

For the financial year ended 31 December 2020

ANNUAL REPORT LIONGLOBAL SOUTH EAST ASIA 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

PERFORMANCE OF THE FUND

For the financial year ended 31 December 2020

Past performance is not necessarily indicative of future performance. Cumulative returns for the Fund are calculated up to 31 December 2020 in SGD terms, based on single pricing, with dividends reinvested net of all charges payable upon reinvestment.

Time Period	Fund Returns (%)	
	LionGlobal South East Asia Fund (SGD Class)	Benchmark* Returns (%)
3 months	19.7	17.0
6 months	12.5	9.1
1 year	-9.6	-8.0
3 years**	-5.0	-2.8
5 years**	2.2	3.6
10 years**	0.6	2.2
Since Inception** (23 February 1996)	4.6	4.1

Past performance is not necessarily indicative of future performance. Cumulative returns for the Fund are calculated up to 31 December 2020 in USD terms, based on single pricing, with dividends reinvested net of all charges payable upon reinvestment.

Time Period	Fund Returns (%)	
	LionGlobal South East Asia Fund (USD Class)	Benchmark* Returns (%)
3 months	23.5	20.8
6 months	18.7	15.1
1 year	-7.7	-6.4
3 years**	-4.6	-2.4
5 years**	3.7	5.0
10 years**	0.3	1.9
Since Inception** (25 June 2004)	6.1	9.1

Source: Morningstar/Lion Global Investors Ltd.

* Benchmark:

MSCI AC Far East ex Japan Gross Index: 23 Feb 1996 - 31 Dec 2000

MSCI AC Far East ex Japan Net Index: 1 Jan 2001- 31 Dec 2005

MSCI AC ASEAN Net Index: 1 Jan 2006 – present

** Returns of more than 1 year are annualised.

REVIEW

For the year ended 31 December 2020, the Fund returned -9.6%, against the benchmark Morgan Stanley Composite Index MSCI AC ASEAN which returned -8.0% in SGD terms.

2020 was one of the most tumultuous year for markets when the initial good start following the agreement of the US-China Phase One trade deal in January 2020 was quickly derailed by the onset of the COVID-19 pandemic in February 2020. The subsequent lockdown measures to stem the virus transmission resulted in a “synchronised global recession” and the fastest bear market on record. It was only the unprecedented amount of fiscal and monetary stimulus that was unleashed by the various governments globally that halted the markets decline. Subsequently, markets rebounded with the easing of the lockdown measures although the recovery was uneven with certain sectors such as technology and healthcare doing much better than the so-called “old economy” sectors such as financials, industrials and real estate. These old economy sectors only started to outperform following the positive news flows on vaccine development by Pfizer and Moderna. While the world awaits mass vaccination in a bid to eradicate the virus transmission, many countries globally are seeing resurgence of COVID-19 cases. Amidst all these, US elected Joe Biden as the new President replacing Trump.

Within ASEAN, only Malaysia outperformed while rest of the markets were down between 3-13% in SGD terms.

STRATEGY AND OUTLOOK

Going into 2021, we are fairly optimistic on the prospects for ASEAN as we expect both the economies and earnings for the markets to rebound after being badly affected by the fallout from the pandemic in 2020. Optimism for growth and recovery will largely hinge on the successful roll out of vaccines and achieving herd immunity against the virus in the region. Although the rebound in both economic activities and earnings may be uneven in the interim due to resurgence of the virus, we expect underlying economic conditions and earnings to improve sequentially throughout the year.

In addition, new US President Joe Biden and his administration should be net positive to ASEAN after the volatile environment under Trump especially on international trade and order. Meanwhile, favorable fiscal and monetary stimulus will keep liquidity conditions conducive.

As a result, we favour cyclical companies that were severely affected and were laggards in 2020 to post stronger earnings recovery in 2021. We also recognise that the pandemic has accelerated certain long-term trends such as the adoption of technology and more focus on health and climate change. As such, we will continue to invest in companies that are beneficiaries of these secular trends in ASEAN.

