

# 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

US treasury (UST) yields rose for the quarter of 2021 amidst expectations of reflation and stronger US economic data. On the Asian front, export activity continued to be strong through 1st Quarter of 2021, led by Taiwan and Korea. JACI Composite was down -1.17% for 1st Quarter of 2021, as tighter spreads (tightened by 32basis points (bps) to 265bps) was unable to overcome the fall in UST returns. Investment Grade returns were down -1.67% for the quarter, as spreads tightened 32bps to 184bps. High Yield (HY) outperformed for the quarter returning 0.48%; spreads tightened by 39bps to 579bps. Net inflows were strong to start the year but saw outflows in period of the late February 2021 to early March 2021, ending 1st Quarter of 2021 relatively flat.

The overall short duration portfolio positioning contributed to performance, but idiosyncratic credit selection was a drag for the quarter. Although 2021 outlook is relatively constructive for Asian credit spreads, and central banks are expected to continue with supportive monetary and fiscal policies, amidst a trajectory of growth, credit spreads have tightened quite a fair bit from the beginning of the year; we expect limited tightening from this point. Covid-19 evolution will likely take a back-seat to China onshore credit developments, though the impact will be idiosyncratic. 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.

## 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	2.6	5.2	3.9	5.4	5.3
	NAV <sup>A</sup>	-2.5	3.4	2.9	4.9	4.8
	Benchmark <sup>#</sup>	2.9	6.4	4.6	6.0	5.5
USD Class <sup>1</sup>	NAV	8.7	4.4	4.0	4.9	5.7
	NAV <sup>A</sup>	3.3	2.6	2.9	4.4	5.2
	Benchmark <sup>#</sup>	9.0	5.6	4.6	5.3	5.7
SGD- Hedged Class <sup>1</sup>	NAV	8.5	3.8	-	-	2.5
	NAV <sup>A</sup>	3.1	2.0	-	-	1.4
	Benchmark <sup>#</sup>	8.8	5.1	-	-	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\$1.325/ US\$0.985
NAV Price (Hedged Class):	S\$0.958
Fund Size:	S\$142.6 million
Weighted Yield to Maturity <sup>3</sup> :	3.29%
Weighted Duration <sup>4</sup> :	4.67 years
Weighted Credit Rating <sup>5</sup> :	BBB-

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

Investment Grade	70.5
High Yield	29.5
	<b>100.0</b>

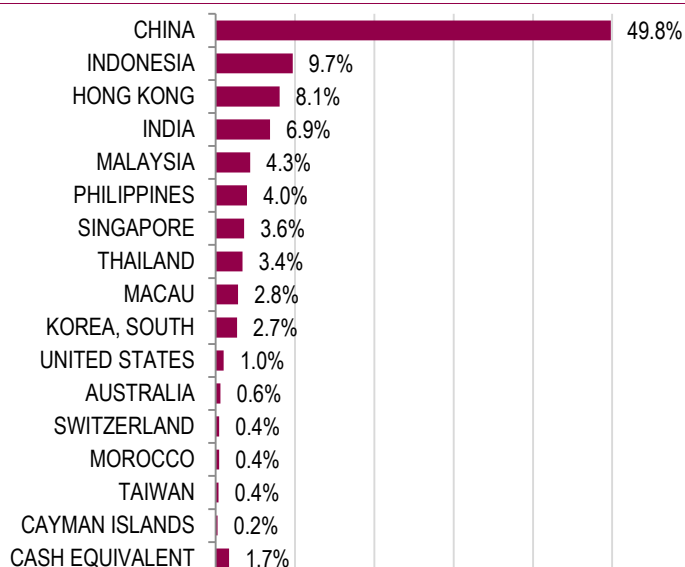
## Currency Exposure of Bonds (% of NAV)

USD	33.2
SGD	66.8
	<b>100.0</b>

## Codes

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

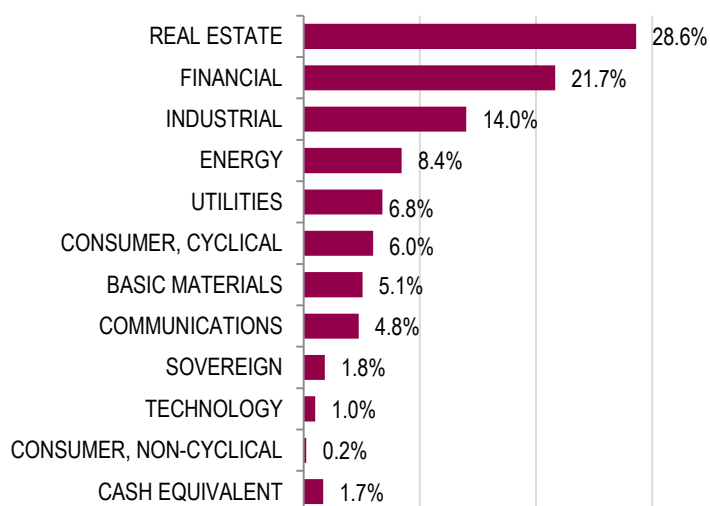
## Country Allocation (% of NAV)



## Top 10 Holdings (% of NAV)

NWD MTN LTD SER EMTN (REG S) (REG) 4.375% 30/11/2022	1.5
VANKE REAL ESTATE HK (SER EMTN) (RE G S) (REG) 4.2% 07/06/2024	1.0
PTT TREASURY CENTRE (SER REG s) 4.5% 25/10/2042	1.0
BHARTI AIRTEL LTD SER REGS 4.375% 10/06/2025	1.0
IOI INVESTMENT SER EMTN (REG) 4.375% 27/06/2022	1.0
VOYAGE BONDS LTD (REG S) (REG) 3.375% 28/09/2022	0.8
VANKE REAL ESTATE HK SER (EMTN) (REG) (REG S) 3.975% 09/11/2027	0.8
BANK MANDIRI PT (SER EMTN) (REG S) (REG) 3.75% 11/04/2024	0.7
CAPITALAND CHINA TRUST (REG) (REG S) VAR PERP 31/12/2049	0.7
CHAMPION MTN LTD SER EMTN (REGS) 3.75% 17/01/2023	0.7

## Sector Allocation (% of NAV)



# Benchmark: JP Morgan Asia Credit Index.

^ 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 March 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.

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