

# LionGlobal SGD Money Market Fund

The Fund aims to manage liquidity and risk while looking to provide a return which is comparable to that of SGD short-term deposits. The Fund will invest in high quality short-term money market instruments and debt securities. Some of the investments may include government and corporate bonds, commercial bills and deposits with financial institutions.

## Fund Manager's Commentary

- March 2021 saw yields surging higher with 10-year United States Treasury 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 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.
- 6months (M) London Inter-bank Offer Rate was consolidating around 0.20% in March 2021 and ended the month almost flat at 0.21%. On the other hand, 6M swap offer rate (SOR) was on an upward trend and was up by 4 basis points. Similar to last month, 6M Singapore Inter-bank Offer Rate remained flat at 0.59%. Cutoffs for Monetary Authority of Singapore (MAS) bills were higher in March 2021. For the 28 days bills, the cut-off ranged from 0.37 – 0.44% versus 0.31 – 0.35% in February 2021. For the 12-week bills, the cut-offs ranged from 0.39 – 0.46% versus 0.31 – 0.40% in February 2021.
- February 2021 non-oil domestic exports (NODX) growth slowed to 4.2% year-on-year (y/y) from 12.7% with growth contributed mainly by non-electronics exports. In sequential terms, February 2021 NODX was up by 8.2% month-on-month. Smoothing out the effects of Lunar New Year, NODX grew by 8.4% y/y in the first two months of the year, driven mainly by non-monetary gold. While electronics export growth moderated in February 2021, it still remained robust and is likely to be sustained by ongoing demand for Personal Computers and telecom equipment and the transition to 5G. On the inflation front, data continued to improve with core inflation, excluding accommodation and private road transportation, up by 0.2% y/y, improving from a decline of 0.2% y/y in January 2021. The pickup in core inflation was due to an increase in services costs due to higher tuition and other fees and a smaller decline in outpatient service costs as well as an increase in food prices. Headline inflation rose to 0.7% from 0.2% in January 2021, helped by higher private transport inflation and the rise in core inflation. MAS expect core inflation to be mildly positive in 2021 and core inflation is expected to average 0 – 1%. While economic indicators are pointing to an improved outlook, the street generally expects MAS to stay put at the upcoming meeting in April 2021. However, the roll-out of vaccinations and improved growth outlook has the market less decided on the status quo being maintained in October 2020'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.
<b>SGD Class<sup>1</sup></b>	NAV	0.9	1.3	1.2	0.9	1.2
	Benchmark <sup>#</sup>	0.1	1.0	0.8	0.5	0.8

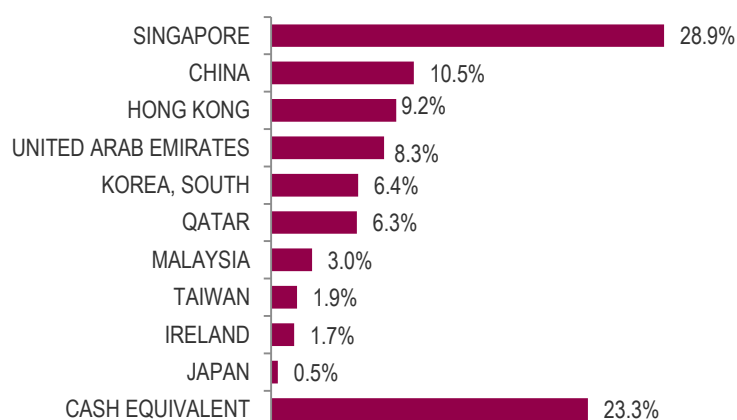
Past performance is not necessarily indicative of future performance