Key uncertainties remain on the spread of the COVID-19 virus, how successful the mass vaccination rollout will be and whether it will provide herd immunity against the virus. Other risks include geo-politics and re-surfacing of the US-China tensions.

As of 17 February 2021

DISCLOSURES ON THE FUND¹

For the financial year ended 31 December 2020

1. DISTRIBUTION OF INVESTMENTS AS AT 31 DECEMBER 2020

	Fair Value \$	Percentage of total net assets attributable to unitholders %
a) <u>By Asset Class</u>		
Equities	11,755,640	98.2
Financial derivatives	(896)	*
Cash and other net assets	214,554	1.8
Net assets attributable to unitholders	11,969,298	100.0
b) <u>By Credit Rating of Debt Securities</u>		
Not applicable		
c) <u>By Derivative Type</u>		
Foreign exchange spot contracts	(896)	*

The total net realised and unrealised losses from financial derivatives at the end of the year were \$52,966 and \$896 respectively.

* denotes amount less than 0.1%

¹ As required by Code on Collective Investment Schemes

2. TOP 10 HOLDINGS
As at 31 December 2020

	Fair Value	Percentage of
	\$	total net assets
		attributable to
		unitholders
		%
DBS Group Holdings Limited	939,476	7.9
United Overseas Bank Limited	650,773	5.4
PT Bank Rakyat Indonesia (Persero) Tbk	490,837	4.1
PT Bank Central Asia Tbk	469,031	3.9
Keppel Corporation Limited	418,026	3.5
CP Seven Eleven Public Company Limited - NVDR	327,885	2.7
PT Telkom Indonesia Persero Tbk	315,505	2.6
Wilmar International Limited	291,555	2.4
Nanofilm Technologies International Limited	272,800	2.3
PTT Public Company Limited - NVDR	258,728	2.2

As at 31 December 2019

	Fair Value	Percentage of
	\$	total net assets
		attributable to
		unitholders
		%
DBS Group Holdings Limited	1,892,837	7.7
United Overseas Bank Limited	1,458,043	5.9
PT Bank Central Asia Tbk	1,193,999	4.8
PT Bank Rakyat Indonesia (Persero) Tbk	824,106	3.4
Singapore Telecommunications Limited	728,931	3.0
CP Seven Eleven Public Company Limited - NVDR	687,918	2.8
PT Bank Mandiri (Persero) Tbk	654,213	2.7
Airports of Thailand Public Company Limited - NVDR	636,631	2.6
PT Telekomunikasi Indonesia Tbk	571,529	2.3
SM Prime Holdings Inc.	565,147	2.3

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 PURCHASE TRANSACTIONS

Nil

6. INVESTMENT IN OTHER UNIT TRUSTS, MUTUAL FUNDS AND COLLECTIVE INVESTMENT SCHEMES

Please refer to Statement of Portfolio.

7. BORROWINGS

Nil

8. SOFT DOLLAR COMMISSION RECEIVED BY THE MANAGERS

The soft dollar commissions if applicable 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 31 December 2020

The Trustee is under a duty to take into custody and hold the assets of LionGlobal South East Asia 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 period 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 12 to 37, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee
HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED

Authorised signatory

26 March 2021

STATEMENT BY THE MANAGER

For the financial year ended 31 December 2020

In the opinion of Lion Global Investors Limited, the accompanying financial statements set out on pages 12 to 37, 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 South East Asia Fund (the "Fund") as at 31 December 2020, and the financial performance and movements in unitholders' funds for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the Fund will be able to meet its financial obligations as and when they materialise.

