

This Product Highlights Sheet is an important document.

- It highlights the key terms and risks of this investment product and complements the Prospectus<sup>1</sup>.
- It is important to read the Prospectus before deciding whether to purchase units in the product. If you do not have a copy, please contact us to ask for one.
- You should not invest in the product if you do not understand it or if you are not comfortable with the accompanying risks.
- If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.

### LIONGLOBAL SHORT DURATION BOND FUND (the “Fund”)

|                           |   |  |  |
|---------------------------|---|--|--|
| <b>Product Type</b>       | Unit Trust  | <b>Launch Date</b>                       | 22 March 1991 <sup>2</sup>   |
| <b>Manager</b>            | Lion Global Investors Limited                         | <b>Custodian</b>                         | The Hongkong and Shanghai Banking Corporation Limited  |
| <b>Trustee</b>            | HSBC Institutional Trust Services (Singapore) Limited | <b>Dealing Frequency</b>                 | Every Business Day   |
| <b>Capital Guaranteed</b> | No  | <b>Expense Ratio for FY 30 June 2018</b> | Class A (SGD)(Dist): 0.61%<br>Class I (SGD)(Dist): 0.35%<br>Class A (USD Hedged)(Dist): 0.61%<br>Class I (USD Hedged)(Dist): 0.35%<br>Class A (SGD)(Acc): 0.60%<br>Class I (SGD)(Acc): 0.36% |
| <b>Name of Guarantor</b>  | Not applicable  |  |  |

#### PRODUCT SUITABILITY

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| <p><b>WHO IS THE PRODUCT SUITABLE FOR?</b></p> <p>The Fund is <u>only</u> suitable for investors who:</p> <ul style="list-style-type: none"> <li>• seek capital growth and income over the medium to long term;</li> <li>• are comfortable with investing in a portfolio of Singapore and international debt securities.</li> </ul> <p>Please note your investment in the Fund is at risk and you may not get back the principal sum invested.</p> | <p><u>Further Information</u></p> <p>Refer to Section 7 on pages [ ] of the Prospectus for further information on product suitability.</p> |
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#### KEY PRODUCT FEATURES

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| <p><b>WHAT ARE YOU INVESTING IN?</b></p> <p>You are investing in a unit trust constituted in Singapore that aims to provide total return of capital growth and income over the medium to long term.</p> <p>Distribution of income and/or net capital gains (to the extent permitted under the Deed) will be at our sole discretion. Any distributions made will reduce the net asset value of the Fund.</p> | <p>Refer to Section 7 on pages [ ] of the Prospectus for further information on features of the product.</p> |
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#### Investment Strategy

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| <p>The Fund shall invest through an actively managed portfolio of Singapore and international bonds, high quality interest rate securities and other related securities. There is no target industry or sector.</p> <p>For the avoidance of doubt, while we will generally invest in bonds with investment</p> | <p>Refer to Section 7 on pages [ ] of the Prospectus for further information</p> |
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<sup>1</sup> The Prospectus is available for collection at Lion Global Investors Limited, 65 Chulia Street, #18-01 OCBC Centre, Singapore 049513 from Monday to Friday (9am to 6pm) or website: www.lionglobalinvestors.com

<sup>2</sup> Inception dates for the share classes are as follows:

- Class A (SGD)(Dist) - 22 March 1991
- Class I (SGD)(Dist) - 8 July 2014
- Class A (USD Hedged)(Dist): 4 January 2016
- Class I (USD Hedged)(Dist): 28 April 2016
- Class A (SGD) (Acc) and Class I (SGD) (Acc): 28 December 2016

