

利安資金新加坡均衡基金 年度財務報告

(中文簡譯本)

2022年12月31日

利安資金管理公司

Lion Global Investors Limited

www.lionglobalinvestors.com

新光投信

Shin Kong Investment Trust

www.skit.com.tw

本基金財務報告內容如與英文版財務報告有任何歧異，以英文版財務報告為主。
本基金財務報告簡譯本僅供投資人參考用。

警語：本基金財務報告（簡譯本）僅供投資人參考，不代表對行情之預測或研判，投資人應自負風險。本基金經主管機關核准，惟不表示本基金絕無風險。本公司以往之經理績效，不保證各基金之最終投資收益；本公司除盡善良管理人之注意義務外，不負責各基金之盈虧，亦不保證最低收益，投資人申購前應詳閱各基金公開說明書。

利安資金新加坡均衡基金財務報告

總投資報酬表

2022年01月01日至2022年12月31日

	附註	2022 S\$	2021 S\$
收入			
股利		809,753	994,645
利息		649	3
其他收益		-	-
		<u>810,402</u>	<u>994,648</u>
減：費用			
審計費		16,200	16,200
託管費		3,674	4,723
管理費		527,683	626,890
專業費		15,600	15,570
登錄費		15,100	14,147
受託公司費		8,451	10,030
交易費用		204,284	267,023
評價行政費		8,451	10,030
其他費用		17,555	15,233
		<u>816,998</u>	<u>979,846</u>
淨利		<u>(6,596)</u>	<u>14,802</u>
淨投資收益或損失			
已實現淨投資收益/ (損失)		(4,789,960)	1,492,245
已實現現貨合約收益/ (損失)		(2,220)	725
已實現远期合約收益/ (損失)		(13,083)	(80,012)
兌換收益/ (損失)		(6,903)	11,533
		<u>(4,812,166)</u>	<u>1,424,491</u>
稅前總投資利潤/ (虧損)		<u>(4,818,762)</u>	<u>1,439,293</u>
減：所得稅		<u>(10,621)</u>	<u>(7,403)</u>
期間總利潤/ (虧損)		<u>(4,829,383)</u>	<u>1,431,890</u>

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利安資金新加坡均衡基金財務報告

資產負債表

2022年12月31日

	附註	2022 S\$	2021 S\$
資產			
投資組合		38,440,437	46,458,531
應收帳款		9,812	53,998
經紀人應付帳款		114,461	495
衍生性金融商品公平價值		51,358	40,380
現金及銀行存款		722,888	1,035,800
總資產		39,338,956	47,589,204
負債			
應付款項		121,897	125,347
經紀人應收款		-	-
衍生性金融商品公平價值		-	8,803
總負債		121,897	134,150
權益			
基金單位持有人資產淨值		39,217,059	47,455,054

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For the financial year ended 31 December 2022

ANNUAL REPORT LIONGLOBAL SINGAPORE BALANCED 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 Teo Joo Wah (Chief Executive Officer)
Mr Ronnie Tan Yew Chye
Ms Chong Chuan Neo

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

LIONGLOBAL SINGAPORE BALANCED FUND

PERFORMANCE OF THE FUND

For the financial year ended 31 December 2022

Past performance is not necessarily indicative of future performance. Cumulative returns for the Fund are calculated up to 31 December 2022 in SGD terms, based on single pricing, with dividends reinvested net of all charges payable upon reinvestment.

Time Period	Fund Returns (%)	
	LionGlobal Singapore Balanced Fund (SGD Class)	Benchmark* Returns (%)
3 months	2.5	4.0
6 months	1.8	3.9
1 year	-10.3	-8.8
3 years**	-2.0	-2.7
5 years**	-0.8	-0.4
10 years**	1.0	1.9
Since Inception** (22 Sep 1995)	3.6	3.2

Past performance is not necessarily indicative of future performance. Cumulative returns for the Fund are calculated up to 31 December 2022 in USD terms, based on single pricing, with dividends reinvested net of all charges payable upon reinvestment.

Time Period	Fund Returns (%)	
	LionGlobal Singapore Balanced Fund (USD Class)	Benchmark* Returns (%)
3 months	9.6	11.2
6 months	5.7	7.8
1 year	-9.9	-8.3
3 years**	-2.0	-2.6
5 years**	-0.9	-0.4
10 years**	0.1	0.9
Since Inception** (2 Aug 2004)	4.8	5.1

Source: Morningstar/Lion Global Investors Ltd.

*Benchmark:

50% STI + 50% CPF Ordinary Rate: From Inception to 31 Dec 2014

60% MSCI Singapore + 40% UOB Singapore Government Securities: From 1 January 2015

60% MSCI Singapore + 40% JP Morgan Singapore Government Bond Index: From 1 June 2017

** Returns of more than 1 year are annualised.

REVIEW

For the year ended 31 December 2022, the Fund gained -10.3%, underperforming the benchmark 60% MSCI Singapore + 40% JP Morgan Singapore Government Bond Index which returned -8.8%, in SGD terms.

The continued rise in US inflation led to the US Federal Reserve (Fed) aggressively hiking its interest rates from 0.25% to 4.5% in 2022. The resultant selloff in the global bond markets led to the 10-year US Treasury rising from 1.51% to 3.87% over the 12 months period. Having done with most of its hikes, the Fed is likely to continue hiking rates to around 5% over the next 6 months before considering their next course of action.

