LionGlobal Singapore Fixed Income Investment

The LionGlobal Singapore Fixed Income Investment aims to achieve steady returns over time by investing primarily in bonds and other debt securities denominated in Singapore Dollars. In addition, the Fund may also invest in bonds and other debt securities in currencies other than the Singapore Dollar. It is the current intention of the Managers to invest this as a direct investment portfolio.

Fund Manager's Commentary

March 2021 saw yields surging higher with 10 Year (Y) US Treasury (UST) yield back to pre-COVID-19 level despite a dovish Federal Reserve (Fed). With the US economy on recovery track, overheating concerns and supply overhang fueled the upward climb in yields. Biden signed the USD1.9 trillion coronavirus relief package during the month and details of the USD 2.25 trillion infrastructure package proposal were revealed. The infrastructure package will span across eight years covering transportation, manufacturing, care for elderly and disabled and initiatives such as cleaner water and high speed broadband. Over in Europe, recovery prospects are less rosy as vaccination rollouts are slower with concerns over AstraZeneca vaccine and some countries are battling a third wave of infection.

With rising yields, the Federal Open Market Committee (FOMC) in March 2021 was keenly watched. There was no change in policy rate and overall tone of the meeting was dovish with the median dot plot indicating no rate hike through 2023 despite upward revisions in economic forecasts. Reflecting the effects of the stimulus package and rollout of vaccination, 2021 real Gross domestic product growth was revised up by 1.3 percentage points to 6.5% and core and headline Personal Consumption Expenditures forecast for 2021 was revised sharply higher to 2.4% and 2.2% respectively while the median unemployment rate for 2021 was reduced to 4.5%. Although inflation is forecast to remain at or above 2% for the forecast period, meeting the inflation goal alone is not sufficient to push Fed onto the tightening path as achieving maximum employment is crucial as well. Given the slack in the labour market, most FOMC members are willing to look through the near term rise in inflation as transitory. Powell emphasized that the committee would act on actual data and actual progress as opposed to forecasts, noting the uncertainty about forecasts. In addition, he reiterated that the committee is not ready to talk about tapering until it sees actual progress on the economic data and it would take some time for substantial progress to be achieved. As for the rise in yields, the Fed will only be concerned if the rise in yields results in "disruptive" or "persistent'" tightening in financial conditions.

In Europe, European Central Bank (ECB) did not make any change to the policy rate at its March 2021 meeting. However, the Governing Council announced that bond purchases will be conducted at a significantly higher pace from now until the end of the second quarter of 2021 than in the first months of the year to counter the recent increase in yields. The pace of purchases will be reassessed quarterly when new economic projections are available. In terms of outlook, while the inflation forecast for 2021 was revised significantly to 1.5% from 1%, Lagarde indicated that ECB will look through the increase in inflation in the short term as underlying demand remains weak. Despite a dovish Fed, long end yields continued to trend higher during the month while short end rates remained firmly anchored. Some of the selling pressure could have been compounded by the fact that the supplementary leverage ratio exemption for banks was not extended. The UST curve continued to steepen amidst the selloff with 10Y UST underperforming the rest of the tenors. 10Y UST yield rose by 34 basis points (bps) to end the month at 1.74%, moving back to pre-COVID-19 level. Slope of the UST curve steepened further with the difference between 2Y and 10Y UST yields at 158 basis points, 30 basis points higher than the end of February 2021. Singapore Government Securities (SGS) curve steepened in a similar fashion and in general underperformed UST. SGS sold off more aggressive at the 10 year tenor with 10Y SGS yield up by 41 basis points to 1.74%. The reopening of the 10Y SGS auction was weak, printing at 1.71% with a tail.

Downside risk relating to COVID-19 remains. The pandemic is still raging as infection rates remain high in some countries and variants infections are increasing. Economic outlook differs across continents with US economy expected to grow strongly on the back of the stimulus package and better rollout of vaccination while Europe is still trying to counter a third wave as France is currently in a lockdown and Germany has extended its restrictions. As the pace of recovery gathers speed, supply bottlenecks and base effects are likely to result in higher inflation prints. While the Fed currently views the likely increase in inflationary pressure as transient, investors are challenging that view with market pricing in hikes in 2023 even though the Fed's median dot plot indicates no hike through the end of 2023. In the near term, market will focus on the May 2021 FOMC and inflation prints in coming months. On the domestic front, consensus views that Monetary Authority of Singapore will maintain its status quo on monetary policy in the semi-annual meeting in April 2021, but the roll-out of vaccinations and improved growth outlook has the market less decided on the status quo being maintained in October 2021's meeting.

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LION GLOBAL INVESTORS

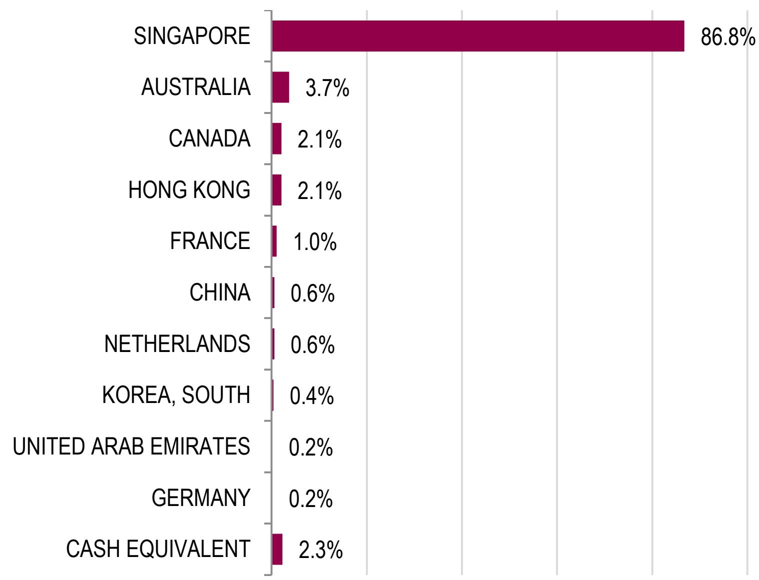
Performance (%)

