 June 2020 in SGD terms, on a single pricing basis with dividends reinvested net of all charges payable upon reinvestment.

Time Period	Fund Returns (%)	
	LionGlobal Short Duration Bond Fund (Class A Dist)	Benchmark* Returns (%)
3 months	2.5	0.2
6 months	1.3	0.7
1 year	3.1	1.6
3 years**	2.6	1.6
5 years**	2.7	1.4
10 years**	3.0	0.9
Since Inception** (22 March 1991)	3.9	1.7

Time Period	Fund Returns (%)	
	LionGlobal Short Duration Bond Fund (SGD Class I Dist)	Benchmark* Returns (%)
3 months	2.5	0.2
6 months	1.4	0.7
1 year	3.4	1.6
3 years**	2.9	1.6
5 years**	3.0	1.4
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 (%)	
	LionGlobal Short Duration Bond Fund (SGD Class A Acc)	Benchmark* Returns (%)
3 months	2.5	0.2
6 months	1.3	0.7
1 year	3.1	1.6
3 years**	3.0	1.6
5 years**	-	-
10 years**	-	-
Since Inception** (28 December 2016)	3.1	1.5

Time Period	Fund Returns (%)	
	LionGlobal Short Duration Bond Fund (SGD Class I Acc)	Benchmark* Returns (%)
3 months	2.5	0.2
6 months	1.4	0.7
1 year	3.4	1.6
3 years**	2.9	1.6
5 years**	-	-
10 years**	-	-
Since Inception** (28 December 2016)	3.0	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 2020 in USD terms, on a single pricing basis with dividends reinvested net of all charges payable upon reinvestment.

Time Period	Fund Returns (%)	
	LionGlobal Short Duration Bond Fund (USD-Hedged Class A Dist)	Benchmark ^{###} Returns (%)
3 months	2.6	0.2
6 months	1.5	0.6
1 year	3.5	1.5
3 years**	3.2	2.1
5 years**	-	-
10 years**	-	-
Since Inception** (4 January 2016)	3.2	1.9

Time Period	Fund Returns (%)	
	LionGlobal Short Duration Bond Fund (USD-Hedged Class I Dist)	Benchmark ^{###} Returns (%)
3 months	2.6	0.2
6 months	1.5	0.6
1 year	3.7	1.5
3 years**	3.6	2.1
5 years**	-	-
10 years**	-	-
Since Inception** (28 April 2016)	3.3	1.9

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 2020, the Fund returned 3.1%, while the benchmark 12-month Singapore Interbank Offer Rate - 0.25% returned 1.6%, in SGD terms.

Global interest rates collapsed in 2020 as COVID-19 spread globally with great intensity, resulting in massive economic shutdown and unemployment. Investors seeking the safety of government bonds drove the US 10 year Treasury down by 135 basis points (bps) to 0.65% for the year ended 30 June 2020. Corporate bond spreads widened together with equity market sell-off as investors flee to seek shelter in government bonds; the JACI Investment Grade Index spread widened 69 bps to 260 bps during this period.

Markets were supported by central banks' easing, in tandem with countries announcing various fiscal packages to counter the negative economic fallout. The US Federal Reserve (Fed) announced various monetary measures, amongst which Quantitative Easing Infinity (buying unlimited US Treasuries and Mortgage backed assets) and purchases of corporate bonds, policies which helped to bring the credit market back to normalcy. The Fed Fund rate was cut to 0.25% as the Fed vowed to use all tools to support the recovery from the unprecedented economic downturn.

In Singapore, the effects of economic contraction brought about by the COVID-19 pandemic led to the MAS flattening the slope of the policy band to 0% p.a., from 0.5% p.a. previously, in order to counter the expected disinflationary pressures. The level at which the policy band is centered was at the same time lowered to the prevailing level of the Singapore dollar nominal effective exchange rate in order to maintain price stability.

STRATEGY AND OUTLOOK

Policy makers around the world are implementing measures to support their economies in response to the COVID-19 shock, focusing their attention on using a variety of tools to ensure adequate credit flows to the corporate sector while providing relief to affected individuals. The massive amount of fiscal and monetary response are flooding the global economies with stimulus, benefiting financial assets.

Corporate bonds have recovered from their March 2020 lows and are expected to continue to their recovery as central banks continue to backstop further widening in corporate spreads. Risk of a second wave and concerns that certain parts of the US has yet to be under control could derail the recovery in asset prices.

Nevertheless, we believe that credit spreads will grind lower as the situation becomes more manageable by the end of the 2020. With technical environment supportive of credits, the Fund continues to hold positions in high quality corporate bonds to benefit from the positive carry and continued spread compression.

As of 12 August 2020.

DISCLOSURES ON THE FUND¹

For the financial year ended 30 June 2020

1. DISTRIBUTION OF INVESTMENTS AS AT 30 JUNE 2020

	Fair Value \$	Percentage of total net assets attributable to unitholders %
a) <u>By Asset Class</u>		
Debt securities (including accrued interest on debt securities)	531,991,824	97.9
Financial derivatives	3,062,438	0.5
Cash and other net assets	8,483,646	1.6
Net assets attributable to unitholders	543,537,908	100.0
b) <u>By Credit Rating of Debt Securities</u>		
Aaa	15,116,028	2.8
Aa2	2,233,495	0.4
Aa3	1,934,955	0.4
A1	19,555,966	3.6
A2	33,580,362	6.2
A3	22,147,844	4.1
Baa1	32,784,056	6.0
Baa2	100,264,531	18.5
Baa3	59,451,604	10.9
Ba2	2,911,819	0.5
Ba3	3,836,495	0.7
B1	2,817,129	0.5
Unrated	230,682,513	42.4
Accrued interest on debt securities	4,675,027	0.9
Total debt securities	531,991,824	97.9
c) <u>By Derivative Type</u>		
Foreign exchange forward contracts	3,082,983	0.5
Foreign exchange spot contracts	(20,545)	*
	3,062,438	0.5

The net realised losses and unrealised gains from financial derivatives at the end of the year were \$13,030,378 and \$3,062,438 respectively.

* denotes amount less than 0.1%

¹ As required by the Code on Collective Investment Schemes.

LIONGLOBAL SHORT DURATION BOND FUND

2. TOP 10 HOLDINGS

As at 30 June 2020

	Fair Value \$	Percentage of total net assets attributable to unitholders %
IOI Investment Berhad Series EMTN 4.375% due 27/06/2022	9,285,631	1.7
Wing Tai Holdings Limited Series MTN 4% due 07/10/2021	9,089,550	1.7
LB Baden-Wuerttemberg Series EMTN Var due 18/05/2027	8,572,860	1.6
Lendlease Retail Investments 3 Private Limited Series MTN 3.28% due 03/09/2021	8,065,920	1.5
Allgreen Treasury Private Limited 3.15% due 16/01/2025	7,970,040	1.5
Manulife Financial Corporation Var due 25/05/2026	7,823,160	1.4
US Treasury 1.375% due 31/01/2025	7,620,428	1.4
Government of Singapore 2.75% due 01/07/2023	7,495,600	1.4
United Overseas Bank Limited Series EMTN Var due 16/09/2026	7,263,720	1.3
Sembcorp Financial Services Series MTN 3.64% due 27/05/2024	7,241,570	1.3

As at 30 June 2019

	Fair Value \$	Percentage of total net assets attributable to unitholders %
Lendlease 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 Pte 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

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 2020

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 61, 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 2020

STATEMENT BY THE MANAGER

For the financial year ended 30 June 2020

In the opinion of Lion Global Investors Limited, the accompanying financial statements set out on pages 14 to 61, 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 2020, 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 2020

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 2020, and 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 2020;
- the Statement of Financial Position as at 30 June 2020;
- the Statement of Movements of Unitholders' Funds for the financial year ended 30 June 2020;
- the Statement of Portfolio as at 30 June 2020; 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.