The credit markets had a similar volatile period with the Asian credit markets as represented by the JACI Investment Grade Index widening from 174 basis points (bps) at the beginning of the year to 240 bps before tightening back to 179 bps at year end. China's pivot from zero COVID-19 to reopening and their all-out support to the beleaguered real estate market prompted the turnaround.

The Monetary Authority of Singapore (MAS) in July 2022 and October 2022 re-centred the mid-point of the Singapore dollar nominal effective exchange rate policy band upwards to its prevailing level by 150 bps and 200 bps each time respectively in their continued effort to reduce imported inflation and ensure price stability.

2022 was a turbulent year as both bonds and equities plunged while certain commodities soared. The Russian-Ukraine war dominated the news for most part of the year and resulted in a sharp surge in commodity prices and supply chain disruptions added to inflationary pressures. As a result, central banks across the globe raised rates sharply to control inflation. MSCI World Index delivered -19% return, dragged down by a sharp increase in interest rates by developed market central banks while MSCI Emerging Markets Index also struggled with -22% return, pulled down by China's zero COVID-19 policy through most of 2022. Singapore equities were not spared as MSCI Singapore Index fell -11% driven by the massive underperformance of the communication services sector.

Singapore's economy started 2022 on a strong note on the back of continued growth momentum in 2021, rising vaccination and further easing of COVID-19 measures. However, a slowdown in China, a sharp increase in inflationary pressure with the resulting tighter monetary policies and the Russia-Ukraine war have dampened economic performance. Optimism at the start of the year soon faded and risk aversion sets in.

STRATEGY AND OUTLOOK

The sharp rise in interest rates over 2022 has started to take its toll on parts of the US economy with inflation looking to turn around. US data has started to look soft though the job market is still tight. With the Fed at the tail end of their hiking cycle, the bond yields at current levels are pricing in another 2 to 3 hikes over the next 6 months. The Asian credit market is looking constructive with China's reopening and desire to support the real estate market providing the tail wind.

The MAS is not expected to tighten as aggressively as the previous year. Though inflation is still high, Singapore's manufacturing has slowed in recent months due to global growth concerns and the weakness in the global electronics sector.

We believe the credit market will deliver positive performance this year as the momentum in the credit market recovery continues. With yields being reset at higher levels as a result of the aggressive hikes by the Fed, we believe current yield levels for short-dated investment grade bonds are attractive.

Economic growth momentum is expected to slow further in 2023. The manufacturing sector, which has been the key economic driver, has turned to be a drag. The waning momentum is driven by China's slowdown, decline in global electronics demand and tighter liquidity conditions. On the other hand, the continued resurgence in the services sector led by hospitality and tourism should partially offset the decline in manufacturing sector as international travel especially China reopening progresses.

After five rounds of tightening by the MAS and visible signs of global inflationary pressure abating, price pressure in Singapore appears to be easing. The MAS expects core inflation to taper off from 4% in 2022 to 2.5-3.5% in 2023.

While corporate earnings are expected to moderate, overall earnings growth remains robust and above average. High interest rates in the near term should continue to underpin strong earnings for Singapore banks while continued recovery of the services sector will benefit consumer discretionary and hospitality companies. Thus, banks, telecommunications and consumer discretionary sectors will be the key drivers of earnings growth in the Singapore market in 2023.

Although uncertainties abound as developed economies in US and Europe face slow down and recession risks, China's reopening will be a positive driver. Against an uncertain global backdrop, Singapore equities should be defensive and resilient. Valuations are undemanding at 10.8x price-to-earnings, dividend yield of 4.8% is one of the highest in the region and earnings growth is decent.

As of 17 January 2023.

DISCLOSURES ON THE FUND ¹

For the financial year ended 31 December 2022

1. DISTRIBUTION OF INVESTMENTS AS AT 31 DECEMBER 2022

	Fair Value \$	Percentage of total net assets attributable to unitholders %
a) <u>By Asset Class</u>		
Equities and Funds	23,528,839	60.0
Debt securities (including accrued interest on debt securities)	14,911,598	38.0
Financial derivatives	51,358	0.1
Cash and other net assets	725,264	1.9
Net assets attributable to unitholders	39,217,059	100.0
b) <u>By Credit Rating of Debt Securities</u>		
Aaa	1,023,670	2.6
A1	319,566	0.8
A2	637,958	1.6
A3	646,426	1.6
Ba2	405,713	1.0
Baa1	248,905	0.6
Baa2	696,637	1.8
Baa3	937,169	2.4
Unrated	9,852,938	25.2
Accrued interest on debt securities	142,616	0.4
Total debt securities	14,911,598	38.0
c) <u>By Derivative Type</u>		
Foreign exchange forward contracts	51,358	0.1

Total net realised losses and unrealised gains from the financial derivatives at the end of the financial year were \$66,661 and \$51,358 respectively.

