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LionGlobal Asia Bond Fund Delivering Outperformance in Asian Bonds

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Key points:

- LionGlobal Asia Bond Fund has performed well against its benchmark and peers
- Rolling 3-year returns have been positive since inception
- The investment process behind the fund combines credit selection, interest rate positioning and currency movements to generate returns
- The Fund has been managed by Veronica Ng since inception and has won various accolades for its strategy and performance

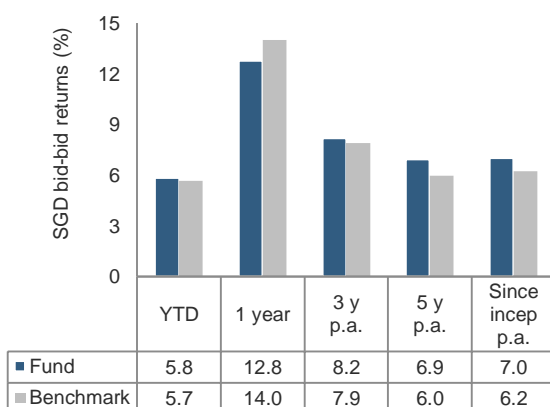
In the Asian hard currency bond universe, the LionGlobal Asian Bond fund has stood out across various measures, attaining industry recognition¹.

Over various periods, against benchmark and peers, the Fund has shown consistent performance with an investment process that combines credit selection, interest rate positioning and currency movements to generate returns.

Performance across time periods

The LionGlobal Asia Bond Fund has stayed ahead of its benchmark, surpassing the J.P. Morgan Asia Credit Index (JACI) over year-to-date (YTD), 3-year, 5-year periods, and since inception in bid-bid dividend reinvested SGD terms.

Chart 1: Fund beats benchmark across various timeframes

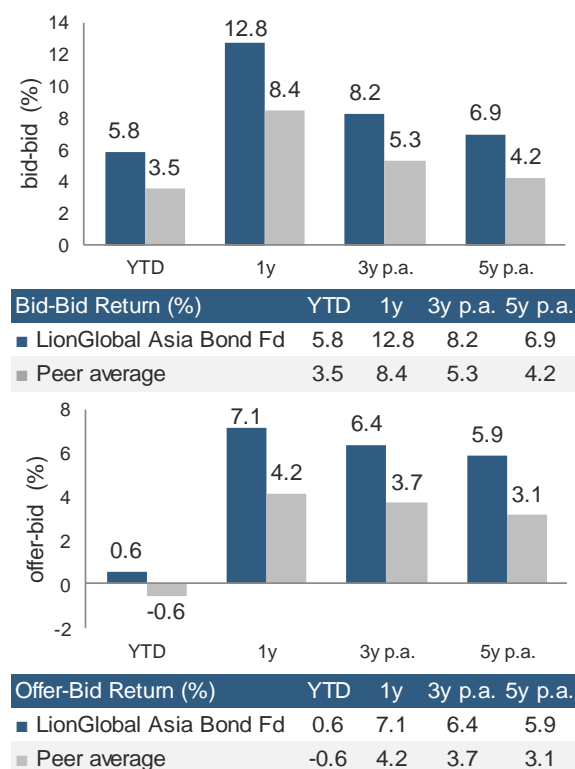


Inception Date: 1 December 2009. Benchmark: JPMorgan Asia Credit Index. Past performance of the scheme is not necessarily indicative of future performance. All performance numbers are calculated based on LionGlobal Asia Bond Fund SGD Class. Source: Morningstar, in bid-bid dividend reinvested SGD terms as at 31 July 2015.

Performance versus peers

Taking a peer group average which consists of 13 Asian bond funds with a comparable investment objective and universe, comparisons were made across YTD, 1-year, 3-year, and 5-year timeframes.