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 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 2020

LIONGLOBAL SHORT DURATION BOND FUND

STATEMENT OF TOTAL RETURN

For the financial year ended 30 June 2020

	Note	2020 \$	2019 \$
Income			
Interest on cash and bank balances		12,507	25,415
Other income		18,000	12,523
		<u>30,507</u>	<u>37,938</u>
Less: Expenses			
Audit fee		27,197	25,606
Custodian fees	13	87,508	62,421
Management fee	3, 13	2,350,924	1,689,944
Professional fees		20,290	31,796
Registration fee	13	34,406	30,703
Transaction cost		8,455	8,306
Trustee fee	13	20,057	20,002
Valuation and administration fees	13	184,899	129,494
Miscellaneous expenses		63,216	40,188
		<u>2,796,952</u>	<u>2,038,460</u>
Net expenses		<u>(2,766,445)</u>	<u>(2,000,522)</u>
Net gains or losses on value of investments and financial derivatives			
Net gains on investments		28,012,247	17,974,570
Net losses on foreign exchange spot contracts		(19,074)	(5,290)
Net (losses)/gains on foreign exchange forward contracts		(9,780,545)	313,877
Net losses on futures contracts		(168,321)	(416,567)
Net foreign exchange gains/(losses)		80,795	(231,830)
		<u>18,125,102</u>	<u>17,634,760</u>
Total return for the financial year before income tax			
		15,358,657	15,634,238
Less: Income tax	4	(3,503)	(1,329)
Total return for the financial year		<u>15,355,154</u>	<u>15,632,909</u>

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

LIONGLOBAL SHORT DURATION BOND FUND

STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
Portfolio of investments		531,991,824	425,883,768
Receivables	6	3,376,748	20,499,320
Due from brokers	7	18	3,847,866
Financial derivatives at fair value	10	3,181,714	1,484,733
Cash and bank balances	8	21,023,066	8,974,409
Total assets		<u>559,573,370</u>	<u>460,690,096</u>
LIABILITIES			
Payables	9	4,964,176	5,222,641
Due to brokers	7	10,952,010	11,313,977
Financial derivatives at fair value	10	119,276	159,955
Total liabilities		<u>16,035,462</u>	<u>16,696,573</u>
EQUITY			
Net assets attributable to unitholders	11	<u>543,537,908</u>	<u>443,993,523</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 2020

	Note	2020 \$	2019 \$
Net assets attributable to unitholders at the beginning of the financial year		443,993,523	351,196,909
Operations			
Change in net assets attributable to unitholders resulting from operations		15,355,154	15,632,909
Unitholders' contributions/(withdrawals)			
Creation of units		341,758,392	245,122,562
Cancellation of units		(244,684,630)	(157,983,970)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		97,073,762	87,138,592
Distributions	5	(12,884,531)	(9,974,887)
Total increase in net assets attributable to unitholders		99,544,385	92,796,614
Net assets attributable to unitholders at the end of the financial year	11	543,537,908	443,993,523

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

LIONGLOBAL SHORT DURATION BOND FUND

STATEMENT OF PORTFOLIO

As at 30 June 2020

	Holdings at 30 June 2020	Fair value at 30 June 2020 \$	Percentage of total net assets attributable to unitholders at 30 June 2020 %
By Geography (Primary)			
QUOTED DEBT SECURITIES			
SINGAPORE			
Wing Tai Holdings Limited Series MTN 4% due 07/10/2021	9,000,000	9,089,550	1.7
Lendlease Retail Investments 3 Private Limited Series MTN 3.28% due 03/09/2021	8,000,000	8,065,920	1.5
Allgreen Treasury Private Limited 3.15% due 16/01/2025	8,000,000	7,970,040	1.5
Government of Singapore 2.75% due 01/07/2023	7,000,000	7,495,600	1.4
United Overseas Bank Limited Series EMTN Var due 16/09/2026	5,100,000	7,263,720	1.3
Sembcorp Financial Services Series MTN 3.64% due 27/05/2024	7,000,000	7,241,570	1.3
Ascott REIT MTN Private Limited Series MTN 4.205% due 23/11/2022	6,750,000	6,942,105	1.3
Straits Trading Company Limited Series EMTN 3.73% due 19/07/2021	6,750,000	6,762,352	1.2
FCT MTN Private Limited Series MTN 2.77% due 08/11/2024	6,500,000	6,413,485	1.2
Wing Tai Holdings Limited Series MTN 4.5% due 26/09/2022	6,250,000	6,326,500	1.2
CapitaLand Limited Series Capital 2.95% due 20/06/2022	6,250,000	6,312,500	1.2
FCOT Treasury Private Limited Series MTN FRN due 03/05/2022	6,000,000	5,871,660	1.1
FH REIT Treasury Private Limited Series EMTN 2.63% due 06/07/2022	5,750,000	5,568,588	1.0
ESR REIT Series MTN 3.95% due 09/05/2023	5,000,000	4,998,842	0.9

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

LIONGLOBAL SHORT DURATION BOND FUND

	Holdings at 30 June 2020	Fair value at 30 June 2020 \$	Percentage of total net assets attributable to unitholders at 30 June 2020 %
By Geography (Primary) (continued)			
QUOTED DEBT SECURITIES (continued)			
SINGAPORE (continued)			
Ascendas Real Estate Investment Trust Var Perpetual	5,000,000	4,974,150	0.9
Keppel Land Limited Series MTN 2.843% due 05/09/2023	4,500,000	4,526,235	0.8
CapitaLand Limited 2.8% due 08/06/2025	4,500,000	4,525,290	0.8
United Overseas Bank Limited Series Var due 08/03/2027	3,000,000	4,250,543	0.8
Soilbuild Business Space Series EMTN 3.6% due 08/04/2021	4,250,000	4,169,887	0.8
Singapore Post Limited Var Perpetual	4,000,000	4,123,400	0.8
Frasers Property Treasury Private Limited 4.25% due 21/04/2026	4,000,000	4,069,000	0.7
Singapore Airlines Limited Series MTN 3.035% due 11/04/2025	4,000,000	4,008,600	0.7
GLL IHT Private Limited Series MTN 4% due 31/01/2022	3,750,000	3,806,100	0.7
Keppel REIT MTN Private Limited Series MTN 3.275% due 08/04/2024	3,750,000	3,758,250	0.7
Mapletree Logistics Trust Var Perpetual	3,250,000	3,290,398	0.6
Frasers Property Treasury Private Limited 3.65% due 22/05/2022	3,187,000	3,216,830	0.6
Mapletree Treasury Services EMTN Var Perpetual	3,000,000	3,056,910	0.6
Mercatus Co-Operative Series DMTN 2.8% due 26/07/2024	3,000,000	3,035,490	0.6
BOC Aviation Limited Series EMTN 4.375% due 02/05/2023	2,000,000	2,931,698	0.5
United Overseas Bank Limited Var due 15/04/2029	1,900,000	2,812,802	0.5
UOL Treasury Services Series MTN 3% due 23/05/2024	2,750,000	2,762,320	0.5
F&N Treasury Private Limited Series MTN 2.8% due 22/08/2022	2,250,000	2,257,020	0.4