¹ As required by the Code on Collective Investment Schemes

2. TOP 10 HOLDINGS
As at 31 December 2022

	Fair Value	Percentage of
	\$	total net assets
		attributable to
		unitholders
		%
DBS Group Holdings Limited	4,383,923	11.2
Oversea-Chinese Banking Corporation [#]	3,117,008	7.9
United Overseas Bank Limited	2,787,652	7.1
Sea Limited ADR	2,143,513	5.5
Singapore Telecommunications Limited	1,656,262	4.2
Government of Singapore 2.25% due 01/08/2036	908,400	2.3
CapitaLand Integrated Commercial Trust	770,184	2.0
Government of Singapore 3.375% due 01/09/2033	715,960	1.8
Government of Singapore 2.75% due 01/04/2042	715,960	1.8
Government of Singapore 1.625% due 01/07/2031	711,920	1.8

As at 31 December 2021

	Fair Value	Percentage of
	\$	total net assets
		attributable to
		unitholders
		%
DBS Group Holdings Limited	5,579,732	11.8
Sea Limited ADR	4,557,397	9.6
Oversea-Chinese Banking Corporation [#]	3,089,537	6.5
United Overseas Bank Limited	2,703,531	5.7
Singapore Telecommunications Limited	1,502,107	3.2
Wilmar International Limited	1,224,612	2.6
Government of Singapore 2.75% due 01/03/2046	1,064,570	2.3
Government of Singapore 2.25% due 01/08/2036	1,039,900	2.2
Government of Singapore 3.375% due 01/09/2033	1,039,860	2.2
Government of Singapore 2.75% due 01/04/2042	999,630	2.1

[#] Ultimate holding company of the Manager

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 REPURCHASE 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 financial 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 2022

The Trustee is under a duty to take into custody and hold the assets of LionGlobal Singapore Balanced Fund (the "Fund") in trust for the unitholders. In accordance with the Securities and Futures Act 2001, 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 year 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 44, 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

28 March 2023

STATEMENT BY THE MANAGER

For the financial year ended 31 December 2022

In the opinion of Lion Global Investors Limited, the accompanying financial statements set out on pages 12 to 44, 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 Singapore Balanced Fund (the "Fund") as at 31 December 2022, and the financial performance and movements in unitholders' funds for the financial year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" 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

TEO JOO WAH
CEO

28 March 2023

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF LIONGLOBAL SINGAPORE BALANCED FUND

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

Our Opinion

In our opinion, the accompanying financial statements of LionGlobal Singapore Balanced Fund (the "Fund") are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" 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 2022, 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 2022;
- the Statement of Financial Position as at 31 December 2022;
- the Statement of Movements of Unitholders' Funds for the financial year ended 31 December 2022;
- the Statement of Portfolio as at 31 December 2022; 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 SINGAPORE BALANCED 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 Investment Funds" 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 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 SINGAPORE BALANCED 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, 28 March 2023

STATEMENT OF TOTAL RETURN

For the financial year ended 31 December 2022

	Note	2022 \$	2021 \$
Income			
Dividends		809,753	994,645
Interest on cash and bank balances		649	3
		810,402	994,648
Less: Expenses			
Audit fee		16,200	16,200
Custodian fees	12	3,674	4,723
Management fee	12	528,177	626,890
Less: Management fee rebate	12	(494)	-
Professional fees		15,600	15,570
Registration fee	12	15,100	14,147
Trustee fee	12	8,451	10,030
Transaction costs		204,284	267,023
Valuation and administration fees	12	8,451	10,030
Miscellaneous expenses		17,555	15,233
		816,998	979,846
Net (expenses)/income		(6,596)	14,802
Net gains or losses on value of investments and financial derivatives			
Net (losses)/gains on investments		(4,789,960)	1,492,245
Net (losses)/gains on foreign exchange spot contracts		(2,220)	725
Net losses on foreign exchange forward contracts		(13,083)	(80,012)
Net foreign exchange (losses)/gains		(6,903)	11,533
		(4,812,166)	1,424,491
Total (deficit)/return for the financial year before income tax		(4,818,762)	1,439,293
Less: Income tax	3	(10,621)	(7,403)
Total (deficit)/return for the financial year		(4,829,383)	1,431,890

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

STATEMENT OF FINANCIAL POSITION*As at 31 December 2022*

	Note	2022 \$	2021 \$
ASSETS			
Portfolio of investments		38,440,437	46,458,531
Receivables	4	9,812	53,998
Due from brokers	5	114,461	495
Financial derivatives at fair value	6	51,358	40,380
Cash and cash equivalents	7	722,888	1,035,800
Total assets		39,338,956	47,589,204
LIABILITIES			
Payables	8	121,897	125,347
Financial derivatives at fair value	6	-	8,803
Total liabilities		121,897	134,150
EQUITY			
Net assets attributable to unitholders	9	39,217,059	47,455,054

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

STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS

For the financial year ended 31 December 2022

	Note	2022 \$	2021 \$
Net assets attributable to unitholders at the beginning of the financial year		47,455,054	49,160,272
Operations			
Change in net assets attributable to unitholders resulting from operations		(4,829,383)	1,431,890
Unitholders' contributions/(withdrawals)			
Creation of units		135,434	5,110,078
Cancellation of units		(3,544,046)	(8,247,186)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		(3,408,612)	(3,137,108)
Total decrease in net assets attributable to unitholders		(8,237,995)	(1,705,218)
Net assets attributable to unitholders at the end of the financial year	9	39,217,059	47,455,054

