

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

February 2024 saw bond yields trending up as market dialed back expectations of earlier rate cut by Federal Reserve (Fed). Hotter than expected inflation indicators cast doubts on the disinflationary trajectory with Fed's preferred measure, core Personal Consumption Expenditures (PCE) accelerating sharply to 0.42% month-on-month, bringing 6 months annualized rate up to 2.5% from 1.9%. Other inflation indicators like Consumer Price Index (CPI) and Producer Price Index (PPI) came in higher than expected as well. On the job market front, job growth in January 2024 was robust with non-farm payroll increasing by 353k, far exceeding consensus of 185k. While other data was mixed with weak retail sales and durable goods order, the US economy remains in a solid position which underscores the lack of any urgency for earlier rate cuts. Fed governors continued to push back on rate cuts and Fed Governor Christopher Waller highlighted the risk of waiting a little longer to ease was lower than the risk of acting too soon. In contrast, some members of European Central Bank (ECB) governing council appeared to favor a cut in June 2024 while others advocated the need for more data and time. There were no new insights from the minutes of the January 2024 Federal Open Market Committee (FOMC) meeting either.

On the inflation front, many participants expect core non-housing services to decline more but a few expect the downward pressure on goods prices to moderate. Some participants were concerned about the risk of financial conditions being too loose which may disrupt the disinflationary progress. The minutes indicated that the FOMC will begin discussing the size of its balance sheet at the March 2024 meeting.

6-month Singapore Overnight Rate Average (SORA) was relatively flat in February 2024 and ended the month at 3.72%. On the other hand, the 6-month London Inter-Bank Offered Rate (LIBOR) was on an upward trend and was 11 basis points (bps) higher at 5.70%. In general, cutoffs for Monetary Authority of Singapore (MAS) bills were lower in February 2024 compared to January 2024 with cutoffs for 12-week bills coming in below 4% between 3.93% – 3.95%. For the 28 days bills, cutoffs were in the range of 3.91 – 4.02%.

Singapore's 4Q2023 economic growth was revised down to 1.2% Quarter-on-Quarter (Q-o-Q) versus advance estimates of 1.7%. Despite the downward revision, overall growth remained healthy and was slightly faster than the 1.0% Q-o-Q growth in 3Q2023. The Singapore economy expanded by 1.1% in 2023, moderating from the strong 3.8% post covid expansion in 2022. Overall growth was supported by the construction sector and services producing industries as the manufacturing sector contracted by 4.3% in 2023. Led by a turnaround in global electronics demand, the manufacturing and trade-related sectors are expected to see a gradual pickup in growth while continued recovery in air travel and tourism will continue to support growth, albeit at a slower pace. Gross Domestic Product (GDP) forecast for 2024 is maintained at 1.0% to 3.0%. Separately, FY2024 budget is expected to result in a deficit of 0.1% of GDP. The budget includes ongoing support for households such as the Assurance Package and measures for businesses to cope with rising prices.

Inflation surprised on the downside in January. MAS core inflation fell to 3.1% year-on-year in January 2024, down from 3.3% in December 2023 and lower than consensus of 3.6%. Similarly, headline inflation came in lower at 2.9% versus December 2023's figure of 3.7% and consensus of 3.8%. Despite a 1% increase in Goods & Services Tax (GST) in January 2024, food and services inflation fell with services inflation benefiting from a larger decline in travel-related expenses. Apart from lower core inflation, the decline in headline inflation was brought about by falls in accommodation and private transport inflation. The smaller increase in accommodation prices was due primarily to the disbursement of Service & Conservancy Charges rebate during the month. MAS projects headline and core inflation to average 1.5 – 2.5% for 2024 (excluding impact of GST increase). Inflationary pressures in 2024 are expected to be lower with lower imported inflation and cooling of labour market. With MAS sounding hawkish at the January meeting and core inflation still above MAS forecast range, the street is not expecting MAS to make any changes to its monetary policy.

All data are sourced from Lion Global Investors and Bloomberg as of 29 February 2024 unless otherwise stated.

Performance (%)

		1-year	3-years p.a.	5-years p.a.	10-years p.a.	Since Inception p.a.
SGD Class A¹	NAV	3.6	2.0	1.7	1.3	1.4
	Benchmark [#]	3.8	1.9	1.5	1.1	1.0
SGD Class L¹	NAV	3.8	NA	NA	NA	2.5
	Benchmark [#]	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 ⁵
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\$1.412
SGD Class L	S\$1.059
Fund Size:	S\$ 567.7 million
Weighted Yield to Maturity ² :	4.11 %
Weighted Duration ³ :	0.24 years
Weighted Credit Rating ⁴ :	A+

Country Allocation (% of NAV)