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

LIONGLOBAL SHORT DURATION BOND FUND

	Holdings at 30 June 2020	Fair value at 30 June 2020 \$	Percentage of total net assets attributable to unitholders at 30 June 2020 %
By Geography (Primary) (continued)			
QUOTED DEBT SECURITIES (continued)			
SINGAPORE (continued)			
CMT MTN Private Limited Series EMTN 3.2% due 21/08/2025	2,000,000	2,063,620	0.4
Keppel Land Limited Series MTN 3.8% due 08/06/2022	2,000,000	2,048,540	0.4
City Developments Limited Series MTN 3.48% due 03/04/2023	2,000,000	2,040,980	0.4
Suntec Real Estate Investment Trust MTN Private Limited Series 2.85% due 02/08/2023	2,000,000	2,001,960	0.4
BOC Aviation Limited Series GMTN 2.75% due 02/12/2023	1,350,000	1,897,066	0.4
Keppel REIT MTN Private Limited 1.9% due 10/04/2024	1,750,000	1,721,562	0.3
Wing Tai Holdings Limited Series MTN 4.25% due 15/03/2023	1,500,000	1,508,805	0.3
AIMS APAC REIT Management Limited Series MTN 3.6% due 12/11/2024	1,500,000	1,467,855	0.3
Wing Tai Holdings Limited Series MTN 4.7% due 28/02/2024	1,250,000	1,267,787	0.2
Gold Ridge Private Limited 2.9% due 15/08/2023	1,250,000	1,254,588	0.2
AACI REIT MTN Private Limited Series MTN 3.6% due 22/03/2022	1,250,000	1,246,500	0.2
Mapletree Commercial Trust Series EMTN 3.25% due 03/02/2023	1,000,000	1,035,530	0.2
CapitaMalls Asia Treasury Series EMTN 3.7% due 29/08/2022	1,000,000	1,024,280	0.2
FCOT Treasury Private Limited Series MTN 3.185% due 28/02/2023	1,000,000	1,001,320	0.2
Suntec Real Estate Investment Trust 1.75% due 30/11/2024	1,000,000	995,000	0.2
BOC Aviation Limited Series GMTN 2.625% due 17/01/2025	550,000	765,083	0.1

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

LIONGLOBAL SHORT DURATION BOND FUND

	Holdings at 30 June 2020	Fair value at 30 June 2020 \$	Percentage of total net assets attributable to unitholders at 30 June 2020 %
By Geography (Primary) (continued)			
QUOTED DEBT SECURITIES (continued)			
SINGAPORE (continued)			
FCT MTN Private Limited Series MTN 3.2% due 11/05/2023	750,000	763,121	0.1
F&N Treasury Private Limited Series MTN 3.09% due 23/03/2022	500,000	504,130	0.1
ASL Marine Holdings Limited Series MTN STP due 28/03/2025	682,500	275,149	*
		186,780,231	34.4
CHINA			
CNAC Hong Kong Finbridge Company Limited 3.5% due 19/07/2022	4,500,000	6,448,793	1.2
Shanghai Port Group BVI 0% due 09/08/2022	4,209,000	5,983,329	1.1
Huarong Finance Company Limited Var Perpetual	4,000,000	5,656,928	1.0
Anhui Provincial Investment Group Holding Company Limited 4.875% due 18/10/2021	3,950,000	5,624,100	1.0
Beijing Capital Polaris Investment Company Limited 4.25% due 26/03/2021	3,500,000	4,940,046	0.9
HBIS Group Hong Kong Company Limited 3.75% due 18/12/2022	3,500,000	4,833,848	0.9
Sichuan Railway Investment Group Company Limited 3.8% due 27/06/2022	3,400,000	4,797,005	0.9
China State Construction Finance II 3.375% due 29/11/2022	3,000,000	4,319,703	0.8
JD.Com Inc. 3.125% due 29/04/2021	3,000,000	4,234,934	0.8
Sunshine Life Insurance Series 5 Year 3.15% due 20/04/2021	3,000,000	4,158,993	0.8

* denotes amount less than 0.1%

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

LIONGLOBAL SHORT DURATION BOND FUND

	Holdings at 30 June 2020	Fair value at 30 June 2020 \$	Percentage of total net assets attributable to unitholders at 30 June 2020 %
By Geography (Primary) (continued)			
QUOTED DEBT SECURITIES (continued)			
CHINA (continued)			
BOSC International BVI 3.125% due 18/01/2021	2,950,000	4,146,880	0.8
Huarong Finance 2017 Company 3.2% due 27/04/2021	3,750,000	3,786,150	0.7
Far East Horizon Limited Series EMTN FRN due 03/07/2021	2,700,000	3,705,427	0.7
Anhui Transportation Hong Kong 4.875% due 13/09/2021	2,600,000	3,688,723	0.7
CH OVS Grand OCE Finance 4.875% due 01/06/2021	2,500,000	3,546,461	0.6
CSSC Capital One Limited 4.125% due 27/09/2021	2,350,000	3,365,867	0.6
Xingsheng BVI Company Limited 3.375% due 25/07/2022	2,200,000	3,131,137	0.6
China Huaneng Group (Hong Kong) Treasury 2.6% due 10/12/2024	2,000,000	2,881,657	0.5
Xingsheng (BVI) Company Limited 4.5% due 20/09/2021	2,000,000	2,872,589	0.5
Chalco Hong Kong Investment 4.875% due 07/09/2021	2,000,000	2,862,085	0.5
Coastal Emerald Limited 3.95% due 01/08/2022	2,050,000	2,859,852	0.5
KWG Group Holdings 9.85% due 26/11/2020	2,000,000	2,845,902	0.5
CNAC Hong Kong Finbridge Company Limited 4.125% due 14/03/2021	2,000,000	2,829,901	0.5
China Minmetals Corporation Var Perpetual	2,000,000	2,822,856	0.5
China Railway Construct 0% due 29/01/2021	2,000,000	2,743,017	0.5
CFLD Cayman Investment 6.5% due 21/12/2020	1,915,000	2,675,768	0.5
SPIC Lux Latam Re Energy 4.25% due 30/10/2021	1,800,000	2,573,114	0.5