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

STATEMENT OF PORTFOLIO
As at 31 December 2022

	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Industry (Primary)			
QUOTED EQUITIES AND FUNDS			
FINANCIAL			
DBS Group Holdings Limited	129,243	4,383,923	11.2
Oversea-Chinese Banking Corporation [#]	255,912	3,117,008	7.9
United Overseas Bank Limited	90,803	2,787,652	7.1
Singapore Exchange Limited	37,700	337,415	0.9
Vertex Technology Acquisition Corporation Limited	51,000	231,030	0.6
Vertex Technology Acquisition Warrants 31/12/2029	17,370	1,737	*
		10,858,765	27.7
COMMUNICATIONS			
Sea Limited ADR	30,717	2,143,513	5.5
Singapore Telecommunications Limited	644,460	1,656,262	4.2
Grab Holdings Limited	108,349	467,923	1.2
		4,267,698	10.9
REAL ESTATE			
CapitaLand Integrated Commercial Trust	377,541	770,184	2.0
Mapletree Logistics Trust	373,029	593,116	1.5
CapitaLand Investment Limited	155,041	573,652	1.5
UOL Group Limited	75,807	509,423	1.3
Ascendas Real Estate Investment Trust	171,648	470,316	1.2
Mapletree Commercial Trust	194,500	324,815	0.8
Frasers Logistics & Industrial Trust	195,800	227,128	0.6
City Developments Limited	19,500	160,485	0.4
Lendlease Global Commercial REIT	161,600	113,928	0.3
		3,743,047	9.6

[#] *Ultimate holding company of the Manager*
^{*} *denotes amount less than 0.1%*

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

LIONGLOBAL SINGAPORE BALANCED FUND

	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Industry (Primary) (continued)			
QUOTED EQUITIES AND FUNDS (continued)			
INDUSTRIAL			
Sembcorp Marine Limited	2,936,800	405,278	1.0
Keppel Corporation Limited	52,000	377,520	1.0
Singapore Airlines Limited	55,000	304,150	0.8
Singapore Technologies Engineering Limited	27,700	92,795	0.2
Boustead Projects Limited	93,300	76,973	0.2
GS Holdings Limited	627,700	75,324	0.2
ASL Marine Holdings Limited Warrants 23/07/2024	778,800	3,115	*
		<u>1,335,155</u>	<u>3.4</u>
CONSUMER, NON-CYCLICAL			
Wilmar International Limited	163,900	683,463	1.7
i-Tail Corporation PCL	182,100	211,548	0.5
Olam International Limited	126,100	184,106	0.5
Food Empire Holdings Limited	99,400	63,119	0.2
		<u>1,142,236</u>	<u>2.9</u>
TECHNOLOGY			
Nanofilm Technologies International Limited	344,600	478,994	1.2
Venture Corporation Limited	26,900	458,914	1.2
UMS Holdings Limited	46,000	54,280	0.1
		<u>992,188</u>	<u>2.5</u>

* denotes amount less than 0.1%

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

LIONGLOBAL SINGAPORE BALANCED FUND

	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Industry (Primary) (continued)			
QUOTED EQUITIES AND FUNDS (continued)			
CONSUMER, CYCLICAL			
Genting Singapore PLC	515,000	491,825	1.3
Jardine Cycle & Carriage Limited	6,100	174,460	0.4
NIO Inc.	11,460	155,392	0.4
		<u>821,677</u>	<u>2.1</u>
FUNDS			
VanEck Semiconductor ETF	650	177,067	0.5
LionGlobal Short Duration Bond Fund - SGD Class I Acc	86,775	96,338	0.2
LionGlobal Singapore Fixed Income Investment - SGD Class I	54,407	94,668	0.2
		<u>368,073</u>	<u>0.9</u>
UNQUOTED EQUITIES			
CONSUMER, CYCLICAL			
Peace Mark Holdings**	91,200	-	-
		<u>-</u>	<u>-</u>
TOTAL EQUITIES AND FUNDS		<u>23,528,839</u>	<u>60.0</u>

** This security has been suspended from trading in a previous financial year and its fair value represents the Manager's best estimates.

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

LIONGLOBAL SINGAPORE BALANCED FUND

	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Industry (Primary) (continued)			
QUOTED DEBT SECURITIES			
SOVEREIGN			
Government of Singapore 2.25% due 01/08/2036	1,000,000	908,400	2.3
Government of Singapore 3.375% due 01/09/2033	700,000	715,960	1.8
Government of Singapore 2.75% due 01/04/2042	700,000	715,960	1.8
Government of Singapore 1.625% due 01/07/2031	800,000	711,920	1.8
Government of Singapore 2.75% due 01/03/2046	650,000	675,870	1.7
Government of Singapore 2.875% due 01/09/2030	600,000	590,460	1.5
Government of Singapore 1.875% due 01/03/2050	650,000	565,500	1.4
Government of Singapore 2.375% due 01/07/2039	500,000	463,050	1.2
Government of Singapore 1.875% due 01/10/2051	400,000	353,420	0.9
Government of Singapore 3.5% due 01/03/2027	300,000	307,710	0.8
Government of Singapore 3% due 01/08/2072	200,000	217,456	0.6
		<u>6,225,706</u>	<u>15.8</u>
REAL ESTATE			
CapitaLand China Trust Series MTN 2.4% due 29/06/2028	750,000	651,742	1.7
Prime Asset Holdings Limited Series MTN 2.9% due 24/10/2024	500,000	485,905	1.2
CapitaLand Treasury Limited Series EMTN 3.08% due 19/10/2027	500,000	468,295	1.2
Ascendas Real Estate Investment Trust Series EMTN Var Perpetual	500,000	464,950	1.2

