

For the half year ended 30 June 2023 (Unaudited)

# SEMI-ANNUAL REPORT

# LIONGLOBAL

# SINGAPORE TRUST 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  
Ms Goh Chin Yee

### **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 TRUST FUND

## PERFORMANCE OF THE FUND

*For the half year ended 30 June 2023 (Unaudited)*

Past performance is not necessarily indicative of future performance. Cumulative returns for the Fund are calculated up to 30 June 2023 in SGD terms, on a single pricing basis with dividends reinvested net of all charges payable upon reinvestment.

Time Period	Fund Returns (%)	
	LionGlobal Singapore Trust Fund (SGD Class)	Benchmark* Returns (%)
3 months	-4.5	-3.9
6 months	1.0	2.0
1 year	4.3	7.0
3 years**	6.1	2.8
5 years**	1.1	-0.9
10 years**	2.8	1.9
Since Inception** (3 March 1989)	6.0	4.0

Past performance is not necessarily indicative of future performance. Cumulative returns for the Fund are calculated up to 30 June 2023 in USD terms, on a single pricing basis with dividends reinvested net of all charges payable upon reinvestment.

Time Period	Fund Returns (%)	
	LionGlobal Singapore Trust Fund (USD Class)	Benchmark* Returns (%)
3 months	-6.2	-5.6
6 months	0.1	1.1
1 year	7.2	10.0
3 years**	7.2	3.8
5 years**	1.2	-0.7
10 years**	2.2	1.2
Since Inception** (2 August 2004)	6.1	6.4

Source: Morningstar/Lion Global Investors Ltd.

\*Benchmark:

DBS CPF Index: Inception to 30 November 1999

MSCI Singapore: From 1 December 1999

\*\* Returns of more than 1 year are annualised.

The Fund's net asset value may have a higher volatility as a result of its narrower investment focus on a limited geographical market, when compared to funds investing in global or wider regional markets.

## REVIEW

For the half year ended 30 June 2023, the Fund returned 1.0%, against the benchmark Morgan Stanley Composite Index (MSCI) Singapore Index which returned 2.0% in SGD terms.

Global equities defied expectations in the 1<sup>st</sup> half of 2023, with MSCI World Index up 14%, despite the regional banking crisis in the US and the Federal Reserve (Fed) continuing to hike rates at the fastest rate since 1980s. Technology stocks, which cratered in 2022, surged as interest in Artificial Intelligence (AI) related technology stocks soared. Singapore equities underperformed, up only 2% in the 1<sup>st</sup> half of 2023 as China's faltering recovery, hawkish central banks and concerns about impending recession in the developed markets of the US and Europe affected investors' sentiment.

The Fund's net asset value may have a higher volatility as a result of its narrower investment focus on a limited geographical market, when compared to funds investing in global or wider regional markets.

**STRATEGY AND OUTLOOK**

The global economic landscape remains challenging on the back of lackluster China recovery and high interest rates in developed markets. Given the global external headwinds, Singapore's economy has also started to slowdown in 2023. 1<sup>st</sup> quarter of 2023 Gross Domestic Product (GDP) growth has slowed to 0.4% Year-over-Year (y/y) due to a sharp 5.6% y/y contraction in manufacturing while services offset the weakness with a 2.0% y/y growth underpinned by aviation and tourism sectors. Ministry of Trade and Industry forecasts 2023 Singapore GDP to grow 0.5%-2.5% y/y and highlighted concerns over the tightening of global financial conditions and a prolonged electronics downturn. The outlook for hospitality and tourism continues to be robust as international travel normalizes with the expected return of China tourists. While manufacturing and export weakness has contracted since 4<sup>th</sup> quarter of 2022, weak external demand is constraining a convincing turnaround.

Inflation was elevated in early 2023 due to the Government Service Tax hike and tight labour market. We have seen some signs of easing in core inflation, and this is likely to continue in 2<sup>nd</sup> half of 2023 due to base effects. Monetary Authority of Singapore (MAS) expects core inflation at 3.5%-4.5% in 2023. We believe MAS' tightening cycle has already ended in April 2023 and the pause will be maintained during the next meeting in October 2023.

Year to date, Singapore corporate earnings continue to see modest upward earnings revisions driven by positive earnings revisions in the industrials and consumer discretionary sectors as well as narrowing of expected losses from super-app platforms SEA and Grab. Consensus expects Singapore corporate earnings to grow 36% y/y in 2023 with broad based contribution from banks, stocks levered to reopening and narrowing losses from SEA and Grab.