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

LIONGLOBAL SHORT DURATION BOND FUND

	Holdings at 30 June 2020	Fair value at 30 June 2020 \$	Percentage of total net assets attributable to unitholders at 30 June 2020 %
By Geography (Primary) (continued)			
QUOTED DEBT SECURITIES (continued)			
CHINA (continued)			
Azure Nova International Series EMTN 3.5% due 21/03/2022	1,700,000	2,435,203	0.4
Vigorous Champ International Limited Series EMTN 2.75% due 02/06/2025	1,600,000	2,238,977	0.4
Shimao Property Holdings 6.375% due 15/10/2021	1,500,000	2,176,278	0.4
China Construction Bank Var due 27/02/2029	1,450,000	2,166,069	0.4
Coastal Emerald Limited Series EMTN 3.8% due 01/06/2021	1,500,000	2,105,654	0.4
CDBL Funding 1 FRN due 15/11/2021	1,500,000	2,083,179	0.4
Vanke Real Estate Hong Kong Series EMTN 4.15% due 18/04/2023	1,400,000	2,033,576	0.4
ICBCIL Finance Corporation Limited Series EMTN 3.65% due 05/03/2022	1,350,000	1,938,452	0.4
Guotai Junan Holdings 3.875% due 11/03/2022	1,300,000	1,885,981	0.3
CICC Hong Kong Finance 2016 MTN Series EMTN FRN due 03/05/2022	1,350,000	1,855,294	0.3
Fortune Star BVI Limited 6.875% due 31/01/2021	1,100,000	1,549,901	0.3
Bluestar Finance Holdings Limited 3.375% due 16/07/2024	1,050,000	1,512,482	0.3
Poly Real Estate Finance 3.95% due 05/02/2023	1,000,000	1,449,352	0.3
Sunac China Holdings Limited 7.875% due 15/02/2022	1,000,000	1,432,542	0.3
Agile Group Holdings Limited 6.7% due 07/03/2022	1,000,000	1,431,670	0.3
Leader Goal International Limited Var Perpetual	1,000,000	1,424,695	0.3

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

LIONGLOBAL SHORT DURATION BOND FUND

	Holdings at 30 June 2020	Fair value at 30 June 2020 \$	Percentage of total net assets attributable to unitholders at 30 June 2020 %
By Geography (Primary) (continued)			
QUOTED DEBT SECURITIES (continued)			
CHINA (continued)			
China Overseas Finance Cayman II Limited 5.5% due 10/11/2020	1,000,000	1,416,478	0.3
China Overseas Finance KY Viii Series EMTN 2.375% due 02/03/2025	1,000,000	1,411,254	0.3
AVIC International Leasing Series EMTN 3% due 16/11/2020	1,000,000	1,401,544	0.3
Central China Real Estate Limited 6.875% due 08/08/2022	1,000,000	1,384,587	0.3
Wanda Properties Overseas Limited 6.95% due 05/12/2022	1,000,000	1,370,637	0.3
Shanghai Electric Group Global Investment 2.65% due 21/11/2024	950,000	1,367,932	0.2
Blue Bright Limited 5% due 04/06/2025	950,000	1,322,720	0.2
Far East Horizon Limited Series EMTN 3.375% due 18/02/2025	950,000	1,262,115	0.2
China International Capital Corporation (CICC) FRN due 25/04/2021	900,000	1,251,540	0.2
Bocom Leasing Management Series EMTN FRN due 05/09/2024	900,000	1,231,872	0.2
Huarong Finance 2017 Company 3.8% due 07/11/2025	1,000,000	1,036,510	0.2
Chang Development International Limited 3.9% due 12/09/2022	750,000	1,033,209	0.2
Central Plaza Development Limited Series EMTN 3.85% due 14/07/2025	750,000	1,033,209	0.2
CFLD Cayman Investment 8.625% due 28/02/2021	700,000	994,845	0.2
Eastern Creation II Investment Series EMTN 2.8% due 15/07/2022	700,000	991,740	0.2
Powerchina Real Estate 4.5% due 06/12/2021	600,000	866,121	0.2

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LIONGLOBAL SHORT DURATION BOND FUND

	Holdings at 30 June 2020	Fair value at 30 June 2020 \$	Percentage of total net assets attributable to unitholders at 30 June 2020 %
By Geography (Primary) (continued)			
QUOTED DEBT SECURITIES (continued)			
CHINA (continued)			
Bocom Leasing Management Series EMTN 4% due 22/01/2022	600,000	863,509	0.2
Industrial and Commercial Bank of China (Macau) Limited Var due 12/09/2029	600,000	854,892	0.1
Bluestar Finance Holdings Limited Var Perpetual (XS2183820617)	600,000	843,308	0.1
China State Construction Finance Var Perpetual	500,000	723,187	0.1
Greentown China Holdings Limited 5.875% due 11/08/2020	500,000	699,269	0.1
Geely Automobile Holdings Limited Var Perpetual	500,000	695,781	0.1
China Mengniu Dairy 4.25% due 07/08/2023	450,000	675,618	0.1
China Overseas Finance Series A 3.95% due 15/11/2022	450,000	659,161	0.1
Weibo Corporation 3.5% due 05/07/2024	400,000	576,852	0.1
China Cinda Finance 2017 Limited Series EMTN 3.875% due 08/02/2023	300,000	439,629	0.1
Semiconductor Manufacturing Company Limited 2.693% due 27/02/2025	300,000	417,071	0.1
Sunny Express 3.5% due 21/03/2022	250,000	360,205	0.1
Joy Treasure Assets Holdings 3.875% due 20/03/2024	200,000	296,057	0.1
Huayi Finance I Limited 3% due 30/10/2024	200,000	284,668	0.1

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LIONGLOBAL SHORT DURATION BOND FUND

	Holdings at 30 June 2020	Fair value at 30 June 2020 \$	Percentage of total net assets attributable to unitholders at 30 June 2020 %
By Geography (Primary) (continued)			
QUOTED DEBT SECURITIES (continued)			
CHINA (continued)			
Chinalco Capital Holdings Limited Var Perpetual	200,000	280,405	*
Horse Gallop Finance Limited Series EMTN FRN due 28/06/2021	200,000	277,311	*
		<u>162,377,606</u>	<u>29.9</u>
INDIA			
Bharat Petroleum Corporation 4.375% due 24/01/2022	3,600,000	5,121,469	0.9
Indian Oil Corporation Limited 4.1% due 15/10/2022	4,770,000	4,876,132	0.9
NTPC Limited 3.75% due 03/04/2024	2,150,000	3,100,961	0.6
ONGC Videsh Limited 3.75% due 07/05/2023	2,000,000	2,886,665	0.5
Ascendas India Trust Series MTN 3.9% due 05/10/2020	2,250,000	2,259,832	0.4
Adani Ports and Special Series 3.95% due 19/01/2022	1,500,000	2,115,572	0.4
REC Limited Series 3.5% due 12/12/2024	1,500,000	2,084,686	0.4
REC Limited Series GMTN 3.375% due 25/07/2024	1,000,000	1,384,929	0.3
JSW Steel Limited 5.25% due 13/04/2022	1,000,000	1,361,918	0.2
Indian Railway Finance Series EMTN 3.73% due 29/03/2024	850,000	1,245,260	0.2
Adani Ports and Special Series 3.375% due 24/07/2024	450,000	622,424	0.1
REC Limited Series 4.75% due 19/05/2023	400,000	576,925	0.1
		<u>27,636,773</u>	<u>5.0</u>

* denotes amount less than 0.1%

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LIONGLOBAL SHORT DURATION BOND FUND