For and on behalf of
LION GLOBAL INVESTORS LIMITED

GERARD LEE HOW CHENG
CEO

26 March 2021

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF LIONGLOBAL SOUTH EAST ASIA FUND

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

Our Opinion

In our opinion, the accompanying financial statements of the LionGlobal South East Asia 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 31 December 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 31 December 2020;
- the Statement of Financial Position as at 31 December 2020;
- the Statement of Movements of Unitholders' Funds for the financial year ended 31 December 2020;
- the Statement of Portfolio as at 31 December 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.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF LIONGLOBAL SOUTH EAST ASIA FUND

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

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.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF LIONGLOBAL SOUTH EAST ASIA FUND

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

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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, 26 March 2021

STATEMENT OF TOTAL RETURN
For the financial year ended 31 December 2020

	Note	2020 \$	2019 \$
Income			
Dividends		361,666	755,477
Interest on cash and bank balances		22	413
		<u>361,688</u>	<u>755,890</u>
Less: Expenses			
Audit fee		13,050	13,050
Custodian fees	11	2,416	15,963
Management fee	11	171,906	343,985
Professional fee		14,296	15,166
Registration fee	11	17,220	15,171
Transaction cost		153,441	157,345
Trustee fee	11	8,000	11,912
Valuation and administration fees	11	8,000	10,280
Miscellaneous expenses		21,700	16,929
		<u>410,029</u>	<u>599,801</u>
Net (expense)/income		<u>(48,341)</u>	<u>156,089</u>
Net gains or losses on value of investments and financial derivatives			
Net (losses)/gains on investments		(1,516,473)	935,875
Net losses on foreign exchange spot contracts		(53,862)	(34,866)
Net foreign exchange gains		7,889	1,637
		<u>(1,562,446)</u>	<u>902,646</u>
Total (deficit)/return for the financial year before income tax		<u>(1,610,787)</u>	<u>1,058,735</u>
Less: Income tax	3	(28,684)	(57,142)
Total (deficit)/return for the financial year		<u>(1,639,471)</u>	<u>1,001,593</u>

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Note	2020 \$	2019 \$
ASSETS			
Portfolio of investments		11,755,640	24,182,008
Receivables	4	23,279	42,384
Due from brokers	8	57,071	-
Financial derivatives at fair value	7	1	7
Cash and bank balances	5	354,367	493,065
Total assets		<u>12,190,358</u>	<u>24,717,464</u>
LIABILITIES			
Payables	6	56,556	74,170
Due to brokers	8	163,607	-
Financial derivatives at fair value	7	897	-
Total liabilities		<u>221,060</u>	<u>74,170</u>
EQUITY			
Net assets attributable to unitholders	9	<u>11,969,298</u>	<u>24,643,294</u>

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

STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS

For the financial year ended 31 December 2020

	Note	2020 \$	2019 \$
Net assets attributable to unitholders at the beginning of the financial year		24,643,294	14,503,202
Operations			
Change in net assets attributable to unitholders resulting from operations		(1,639,471)	1,001,593
Unitholders' contributions/(withdrawals)			
Creation of units		994,001	11,650,170
Cancellation of units		(12,028,526)	(2,511,671)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		(11,034,525)	9,138,499
Total (decrease)/increase in net assets attributable to unitholders		(12,673,996)	10,140,092
Net assets attributable to unitholders at the end of the financial year	9	11,969,298	24,643,294

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

STATEMENT OF PORTFOLIO
As at 31 December 2020

	Holdings at 31 December 2020	Fair value at 31 December 2020 \$	Percentage of total net assets attributable to unitholders at 31 December 2020 %
By Geography (Primary)			
QUOTED EQUITIES			
SINGAPORE			
DBS Group Holdings Limited	37,519	939,476	7.9
United Overseas Bank Limited	28,808	650,773	5.4
Keppel Corporation Limited	77,700	418,026	3.5
Wilmar International Limited	62,700	291,555	2.4
Nanofilm Technologies International Limited	62,000	272,800	2.3
CapitaLand Limited	73,200	240,096	2.0
Singapore Telecommunications Limited	92,900	214,599	1.8
Hutchison Port Holdings Trust	792,900	207,491	1.7
ComfortDelGro Corporation Limited	117,700	196,559	1.6
Venture Corporation Limited	8,900	172,838	1.5
Ascendas Real Estate Investment Trust	47,388	141,216	1.2
Credit Bureau Asia Limited	94,600	123,926	1.0
Jiutian Chemical Group Limited	1,257,500	103,115	0.9
Hi-P International Limited	41,300	83,013	0.7
Singapore Exchange Limited	8,000	74,240	0.6
Mapletree Commercial Trust	32,400	69,012	0.6
		<u>4,198,735</u>	<u>35.1</u>
THAILAND			
CP Seven Eleven Public Company Limited - NVDR	127,600	327,885	2.7
PTT Public Company Limited - NVDR	138,000	258,728	2.2
Bangkok Dusit Medical Services Public Company Limited	243,700	223,611	1.9
PTT Exploration & Production Public Company Limited - NVDR	48,400	209,774	1.7

