

# LionGlobal Short Duration Bond Fund



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 Singapore and international bonds, high quality interest rate securities and other related securities. There is no target industry or sector. For the avoidance of doubt, while we will generally invest in bonds with investment grade quality, we may nonetheless also invest or expose the Fund to sub-investment grade securities.

## Fund Manager's Commentary

US interest rates fell sharply with US October 2022 inflation undershot expectations as goods and services prices fell. This provided optimism that inflation may have peaked, giving grounds for the Federal Reserve to reduce their pace of rate hikes. Subsequent Federal Open Market Committee minutes confirmed that a substantial majority of the committee felt that a slowing in the pace of increase would likely soon be appropriate. Singapore interest rates underperformed with US rates after its strong outperformance in prior months.

The US 10-year yield fell by 45 basis points (bps) to 3.60% while the SGS underperformed with yields on the 10-year Singapore Government Securities falling 36 bps to 3.04%. Spreads on Asian bonds (JACI Investment Grade) tightened to 201 bps as markets cheered the Chinese government's relaxation of Covid-19 measures.

The Chinese government issued 16 measures to address the liquidity issues faced by the property market. The notice from the People's Bank of China and China Banking and Insurance Regulatory Commission included comprehensive measures addressing the financing issues faced by developers and providing greater support for the Real Estate market.

The government also made changes to their Covid-19 management by announcing 20 measures to relax some of their restrictions. This is the most extensive improvement of China's Covid-19 policy since the start of the Pandemic, indicating a change in the direction of their Covid-19 management. We believe the combined policies will support the Chinese Real Estate sector and reduce the liquidity risk of the developers.

Notwithstanding the strong recovering in the Asian credit market triggered by the Chinese Real Estate bonds, we believe the current rally can continue as the Chinese government implement their policies to support the Real Estate sector and the broader economy in general. We remain invested in this space and believe current levels are still attractive.

**All data are sourced from Lion Global Investors and Bloomberg as at 30 Nov 22 unless otherwise stated.**

## Fund Facts

|   |   |
|---|---|
| Fund Inception Date:                      | SGD Class A Dist.: 22 March 1991<br>SGD Class I Dist.: 8 July 2014<br>USD-Hedged Class A Dist: 4 January 2016<br>USD-Hedged Class I Dist: 28 April 2016<br>SGD Class A/I Acc: 28 December 2016<br>USD-Hedged Class A Acc: 25 June 2020<br>USD-Hedged Class I Acc: 9 July 2021 |
| Subscription Mode:                        | Cash, CPFIS-OA <sup>2</sup> , CPFIS-SA <sup>2</sup> , SRS <sup>2</sup>  |
| Minimum Investment:                       | Class A: S\$ / US\$ 1,000<br>Class I: S\$ / US\$1,000,000   |
| Initial Charge:                           | Currently 3.0%, maximum 5%<br>Cash only. Nil for CPFOA/SA   |
| Management Fee:                           | Class A/I: Currently 0.50%/0.25% p.a<br>Class A/I: Maximum 1.0%/1.0% p.a  |
| Valuation Dealing:                        | Every dealing day   |
| NAV Price:                                | SGD Class A/I Dist: S\$ 1.497/S\$ 0.950<br>USD Hedged Class A/I Dist: US\$ 0.925/US\$ 0.936<br>USD Hedged Class A Acc: US\$ 0.977<br>SGD Class A/I Acc: S\$ 1.092/ S\$ 1.095<br>USD Hedged Class I Acc: US\$ 0.950  |
| Fund Size:                                | S\$ 835.7 million   |
| Weighted Yield to Maturity <sup>3</sup> : | 5.5%  |
| Weighted Duration <sup>4</sup> :          | 1.88 years  |
| Weighted Credit Rating <sup>5</sup> :     | BBB+  |

## Codes

|                          |                            |
|--------------------------|----------------------------|
| SGD Class A Dist:        | SG9999002646<br>OCBSGBF    |
| SGD Class I Dist:        | SG9999011837<br>OCBSGBI    |
| USD-Hedged Class A Dist: | SG9999014856<br>OCBSAUH    |
| USD-Hedged Class I Dist: | SG9999014849<br>OCBSIUH SP |
| USD-Hedged Class A Acc:  | SG9999016018<br>LSDAAUH SP |
| SGD Class A Acc:         | SG9999016000<br>LGSDAAS SP |
| SGD Class I Acc:         | SG9999016026<br>LGSDIAS SP |