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

LIONGLOBAL SINGAPORE BALANCED FUND

	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Industry (Primary) (continued)			
QUOTED DEBT SECURITIES (continued)			
REAL ESTATE (continued)			
Mapletree Industrial Trust Series MTN Var Perpetual	500,000	458,250	1.2
Sino Ocean Land Treasure Finance I Limited Series EMTN 6% due 30/07/2024	500,000	405,713	1.0
Champion MTN Limited Series EMTN 3.75% due 17/01/2023	250,000	334,889	0.9
ESIC Sukuk Limited Series EMTN 3.939% due 30/07/2024	200,000	257,231	0.7
UOL Treasury Services Series MTN 3% due 23/05/2024	250,000	244,940	0.6
FH REIT Treasury Private Limited Series MTN 3.08% due 08/11/2024	250,000	243,318	0.6
RCS Trust Series MTN 3.2% due 14/03/2025	250,000	243,208	0.6
CMT MTN Private Limited Series EMTN 3.2% due 21/08/2025	250,000	242,957	0.6
CapitalLand Investment Limited Series EMTN 3.33% due 12/04/2027	250,000	238,213	0.6
UOL Treasury Services Series MTN 2.33% due 31/08/2028	250,000	219,545	0.6
Surbana Jurong Private Limited Series EMTN 2.48% due 10/02/2031	250,000	211,218	0.5
		5,170,374	13.2
FINANCIAL			
Huarong Finance 2017 Company Limited 3.8% due 07/11/2025	500,000	436,620	1.1
CITIC Limited 6.8% due 17/01/2023	300,000	403,469	1.0
AIA Group Limited Var Perpetual	500,000	377,355	1.0
Samba Funding Limited 2.75% due 02/10/2024	250,000	319,566	0.8

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

LIONGLOBAL SINGAPORE BALANCED FUND

	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Industry (Primary) (continued)			
QUOTED DEBT SECURITIES (continued)			
FINANCIAL (continued)			
Westpac Banking Corporation Series EMTN Var due 07/09/2032	250,000	248,905	0.6
BNP Paribas Series EMTN Var due 22/02/2032	250,000	231,687	0.6
		2,017,602	5.1
INDUSTRIAL			
Keppel Land Limited Series MTN 2% due 28/05/2026	500,000	460,140	1.2
SingPost Group Treasury Private Limited Series MTN 2.53% due 19/11/2030	250,000	216,062	0.5
ASL Marine Holdings Limited Series MTN STP due 28/03/2025	442,500	190,917	0.5
		867,119	2.2
UTILITIES			
China Huadian Overseas Var Perpetual	200,000	260,603	0.7
CONSUMER, NON-CYCLICAL			
F&N Treasury Private Limited Series MTN 2% due 16/06/2026	250,000	227,578	0.6
Accrued interest receivable on debt securities		142,616	0.4
TOTAL DEBT SECURITIES		14,911,598	38.0
Portfolio of investments		38,440,437	98.0
Other net assets		776,622	2.0
Net assets attributable to unitholders		39,217,059	100.0

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

	Percentage of total net assets attributable to unitholders at	
	31 December 2022	31 December 2021
	%	%
By Industry (Summary)		
Financial	32.8	30.4
Real Estate	22.8	20.4
Sovereign	15.8	14.4
Communications	10.9	12.8
Industrial	5.6	9.1
Consumer, Non-cyclical	3.5	4.4
Technology	2.5	2.1
Consumer, Cyclical	2.1	1.7
Funds	0.9	0.4
Utilities	0.7	0.6
Energy	-	1.2
	<hr/> 97.6	<hr/> 97.5
Accrued interest receivable on debt securities	0.4	0.4
	<hr/> 98.0	<hr/> 97.9
Portfolio of investments		
Other net assets	2.0	2.1
	<hr/> 100.0	<hr/> 100.0
Net assets attributable to unitholders		

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

LIONGLOBAL SINGAPORE BALANCED FUND

	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at	
		31 December 2022 %	31 December 2021 %
By Geography (Secondary)			
Singapore	33,826,034	86.2	85.2
China	1,910,070	4.9	5.8
Hong Kong	1,115,713	2.8	2.6
Saudi Arabia	319,566	0.8	0.7
United Arab Emirates	257,231	0.7	0.6
Australia	248,905	0.6	-
France	231,687	0.6	-
Thailand	211,548	0.5	0.9
United States of America	177,067	0.5	-
India	-	-	1.1
Philippines	-	-	0.6
	<u>38,297,821</u>	<u>97.6</u>	<u>97.5</u>
Accrued interest receivable on debt securities	142,616	0.4	0.4
	<u>38,440,437</u>	<u>98.0</u>	<u>97.9</u>
Portfolio of investments			
Other net assets	776,622	2.0	2.1
Net assets attributable to unitholders	<u>39,217,059</u>	<u>100.0</u>	<u>100.0</u>

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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

1. GENERAL

LionGlobal Singapore Balanced Fund (the “Fund”) is a unit trust constituted by a Deed of Trust dated 15 September 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.

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.

During the financial year, the Manager has at its own discretion, chosen to rebate to the Fund a management fee rebate.