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

	Holdings at 31 December 2020	Fair value at 31 December 2020 \$	Percentage of total net assets attributable to unitholders at 31 December 2020 %
By Geography (Primary) (continued)			
QUOTED EQUITIES (continued)			
THAILAND (continued)			
Siam Commercial Bank Public Company Limited - NVDR	48,600	187,594	1.6
Minor International Public Company Limited - NVDR	159,400	181,067	1.5
Airports of Thailand Public Company Limited - NVDR	65,700	180,418	1.5
Muangthai Capital Public Company Limited - NVDR	62,400	162,409	1.4
Stark Corporation Public Company Limited	754,000	141,695	1.2
Advanced Information Service Public Company Limited - NVDR	18,100	140,529	1.2
BTS Group Holdings Public Company Limited - NVDR	296,700	121,724	1.0
Netbay Public Company Limited - NVDR	97,800	119,723	1.0
Kasikornbank Public Company Limited - NVDR	23,100	115,150	1.0
Thai Beverage Public Company Limited	152,400	112,014	0.9
Delta Electronics Thailand PCL - NVDR	4,700	100,765	0.8
VGI Public Company Limited	317,700	93,199	0.8
Star Petroleum Refining PCL - NVDR	247,100	87,749	0.7
Home Product Center Public Company Limited - NVDR	103,800	62,733	0.5
BTS Group Holdings Public Company Limited Warrants 16/02/2021	60,510	27	*
		<u>2,826,794</u>	<u>23.6</u>

*denotes amount less than 0.1%

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

LIONGLOBAL SOUTH EAST ASIA FUND

	Holdings at 31 December 2020	Fair value at 31 December 2020 \$	Percentage of total net assets attributable to unitholders at 31 December 2020 %
By Geography (Primary) (continued)			
QUOTED EQUITIES (continued)			
INDONESIA			
PT Bank Rakyat Indonesia (Persero) Tbk	1,251,300	490,837	4.1
PT Bank Central Asia Tbk	147,300	469,031	3.9
PT Telkom Indonesia Persero Tbk	1,013,300	315,505	2.6
PT Ashmore Asset Management Indonesia Tbk	584,273	159,937	1.3
PT Indofood CBP Sukses Makmur Tbk	150,100	135,195	1.1
PT Merdeka Copper Gold Tbk	533,600	121,973	1.0
PT ACE Hardware Indonesia Tbk	734,900	118,558	1.0
PT Astra International Tbk	209,000	118,452	1.0
PT Bank Jago Tbk	273,500	110,628	0.9
PT Panca Mitra Multiperdana	3,715,000	89,462	0.8
PT Indocement Tunggal Prakarsa Tbk	65,000	88,506	0.7
PT Map Aktif Adiperkasa Tbk	286,200	65,421	0.6
PT Kalbe Farma Tbk	383,300	53,363	0.5
		<u>2,336,868</u>	<u>19.5</u>
PHILIPPINES			
International Container Terminal Services Inc.	75,060	255,116	2.1
Wilcon Depot Inc.	485,400	225,761	1.9
Ayala Corporation	9,600	218,494	1.8
Metropolitan Bank & Trust Company	117,600	158,748	1.3
GT Capital Holdings Inc.	5,690	91,607	0.8
Ayala Land Inc.	76,700	86,334	0.7
Banco de Oro Unibank Inc.	27,380	80,476	0.7
SM Prime Holdings Inc.	57,000	60,395	0.5
Macroasia Corporation	175,048	32,759	0.3
		<u>1,209,690</u>	<u>10.1</u>

