

# LionGlobal Asia Bond Fund

**LION  
GLOBAL  
INVESTORS**

The investment objective of the Fund is to provide total return of capital growth and income over the medium to long-term, through an actively managed portfolio of bonds, high quality interest rate securities, convertible bonds, real estate investment trusts ("REITs"), business trusts and other related securities issued by issuers predominantly in the Asian region. There is no target industry or sector.

## Fund Manager's Commentary

May 2021 was a mixed month for Asian credit, as the J.P. Morgan Asia Credit Index (JACI) ended on a stronger note in May 2021 despite higher than expected US inflation figures affecting confidence. For the month of May 2021, JACI composite returned 0.48%. High yield (HY) continued to outperform, returning 0.81% while investment grade (IG) returned 0.38%. Performance was driven by both spread returns (0.24%) and US treasury (UST) returns (0.24%). Spread-wise, HY spreads widened by 1basis point (bp) to 573bps while IG spreads widened by 3bps to 189bps. The composite widened by 3bps to 271bps. UST yields continued to fall slightly in May 2021. May 2021 saw USD 20.9 billion (bn) of new issues printed, bringing total year-to-date (YTD) supply of USD 158.6bn. May 2021 was a slower month than April 2021. Emerging market high coupon (EM HC) bond funds saw a mix of inflows and outflows in May 2021, but began to pick-up at the end of the month. As of the week ending Wednesday, 26 May 2021, EM HC bond funds have seen net inflows YTD of USD 3.22bn. (Source: SCB Fund Flow report – EM fund flow dynamics dated 28 May 21)

China financials sector continued to weaken with almost daily Bloomberg negative chatter on China asset management companies, even whilst the companies continue to meet its debt obligations. Weaknesses in this sector were offset by credit spread tightening in non-China bonds with country rotation into non-China space. Net impact on portfolio performance was neutral for the month.

2021 outlook is relatively constructive for Asian credit markets, though scope for further compression is marginal. High yield has scope for credit spread tightening whilst investment grade's compression potential looks incrementally less attractive given low spread cushion. We favour selective beta compression, focusing on good quality high yield bonds and subordinated debt which are likely to benefit from investors' hunt for yield. Biden's amended executive order better defines the companies affected by the investment ban and has removed some overhang around Chinese state-owned enterprises.

## Performance (%)

		1-year	3-years p.a.	5-years p.a.	10-years p.a.	Since Inception p.a.
SGD Class <sup>1</sup>	NAV	-2.1	4.3	2.8	5.2	5.1
	NAV <sup>A</sup>	-7.0	2.5	1.7	4.7	4.6
	Benchmark <sup>#</sup>	-1.4	5.6	3.7	5.9	5.3
USD Class <sup>1</sup>	NAV	4.7	4.8	3.6	4.6	5.6
	NAV <sup>A</sup>	-0.5	3.0	2.6	4.1	5.2
	Benchmark <sup>#</sup>	5.6	6.0	4.6	5.2	5.7
SGD- Hedged Class <sup>1</sup>	NAV	4.6	4.2	NA	NA	2.4
	NAV <sup>A</sup>	-0.7	2.4	NA	NA	1.3
	Benchmark <sup>#</sup>	5.4	5.6	NA	NA	3.7

Past performance is not necessarily indicative of future performance

Source: Lion Global Investors Ltd / Morningstar

## Fund Facts

Fund Inception Date:	SGD Class: 1 Dec 2009 USD Class: 1 Dec 2009 SGD-Hedged: 19 Jul 2016
Subscription Mode:	Cash, SRS <sup>2</sup>
Minimum Investment:	S\$ / US\$ 1,000
Initial Charge:	Currently 3% Maximum 5%
Management Fee:	Currently 1.0% p.a. Maximum 2.0% p.a.
Valuation Dealing:	Every dealing day
NAV Price:	S\$1.294/ US\$0.979
NAV Price (Hedged Class):	S\$0.951
Fund Size:	S\$142.2 million
Weighted Yield to Maturity <sup>3</sup> :	4.01%
Weighted Duration <sup>4</sup> :	4.68 years
Weighted Credit Rating <sup>5</sup> :	BBB-

## Credits Rating<sup>5</sup> (% of NAV)

Investment Grade	69.3
High Yield	30.7
	<b>100.0</b>

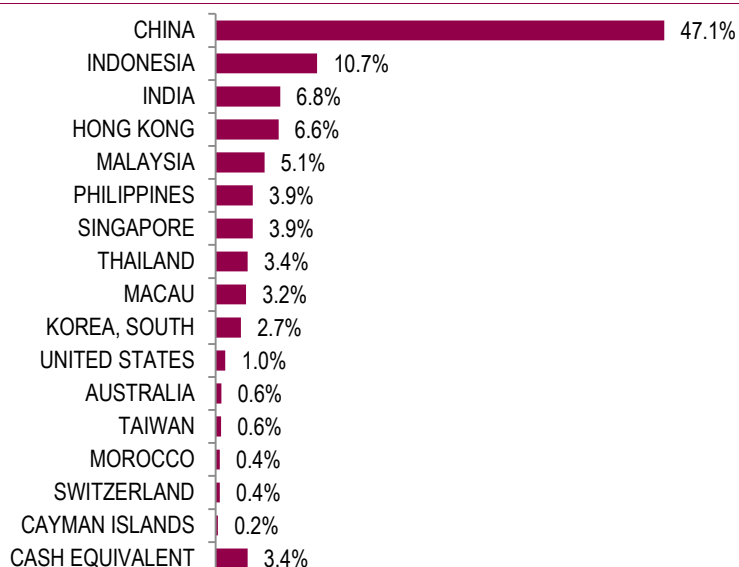
## Currency Exposure of Bonds (% of NAV)