		1-year	3-years p.a.	5-years p.a.	10-years p.a.	Since Inception p.a.
SGD Class A[1]	NAV	-0.4	3.1	2.5	2.8	3.0
	NAV^	-3.4	2.0	1.9	2.5	2.9
	Benchmark#	-1.6	3.4	2.3	2.6	3.2
SGD Class I[1]##	NAV	-0.1	3.3	-	-	2.8
	NAV^	-0.1	3.3	-	-	2.8
	Benchmark#	-1.6	3.4	-	-	2.3

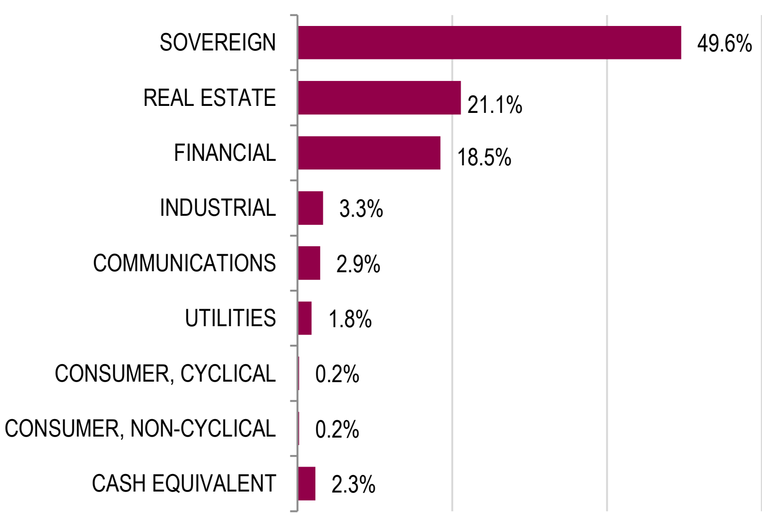
Past performance is not necessarily indicative of future performance

Source: Lion Global Investors Ltd / Morningstar

Country Allocation (% of NAV)



Sector Allocation (% of NAV)



Fund Facts

Fund Inception Date: SGD Class A SGD Class I	 31 August 2001 06 April 2016
Subscription Mode:	Cash, CPFIS-OA[5], CPFIS-SA[5], SRS[5]
Minimum Investment: SGD Class A / SGD Class I	S$1,000 / S$1million
Initial Charge:	Class A: Currently 3% Maximum 5% Class I: Currently Nil Maximum 5%
Management Fee: SGD Class A/ SGD Class I	Class A: Currently 0.5%p.a. Maximum 2.0%p.a. Class I: Currently 0.25%p.a. Maximum 2.0%p.a.
Switching Fee SGD Class A / SGD Class I:	1.0% / Nil
Valuation Frequency:	Every dealing day
NAV Price (Class A / SGD Class I):	S$1.791/S$1.812
Fund Size:	S$123.8 million
Weighted Yield to Maturity[2]:	1.72%
Weighted Duration[3]:	6.76years
Weighted Credit Rating[4]:	AA-

Codes

SGD Class A	SG9999003263 OCBSFIA
SGD Class I	SG9999003271 OCBSFII

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[#] Benchmark: JP Morgan SGB Index.
[##] Class I SGD reinstated on 6th April 2016
^ NAV: Figures include Initial Charge.
[1] 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.
[2] In local currency yield terms and on unhedged Foreign Exchange (FX) basis. Inclusive of cash & equivalents at a yield of 0.10%.
[3] Inclusive of cash & equivalents which are assumed to be zero duration.
[4] Includes cash & equivalents @ AA, takes the worst of S&P, Moody's or Internal ratings and based on a straight-line model.
[5] CPFIS Ordinary Account ("CPFIS-OA"), CPFIS Special Account ("CPFIS-SA ") and Supplementary Retirement Scheme ("SRS") monies may be used to purchase the Class A (SGD) Units only.
Distribution of income and capital will be at the Managers' sole discretion. Any distributions made out of capital will reduce the net asset value of the Fund.

The above is based on information available as of 31 March 2021, 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.

Currency Exposure of Bonds (% of NAV)

SGD	100.0
	100.0

Credits Rating[5] (% of NAV)

Investment Grade	99.8
High Yield	0.2

Top 10 Holdings (% of NAV)

SINGAPORE (GOVT OF) 2.875% 01/09/2030	11.3
SINGAPORE GOVERNMENT 2.25% 01/08/2036	7.9
SINGAPORE (GOVT OF) 3.5% 01/03/2027	5.5
SINGAPORE GOVERNMENT 2.75% 01/03/2046	5.0
SINGAPORE (REPUBLIC OF) 2.875% 01/07/2029	4.2
SINGAPORE (GOVT OF) 3.375% 01/09/2033	4.0
SINGAPORE GOVERNMENT 1.875% 01/03/2 050	2.9
SINGAPORE (GOVT OF) 2.75% 01/04/2042	2.8
CAPITALAND LTD SER CAPL (REG) CONV 2.95% 20/06/2022	2.7
SINGAPORE GOVERNMENT 2.125% 01/06/2026	2.3

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

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