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| <p>grade quality, we may nonetheless also invest or expose the Fund to sub-investment grade securities.</p> <p>We aim to deliver consistent outperformance on a risk adjusted basis through market cycles. As an active asset manager, we seek to add value through the effective combination of research driven investment ideas and rigorous portfolio construction disciplines. In addition, we will manage five principal areas of risks, namely, country, duration, interest, currency and credit.</p>  | <p>on features of the product.</p>   |
| <b>Parties Involved</b>  |  |
| <p><b>WHO ARE YOU INVESTING WITH?</b></p> <ul style="list-style-type: none"> <li>• <b><u>The Managers</u></b> <ul style="list-style-type: none"> <li>○ Lion Global Investors Limited</li> </ul> </li> <li>• <b><u>The Trustee</u></b> <ul style="list-style-type: none"> <li>○ HSBC Institutional Trust Services (Singapore) Limited</li> </ul> </li> <li>• <b><u>The Custodian</u></b> <ul style="list-style-type: none"> <li>○ The Hongkong and Shanghai Banking Corporation Limited</li> </ul> </li> <li>• <b><u>The Registrar</u></b> <ul style="list-style-type: none"> <li>○ HSBC Institutional Trust Services (Singapore) Limited</li> </ul> </li> <li>• <b><u>The Auditors</u></b> <ul style="list-style-type: none"> <li>○ PricewaterhouseCoopers LLP</li> </ul> </li> </ul>  | <p>Refer to Section 2, 3, 4 &amp; 5 on pages [ ] of the Prospectus for further information on the role and responsibilities of these entities.</p> |
| <b>KEY RISKS</b>   |  |
| <p><b>WHAT ARE THE KEY RISKS OF THIS INVESTMENT?</b></p> <p>You should consider and satisfy yourself as to the risks of investing in the Fund. Generally, some of the risk factors that should be considered are market, derivatives, liquidity, political, repatriation, regulatory, currency and emerging market risks, and risks associated with investments in debt securities which are default and interest rate risks.</p> <p>An investment in the Fund is meant to produce returns over the long-term. You should not expect to obtain short-term gains from such an investment.</p> <p><b>You should note that the value of Units, and the income accruing to the Units, may fall or rise and that you may not get back your original investment.</b></p>   | <p>Refer to Section 10 on pages [ ] of the Prospectus for further information on risks of the product.</p>   |
| <b>Market and Credit Risks</b>   |  |
| <ul style="list-style-type: none"> <li>• <b><u>You are exposed to Market Risks</u></b> <ul style="list-style-type: none"> <li>○ Prices of securities may go up or down in response to changes in economic conditions, interest rates and the market's perception of securities. These may cause the price of Units in the Fund to go up or down as the price of Units in the Fund is based on the current market value of the investments of the Fund.</li> </ul> </li> <li>• <b><u>You are exposed to Default Risks</u></b> <ul style="list-style-type: none"> <li>○ Bonds and other fixed income securities are subject to credit risks, such as risk of default by issuers.</li> </ul> </li> <li>• <b><u>You are exposed to Currency Risks</u></b> <ul style="list-style-type: none"> <li>○ As the investments of the Fund may be denominated in foreign currencies, fluctuations of the exchange rates of foreign currencies against the base currency of the Fund (i.e. Singapore Dollar) may affect the value of the Units in the Fund.</li> </ul> </li> <li>• <b><u>You are exposed to Interest Rate Risks</u></b> <ul style="list-style-type: none"> <li>○ Investments in debt securities are also subject to the risk of interest rate fluctuations, and the prices of debt securities may go up or down in response to such fluctuations in interest rates.</li> </ul> </li> </ul> |  |