Besides earnings growth, Singapore equities also offer sustainable and attractive dividend yield of 4.6% which is the highest among major developed markets. With valuation trading at 11.5x price to earnings, more than 1 standard deviation below historical mean, we remain positive on Singapore equities.

As of 11 July 2023.

The Fund's net asset value may have a higher volatility as a result of its narrower investment focus on a limited geographical market, when compared to funds investing in global or wider regional markets.

**DISCLOSURES ON THE FUND<sup>1</sup>***For the half year ended 30 June 2023 (Unaudited)***1. DISTRIBUTION OF INVESTMENTS AS AT 30 JUNE 2023**

	<b>Fair Value</b>	<b>Percentage of</b>
	<b>\$</b>	<b>total net assets</b>
		<b>attributable to</b>
		<b>unitholders</b>
		<b>%</b>
a) <i>By Asset Class</i>		
Equities	21,094,933	100.5
Financial derivatives at fair value	(47)	*
Cash and other net liabilities	(105,207)	(0.5)
<b>Net assets attributable to unitholders</b>	20,989,679	100.0
b) <i>By Credit Rating of Debt Securities</i>		
Not applicable		
c) <i>By Derivative Type</i>		
Foreign exchange spot contracts	(47)	*

Total net realised and unrealised losses from financial derivatives at the end of the financial period were \$2,295 and \$47 respectively.

\* denotes amount less than 0.1%

<sup>1</sup> As required by Code on Collective Investment Schemes

## 2. TOP 10 HOLDINGS

**As at 30 June 2023**

	<b>Fair Value</b>	<b>Percentage of</b>
	<b>\$</b>	<b>total net assets</b>
		<b>attributable to</b>
		<b>unitholders</b>
		<b>%</b>
DBS Group Holdings Limited	3,855,249	18.4
Oversea-Chinese Banking Corporation <sup>#</sup>	2,579,635	12.3
Sea Limited ADR	2,297,070	10.9
Singapore Telecommunications Limited	1,551,450	7.4
United Overseas Bank Limited	1,502,788	7.2
Digital Core REIT	639,370	3.0
CapitaLand Integrated Commercial Trust	633,218	3.0
CapitaLand Ascendas REIT	600,620	2.9
Seatrium Limited	588,446	2.8
Grab Holdings Limited	564,443	2.7

**As at 30 June 2022**

	<b>Fair Value</b>	<b>Percentage of</b>
	<b>\$</b>	<b>total net assets</b>
		<b>attributable to</b>
		<b>unitholders</b>
		<b>%</b>
DBS Group Holdings Limited	4,147,780	20.1
Sea Limited ADR	2,321,946	11.2
Oversea-Chinese Banking Corporation <sup>#</sup>	2,167,153	10.5
United Overseas Bank Limited	1,710,739	8.3
Singapore Telecommunications Limited	1,283,671	6.2
CapitaLand Integrated Commercial Trust	820,538	4.0
Wilmar International Limited	676,296	3.3
Singapore Airlines Limited	595,680	2.9
Singapore Post Limited	503,425	2.4
Singapore Technologies Engineering Limited	490,008	2.4

<sup>#</sup> Ultimate holding company of the Manager

## 3. RELATED PARTY TRANSACTIONS

For the period from 1 January 2023 to 30 June 2023

	\$
Brokerage on purchases and sales of investments charged by a related party of the Manager	17,129
Interest income earned from a bank which is a related company of the Trustee	163
Interest expenses incurred with a bank which is a related company of the Trustee	2
Registration fees charged by a related company of the Trustee	8,142
Valuation and administration fees charged by the Trustee	2,146
Custodian fees charged by a related company of the Trustee	962
Bank service fees charged by a bank which is a related company of the Trustee	<u>15,553</u>

Cash and bank balances placed with a financial institution related to the Trustee as at 30 June 2023 were \$31,238.

## 4. FINANCIAL RATIOS

	30 June 2023 %	30 June 2022 %
Expense ratio <sup>1</sup>	1.61	1.44
Portfolio turnover ratio <sup>2</sup>	<u>63</u>	<u>77</u>

<sup>1</sup> 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 30 June 2023 was based on total operating expenses of \$344,481 (2022: \$463,625) divided by the average net asset value of \$21,423,072 (2022: \$32,192,898) 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.

<sup>2</sup> 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 sales of \$13,580,583 (2022: purchases of \$18,398,758) divided by the average daily net asset value of \$21,647,615 (2022: \$23,934,948).

## 5. 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.

## 6. COLLATERAL

Nil

## 7. SECURITIES LENDING OR REPURCHASE TRANSACTIONS

Nil

## 8. INVESTMENT IN OTHER UNIT TRUSTS, MUTUAL FUNDS AND COLLECTIVE INVESTMENT SCHEMES

Please refer to Statement of Portfolio.