# LionGlobal Short Duration Bond Fund

LION  
GLOBAL  
INVESTORS

USD-Hedged Class I Acc

SG9999016034  
LSDIAUH SP

## Performance (%)

|   |                         | 1-<br>year | 3-<br>years<br>p.a. | 5-years<br>p.a. | 10-<br>years<br>p.a. | Since<br>Inception<br>p.a. |
|---|-------------------------|------------|---------------------|-----------------|----------------------|----------------------------|
| SGD<br>Class A Dist <sup>1</sup>        | NAV                     | -5.1       | -0.1                | 1.0             | 2.0                  | 3.5                        |
|   | NAV <sup>^</sup>        | -9.9       | -1.8                | 0.0             | 1.5                  | 3.4                        |
|   | Benchmark <sup>#</sup>  | 1.6        | 1.0                 | 1.3             | 1.0                  | 1.7                        |
| SGD<br>Class I Dist <sup>1</sup>        | NAV                     | -4.9       | 0.1                 | 1.3             | NA                   | 2.2                        |
|   | NAV <sup>^</sup>        | -9.7       | -1.6                | 0.2             | NA                   | 1.6                        |
|   | Benchmark <sup>#</sup>  | 1.6        | 1.0                 | 1.3             | NA                   | 1.2                        |
| USD-Hedged<br>Class A Dist <sup>1</sup> | NAV                     | -5.3       | -0.2                | 1.2             | NA                   | 1.7                        |
|   | NAV <sup>^</sup>        | -10.0      | -1.9                | 0.2             | NA                   | 1.0                        |
|   | Benchmark <sup>##</sup> | 2.6        | 1.2                 | 1.7             | NA                   | 1.6                        |
| USD-Hedged<br>Class I Dist <sup>1</sup> | NAV                     | -5.1       | 0.0                 | 1.6             | NA                   | 1.8                        |
|   | NAV <sup>^</sup>        | -9.8       | -1.7                | 0.5             | NA                   | 1.0                        |
|   | Benchmark <sup>##</sup> | 2.6        | 1.2                 | 1.7             | NA                   | 1.6                        |
| USD-Hedged<br>Class A Acc <sup>1</sup>  | NAV                     | -5.4       | NA                  | NA              | NA                   | -0.9                       |
|   | NAV <sup>^</sup>        | -10.1      | NA                  | NA              | NA                   | -3.0                       |
|   | Benchmark <sup>##</sup> | 2.6        | NA                  | NA              | NA                   | 1.2                        |
| SGD<br>Class A Acc <sup>1</sup>         | NAV                     | -5.1       | -0.1                | 1.2             | NA                   | 1.5                        |
|   | NAV <sup>^</sup>        | -9.9       | -1.8                | 0.2             | NA                   | 0.6                        |
|   | Benchmark <sup>#</sup>  | 1.6        | 1.0                 | 1.3             | NA                   | 1.3                        |
| SGD<br>Class I Acc <sup>1</sup>         | NAV                     | -4.9       | 0.1                 | 1.3             | NA                   | 1.5                        |
|   | NAV <sup>^</sup>        | -9.7       | -1.6                | 0.2             | NA                   | 0.7                        |
|   | Benchmark <sup>#</sup>  | 1.6        | 1.0                 | 1.3             | NA                   | 1.3                        |
| USD-Hedged<br>Class I Acc <sup>1</sup>  | NAV                     | -5.1       | NA                  | NA              | NA                   | -3.6                       |
|   | NAV <sup>^</sup>        | -9.9       | NA                  | NA              | NA                   | -7.1                       |
|   | Benchmark <sup>##</sup> | 2.6        | NA                  | NA              | NA                   | 1.9                        |

Past performance is not necessarily indicative of future performance.  
Source: Lion Global Investors Ltd / Morningstar.

## Currency Exposure (% of NAV)

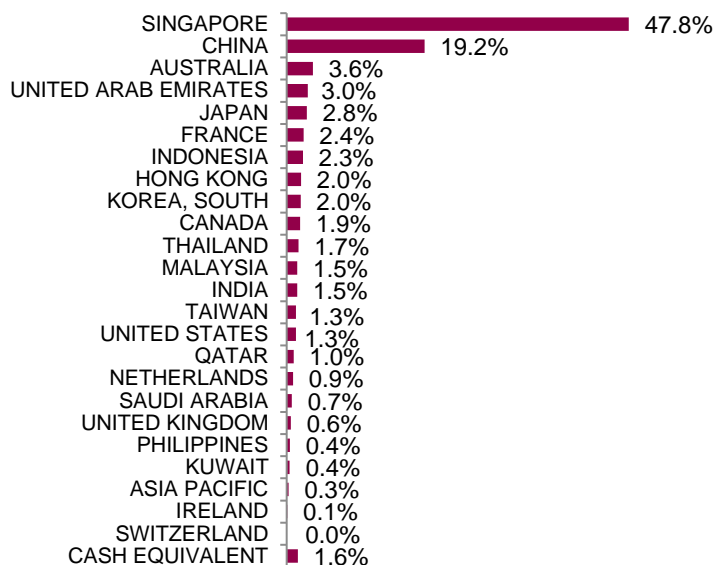
|     |              |
|-----|--------------|
| SGD | 100.0        |
|     | <b>100.0</b> |