	Holdings at 30 June 2020	Fair value at 30 June 2020 \$	Percentage of total net assets attributable to unitholders at 30 June 2020 %
By Geography (Primary) (continued)			
QUOTED DEBT SECURITIES (continued)			
UNITED ARAB EMIRATES			
ESIC Sukuk Limited Series EMTN 3.939% due 30/07/2024	3,500,000	4,809,777	0.9
DIB Sukuk Limited 2.95% due 20/02/2025	2,350,000	3,300,660	0.6
MAF Global Securities Series 4.75% due 07/05/2024	2,000,000	2,943,556	0.5
SIB Sukuk Company III Limited 3.084% due 08/09/2021	1,500,000	2,116,535	0.4
EMG Sukuk Limited 4.564% due 18/06/2024	1,000,000	1,414,232	0.3
Emirates NBD Bank PJSC Series EMTN 2.625% due 18/02/2025	850,000	1,215,633	0.2
DIB Sukuk Limited 3.6% due 30/03/2021	820,000	1,158,503	0.2
DIB Sukuk Limited 2.95% due 16/01/2026	800,000	1,125,967	0.2
ADCB Finance Cayman Limited Series 4% due 29/03/2023	600,000	879,455	0.2
SIB Sukuk Company III Limited 2.85% due 23/06/2025	600,000	842,747	0.1
DP World Crescent Limited Series 3.908% due 31/05/2023	300,000	434,090	0.1
		20,241,155	3.7
QATAR			
MAR Sukuk Limited 3.025% due 13/11/2024	2,900,000	4,088,974	0.7
QIB Senior Sukuk Limited 4.264% due 05/03/2024	2,500,000	3,673,725	0.7
QIB Sukuk Limited Series EMTN 3.982% due 26/03/2024	1,550,000	2,289,364	0.4
AKCB Finance Limited 4.75% due 09/10/2023	1,500,000	2,217,293	0.4

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

LIONGLOBAL SHORT DURATION BOND FUND

	Holdings at 30 June 2020	Fair value at 30 June 2020 \$	Percentage of total net assets attributable to unitholders at 30 June 2020 %
By Geography (Primary) (continued)			
QUOTED DEBT SECURITIES (continued)			
QATAR (continued)			
QIB Sukuk Limited 2.754% due 27/10/2020	1,500,000	2,098,319	0.4
QNB Finance Limited FRN due 02/05/2022	1,400,000	1,934,955	0.4
QIB Sukuk Limited Series EMTN FRN due 07/02/2025	1,000,000	1,361,213	0.2
		17,663,843	3.2
MALAYSIA			
IOI Investment Berhad Series EMTN 4.375% due 27/06/2022	6,400,000	9,285,631	1.7
RHB Bank Series EMTN 3.766% due 19/02/2024	450,000	666,795	0.1
		9,952,426	1.8
THAILAND			
Minor International PLC Var Perpetual (XS2191371769)	4,600,000	6,460,995	1.2
Minor International PLC Var Perpetual (XS1912662183)	2,350,000	3,358,065	0.6
		9,819,060	1.8
HONG KONG			
Bank of East Asia Limited EMTN 6.125% due 16/07/2020	3,800,000	5,308,771	1.0
Mapletree NACT Series EMTN 3.5% 22/03/2023	2,250,000	2,247,637	0.4
Vigorous Champ International Limited Series EMTN 4.375% due 10/09/2023	800,000	1,184,688	0.2
Wharf Finance No. 1 Limited Series EMTN 4.5% due 20/07/2021	500,000	508,995	0.1
		9,250,091	1.7

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LIONGLOBAL SHORT DURATION BOND FUND

	Holdings at 30 June 2020	Fair value at 30 June 2020 \$	Percentage of total net assets attributable to unitholders at 30 June 2020 %
By Geography (Primary) (continued)			
QUOTED DEBT SECURITIES (continued)			
GERMANY			
LB Baden-Wuerttemberg Series EMTN Var due 18/05/2027	9,000,000	8,572,860	1.6
INDONESIA			
PT Federal International Finance Series EMTN 4.125% due 10/05/2021	3,000,000	4,218,924	0.8
Bank Rakyat Indonesia 3.95% due 28/03/2024	700,000	1,008,619	0.2
Indonesia Asahan Alumini Series 4.75% due 15/05/2025	650,000	973,658	0.2
PT Pertamina Persero 4.875% due 03/05/2022	500,000	732,401	0.1
PT Bank Mandiri Series EMTN 4.75% due 13/05/2025	400,000	591,713	0.1
Republic of Indonesia Series 2.3% due 23/06/2025	250,000	350,071	0.1
PT Bank Tabungan Negara 4.2% due 23/01/2025	250,000	334,919	0.1
		8,210,305	1.6
CANADA			
Manulife Financial Corporation Var due 25/05/2026	7,750,000	7,823,160	1.4

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

LIONGLOBAL SHORT DURATION BOND FUND

	Holdings at 30 June 2020	Fair value at 30 June 2020 \$	Percentage of total net assets attributable to unitholders at 30 June 2020 %
By Geography (Primary) (continued)			
QUOTED DEBT SECURITIES (continued)			
PHILIPPINES			
Philippine National Bank Series EMTN 3.28% due 27/09/2024	2,350,000	3,344,771	0.6
Union Bank of Philippines Series EMTN 3.369% due 29/11/2022	2,000,000	2,893,390	0.5
Rizal Commercial Banking Corporation Series EMTN 3% due 11/09/2024	550,000	769,426	0.2
Jollibee Worldwide Private Limited Var Perpetual	500,000	661,466	0.1
		<u>7,669,053</u>	<u>1.4</u>
UNITED STATES OF AMERICA			
US Treasury 1.375% due 31/01/2025	5,200,000	<u>7,620,428</u>	<u>1.4</u>
NETHERLANDS			
ABN Amro Bank NV Var due 27/03/2028	3,400,000	4,949,545	0.9
ABN Amro Bank NV Series EMTN Var due 01/04/2026	2,500,000	2,536,450	0.5
		<u>7,485,995</u>	<u>1.4</u>
SOUTH KOREA			
Hyundai Capital America 3.95% due 01/02/2022	2,500,000	3,591,551	0.7
Mirae Asset Daewoo Company 3.125% due 07/05/2022	1,550,000	2,205,596	0.4
KEB Hana Bank Series FRN due 02/10/2022	950,000	1,323,043	0.2
Korea Development Bank Series GMTN FRN due 16/04/2023	200,000	284,038	0.1
		<u>7,404,228</u>	<u>1.4</u>

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

LIONGLOBAL SHORT DURATION BOND FUND

	Holdings at 30 June 2020	Fair value at 30 June 2020 \$	Percentage of total net assets attributable to unitholders at 30 June 2020 %
By Geography (Primary) (continued)			
QUOTED DEBT SECURITIES (continued)			
AUSTRALIA			
Ausnet Services Holdings Private Limited Var due 17/03/2076	3,000,000	4,295,010	0.8
National Australia Bank Limited Series GMTN Var due 19/05/2028	3,000,000	3,102,420	0.6
		7,397,430	1.4
UNITED KINGDOM			
Standard Chartered PLC Var due 23/01/2026	6,250,000	6,310,188	1.1
Standard Chartered PLC Series EMTN Var due 12/02/2030	750,000	1,068,165	0.2
		7,378,353	1.3
SAUDI ARABIA			
Samba Funding Limited 2.75% due 02/10/2024	2,200,000	3,151,592	0.6
Almarai Corporation Joint Stock company 4.311% due 05/03/2024	2,000,000	2,961,119	0.5
		6,112,711	1.1
FRANCE			
BNP Paribas Series EMTN Var due 03/12/2025	2,000,000	2,000,440	0.4
BPCE Series EMTN Var due 03/06/2026	750,000	754,238	0.1
BPCE Var due 17/12/2025	500,000	497,480	0.1
		3,252,158	0.6
CAYMAN ISLANDS			
AHB Sukuk Company 4.375% due 19/09/2023	1,825,000	2,719,474	0.5

