

# 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 2024 was a month of central bank meetings where Bank of Japan (BOJ) finally ended its negative interest rate policy (NIRP) and yield curve control. Swiss National Bank surprised market, becoming the first major central bank to cut rates. The Bank of England (BOE) left the policy rate unchanged but is moving closer to loosening as two hawks who previously voted to hike turned neutral. Federal Reserve (Fed) and European Central Bank (ECB) governors continue to advocate that they are in no rush to start cutting rates. Some members of the Governing Council are leaning to June 2024 for the first cut. While Powell indicated that January 2024's hotter than expected inflation data was likely a bump in the road, Governor Waller was hawkish and flagged that it is appropriate to reduce the overall number of rate cuts or push them further into the future in view of recent inflation data. On the data front, US February 2024 core Personal Consumption Expenditure (PCE) softened to 0.26% Month-on-Month (M-o-M), down from January 2024's upward revised print of 0.45% M-o-M, providing some comfort for the Fed.

In line with market expectations, the Federal Open Market Committee (FOMC) left the Federal Fund Rate (FFR) target range and forward guidance unchanged. While there were minimal changes to the policy statement, overall outcome of the March 2024 meeting was slightly dovish as signaled by the Summary of Economic Projections (SEP) and Powell's tone at the press conference. Despite January 2024's high inflation prints and a 20 basis points (bps) upward revision to 2024 core PCE projection, the 2024 median FFR remains unchanged at 4.625%. The median FFR for 2025 and 2026 were higher by 25 bps each, indicating a likely shallower rate cut cycle and the median long run rate was adjusted slightly upwards by 5 bps to 2.6%. The FOMC is feeling more confident on the US economy with growth forecast revised upwards for 2024-2026. Powell revealed that discussions on the balance sheet took place but no decision was made. He further indicated that the general sense was that it may be appropriate to slow down the pace of runoff soon.

6M Singapore Overnight Rate Average (SORA) was relatively flat in March 2024 and ended the month at 3.72%. 6M London Interbank Offered Rate (LIBOR) traded in a narrow range and was 6 bps lower at the end of March 2024. Given that the last week of March 2024 also coincided with quarter end, cut offs were high with the cutoff for 28 days bills at 4.12%, breaching the 4% mark while cutoffs for 12-week bills were at 3.99%, a level last seen in January 2024. The cutoff range for 28 days bills and 12-week bills in March 2024 were 3.91% – 4.12% and 3.90% - 3.99% respectively.

Unlike in January 2024, inflation surprised on the upside in February 2024. Monetary Authority of Singapore (MAS) core inflation jumped to 3.6% Year-on-Year(Y-o-Y) in February 2024 from 3.1% in January 2024, exceeding consensus of 3.4%. The jump was led by higher services and food inflation and could be partly attributed to seasonal effects associated with the Chinese New Year. Led by higher travel-related expenses, services inflation was up by 4.2% Y-o-Y, up from January 2024's figure of 3.3%. With the uptick in core inflation and higher accommodation inflation, headline inflation printed higher at 3.4% in February 2024 (January 2024: 2.9%). Accommodation inflation rose to 3.9% in February 2024 from 2.1% in February 2024 due to the absence of Service & Conservancy Charges (S&CC) rebates which were disbursed in January 2024. MAS maintained the headline and core inflation forecast at 1.5% – 2.5% for 2024 (excluding impact of Goods and Services Tax (GST) increase). Inflationary pressures in 2024 are expected to be lower with lower imported inflation and cooling of labour market. With core inflation still running around the top of MAS forecast range and upside risks relating to global energy and food commodity prices, there is no urgency for MAS to loosen its policy. The street is generally expecting MAS to maintain the status quo at its upcoming meeting in April 2024.

**All data are sourced from Lion Global Investors and Bloomberg as of 31 March 2024 unless otherwise stated.**

## Performance (%)

		1-year	3-years p.a.	5-years p.a.	10-years p.a.	Since Inception p.a.
<b>SGD Class A<sup>1</sup></b>	NAV	3.7	2.1	1.7	1.4	1.4
	Benchmark <sup>#</sup>	3.8	2.0	1.6	1.1	1.0
<b>SGD Class L<sup>1</sup></b>	NAV	3.8	NA	NA	NA	2.6
	Benchmark <sup>#</sup>	3.8	NA	NA	NA	2.5