## Distribution History<sup>6</sup> (SGD Class A)

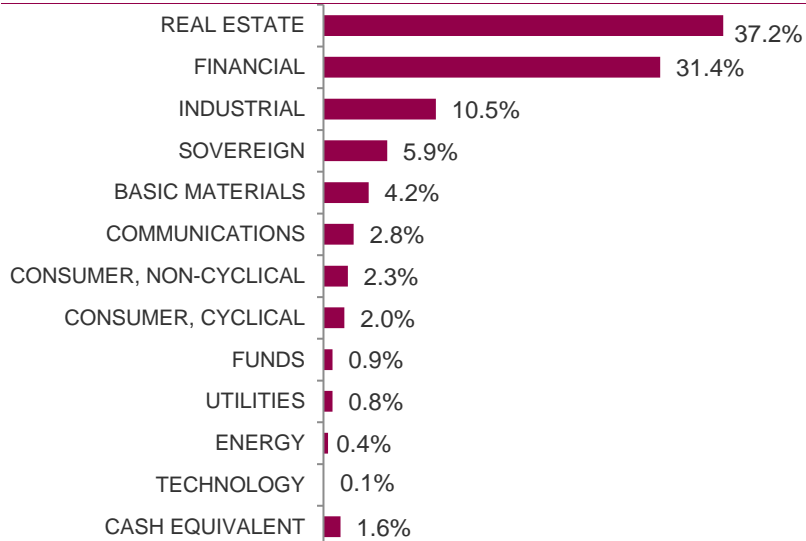
| Dividend Amount<br>(Per 100 units) | Ex-<br>Dividend<br>Date | Date of<br>Distribution |
|------------------------------------|-------------------------|-------------------------|
| SGD A/I:<br>\$1.020/\$0.650        | 3 Jan 22                | 21-Jan-22               |
| USD-H A/I:<br>\$0.630/\$0.640      |                         |                         |
| SGD A/I:<br>\$1.000/\$0.630        | 1 Apr 22                | 14 Apr 22               |
| USD-H A/I:<br>\$0.620/\$0.630      |                         |                         |
| SGD A/I:<br>\$0.980/\$0.620        | 1 Jul 22                | 14 Jul 22               |
| USD-H A/I: \$0.610                 |                         |                         |
| SGD A/I:<br>\$0.960/\$0.610        | 3 Oct 22                | 14-Oct-22               |
| USD-H A/I: \$0.600                 |                         |                         |

The dividend amount or dividend rate is not guaranteed.

## Country Allocation (% of NAV)



## Sector Allocation (% of NAV)



# LionGlobal Short Duration Bond Fund



| Top 10 Holdings(% of NAV)  | Next Call/Put Date |     |
|--|--------------------|-----|
| SINGAPORE GOVERNMENT 1.75% 01/02/2023                                |                    | 2.0 |
| ALLGREEN TREASURY PTE (REG S) (BR) 3.15%<br>16/01/2025               |                    | 2.0 |
| MANULIFE FINANCIAL CORP (REG S) (REG) VAR<br>21/11/2029              | 21 Nov 2024        | 1.9 |
| SURBANA JURONG PTE LTD SER EMTN (REG S)<br>(REG) 4.11% 03/10/2025    |                    | 1.9 |
| FH REIT TREASURY PTE LTD SER MTN (REG S)<br>(REG) 3.08% 08/11/2024   |                    | 1.7 |
| SINGAPORE (GOVT OF) 2.75% 01/07/2023                                 |                    | 1.7 |
| KEPPEL LAND LTD (SER MTN) (REG S) ( BR) 2%<br>28/05/2026             |                    | 1.6 |
| SHANGRI-LA HOTEL LIMITED (SER EMTN) (REG S)<br>(REG) 4.5% 12/11/2025 |                    | 1.6 |
| PRIME ASSET HOLDINGS LTD SER MTN (REG S)<br>(BR) 2.9% 24/10/2024     |                    | 1.6 |
| DEXUS FINANCE PTY LTD (REG S) (REG) CONV<br>2.3% 19/06/2026          | 19 Mar 2024        | 1.5 |

## # Benchmark:

Inception to 6 Aug 06: 1-Month S\$ Interbank Bid Rate

From 7 Aug 06: 12-Month S\$ Interbank Bid Rate

From 1 May 14: 12-Month S\$ Interbank Offer Rate -0.25%.

From 1 Jan 21: 3-month S\$ Interbank Offer Rate

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

^ NAV: Figures include Initial Charge

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

<sup>2</sup> Supplementary Retirement Scheme ("SRS"), CPFIS Ordinary Account ("CPFIS-OA") and CPFIS Special Account ("CPFIS-SA ") monies may be used to purchase the Class A (SGD) Dist. Units only while SRS monies may be used to purchase Class A (SGD) Acc. units only.

<sup>3</sup> In local currency yield terms and on unhedged Foreign exchange 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's or Internal ratings and based on a straight-line model.

<sup>6</sup> Distribution payments comprise of only distributed income, only capital, or both. Distribution of income and/or capital is not guaranteed and will be at the Managers' sole discretion. Past payout yields and payments do not represent future payout yields and payments. Any distributions made will reduce the net asset value of the Fund. For further detailed income statistics, please visit

[www.lionglobalinvestors.com](http://www.lionglobalinvestors.com)

The above is based on information available as of 30 November 2022, unless otherwise stated. The 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 explanation of additional technical terms, please visit [www.lionglobalinvestors.com](http://www.lionglobalinvestors.com)

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INVESTORS

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