USD	32.1
SGD	67.9
	<b>100.0</b>

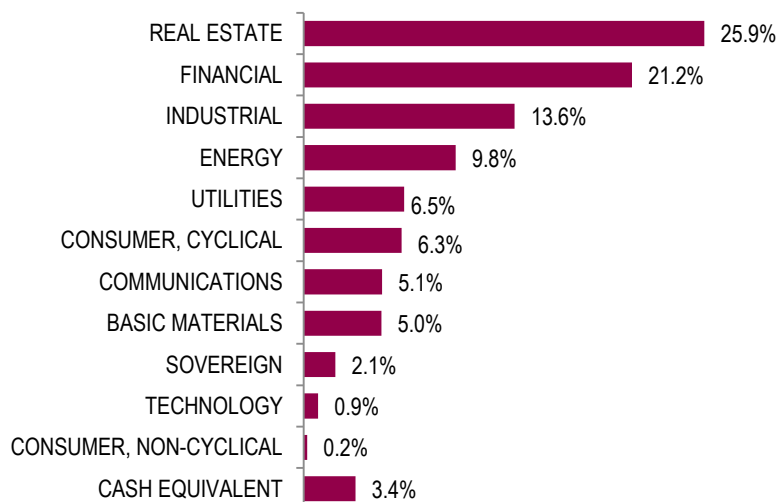
## Codes

SGD Class:	SG9999006548 LGLASBS
USD Class:	SG9999006555 LGLASBU
SGD Hedged Class:	SG9999015515 LGLABSH SP

## Country Allocation (% of NAV)



## Sector Allocation (% of NAV)



## Top 10 Holdings (% of NAV)

PERTAMINA PERSERO	4.3%	20/05/2023	1.2
PTT TREASURY CENTRE	4.5%	25/10/2042	1.0
BHARTI AIRTEL LTD	4.375%	10/06/2025	1.0
VANKE REAL ESTATE HK	4.2%	07/06/2024	1.0
IOI INVESTMENT	4.375%	27/06/2022	1.0
VOYAGE BONDS LTD	3.375%	28/09/2022	0.8
VANKE REAL ESTATE HK	3.975%	09/11/2027	0.8
BANK MANDIRI PT	3.75%	11/04/2024	0.7
CAPITALAND CHINA TRUST VAR PERP		31/12/2049	0.7
LOGAN GROUP CO LTD	4.25%	12/07/2025	0.7

<sup>#</sup> Benchmark: JP Morgan Asia Credit Index.

<sup>^</sup> NAV: Figures include Initial Charge.(in respective fund's currency)

<sup>1</sup> Returns based on single pricing. Dividends are reinvested net of all charges payable upon reinvestment and in respective share class currency terms. Return periods longer than 1 year are annualized.

<sup>2</sup> Supplementary Retirement Scheme ("SRS") monies may be used to purchase SGD Class Units only.

<sup>3</sup> In local currency yield terms and on unhedged FX basis. Inclusive of cash & equivalents at a yield of 0.10%.

<sup>4</sup> Inclusive of cash & equivalents which are assumed to be zero duration.

<sup>5</sup> Includes cash & equivalents @ AA, takes the worst of S&P, Moody's, Fitch or Internal ratings and based on a straight-line model.

The above is based on information available as of 31 May 2021, unless otherwise stated. Bonds referenced are not intended as recommendations to buy or sell. Opinions and estimates constitute our judgment and along with other portfolio data, are subject to change without notice.

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

Funds Hotline | +65 6417 6900  
Facsimile | +65 6417 6806  
[www.lionglobalinvestors.com](http://www.lionglobalinvestors.com)

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

This advertisement or publication has not been reviewed by the Monetary Authority of Singapore. It is for information only, and is not a recommendation, offer or solicitation for the purchase or sale of any capital markets products or investments and does not have regard to your specific investment objectives, financial situation, tax position or needs. Applications for units in our funds must be made on forms accompanying the prospectus. You should read the prospectus and Product Highlights Sheet which is available and may be obtained from Lion Global Investors Limited ("LGI") or any of its distributors, consider if a fund is suitable for you and seek such advice from a financial adviser if necessary, before deciding whether to invest in the fund. Investments in our funds are not obligations of, deposits in, guaranteed or insured by LGI or any of its affiliates and are subject to investment risks including the possible loss of the principal amount invested. The performance of a fund is not guaranteed and the value of units in a fund and the income accruing to the units, if any, may rise or fall. Past performance, as well as any predictions, projections, or forecasts are not necessarily indicative of the future or likely performance of a fund. Dividend distributions, which may be either out of income and/or capital, are not guaranteed and subject to LGI's discretion. Any such dividend distributions will reduce the available capital for reinvestment and may result in an immediate decrease in the net asset value of the fund. Any information (which includes opinions, estimates, graphs, charts, formulae or devices) is subject to change or correction at any time without notice and is not to be relied on as advice. You are advised to conduct your own independent assessment and investigation of the relevance, accuracy, adequacy and reliability of any information contained herein and no warranty is given and no liability is accepted for any loss arising directly or indirectly as a result of you acting on such information. The fund may, where permitted by the prospectus, invest in financial derivative instruments for hedging purposes or for the purpose of efficient portfolio management. LGI, its related companies, their directors and/or employees may hold units of a fund and be engaged in purchasing or selling units of a fund for themselves or their clients. This publication is issued in Singapore by Lion Global Investors Limited (Singapore UEN/ Registration No. 198601745D) and in Brunei, by its branch (Brunei company registration No. RFC/00000772). Lion Global Investors Limited is a Singapore incorporated company and is not related to any asset or fund management entity that is domiciled in Europe or the United States. Lion Global Investors® is a registered trademark of Lion Global Investors Limited.