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

LIONGLOBAL SOUTH EAST ASIA FUND

	Holdings at 31 December 2020	Fair value at 31 December 2020 \$	Percentage of total net assets attributable to unitholders at 31 December 2020 %
By Geography (Primary) (continued)			
QUOTED EQUITIES (continued)			
MALAYSIA			
Public Bank Berhad	33,300	225,389	1.9
Malayan Banking Berhad	62,169	172,808	1.5
Dialog Group Berhad	131,200	148,722	1.3
Greotech Technology Berhad	45,500	136,042	1.1
TIME DotCom Berhad	31,100	135,495	1.1
CIMB Group Holdings Berhad	94,200	133,088	1.1
UWC Berhad	40,900	131,695	1.1
Top Glove Corporation	44,000	88,476	0.7
Supermax Corporation Berhad	5,995	11,838	0.1
		<u>1,183,553</u>	<u>9.9</u>
UNQUOTED EQUITY			
THAILAND			
Stark Corporation Public Company Limited Warrants 31/12/2046 [#]	251,333	<u>-</u>	<u>-</u>
Portfolio of investments		11,755,640	98.2
Other net assets		<u>213,658</u>	<u>1.8</u>
Net assets attributable to unitholders		<u>11,969,298</u>	<u>100.0</u>

[#] There is no readily available market quotation as the security is 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.

	Percentage of total net assets attributable to unitholders at	
	31 December 2020 %	31 December 2019 %
By Geography (Summary)		
Singapore	35.1	26.1
Thailand	23.6	25.0
Indonesia	19.5	22.1
Philippines	10.1	11.4
Malaysia	9.9	13.5
Portfolio of investments	98.2	98.1
Other net assets	1.8	1.9
Net assets attributable to unitholders	100.0	100.0

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

LIONGLOBAL SOUTH EAST ASIA FUND

	Fair value at 31 December 2020 \$	Percentage of total net assets attributable to unitholders at	
		31 December 2020 %	31 December 2019 %
By Industry (Secondary)			
Financial	4,564,611	38.1	40.5
Industrial	1,828,579	15.3	10.5
Consumer, Non-cyclical	1,333,399	11.1	8.7
Communications	1,041,022	8.7	6.9
Consumer, Cyclical	771,992	6.5	8.6
Technology	749,139	6.3	1.4
Real Estate	597,053	5.0	11.8
Energy	556,251	4.6	4.9
Basic Materials	313,594	2.6	3.3
Utilities	-	-	1.5
Portfolio of investments	11,755,640	98.2	98.1
Other net assets	213,658	1.8	1.9
Net assets attributable to unitholders	11,969,298	100.0	100.0

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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

1. GENERAL

LionGlobal South East Asia Fund (the “Fund”) is a unit trust constituted by a Deed of Trust dated 12 December 1995 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.

There are currently 3 classes of units established in respect of the Fund, namely 2 Singapore Dollar-denominated Classes, “Grandfathered Class” and “SGD Class”, and a US Dollar-denominated Class, “USD Class”. There are no material differences between the SGD Class Units and the USD Class Units save for the currency of denomination. The Grandfathered Class was established by the Manager solely in order for units in the LionGlobal Philippines Fund (which has been terminated) to be switched into the Grandfathered Class Units on 4 April 2013 at the offer price of \$1.000. The Grandfathered Class is not currently being offered to investors.

The management fee of both the SGD and USD Class is 1.5% per annum, and the management fee of the Grandfathered Class is 1.0% per annum.

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

2. SIGNIFICANT ACCOUNTING POLICIES**(a) Basis of preparation**

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” (“RAP 7”) issued by the Institute of Singapore Chartered Accountants.

(b) Recognition of income

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

Interest income is recognised on a time proportion basis using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(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) Investments

Investments are classified as financial assets at fair value through profit or loss.

(i) Initial recognition

Purchases of investments are recognised on the trade date. Investments are recorded at fair value on initial recognition.

(ii) Subsequent measurement

Investments are subsequently carried at fair value. Net change in the fair value of investments are included in the 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 sales 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.