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 Investment Funds” (“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 sale 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 quoted market price used for investments in equities held by the Fund is the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. The quoted market price used for investments in debt securities held by the Fund is the market mid prices. Accrued interest or discount or premium on debt securities at the reporting date are included in the fair value of debt securities. Interest income on debt securities is presented within net gains or losses on investments on the Statement of Total Return. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the price within the bid-ask spread that is most representation of fair value.

(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.

The margin deposits comprise cash held with the financial derivatives counterparties for the purpose of transferring of cash to fund futures margin maintained with the clearing house.

(h) Cash and cash equivalents

Cash and cash equivalents 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.

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

(i) Functional and presentation currency

Subscriptions and redemptions of the units are denominated in Singapore Dollar and United States Dollar. The primary activity of the Fund is to invest in Singapore and international bonds, high quality interest rate securities, real estate investment trusts, business trusts and other related securities.

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 denominated 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.

(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 investment.

(k) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Fund or the counterparty.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes: (a) restricted activities, (b) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors, (c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support and (d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The Fund considers its investment in other fund (“Investee Fund”) to be investment in unconsolidated structured entities. The Fund invests in the Investee Fund whose objectives range from achieving short to long term capital growth and whose investment strategy does not include the use of leverage. The Investee Fund is managed by related asset managers and apply various investment strategies to accomplish their respective investment objectives. The Investee Fund finances their operations by issuing redeemable shares which are puttable at the holder’s option and entitles the holder to a proportional stake in the respective fund’s net assets. The Fund holds redeemable shares in each of its Investee Fund.

The change in fair value of the Investee Fund is included in the Statement of Total Return in “Net gains/losses on investments”.

3. INCOME TAX

The Fund was granted the status of 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 1947. 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 1947);

3. INCOME TAX (continued)

- (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.

	2022	2021
	\$	\$
Singapore income tax	<u>10,621</u>	<u>7,403</u>

The Singapore income tax represents tax deducted at source for Singapore sourced dividends.

4. RECEIVABLES

	2022	2021
	\$	\$
Amount receivable for creation of units	160	4,000
Dividends receivable	-	37,291
Other receivables	<u>9,652</u>	<u>12,707</u>
	<u>9,812</u>	<u>53,998</u>

5. DUE FROM BROKERS

	2022	2021
	\$	\$
Sales awaiting settlement	114,414	448
Margin deposits	<u>47</u>	<u>47</u>
	<u>114,461</u>	<u>495</u>

6. FINANCIAL DERIVATIVES AT FAIR VALUE

Financial derivatives comprise foreign exchange forward contracts due for settlement within 1 month (2021: 3 months) from the reporting date. The contracts 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 2022

	Contract or underlying principal amount	Fair value	
		Asset	Liability
		\$	\$
Foreign exchange forward contracts	2,239,945	51,358	-

As at 31 December 2021

	Contract or underlying principal amount	Fair value	
		Asset	Liability
		\$	\$
Foreign exchange forward contracts	4,349,333	40,380	8,803

7. CASH AND CASH EQUIVALENTS

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

8. PAYABLES

	2022	2021
	\$	\$
Amount payable for cancellation of units	49,983	40,235
Amount due to the Manager	42,002	51,998
Amount due to the Trustee	1,344	1,823
Amount due to the Custodian	185	506
Amount due to the Registrar	1,200	6,450
Other payables	27,183	24,335
	121,897	125,347

9. UNITS IN ISSUE

	2022	2021
	Units	Units
Units at beginning of the financial year	18,717,275	19,981,350
Units created	57,488	1,934,044
Units cancelled	<u>(1,526,571)</u>	<u>(3,198,119)</u>
Units at end of the financial year	<u>17,248,192</u>	<u>18,717,275</u>
of which, units denominated in		
- USD	<u>15,565</u>	<u>10,603</u>
	2022	2021
	\$	\$
Net assets attributable to unitholders	39,217,059	47,455,054
Net asset value per unit	<u>2.273</u>	<u>2.535</u>

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:

	2022	2021
	\$	\$
Net assets attributable to unitholders per unit per the financial statements	2.273	2.535
Effect of movement in the net asset value between the last dealing date and end of the reporting period	<u>*</u>	<u>-</u>
Net assets attributable to unitholders per unit for issuing/redeeming units	<u>2.273</u>	<u>2.535</u>

* denotes amount less than \$0.001

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 investments in equity, debt and derivatives securities. 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 daily price movement of the benchmark to derive the beta.

As at 31 December 2022, the Fund’s beta was 0.91 (2021: 0.94) which are calculated based on the daily returns over the preceding 12 months for the Fund and its benchmark (2021: 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 2022 and 2021. 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% (2021: 5%) movement in benchmark on net assets attributable to the unitholders	
		2022	2021
		\$	\$
LionGlobal Singapore Balanced Fund	60% MSCI Singapore + 40% JP Morgan Singapore Government Bond Index	1,712,899	1,332,478

(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.

It affects the value of fixed income securities more directly than equities. As interest rates rise, prices of fixed income securities may fall and vice versa. The rationale is that as interest rates increase, the opportunity cost of holding a fixed income security increases since investors are able to realise greater yields by switching to other investments that reflect the higher interest rate. The Manager will regularly assess the economic condition, monitor changes in interest rates outlook and take appropriate measures accordingly to control the impact of interest rate risk.