Source: Lion Global Investors Ltd / Morningstar

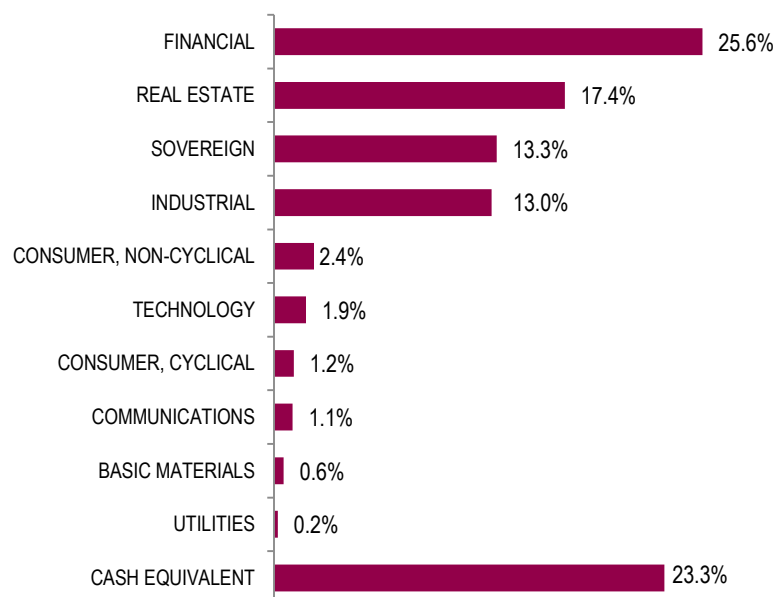
## Fund Facts

Fund Inception Date:	1 November 1999
Subscription Mode:	Cash, SRS <sup>5</sup>
Minimum Investment:	S\$ 1,000
Initial Charge:	Currently NIL Maximum 5%
Management Fee:	Currently 0.25% p.a. Maximum 2.0% p.a.
Valuation Dealing:	Every dealing day
NAV Price:	S\$1.3328
Fund Size:	S\$454.2 million
Weighted Yield to Maturity <sup>2</sup> :	0.93 %
Weighted Duration <sup>3</sup> :	0.44 years
Weighted Credit Rating <sup>4</sup> :	A

## Country Allocation (% of NAV)



## Sector Allocation (% of NAV)



## Codes

<b>SGD Class</b>	SG9999002760 OCBSGDM
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## Currency Exposure (% of NAV)

<b>SGD</b>	99.16
<b>USD</b>	0.67
<b>Others</b>	0.17
	<b>100.0</b>

## Credit Rating<sup>4</sup> (% of NAV)

<b>Investment Grade</b>	100.0
	<b>100.0</b>

## Top 10 Holdings (% of NAV)

DOOSAN POWER SYSTEM (REG S) (REG) VAR 25/10/2048	4.9
MAPLETREE TREASURY SVCS (SER MTN) (REG) (REG S) 2.888% 21/06/2021	3.4
ADCB FINANCE CAYMAN LTD (SER MTN) (REG) FRN 25/10/2022	3.3
ASCENDAS REAL ESTATE INVESTMENT TR (SER 4) (REG S) 4% 03/02/2022	3.2
ABQ FINANCE (SER EMTN) (REG) (REG S) 3.5% 22/02/2022	3.0
CAGAMAS GLOBAL PLC (SER EMTN) (REG S) .85% 17/03/2022	2.5
LINK 2019 CB LTD (REG S) (REG) CONV 1.6% 03/04/2024	2.5
WHEELOCK FINANCE LTD (SER EMTN) (BR) (REG S) 4.5% 02/09/2021	2.2
MAS BILL (SER 81) ZCP 07/05/2021	2.2
EMIRATES NBD BANK PJSC (REG) (REGS) (SER MTN) 4.75% 18/02/2022	3.2

## # Benchmark:

From 23 Jan 2003: 1 Month SGD Interbank Bid Rate.

From 1 May 2014: 1 Month SGD Interbank Offered Rate -0.25%.

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

<sup>2</sup>Amortised cost basis. Hedged back to Singapore dollar basis. Inclusive of cash & equivalents at a yield of 0%.

<sup>3</sup>Inclusive of cash & equivalents which are assumed to be zero duration.

<sup>4</sup>Includes cash & equivalents @ AA, takes the worst of S&P, Moody's, Fitch or Internal ratings and based on a straight-line model.

<sup>5</sup>Supplementary Retirement Scheme ("SRS")

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.

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

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