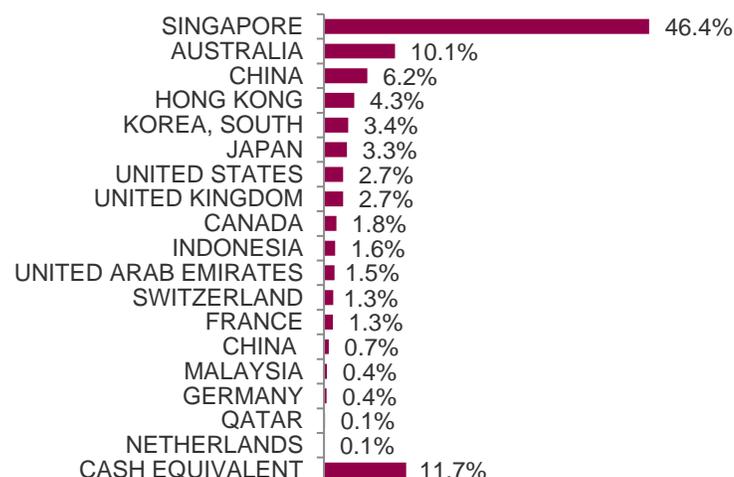
**Past performance is not necessarily indicative of future performance**

Source: Lion Global Investors Ltd / Morningstar

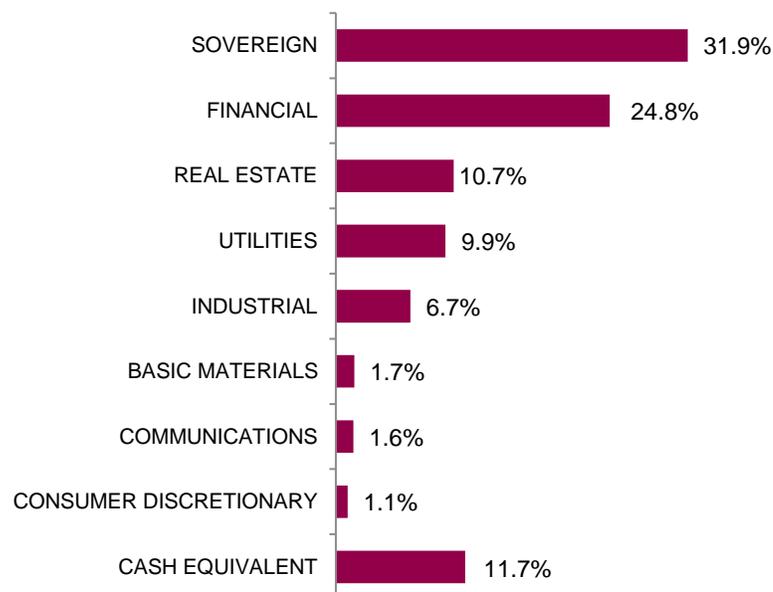
## Fund Facts

Fund Inception Date:	
SGD Class A	1 November 1999
SGD Class L	2 November 2021
Subscription Mode:	Cash, SRS <sup>5</sup>
Minimum Investment:	
SGD Class A	S\$ 1,000
SGD Class L	S\$ 100
Initial Charge:	Currently NIL Maximum 5%
Management Fee:	Currently 0.25% p.a. Maximum 2.0% p.a.
SGD Class A	
SGD Class L	Currently 0.125% p.a. Maximum 2.0% p.a.
Valuation Dealing:	Every dealing day
NAV Price:	
SGD Class A	S\$1.417
SGD Class L	S\$1.063
Fund Size:	S\$ 719.4 million
Weighted Yield to Maturity <sup>2</sup> :	4.10 %
Weighted Duration <sup>3</sup> :	0.25 years
Weighted Credit Rating <sup>4</sup> :	A+

## Country Allocation (% of NAV)



## Sector Allocation (% of NAV)



## Codes

<b>SGD Class A</b>	SG9999002760 OCBSGDM
<b>SGD Class L</b>	SGXZ84554112 OCBSGDL SP

## Currency Exposure (% of NAV)

<b>SGD</b>	99.7
<b>USD</b>	0.2
<b>Others</b>	0.1
	<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)

MAS BILL (SER 84) ZCP 26/04/2024	3.5
MAS BILL (SER 31) ZCP 01/04/2024	3.1
MAS BILL (SER 25) ZCP 26/04/2024	2.8
MAS BILL (SER 84) ZCP 24/05/2024	2.8
BOC AVIATION USA CORP (SER REGS) (REG) (REG S) 1.625% 29/04/2024	2.6
MAS BILL (SER 28) ZCP 05/04/2024	2.4
MAS BILL (SER 84) ZCP 12/04/2024	2.4
MAS BILL (SER 84) ZCP 31/05/2024	2.4
UNITED ENERGY DISTRIBUTI (SER MTN) (REG) (REG S) 3.85% 23/10/2024	2.4
MINERA Y METALURGICA DEL (REG) (REG S) 3.25% 17/04/2024	2.3

### # 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") monies may be used to purchase SGD Class Units only.

The above is based on information available as of 31 March 2024, 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 explanation of additional technical terms, please visit [www.lionglobalinvestors.com](http://www.lionglobalinvestors.com)

# LionGlobal SGD Money Market Fund



For further information or to  
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