SINGAPORE	59.0%
CHINA	9.6%
AUSTRALIA	8.0%
KOREA, SOUTH	4.3%
UNITED KINGDOM	3.7%
JAPAN	2.5%
UNITED STATES	2.3%
INDONESIA	2.0%
CANADA	1.7%
UNITED ARAB EMIRATES	1.4%
HONG KONG	0.8%
GERMANY	0.6%
MALAYSIA	0.5%
FRANCE	0.5%
QATAR	0.2%
CASH EQUIVALENT	3.0%

Sector Allocation (% of NAV)

SOVEREIGN	39.7%
FINANCIAL	28.1%
REAL ESTATE	10.3%
INDUSTRIAL	9.1%
UTILITIES	5.1%
COMMUNICATIONS	2.0%
CONSUMER DISCRETIONARY	2.0%
BASIC MATERIALS	0.7%
CASH EQUIVALENT	3.0%

Codes

SGD Class A	SG9999002760 OCBSGDM
SGD Class L	SGXZ84554112 OCBSGDL SP

Currency Exposure (% of NAV)

SGD	99.7
USD	0.2
Others	0.1
	100.0

Credit Rating⁴ (% of NAV)

Investment Grade	100.0
	100.0

Top 10 Holdings (% of NAV)

MAS BILL (SER 28) ZCP 01/03/2024	4.4
MAS BILL (SER 84) ZCP 26/04/2024	4.4
MAS BILL (SER 31) ZCP 01/04/2024	4.0
MAS BILL (SER 84) ZCP 24/05/2024	3.5
BOC AVIATION USA CORP (SER REGS) (REG) (REG S) 1.625% 29/04/2024	3.3
MAS BILL (SER 84) ZCP 08/03/2024	3.2
MAS BILL (SER 84) ZCP 12/04/2024	3.1
CCT MTN PTE LTD (SER MTN) (REG S) 3.17% 05/03/2024	2.7
MAS BILL (SER 84) ZCP 01/03/2024	2.6
MAS BILL (SER 84) ZCP 05/04/2024	2.6

Benchmark:

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

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

¹Returns 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.

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

³ Inclusive of cash & equivalents which are assumed to be zero duration.

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

⁵ Supplementary Retirement Scheme ("SRS") monies may be used to purchase SGD Class Units only.

The above is based on information available as of 29 February 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

LionGlobal SGD Money Market Fund



For further information or to
obtain a copy of the prospectus:

Funds Hotline | +65 6417 6900
Facsimile | +65 6417 6806
www.lionglobalinvestors.com

Lion Global Investors Limited
65 Chulia Street #18-01
OCBC Centre
Singapore 049513

This advertisement or publication has not been reviewed by the Monetary Authority of Singapore. It is for information only, and is not a recommendation, offer or solicitation for the purchase or sale of any capital markets products or investments and does not have regard to your specific investment objectives, financial situation, tax position or needs.

You should read the prospectus and Product Highlights Sheet of the relevant fund which are available and may be obtained from Lion Global Investors Limited ("LGI") or any of its distributors, for further details including the risk factors and consider if a fund is suitable for you and seek such advice from a financial adviser if necessary, before deciding whether to invest in the fund. Applications for units in our funds must be made on forms accompanying the prospectus.

Investments in our funds are not obligations of, deposits in, guaranteed or insured by LGI or any of its affiliates and are subject to investment risks including the possible loss of the principal amount invested. The performance of a fund is not guaranteed and the value of units in a fund and the income accruing to the units, if any, may rise or fall. Past performance, payout yields and payments as well as any predictions, projections, or forecasts are not necessarily indicative of the future or likely performance, payout yields and payments of a fund. Any extraordinary performance may be due to exceptional circumstances which may not be sustainable. Dividend distributions, which may be either out of income and/or capital, are not guaranteed and subject to LGI's discretion. Any such dividend distributions will reduce the available capital for reinvestment and may result in an immediate decrease in the net asset value of the fund. Any references to specific securities are for illustration purposes and are not to be considered as recommendations to buy or sell the securities. It should not be assumed that investment in such specific securities will be profitable. There can be no assurance that any of the allocations or holdings presented will remain in the fund at the time this information is presented. Any information (which includes opinions, estimates, graphs, charts, formulae or devices) is subject to change or correction at any time without notice and is not to be relied on as advice. You are advised to conduct your own independent assessment and investigation of the relevance, accuracy, adequacy and reliability of any information or contained herein and seek professional advice on them. No warranty is given and no liability is accepted for any loss arising directly or indirectly as a result of you acting on such information. The fund may, where permitted by the prospectus, invest in financial derivative instruments for hedging purposes or for the purpose of efficient portfolio management. LGI, its related companies, their directors and/or employees may hold units of a fund and be engaged in purchasing or selling units of a fund for themselves or their clients.

This publication is issued in Singapore ©Lion Global Investors® Limited (UEN/ Registration No. 198601745D). All rights reserved. LGI is a Singapore incorporated company, and is not related to any corporation or trading entity that is domiciled in Europe or the United States (other than entities owned by its holding companies).