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

LIONGLOBAL SHORT DURATION BOND FUND

	Holdings at 30 June 2020	Fair value at 30 June 2020 \$	Percentage of total net assets attributable to unitholders at 30 June 2020 %
By Geography (Primary) (continued)			
QUOTED DEBT SECURITIES (continued)			
SUPRANATIONAL			
Arab Petroleum Investments Corporation FRN due 26/10/2022	1,400,000	1,949,457	0.4
Accrued interest receivable on debt securities		4,675,027	0.9
TOTAL DEBT SECURITIES		531,991,824	97.9
UNQUOTED EQUITIES			
SINGAPORE			
ASL Marine Holdings Limited Warrants [#]	1,168,200	-	-
Portfolio of investments		531,991,824	97.9
Other net assets		11,546,084	2.1
Net assets attributable to unitholders		543,537,908	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 2020 %	30 June 2019 %
By Geography (Summary)		
Singapore	34.4	41.4
China	29.9	25.9
India	5.0	5.6
United Arab Emirates	3.7	1.7
Qatar	3.2	3.1
Malaysia	1.8	2.1
Thailand	1.8	0.9
Hong Kong	1.7	1.3
Germany	1.6	1.1
Indonesia	1.6	1.4
Canada	1.4	1.0
Philippines	1.4	1.2
United States of America	1.4	1.6
Netherlands	1.4	1.3
South Korea	1.4	0.5
Australia	1.4	2.1
United Kingdom	1.3	1.4
Saudi Arabia	1.1	0.5
France	0.6	0.6
Cayman Islands	0.5	0.3
Supranational	0.4	-
Ireland	-	0.1
	<hr/>	<hr/>
	97.0	95.1
Accrued interest receivable on debt securities	0.9	0.8
	<hr/>	<hr/>
Portfolio of investments	97.9	95.9
Other net assets	2.1	4.1
Net assets attributable to unitholders	<hr/>	<hr/>
	100.0	100.0

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		
	Fair value at	30 June	30 June
	30 June	2020	2019
	\$	%	%
By Industry (Secondary)			
Real Estate	180,665,659	33.2	34.8
Financial	177,057,522	32.6	33.2
Industrial	78,855,391	14.5	14.0
Basic Materials	23,692,004	4.3	0.6
Sovereign	17,415,556	3.2	3.3
Consumer, Cyclical	15,771,446	2.9	2.6
Energy	13,616,667	2.5	3.1
Utilities	12,850,742	2.4	2.2
Consumer, Non-cyclical	6,397,887	1.2	1.2
Communications	576,852	0.1	0.1
Technology	417,071	0.1	-
	<u>527,316,797</u>	<u>97.0</u>	<u>95.1</u>
Accrued interest receivable on debt securities	4,675,027	0.9	0.8
Portfolio of investments	<u>531,991,824</u>	<u>97.9</u>	<u>95.9</u>
Other net assets	<u>11,546,084</u>	<u>2.1</u>	<u>4.1</u>
Net assets attributable to unitholders	<u>543,537,908</u>	<u>100.0</u>	<u>100.0</u>

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

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 under the CPF Investment Scheme on 28 February 2014.

The Fund offered eight class of units as at 30 June 2020, 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 2020, there were no subscription of units of Class I (USD Hedged) (Acc) (2019: 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.

(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 clearing house.

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.

(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.

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.

	2020	2019
	\$	\$
Singapore income tax	3,503	1,329

The Singapore income tax represents taxes paid to tax authorities on the taxable income of the Fund.

LIONGLOBAL SHORT DURATION BOND FUND

5. DISTRIBUTIONS

	2020 \$	2019 \$
<u>Class A (SGD) (Dist)</u>		
Distribution of \$1.23 per 100 units on 21 October 2019 to unitholders on the register as at 30 September 2019	2,932,130	-
Distribution of \$1.23 per 100 units on 22 January 2020 to unitholders on the register as at 31 December 2019	3,105,300	-
Distribution of \$1.23 per 100 units on 21 April 2020 to unitholders on the register as at 31 March 2020	3,142,664	-
Distribution of \$1.21 per 100 units on 21 July 2020 to unitholders on the register as at 30 June 2020	3,097,521	-
Distribution of \$1.21 per 100 units on 19 October 2018 to unitholders on the register as at 30 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 31 March 2019	-	2,229,777
Distribution of \$1.22 per 100 units on 19 July 2019 to unitholders on the register as at 30 June 2019	-	2,753,068
<u>Class I (SGD) (Dist)</u>		
Distribution of \$0.78 per 100 units on 21 October 2019 to unitholders on the register as at 30 September 2019	63,410	-
Distribution of \$0.78 per 100 units on 22 January 2020 to unitholders on the register as at 31 December 2019	67,491	-
Distribution of \$0.78 per 100 units on 21 April 2020 to unitholders on the register as at 31 March 2020	59,296	-
Distribution of \$0.77 per 100 units on 21 July 2020 to unitholders on the register as at 30 June 2020	60,227	-

LIONGLOBAL SHORT DURATION BOND FUND

5. DISTRIBUTIONS (continued)

	2020 \$	2019 \$
<u>Class I (SGD) (Dist) (continued)</u>		
Distribution of \$0.76 per 100 units on 19 October 2018 to unitholders on the register as at 30 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 31 March 2019	-	60,394
Distribution of \$0.77 per 100 units on 19 July 2019 to unitholders on the register as at 30 June 2019	-	61,420
<u>Class A (USD Hedged) (Dist)</u>		
Distribution of US\$0.76 per 100 units on 21 October 2019 to unitholders on the register as at 30 September 2019	18,488	-
Distribution of US\$0.76 per 100 units on 22 January 2020 to unitholders on the register as at 31 December 2019	19,998	-
Distribution of US\$0.77 per 100 units on 21 April 2020 to unitholders on the register as at 31 March 2020	22,751	-
Distribution of US\$0.75 per 100 units on 21 July 2020 to unitholders on the register as at 30 June 2020	81,664	-
Distribution of US\$0.75 per 100 units on 19 October 2018 to unitholders on the register as at 30 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 31 March 2019	-	13,714
Distribution of US\$0.76 per 100 units on 19 July 2019 to unitholders on the register as at 30 June 2019	-	13,992

LIONGLOBAL SHORT DURATION BOND FUND

5. DISTRIBUTIONS (continued)

	2020	2019
	\$	\$
<u>Class I (USD Hedged) (Dist)</u>		
Distribution of US\$0.77 per 100 units on 21 October 2019 to unitholders on the register as at 30 September 2019	53,428	-
Distribution of US\$0.77 per 100 units on 22 January 2020 to unitholders on the register as at 31 December 2019	51,900	-
Distribution of US\$0.77 per 100 units on 21 April 2020 to unitholders on the register as at 31 March 2020	55,243	-
Distribution of US\$0.76 per 100 units on 21 July 2020 to unitholders on the register as at 30 June 2020	53,020	-
Distribution of US\$0.75 per 100 units on 19 October 2018 to unitholders on the register as at 30 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 31 March 2019	-	51,519
Distribution of US\$0.76 per 100 units on 19 July 2019 to unitholders on the register as at 30 June 2019	-	51,540
	<hr/> 12,884,531	<hr/> 9,974,887