| <b>Liquidity Risks</b>   |  |  |                    |                              |               |                                   |                       |   |                    |   |   |
|--|--|--|--------------------|------------------------------|---------------|-----------------------------------|-----------------------|---|--------------------|---|---|
| <ul style="list-style-type: none"> <li>• <b><u>You are exposed to Liquidity Risks</u></b> <ul style="list-style-type: none"> <li>○ The Fund is also subject to liquidity and regulatory risks. The Fund's investments in emerging markets are also subject to regulatory risks, for example, the introduction of new laws, the imposition of exchange controls, the adoption of restrictive provisions by individual companies or where a limit on the holding of the Fund in a particular company, sector or country by non-residents (individually or collectively) has been reached.</li> <li>○ The Fund is not listed and you can redeem only on Dealing Days.</li> </ul> </li> </ul>  |  |  |                    |                              |               |                                   |                       |   |                    |   |   |
| <b>Product Specific Risks</b>  |  |  |                    |                              |               |                                   |                       |   |                    |   |   |
| <ul style="list-style-type: none"> <li>• <b><u>You are exposed to Derivatives Risks</u></b> <ul style="list-style-type: none"> <li>○ The Fund may invest in financial derivative instruments such as futures, options, warrants, forwards and swaps for hedging purposes, for the purpose of efficient portfolio management and for meeting optimising returns in respect of the Fund. While the judicious use of derivatives by professional investment managers can be beneficial, derivatives involve risks different from, and, in some cases, greater than, the risks presented by more traditional securities investments.</li> </ul> </li> </ul>  |  |  |                    |                              |               |                                   |                       |   |                    |   |   |
| <b>FEES AND CHARGES</b>  |  |  |                    |                              |               |                                   |                       |   |                    |   |   |
| <p><b>WHAT ARE THE FEES AND CHARGES FOR THIS INVESTMENT?</b></p> <ul style="list-style-type: none"> <li>• <b>Payable directly by you</b><br/>You will need to pay the following fees and charges as a percentage of your gross investment amount:</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%; padding: 5px;">Preliminary Charge</td> <td style="padding: 5px;">                     Class A:<br/> <u>Cash Units and SRS Units:</u><br/>                     Currently 3%. Maximum 5%.<br/><br/> <u>CPF Units:</u><br/>                     Currently 1.5% (up to and including 30 September 2019); 0% (with effect from 1 October 2019)<br/>                     Maximum 5%.<br/>                     Class I: Currently 3%. Maximum 5%                 </td> </tr> <tr> <td style="padding: 5px;">Realisation Charge</td> <td style="padding: 5px;">                     Class A: Nil<br/>                     Class I: Nil                 </td> </tr> <tr> <td style="padding: 5px;">Switching Fee</td> <td style="padding: 5px;">Class A: Currently 1%. Maximum 5%</td> </tr> </table> <p>Additional fees may be imposed and payable to appointed distributors that are in addition to the maximum Preliminary Charge disclosed above, depending on the specific nature of services provided by the appointed distributor.</p> <ul style="list-style-type: none"> <li>• <b>Payable by the Fund from invested proceeds</b><br/>The Fund will pay the following fees and charges to us, Trustee and other parties:</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%; padding: 5px;">Annual Management Fee</td> <td style="padding: 5px;">                     Class A: Currently 0.5% p.a. Maximum 1% p.a.<br/>                     Class I: Currently 0.25% p.a. Maximum 1% p.a.                 </td> </tr> <tr> <td style="padding: 5px;">Annual Trustee Fee</td> <td style="padding: 5px;">S\$20,000 p.a. (or as may be agreed between the Trustee and us)</td> </tr> </table> | Preliminary Charge   | Class A:<br><u>Cash Units and SRS Units:</u><br>Currently 3%. Maximum 5%.<br><br><u>CPF Units:</u><br>Currently 1.5% (up to and including 30 September 2019); 0% (with effect from 1 October 2019)<br>Maximum 5%.<br>Class I: Currently 3%. Maximum 5% | Realisation Charge | Class A: Nil<br>Class I: Nil | Switching Fee | Class A: Currently 1%. Maximum 5% | Annual Management Fee | Class A: Currently 0.5% p.a. Maximum 1% p.a.<br>Class I: Currently 0.25% p.a. Maximum 1% p.a. | Annual Trustee Fee | S\$20,000 p.a. (or as may be agreed between the Trustee and us) | Refer to Section 9 on page [ ] of the Prospectus for further information on fees and charges. |
| Preliminary Charge   | Class A:<br><u>Cash Units and SRS Units:</u><br>Currently 3%. Maximum 5%.<br><br><u>CPF Units:</u><br>Currently 1.5% (up to and including 30 September 2019); 0% (with effect from 1 October 2019)<br>Maximum 5%.<br>Class I: Currently 3%. Maximum 5% |  |                    |                              |               |                                   |                       |   |                    |   |   |
| Realisation Charge   | Class A: Nil<br>Class I: Nil   |  |                    |                              |               |                                   |                       |   |                    |   |   |
| Switching Fee  | Class A: Currently 1%. Maximum 5%  |  |                    |                              |               |                                   |                       |   |                    |   |   |
| Annual Management Fee  | Class A: Currently 0.5% p.a. Maximum 1% p.a.<br>Class I: Currently 0.25% p.a. Maximum 1% p.a.  |  |                    |                              |               |                                   |                       |   |                    |   |   |
| Annual Trustee Fee   | S\$20,000 p.a. (or as may be agreed between the Trustee and us)  |  |                    |                              |               |                                   |                       |   |                    |   |   |
| <b>VALUATIONS AND EXITING FROM THIS INVESTMENT</b>   |  |  |                    |                              |               |                                   |                       |   |                    |   |   |
| <p><b>HOW OFTEN ARE VALUATIONS AVAILABLE?</b></p> <p>The Fund will be valued on each Dealing Day. The indicative prices of Units are quoted on a forward pricing basis and will likely be available two Business Days in Singapore after each relevant Dealing Day.</p> <p>The prices will be published on our website at <a href="http://www.lionglobalinvestors.com">www.lionglobalinvestors.com</a>. The prices may also be published in The Straits Times, The Business Times and selected</p>   | Refer to Section 15 on page [ ] of the Prospectus for further information on valuation of the product.   |  |                    |                              |               |                                   |                       |   |                    |   |   |