(e) 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 Fund utilises the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of fair value.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)(f) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are initially recognised at their fair value and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

(g) 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.

(h) 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.

(i) Payables

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

(j) Foreign currencies

(i) Functional and presentation currency

Subscriptions and redemptions of the units in the Fund are denominated in Singapore Dollar and United States Dollar. The primary activity of the Fund is to invest in quoted or listed securities (including real estate investment trusts) in South East Asia, particularly in Indonesia, Malaysia, Singapore, Thailand, the Philippines, Hong Kong S.A.R. and other countries within the region.

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 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)(j) Foreign currencies (continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in the 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 investments.

3. INCOME TAX

The Fund was granted the status of a Designated Unit Trust ("DUT") in Singapore. The Manager and 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.

3. INCOME TAX (continued)

	2020	2019
	\$	\$
Singapore income tax	3,229	1,781
Overseas income tax	25,455	55,361
Total income tax	<u>28,684</u>	<u>57,142</u>

The Singapore income tax represents tax deducted at source for Singapore sourced dividends. The overseas income tax represents tax deducted at source on dividends derived from outside Singapore.

4. RECEIVABLES

	2020	2019
	\$	\$
Amount receivable for creation of units	10,842	10,676
Dividends receivable	9,559	24,279
Other receivables	2,878	7,429
	<u>23,279</u>	<u>42,384</u>

5. CASH AND BANK BALANCES

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

6. PAYABLES

	2020	2019
	\$	\$
Amount payable for cancellation of units	6,223	17,430
Amount due to the Manager	14,344	30,152
Amount due to the Trustee	12,347	3,523
Amount due to the Custodian	-	1,863
Amount due to the Registrar	3,417	3,425
Other payables	20,225	17,777
	<u>56,556</u>	<u>74,170</u>

7. FINANCIAL DERIVATIVES AT FAIR VALUE

Financial derivatives comprise foreign exchange spot contracts due for settlement within 6 days (2019: 2 days) from reporting date. The contract or underlying principal amounts of these financial derivatives and their corresponding gross fair values at the reporting date are analysed below.

As at 31 December 2020

	Contract or underlying principal amount \$	Fair value	
		Asset \$	Liability \$
Foreign exchange spot contracts	139,378	1	897

As at 31 December 2019

	Contract or underlying principal amount \$	Fair value	
		Asset \$	Liability \$
Foreign exchange spot contracts	1,797	7	-

8. DUE FROM/(TO) BROKERS

	2020 \$	2019 \$
Sales awaiting settlement	57,071	-
Purchases awaiting settlement	(163,607)	-

9. UNITS IN ISSUE

	2020		2019	
	SGD/USD	Grandfathered	SGD/USD	Grandfathered
	Class	Class	Class	Class
	Units	Units	Units	Units
Units at beginning of the year	13,932,540	2,287,255	7,975,044	2,471,142
Units created	767,328	-	7,405,527	-
Units cancelled	(7,804,449)	(254,558)	(1,448,031)	(183,887)
Units at end of the year	6,895,419	2,032,697	13,932,540	2,287,255
of which, units denominated in - USD	1,690,679	-	7,457,417	-

	SGD/USD	Grandfathered	SGD/USD	Grandfathered
	Class	Class	Class	Class
	\$	\$	\$	\$
Net assets attributable to unitholders	9,905,710	2,063,588	22,093,214	2,550,080
Net asset value per unit	1.436	1.015	1.585	1.114

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:

	2020		2019	
	SGD/USD	Grandfathered	SGD/USD	Grandfathered
	Class	Class	Class	Class
	\$	\$	\$	\$
Net assets attributable to unitholders per unit per the financial statements	1.436	1.015	1.585	1.114
Effect for movement in the net asset value between the last dealing date and the financial year end date	-	(0.001)	0.003	0.003
Net assets attributable to unitholders per unit for issuing/redeeming units	1.436	1.014	1.588	1.117

10. 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 investment in equity investments. 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.

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.