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

The tables below summarise the Fund's exposure to interest rate risks. They include the Fund's assets and liabilities at fair value, categorised by interest rate types.

As at 31 December 2022	Variable rates \$	Fixed rates \$	Non-interest bearing \$	Total \$
Assets				
Portfolio of investments	2,232,667	12,536,315	23,671,455	38,440,437
Receivables	-	-	9,812	9,812
Due from brokers	-	-	114,461	114,461
Financial derivatives at fair value	-	-	51,358	51,358
Cash and cash equivalents	722,888	-	-	722,888
Total assets	<u>2,955,555</u>	<u>12,536,315</u>	<u>23,847,086</u>	<u>39,338,956</u>
Liabilities				
Payables	-	-	121,897	121,897
Total liabilities	<u>-</u>	<u>-</u>	<u>121,897</u>	<u>121,897</u>

10. FINANCIAL RISK MANAGEMENT (continued)

- (a) Market risk (continued)
- (ii) Interest rate risk (continued)

As at 31 December 2021	Variable rates \$	Fixed rates \$	Non-interest bearing \$	Total \$
Assets				
Portfolio of investments	2,713,005	15,235,838	28,509,688	46,458,531
Receivables	-	-	53,998	53,998
Due from brokers	-	-	495	495
Financial derivatives at fair value	-	-	40,380	40,380
Cash and cash equivalents	1,035,800	-	-	1,035,800
Total assets	3,748,805	15,235,838	28,604,561	47,589,204
Liabilities				
Payables	-	-	125,347	125,347
Financial derivatives at fair value	-	-	8,803	8,803
Total liabilities	-	-	134,150	134,150

The duration, a measure of the sensitivity of the price of a fixed income security to a change in interest as at 31 December 2022, is 7.12 (2021: 7.48). As of 31 December 2022, should interest rates lower or rise by 1% (2021: 1%) with all other variables remaining constant, the increase or decrease in net assets attributable to unitholders would be as follows:

Fund	Impact of 1% (2021: 1%) movement in interest rate on net assets attributable to the unitholders	
	2022 \$	2021 \$
LionGlobal Singapore Balanced Fund	892,586	1,139,641

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 2022	USD	SGD	Others	Total
	\$	\$	\$	\$
Assets				
Portfolio of investments	4,968,100	33,260,789	211,548	38,440,437
Receivables	-	9,812	-	9,812
Due from brokers	114,461	-	-	114,461
Cash and cash equivalents	155,457	566,278	1,153	722,888
Total assets	<u>5,238,018</u>	<u>33,836,879</u>	<u>212,701</u>	<u>39,287,598</u>
Liabilities				
Payables	185	121,712	-	121,897
Total liabilities	<u>185</u>	<u>121,712</u>	<u>-</u>	<u>121,897</u>
Net financial assets	5,237,833	33,715,167	212,701	
Currency forwards	(2,239,945)	2,239,945	-	
Net currency exposure	<u>2,997,888</u>	<u>35,955,112</u>	<u>212,701</u>	

10. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(iii) Currency risk (continued)

As at 31 December 2021	USD \$	SGD \$	Others \$	Total \$
Assets				
Portfolio of investments	7,774,745	38,683,786	-	46,458,531
Receivables	-	53,998	-	53,998
Due from brokers	47	448	-	495
Cash and cash equivalents	8,029	1,027,107	664	1,035,800
Total assets	7,782,821	39,765,339	664	47,548,824
Liabilities				
Payables	667	124,680	-	125,347
Total liabilities	667	124,680	-	125,347
Net financial assets	7,782,154	39,640,659	664	
Currency forwards	(3,246,547)	3,246,547	-	
Net currency exposure	4,535,607	42,887,206	664	

Equity/Mutual fund 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 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 2022 and 2021, 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

Liquidity risk is the risk of loss arising from the inability of the Fund to meet its obligation as and when they fall due without incurring unacceptable cost or losses.

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 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 2022	Less than 3 months \$	3 months- 1 year \$	1-5 years \$	Above 5 years \$
Payables	121,897	-	-	-

As at 31 December 2021	Less than 3 months \$	3 months- 1 year \$	1-5 years \$	Above 5 years \$
Financial derivatives				
- inflow	(551,393)	-	-	-
- outflow	560,196	-	-	-
Payables	125,347	-	-	-

(c) Credit risk

Credit risk is the risk that counterparty 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)

The Fund invests mostly in financial assets, which have an investment grade as rated by Standard and Poor's ("S&P") or Moody's. The credit ratings are reviewed regularly.

The table below analyses the Fund's investments by credit ratings in percentage, out of total net asset attributable to unitholders.

	2022	2021
	%	%
Aaa	2.6	3.9
A1	0.8	0.7
A2	1.6	1.6
A3	1.6	2.0
Ba2	1.0	-
Baa1	0.6	-
Baa2	1.8	1.6
Baa3	2.4	5.2
Unrated	25.2	22.8
Accrued interest on debt securities	0.4	0.4
Total debt securities	38.0	38.2

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 S&P or Moody.

10. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

For purposes of impairment assessment, the Fund’s assets which are measured at amortised cost are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses (“ECL”). The ECL for these assets as at the end of the reporting period is not significant.

The tables below summarise the credit rating of banks and custodian in which the Fund’s assets are held as at 31 December 2022 and 2021.