major wire services or such other sources as we may decide upon.

### HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

#### Cooling Off Period

If you are subscribing for Units in the Fund for the first time, you may cancel your subscription of Units within 7 calendar days from the date of subscription by submitting a Notice to Cancel Form to us, subject to cancellation terms and conditions. Subject to the provisions of the Deed, you will be refunded the lower of the market value of the Units held on the day of receipt and acceptance of such form or the original amount paid by you. Where the market value of the Units held is greater than the original amount paid by you, we are not obliged to pay the excess amount to you and the excess amount shall be retained in the Fund.

#### Realisation

Any realisation of Units of the Fund may be limited by the total number of Units to be realised on any Dealing Day and may not exceed 10% of the total number of Units then in issue, such limitation to be applied proportionately to all Holders. Any Units not realised shall be realised on the next Dealing Day, subject to the same limitation.

You may realise your holdings in the Fund on any Dealing Day by submitting a realisation form to us or our appointed agents or distributors.

As Units are realised on a forward pricing basis, the realisation price of Units is not ascertainable at the time of realisation. If your realisation form is received and accepted by us by the dealing deadline of 3 p.m. Singapore time on a Dealing Day, your Units shall be realised at that Dealing Day's realisation price. Realisation forms received after the dealing deadline or on a day which is not a Dealing Day shall be treated as having been received on the next Dealing Day.

You will receive your realisation proceeds within 7 Business Days from the receipt and acceptance of the realisation form by us.

#### **Illustration of realisation proceeds paid**

|   |          |  |          |   |
|---|----------|--|----------|---|
| <b>1,000</b><br>Units Realised                      | <b>x</b> | <b>\$1.0000*</b><br>Notional<br>Realisation Price<br>(= net asset<br>value per Unit) | <b>=</b> | <b>\$1,000.00*</b><br>Gross Realisation<br>Proceeds |
| <b>\$1,000.00*</b><br>Gross Realisation<br>Proceeds | <b>-</b> | <b>Nil</b><br>Realisation<br>Charge  | <b>=</b> | <b>\$1,000.00*</b><br>Net Realisation<br>Proceeds   |

*\*In SGD*

*You should note that the notional realisation price is for illustration only and is not indicative of any future or likely performance of the Fund. No realisation charge is currently imposed.*

*The above example relates to the Class A (SGD) Units. Other Classes may be denominated in US Dollars.*

Refer to Section 13 on pages [ ] of the Prospectus for further information on exiting from the product.

### CONTACT INFORMATION

#### HOW DO YOU CONTACT US?

If you have questions concerning your investment in the Fund, you may call us at telephone number (65) 6417 6900.

Website: [www.lionglobalinvestors.com](http://www.lionglobalinvestors.com)  
Email: [contactus@lionglobalinvestors.com](mailto:contactus@lionglobalinvestors.com)

## APPENDIX: GLOSSARY OF TERMS

**Business Day**

Any day (other than a Saturday or Sunday) on which commercial banks are open for business in Singapore or any other day as we and the Trustee may agree in writing.

**Dealing Day**

Every Business Day or such Business Day or Business Days at such intervals as we may from time to time determine Provided That reasonable notice of any such determination shall be given by us to all Holders at such time and in such manner as the Trustee may approve.

**Net asset value**

The value of all assets of the Fund less liabilities.