## 9. BORROWINGS

Nil

## 10. SOFT DOLLAR COMMISSION RECEIVED BY THE MANAGERS

The soft dollar commissions from various brokers for the financial period 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.

## 11. OTHER MATERIAL INFORMATION

There is no other material information that will adversely impact the valuation of the Fund.

## 12. SUPPLEMENTAL INFORMATION ON UNDERLYING SUB-FUNDS

Not applicable

**STATEMENT OF TOTAL RETURN**
*For the half year ended 30 June 2023 (Unaudited)*

	<b>For the half year ended 30 June 2023</b>	<b>For the half year ended 30 June 2022</b>
	<b>\$</b>	<b>\$</b>
<b>Income</b>		
Dividends	431,338	349,324
Interest on cash and bank balances	163	-
	<u>431,501</u>	<u>349,324</u>
<b>Less: Expenses</b>		
Audit fee	8,381	7,587
Custodian fees	962	1,155
Management fee	123,421	136,629
Professional fees	7,736	7,736
Registration fee	8,142	10,423
Trustee fee	2,146	2,376
Valuation and administration fees	2,146	2,376
Transaction costs	74,690	120,861
Miscellaneous expenses	20,640	16,743
	<u>248,264</u>	<u>305,886</u>
<b>Net income</b>	<u>183,237</u>	<u>43,438</u>
<b>Net gains or losses on value of investments and financial derivatives</b>		
Net gains/(losses) on investments	52,016	(3,574,892)
Net gains on foreign exchange spot contracts	1,787	926
Net losses on futures contracts	(4,129)	-
Net foreign exchange losses	(1,687)	(2,217)
	<u>47,987</u>	<u>(3,576,183)</u>
<b>Total return/(deficit) for the financial period before income tax</b>	231,224	(3,532,745)
<b>Less: Income tax</b>	(8,012)	(2,905)
<b>Total return/(deficit) for the financial period</b>	<u>223,212</u>	<u>(3,535,650)</u>

**STATEMENT OF FINANCIAL POSITION***As at 30 June 2023 (Unaudited)*

	<b>30 June 2023</b>	<b>31 December 2022</b>
	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>		
Portfolio of investments	21,094,933	20,746,522
Receivables	16,301	5,300
Due from brokers	297,582	122,654
Cash and cash equivalents	31,238	8,442
<b>Total assets</b>	<u>21,440,054</u>	<u>20,882,918</u>
<b>LIABILITIES</b>		
Payables	163,847	192,556
Due to brokers	286,481	-
Financial derivatives at fair value	47	-
<b>Total liabilities</b>	<u>450,375</u>	<u>192,556</u>
<b>EQUITY</b>		
Net assets attributable to unitholders	<u>20,989,679</u>	<u>20,690,362</u>

**STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS***For the half year ended 30 June 2023 (Unaudited)*

	<b>30 June 2023</b>	<b>31 December 2022</b>
	<b>\$</b>	<b>\$</b>
<b>Net assets attributable to unitholders at the beginning of financial period/year</b>	20,690,362	32,744,506
<b>Operations</b>		
Change in net assets attributable to unitholders resulting from operations	223,212	(2,867,647)
<b>Unitholders' contributions/(withdrawals)</b>		
Creation of units	2,864,264	4,395,464
Cancellation of units	(2,788,159)	(13,581,961)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	<u>76,105</u>	<u>(9,186,497)</u>
Total increase/(decrease) in net assets attributable to unitholders	299,317	(12,054,144)
<b>Net assets attributable to unitholders at the end of financial period/year</b>	<u>20,989,679</u>	<u>20,690,362</u>

**STATEMENT OF PORTFOLIO**

As at 30 June 2023 (Unaudited)

	Holdings at 30 June 2023	Fair value at 30 June 2023 \$	Percentage of total net assets attributable to unitholders at 30 June 2023 %
<b>By Industry (Primary)</b>			
<b>QUOTED EQUITIES</b>			
<b>FINANCIAL</b>			
DBS Group Holdings Limited	122,350	3,855,249	18.4
Oversea-Chinese Banking Corporation <sup>#</sup>	210,068	2,579,635	12.3
United Overseas Bank Limited	53,671	1,502,788	7.2
Vertex Technology Acquisition Corporation Limited	35,000	162,750	0.7
Vertex Technology Acquisition Warrants 31/12/2029	14,760	1,033	*
		8,101,455	38.6
<b>REAL ESTATE</b>			
Digital Core REIT	994,600	639,370	3.0
CapitaLand Integrated Commercial Trust	331,528	633,218	3.0
CapitaLand Ascendas REIT	220,816	600,620	2.9
CapitaLand Investment Limited	169,000	559,390	2.7
City Developments Limited	73,200	491,904	2.3
Mapletree Logistics Trust	246,100	398,682	1.9
Mapletree Pan Asia Commercial Trust	178,800	289,656	1.4
UOL Group Limited	39,400	252,948	1.2
Yanlord Land Group Limited	59,100	45,211	0.2
		3,910,999	18.6
<b>COMMUNICATIONS</b>			
Sea Limited ADR	29,244	2,297,070	10.9
Singapore Telecommunications Limited	620,580	1,551,450	7.4
		3,848,520	18.3