As at 31 December 2022

	Credit rating ^{##}	Source of credit rating
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Custodian

The Hongkong and Shanghai Banking Corporation Limited	AA-	S&P
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Bank

The Hongkong and Shanghai Banking Corporation Limited	AA-	S&P
State Street Bank and Trust Company	A	S&P
The Bank of New York Mellon	A	S&P

As at 31 December 2021

	Credit rating ^{##}	Source of credit rating
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Custodian

The Hongkong and Shanghai Banking Corporation Limited	AA-	S&P
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Bank

The Hongkong and Shanghai Banking Corporation Limited	AA-	S&P
Overseas-Chinese Banking Corporation Limited	AA-	S&P
UBS AG	A+	S&P

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

10. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

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.

(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).

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 2022 and 2021:

As at 31 December 2022	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Portfolio of investments				
- Quoted equities and funds	23,528,839	-	-	23,528,839
- Quoted debt securities	6,283,990	8,627,608	-	14,911,598
- Unquoted equity	-	-	-	-
Financial derivatives at fair value	-	51,358	-	51,358
	<u>29,812,829</u>	<u>8,678,966</u>	<u>-</u>	<u>38,491,795</u>

10. FINANCIAL RISK MANAGEMENT (continued)

(e) Fair value estimation (continued)

As at 31 December 2021	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Portfolio of investments				
- Quoted equities and funds	28,350,602	-	-	28,350,602
- Quoted debt securities	6,878,722	11,229,207	-	18,107,929
- Unquoted equity	-	-	-	-
Financial derivatives at fair value	-	40,380	-	40,380
	35,229,324	11,269,587	-	46,498,911
Liabilities				
Financial derivatives at fair value	-	8,803	-	8,803

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

Investment in open-ended investment funds whose net asset values are struck daily, price information is published and readily available and units are subscribed and redeemable on demand at the published price, are classified with Level 1.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include investment-grade corporate bonds and over-the-counter derivatives.

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

There is no movement in Level 3 investments for the year ended 31 December 2022. The following table presents the movement in Level 3 investments for the year ended 31 December 2021:

	2021
	\$
Opening balance	-
Transfer into Level 3	-
Net gains on Investments	5,452
Transfer out of Level 3	(5,452)
Closing balance	-

Investment classified within Level 3 has significant unobservable inputs as there is no readily available quoted market price. Investments classified as Level 3 consists of 1 equity security which is suspended from trading on the relevant exchange. The fair value of this security has been written down to nil value. The valuation technique and key unobservable inputs for this investment is not disclosed and no sensitivity analysis is presented as the amount is insignificant.

The assets and liabilities included in the Statement of Financial Position except portfolio of investments and financial derivatives are carried at amortised cost; their carrying values are reasonable approximation of fair value.

11. INTEREST IN UNCONSOLIDATED STRUCTURED ENTITIES

The Fund's investment in the Investee Fund is subject to the terms and conditions of the Investee Fund's offering ocumentation and are susceptible to market price risk arising from uncertainties about future values of the Investee Fund. The Manager makes investment decisions after extensive due diligence of the Investee Fund, its strategy and the overall quality of the vestee Fund's manager. The Investee Fund in the investment portfolio is managed by portfolio managers who are compensated by the respective Investee Fund for their services. Such compensation generally consists of an assetased fee and is reflected in the valuation of the Fund's investments in each of the Investee Fund.

The Fund has right to request redemption of its investments in Investee Fund on a daily basis.

The exposure to investments in the Investee Fund at fair value is disclosed under the Statement of Portfolio. These investments are included within "Portfolio of investments" in the Statement of Financial Position.

11. INTEREST IN UNCONSOLIDATED STRUCTURED ENTITIES (continued)

The Fund's holding in the Investee Fund, as a percentage of the Investee Fund's total net asset value, will vary from time to time dependent on the volume of subscriptions and redemptions at the Investee Fund level. It is possible that the Fund may, at any point in time, hold a majority of an Investee Fund's total units in issue.

The Fund's maximum exposure to loss from its interests in the Investee Fund is equal to the total fair value of its investments in the Investee Fund.

Once the Fund has disposed of its shares in the Investee Fund, the Fund ceases to be exposed to any risk from it.

12. RELATED PARTY TRANSACTIONS

Management fee is paid to the Manager and management fee rebate is received from 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:

	2022	2021
	\$	\$
Brokerage on purchases and sales of investments charged by a related party of the Manager	36,364	56,662
Transaction fees charged/(credited) by the Trustee	8,299	(3,401)
Registration fees charged by a related company of the Trustee	15,100	14,147
Valuation and administration fees charged by the Trustee	8,451	10,030
Custodian fees charged by a related company of the Trustee	3,674	4,723
Bank service fees charged by a bank which is a related company of the Trustee	6,647	1,645
Cash transfer fees charged by a related company of the Trustee	440	2,532

13. FINANCIAL RATIOS

	2022	2021
	%	%
Expense ratio ¹	1.45	1.42
Portfolio turnover ratio ²	88	99

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 2022 was based on total operating expenses of \$612,714 (2021: \$712,823) divided by the average net asset value of \$42,227,863 (2021: \$50,147,663) 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.

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 \$37,354,915 (2021: purchases of \$49,635,302) divided by the average daily net asset value of \$42,227,863 (2021: \$50,147,663).

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