6. RECEIVABLES

	2020	2019
	\$	\$
Amount receivable for creation of units	3,281,890	20,364,431
Other receivables	94,858	134,889
	<hr/> 3,376,748	<hr/> 20,499,320

7. DUE FROM/(TO) BROKERS

	2020	2019
	\$	\$
Margin deposits	18	103,475
Sales awaiting settlement	-	3,744,391
	<u>18</u>	<u>3,847,866</u>

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

	2020	2019
	\$	\$
Purchases awaiting settlement	<u>(10,952,010)</u>	<u>(11,313,977)</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

	2020	2019
	\$	\$
Amount payable for cancellation of units	1,407,606	2,133,635
Amount due to the Manager	204,469	156,933
Amount due to the Trustee	17,722	13,717
Amount due to the Custodian	-	986
Amount due to the Registrar	5,323	4,715
Distribution payable	3,292,432	2,880,022
Other payables	36,624	32,633
	<u>4,964,176</u>	<u>5,222,641</u>

LIONGLOBAL SHORT DURATION BOND FUND

10. FINANCIAL DERIVATIVES AT FAIR VALUE

Financial derivative contracts comprise futures contracts, foreign exchange forward contracts and foreign exchange spot contracts due for settlement within 3 months (2019: 6 months) from the reporting date. The contracts or underlying principal amounts of these financial derivatives and their corresponding gross fair values at the reporting date are analysed below.

	Contract or underlying principal amount	Fair value	
		Asset	Liability
		\$	\$
Foreign exchange forward contracts	335,165,529	3,181,714	98,731
Foreign exchange spot contracts	12,366,505	-	20,545
		<u>3,181,714</u>	<u>119,276</u>

	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>

11. UNITS IN ISSUE

	Class A (SGD) (Dist)		Class I (SGD) (Dist)	
	2020 Units	2019 Units	2020 Units	2019 Units
Units at beginning of the year	225,661,317	191,838,570	7,976,622	7,539,492
Units created	162,616,195	129,236,472	1,197,013	2,510,413
Units cancelled	(132,284,057)	(95,413,725)	(1,351,918)	(2,073,283)
Units at end of the year	<u>255,993,455</u>	<u>225,661,317</u>	<u>7,821,717</u>	<u>7,976,622</u>
	2020	2019	2020	2019
	\$	\$	\$	\$
Net assets attributable to unitholders	414,459,264	365,201,562	7,989,181	8,125,957
Net asset value per unit	<u>1.6190</u>	<u>1.6183</u>	<u>1.0214</u>	<u>1.0187</u>

LIONGLOBAL SHORT DURATION BOND FUND

11. UNITS IN ISSUE (continued)

	Class A (USD Hedged) (Dist)		Class I (USD Hedged) (Dist)	
	2020 Units	2019 Units	2020 Units	2019 Units
Units at beginning of the year	1,358,782	1,411,264	5,005,196	5,005,196
Units created	6,474,091	46,548	-	-
Units cancelled	(20,739)	(99,030)	-	-
Units at end of the year	<u>7,812,134</u>	<u>1,358,782</u>	<u>5,005,196</u>	<u>5,005,196</u>
	2020 US\$	2019 US\$	2020 US\$	2019 US\$
Net assets attributable to unitholders	7,843,491	1,359,208	5,057,207	5,028,978
Net assets attributable to unitholders (SGD equivalent)	10,942,063	1,838,941	7,055,056	6,803,956
Net asset value per unit	<u>1.0040</u>	<u>1.0003</u>	<u>1.0103</u>	<u>1.0047</u>
Net asset value per unit (SGD equivalent)	<u>1.4006</u>	<u>1.3533</u>	<u>1.4095</u>	<u>1.3593</u>
	Class A (SGD) (Acc) 2020 Units	2019 Units	Class I (SGD) (Acc) 2020 Units	2019 Units
Units at beginning of the year	18,300,706	75,785	39,370,800	27,663,939
Units created	39,509,027	19,788,507	21,450,788	12,871,405
Units cancelled	(24,850,061)	(1,563,586)	(1,483,915)	(1,164,544)
Units at end of the year	<u>32,959,672</u>	<u>18,300,706</u>	<u>59,337,673</u>	<u>39,370,800</u>
	2020 \$	2019 \$	2020 \$	2019 \$
Net assets attributable to unitholders	36,692,752	19,760,175	65,841,482	42,262,932
Net asset value per unit	<u>1.1132</u>	<u>1.0797</u>	<u>1.1096</u>	<u>1.0734</u>

11. UNITS IN ISSUE (continued)

	Class A (USD Hedged) (Acc) 2020 Units
Units at beginning of the year	-
Units created	400,000
Units cancelled	-
Units at end of the year	<u>400,000</u>
	2020 US\$
Net assets attributable to unitholders	400,064
Net assets attributable to unitholders (SGD equivalent)	558,110
Net asset value per unit	<u>1.0001</u>
Net asset value per unit (SGD equivalent)	<u>1.3952</u>

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)	
	2020	2019	2020	2019
	\$	\$	\$	\$
Net assets attributable to unitholders per unit per the financial statements	1.6190	1.6183	1.0214	1.0187
Effect of distribution per unit	0.0121	0.0122	0.0077	0.0077
Effect of movement in the net asset value between the last dealing date and the financial year end date	-	(0.0002)	-	(0.0002)
Net assets attributable to unitholders per unit for issuing/redeeming units	<u>1.6311</u>	<u>1.6303</u>	<u>1.0291</u>	<u>1.0262</u>
	Class A (USD Hedged) (Dist)		Class I (USD Hedged) (Dist)	
	2020	2019	2020	2019
	US\$	US\$	US\$	US\$
Net assets attributable to unitholders per unit per the financial statements	1.0040	1.0003	1.0103	1.0047
Effect of distribution per unit	0.0075	0.0076	0.0076	0.0076
Effect of movement in the net asset value between the last dealing date and the financial year end date	-	(0.0002)	-	(0.0001)
Net assets attributable to unitholders per unit for issuing/redeeming units	<u>1.0115</u>	<u>1.0077</u>	<u>1.0179</u>	<u>1.0122</u>

11. UNITS IN ISSUE (continued)

	Class A (SGD) (Acc)		Class I (SGD) (Acc)	
	2020	2019	2020	2019
	\$	\$	\$	\$
Net assets attributable to unitholders per unit per the financial statements	1.1132	1.0797	1.1096	1.0734
Effect of movement in the net asset value between the last dealing date and the financial year end date	-	(0.0002)	-	(0.0002)
Net assets attributable to unitholders per unit for issuing/redeeming units	<u>1.1132</u>	<u>1.0795</u>	<u>1.1096</u>	<u>1.0732</u>

There were no differences between the net assets attributable to unitholders per financial statements and the net assets attributable to unitholders for issuing/redeeming units at the reporting date for Class A (USD Hedged) (Acc).

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.

During the financial year, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic with various cities and countries around the world responding in different ways to address the outbreak. As a result of the COVID-19 outbreak, global financial markets have experienced significant volatility. Given the extent of the crisis, it is difficult to estimate the duration of the volatility in the portfolio of the Fund. The Manager is closely monitoring the development of the COVID-19 outbreak and its related impact.

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 2020 and 2019, the Fund does not hold any equities. Hence, no sensitivity analysis on price risk has 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.