COVID-19 pandemic continues to evolve and develop. The situation is dynamic with various cities and countries around the world responding in different ways to address the pandemic. As a result of the COVID-19 pandemic, global financial markets have experienced significant volatility. Given the extent of the crisis, it is difficult to estimate the impact or duration of the volatility on the portfolio of the Fund. The Manager is closely monitoring the development of the COVID-19 pandemic and its related impact.

The Fund's market risk is affected primarily by three main components: changes in actual market prices, interest rate volatilities and foreign exchange movements.

10. FINANCIAL RISK MANAGEMENT (continued)

 (a) Market risk (continued)

 (i) Price risk

The Fund's sensitivity to the market is measured using its beta, a ratio that describes how the expected return of a portfolio is correlated to the return of the financial market as a whole. The daily fund price movement is measured against the price movement of the benchmark to derive the beta.

As at 31 December 2020, the Fund's beta was 0.97 (2019: 0.97) which is calculated based on the daily returns over the preceding 12 months for the Fund and its benchmark (2019: based on the daily returns over the preceding 12 months for the Fund and its benchmark).

The table below summarises the impact of increases/decreases from the Fund's underlying investments in equities on the Fund's net assets attributable to the unitholders as at 31 December 2020 and 2019. The analysis was based on the assumptions that the index components within the benchmark index increased/decreased by a reasonable possible shift, with all variables held constant and that the fair value of the Fund's investments moved according to the beta.

Fund	Benchmark	Impact of 8% (2019: 5%) movement in benchmark on net assets attributable to the unitholders	
		2020	2019
		\$	\$
LionGlobal South East Asia Fund	MSCI AC ASEAN Net Index	912,238	1,172,827

 (ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

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

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(iii) Currency risk

The Fund has monetary 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 31 December
2020**

	MYR \$	IDR \$	THB \$	SGD \$	Others \$	Total \$
Assets						
Portfolio of investments	1,183,553	2,336,868	2,714,780	4,103,258	1,417,181	11,755,640
Due from brokers	-	-	-	57,071	-	57,071
Receivables	2,385	-	496	8,916	11,482	23,279
Cash and bank balances	2,502	1	265	345,634	5,965	354,367
Total assets	1,188,440	2,336,869	2,715,541	4,514,879	1,434,628	12,190,357
Liabilities						
Payables	-	-	-	49,655	6,901	56,556
Due to brokers	-	61,031	-	-	102,576	163,607
Total liabilities	-	61,031	-	49,655	109,477	220,163
Net financial assets	1,188,440	2,275,838	2,715,541	4,465,224	1,325,151	
Currency spots	-	36,643	-	(139,060)	102,417	
Net currency exposure	1,188,440	2,312,481	2,715,541	4,326,164	1,427,568	

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(iii) Currency risk (continued)

As at 31 December 2019	MYR \$	IDR \$	THB \$	SGD \$	Others \$	Total \$
Assets						
Portfolio of investments	3,333,007	5,472,936	5,844,792	6,715,069	2,816,204	24,182,008
Receivables	-	-	8,102	22,720	11,562	42,384
Cash and bank balances	2,502	1	270	462,538	27,754	493,065
Total assets	3,335,509	5,472,937	5,853,164	7,200,327	2,855,520	24,717,457
Liabilities						
Payables	-	-	-	69,201	4,969	74,170
Total liabilities	-	-	-	69,201	4,969	74,170
Net financial assets	3,335,509	5,472,937	5,853,164	7,131,126	2,850,551	
Currency spots	-	-	-	1,797	(1,797)	
Net currency exposure	3,335,509	5,472,937	5,853,164	7,132,923	2,848,754	

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

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.

As of 31 December 2020 and 2019, the Fund's exposure to foreign currency fluctuations with respect to the monetary assets/liabilities is not considered to be significant and hence no sensitivity analysis on foreign currency risk has been presented.