\* denotes amount less than 0.1%

<sup>#</sup> Ultimate holding company of the Manager

# LIONGLOBAL SINGAPORE TRUST FUND

	Holdings at 30 June 2023	Fair value at 30 June 2023 \$	Percentage of total net assets attributable to unitholders at 30 June 2023 %
<b>By Industry (Primary) (continued)</b>			
<b>QUOTED EQUITIES (continued)</b>			
<b>INDUSTRIAL</b>			
Seatrium Limited	4,707,566	588,446	2.8
Grab Holdings Limited	121,595	564,443	2.7
Singapore Airlines Limited	77,400	553,410	2.7
Keppel Corporation Limited	78,300	525,393	2.5
Mooreast Holdings Limited	3,238,000	453,320	2.2
Marco Polo Marine Limited	7,773,400	427,537	2.0
Singapore Technologies Engineering Limited	112,000	412,160	2.0
SATS Limited	42,200	108,876	0.5
Yangzijiang Shipbuilding Holdings Limited	46,400	69,600	0.3
Jardine Cycle & Carriage Limited	700	24,360	0.1
		<u>3,727,545</u>	<u>17.8</u>
<b>CONSUMER, NON-CYCLICAL</b>			
Wilmar International Limited	96,900	368,220	1.8
Top Glove Corporation Berhad	491,000	115,385	0.5
		<u>483,605</u>	<u>2.3</u>
<b>INFORMATION TECHNOLOGY</b>			
Venture Corporation Limited	13,600	200,056	1.0
CSE Global Limited	451,200	175,968	0.8
		<u>376,024</u>	<u>1.8</u>
<b>ENERGY</b>			
China Aviation Oil Singapore Corporation Limited	217,300	204,262	1.0
Dyna-Mac Holdings Limited	339,300	130,631	0.6
		<u>334,893</u>	<u>1.6</u>

# LIONGLOBAL SINGAPORE TRUST FUND

	Holdings at 30 June 2023	Fair value at 30 June 2023 \$	Percentage of total net assets attributable to unitholders at 30 June 2023 %
<b>By Industry (Primary) (continued)</b>			
<b>QUOTED EQUITIES (continued)</b>			
<b>CONSUMER DISCRETIONARY</b>			
Genting Singapore PLC	331,800	<u>311,892</u>	<u>1.5</u>
<b>Portfolio of investments</b>		21,094,933	100.5
<b>Other net liabilities</b>		<u>(105,254)</u>	<u>(0.5)</u>
<b>Net assets attributable to unitholders</b>		<u>20,989,679</u>	<u>100.0</u>

	Percentage of total net assets attributable to unitholders at	
	30 June 2023 %	31 December 2022 %
<b>By Industry (Summary)</b>		
Financial	38.6	45.1
Real Estate	18.6	16.1
Communications	18.3	18.0
Industrial	17.8	6.8
Consumer, Non-cyclical	2.3	3.8
Information Technology	1.8	4.5
Energy	1.6	2.5
Consumer Discretionary	1.5	3.5
<b>Portfolio of investments</b>	100.5	100.3
<b>Other net liabilities</b>	(0.5)	(0.3)
<b>Net assets attributable to unitholders</b>	100.0	100.0

\* denotes amount less than 0.1%

# LIONGLOBAL SINGAPORE TRUST FUND

	Fair value at 30 June 2023 \$	Percentage of total net assets attributable to unitholders at	
		30 June 2023 %	31 December 2022 %
<b>By Geography (Secondary)</b>			
Singapore	20,979,548	100.0	99.6
Malaysia	115,385	0.5	-
China	-	-	0.7
<b>Portfolio of investments</b>	21,094,933	100.5	100.3
<b>Other net liabilities</b>	(105,254)	(0.5)	(0.3)
<b>Net assets attributable to unitholders</b>	20,989,679	100.0	100.0

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