As at 30 June 2020	Variable rates	Fixed rates	Non-interest bearing	Total
	\$	\$	\$	\$
Assets				
Portfolio of investments	121,034,664	406,282,133	4,675,027	531,991,824
Receivables	-	-	3,376,748	3,376,748
Due from brokers	-	-	18	18
Financial derivatives at fair value	-	-	3,181,714	3,181,714
Cash and bank balances	21,023,066	-	-	21,023,066
Total assets	<u>142,057,730</u>	<u>406,282,133</u>	<u>11,233,507</u>	<u>559,573,370</u>
Liabilities				
Payables	-	-	4,964,176	4,964,176
Due to brokers	-	-	10,952,010	10,952,010
Financial derivatives at fair value	-	-	119,276	119,276
Total liabilities	<u>-</u>	<u>-</u>	<u>16,035,462</u>	<u>16,035,462</u>

12. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

As at 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

The duration, a measure of the sensitivity of the price of a fixed income security to a change in interest as at 30 June 2020 is 2.08 (2019: 2.22). As of 30 June 2020, should interest rates lower or rise by 1% (2019: 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% (2019: 1%) movement in interest rate on net assets attributable to the unitholders	
	2020	2019
	\$	\$
LionGlobal Short Duration Bond Fund	8,450,668	7,261,643

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 Dollar 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 account for the analysis.

As at 30 June 2020	USD	CNH	SGD	Others	Total
	\$	\$	\$	\$	\$
Assets					
Portfolio of investments	316,983,614	-	215,008,210	-	531,991,824
Receivables	-	-	3,376,748	-	3,376,748
Due from brokers	18	-	-	-	18
Cash and bank balances	9,203,488	56	11,818,694	828	21,023,066
Total assets	326,187,120	56	230,203,652	828	556,391,656
Liabilities					
Payables	134,804	-	4,829,372	-	4,964,176
Due to brokers	9,412,301	-	1,539,709	-	10,952,010
Total liabilities	9,547,105	-	6,369,081	-	15,916,186
Net financial assets	316,640,015	56	223,834,571	828	
Currency spots and forwards	(300,503,750)	-	300,503,750	-	
Net currency exposure	16,136,265	56	524,338,321	828	

12. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(iii) Currency risk (continued)

As at 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	
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>	

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 2020 and 2019, 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	
	2020	2019	2020	2019
	%	%	\$	\$
USD	5	5	806,813	782,513

(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.

As at 30 June 2020	Less than 3 months	3 months- 1 year	1-5 years	Above 5 years
	\$	\$	\$	\$
Derivative financial instruments				
- inflows	(86,319,046)	-	-	-
- outflows	86,438,322	-	-	-
Payables	4,964,176	-	-	-
Due to brokers	10,952,010	-	-	-

12. FINANCIAL RISK MANAGEMENT (continued)

(b) Liquidity risk (continued)

As at 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	-	-	-

(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 asset attributable to unitholders.

	2020	2019
	%	%
Aaa	2.8	2.6
Aa2	0.4	-
Aa3	0.4	0.4
A1	3.6	3.4
A2	6.2	5.7
A3	4.1	3.7
Baa1	6.0	7.8
Baa2	18.5	22.2
Baa3	10.9	7.8
Ba2	0.5	1.3
Ba3	0.7	-
B1	0.5	-
Unrated	42.4	40.2
Accrued interest on debt securities	0.9	0.8
Total debt securities	97.9	95.9

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 2020 and 2019.

	Credit rating ^{##}	Source of credit rating
As at 30 June 2020		
<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
BNP Paribas SA	A+	S&P
Oversea-Chinese Banking Corporation Limited	AA-	S&P
<u>Margin deposit</u>		
UBS AG	A+	S&P
	Credit rating ^{##}	Source of credit rating
As at 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

^{##} 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 tables analyse within the fair value hierarchy the Fund's financial assets and liabilities (by class) measured at fair value at 30 June 2020 and 2019:

As at 30 June 2020	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Portfolio of investments				
- Quoted debt securities	17,415,556	514,576,268	-	531,991,824
- Unquoted equities^	-	-	-	-
Financial derivatives at fair value	-	3,181,714	-	3,181,714
	<u>17,415,556</u>	<u>517,757,982</u>	<u>-</u>	<u>535,173,538</u>

Liabilities

Financial derivatives at fair value	-	119,276	-	119,276
	<u>-</u>	<u>119,276</u>	<u>-</u>	<u>119,276</u>

As at 30 June 2019	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Portfolio of investments				
- Quoted debt securities	14,375,600	411,508,168	-	425,883,768
- Unquoted equities^	-	-	-	-
Financial derivatives at fair value	-	1,484,733	-	1,484,733
	<u>14,375,600</u>	<u>412,992,901</u>	<u>-</u>	<u>427,368,501</u>

Liabilities

Financial derivatives at fair value	34,310	125,645	-	159,955
	<u>34,310</u>	<u>125,645</u>	<u>-</u>	<u>159,955</u>

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 actively traded government bonds and exchange traded derivatives. The Fund does not adjust the quoted price for these instruments.

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 one (2019: two) equity security which is 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 2020 and 2019 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. 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:

	2020	2019
	\$	\$
Transaction fees charged by the Trustee	8,455	8,065
Registration fees charged by a related company of the Trustee	34,406	30,703
Valuation and administration fees charged by the Trustee	184,899	129,494
Custodian fees charged by a related company of the Trustee	87,508	62,421
Bank service fees charged by a bank which is a related company of the Trustee	6,523	2,597
Cash transfer fees charged by a related company of the Trustee	10,987	5,139
	<hr/>	<hr/>

14. FINANCIAL RATIOS

	2020	2019
	%	%
Expense ratio ¹		
- Class A (SGD) (Dist)	0.59	0.59
- Class I (SGD) (Dist)	0.34	0.34
- Class A (USD Hedged) (Dist)	0.60	0.59
- Class I (USD Hedged) (Dist)	0.34	0.34
- Class A (SGD) (Acc)	0.60	0.60
- Class I (SGD) (Acc)	0.34	0.34
- Class A (USD Hedged) (Acc)		
(annualised in accordance with IMAS guidelines)	0.57	-
Portfolio Turnover ratio ²	40	58
	<hr/>	<hr/>

14. 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 2020 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 2020 and 2019.

	2020	2019
	\$	\$
Total operating expenses		
Class A (SGD) (Dist)	2,360,162	1,797,969
Class I (SGD) (Dist)	28,075	29,921
Class A (USD Hedged) (Dist)	16,797	10,671
Class I (USD Hedged) (Dist)	24,099	23,029
Class A (SGD) (Acc)	166,477	29,933
Class I (SGD) (Acc)	190,767	125,680
Class A (USD Hedged) (Acc) (annualised in accordance with IMAS guidelines)	3,183	-
Average net asset value		
Class A (SGD) (Dist)	402,039,838	304,583,710
Class I (SGD) (Dist)	8,158,797	8,823,158
Class A (USD Hedged) (Dist)	2,799,421	1,808,333
Class I (USD Hedged) (Dist)	7,000,725	6,774,139
Class A (SGD) (Acc)	27,933,209	5,020,594
Class I (SGD) (Acc)	56,392,183	36,930,057
Class A (USD Hedged) (Acc)	557,526	-

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 \$204,019,702 (2019: sales of \$209,455,775) divided by the average daily net asset value of \$504,330,809 (2019: \$363,939,991).

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