10. FINANCIAL RISK MANAGEMENT (continued)
(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 tables 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 31 December 2020	Less than 3 months \$	3 months- 1 year \$	1-5 years \$	Above 5 years \$
Derivative financial instruments				
- inflow	(139,219)	-	-	-
- outflow	140,116	-	-	-
Payables	56,556	-	-	-
Due to brokers	163,607	-	-	-

As at 31 December 2019	Less than 3 months \$	3 months- 1 year \$	1-5 years \$	Above 5 years \$
Payables	74,170	-	-	-

(c) Credit risk

Credit risk is the risk that counterparties 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.

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

All transactions in listed securities are settled/paid upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

Credit risk also arises from cash and cash equivalents and assets held with financial institutions.

The 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 Standard and Poor's ("S&P") or Moody's.

The tables below summarise the credit rating of bank and custodian in which the Fund's assets are held as at 31 December 2020 and 2019.

	Credit rating ^{##}	Source of credit rating
As at 31 December 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

10. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

	Credit rating ^{##}	Source of credit rating
As at 31 December 2019		
Custodian		
The Hongkong and Shanghai Banking Corporation Limited	AA-	S&P
Bank		
The Hongkong and Shanghai Banking Corporation Limited	AA-	S&P

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

The credit ratings are based on the Long-Term Issuer Ratings published by the rating agency.

^{##} Group credit ratings are presented for unrated subsidiaries.

(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).

10. 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 31 December 2020 and 2019:

As at 31 December 2020	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Portfolio of investments				
- Quoted equities	11,755,640	-	-	11,755,640
- Unquoted equity	-	-	-	-
Financial derivatives at fair value	-	1	-	1
	<u>11,755,640</u>	<u>1</u>	<u>-</u>	<u>11,755,641</u>

Liabilities

Financial derivatives at fair value	-	897	-	897
	<u>-</u>	<u>897</u>	<u>-</u>	<u>897</u>

As at 31 December 2019	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Portfolio of investments				
- Quoted equities	24,182,008	-	-	24,182,008
- Unquoted equity	-	-	-	-
Financial derivatives at fair value	-	7	-	7
	<u>24,182,008</u>	<u>7</u>	<u>-</u>	<u>24,182,015</u>

Investments whose values are based on quoted market prices in active markets, and therefore classified within Level 1, comprise active listed equities. The Fund does not adjust the quoted price for these instruments.

Investments classified with Level 3 have significant unobservable inputs as there are no readily available quoted market prices. Investment classified as Level 3 consists of 1 equity security. This particular security is a share warrant which will only be traded after year end. The valuation techniques and key unobservable inputs for this investment are not disclosed and no sensitivity analysis is presented as the amount is insignificant.

10. FINANCIAL RISK MANAGEMENT (continued)
(e) Fair value estimation (continued)

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

11. 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
	\$	\$
Brokerage on purchases and sales of investments charged by a related party of the Manager	8,055	4,648
Interest income earned from a bank which is a related company of the Trustee	22	413
Interest expenses incurred with a bank which is a related company of the Trustee	24	-
Transaction fees charged by the Trustee	(4,487)	36,616
Registration fees charged by a related company of the Trustee	17,220	15,171
Valuation and administration fees charged by the Trustee	8,000	10,280
Custodian fees charged by a related company of the Trustee	2,416	15,963
Bank service fees charged by a bank which is a related company of the Trustee	890	609
Cash transfer fees charged by a related company of the Trustee	4,890	6,126

12. FINANCIAL RATIOS

	2020	2019
	%	%
Expense ratio ¹		
- SGD/USD Class	2.20	1.91
- Grandfathered Class	1.70	1.41
Portfolio turnover ratio ²	<u>81</u>	<u>39</u>

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 31 December 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 transactions costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fee. The average net asset value is based on the daily balances.

Total operating expenses and average net asset value are as below:

	2020	2019
	\$	\$
Total operating expenses		
- SGD/USD Class	222,563	404,670
- Grandfathered Class	34,001	37,785
Average net asset value		
- SGD/USD Class	10,092,915	21,169,439
- Grandfathered Class	<u>1,997,772</u>	<u>2,674,810</u>

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 purchases of \$9,787,061 (2019: sales of \$9,231,330) divided by the average daily net asset value of \$12,090,687 (2019: \$23,844,249).

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