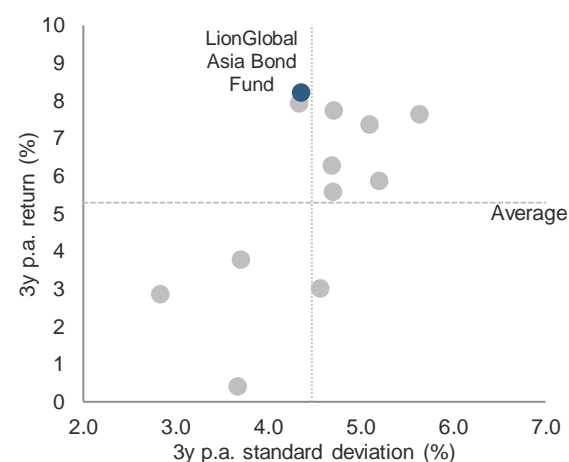
Chart 2: LionGlobal Asia Bond Fund versus peers



Past performance of the scheme is not necessarily indicative of future performance. Peers based on a sample of leading Asian fixed income funds. Source: Morningstar, in bid-bid dividend reinvested SGD terms, unless otherwise stated, as at 31 July 2015.

A comparison against active managers demonstrates that the team (and investment process) running the Fund is better than the average manager. On a risk-adjusted basis, the fund has posted an attractive rate of return at a lower level of risk as compared to its peers over a three-year comparison.

Chart 3: Above Average Return, Below Average Risk



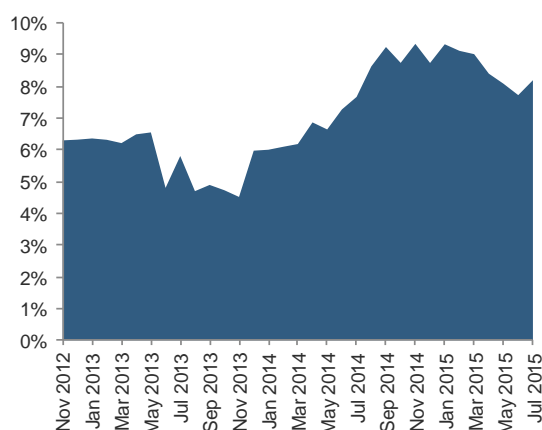
Past performance of the scheme is not necessarily indicative of future performance. Peers based on a sample of 11 leading Asian fixed income funds. Source: Morningstar, in bid-bid dividend reinvested SGD terms as at 31 July 2015.

In general, low risk funds provide lower returns as compared to higher risk funds. However, with less risk, investors are less likely to see sharp declines in the value of their investment. In the case of the LionGlobal Asia Bond Fund, a higher-than-average return is still delivered despite taking a lower risk, making it an attractive proposition for investors seeking a reasonable rate of return while managing risk.

Rolling 3-year performance

From an end-investor's perspective, the entry point of a fund can make a difference in returns. We have, therefore, taken reference to the rolling 3-year returns to illustrate how different entry points may affect returns.

Chart 4: Positive 3-year rolling returns since inception



Inception date: 1 December 2009. Past performance is no guarantee of future performance. Based on rolling 3-year annualised returns. Source: Morningstar, in bid-bid dividend reinvested SGD terms as at 31 July 2015.

Since the inception date, investors who have invested in the Fund for 3 years, regardless of the initial entry point, would have seen a positive return of between 4% - 9% p.a. over three years (in SGD bid-bid dividend reinvested terms).

Thus, based on absolute return, 3-year investors in the Fund would be well remunerated for the risk they have undertaken.

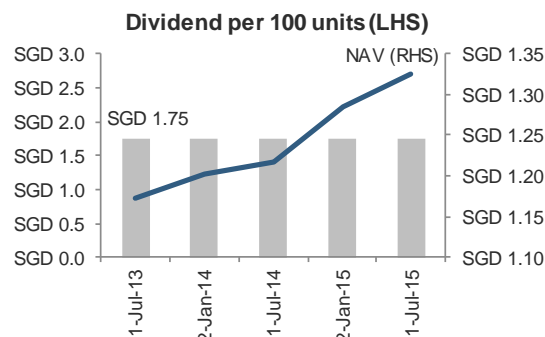
Consistency in investment process

The performance of a fund is determined by a well-developed investment process driven by a combination of credit selection, interest rate positioning and currency effects. The team behind the LionGlobal Asia Bond Fund is dedicated in establishing a profound understanding of each individual credit under their management, while staying abreast of broader macro themes.

Our in-house credit rating methodology provides us with a perspective that occasionally differs from credit rating agencies and as one of the drivers of performance is to exploit mispricing of credit risks in

issues, the weighted average portfolio credit rating may tend to be lower than the benchmark. The consistency of this investment process is supported by a regular payout.

Chart 5: Steady Payout, Rising NAV



Past performance is no guarantee of future results. Payouts are not guaranteed. Source: Lion Global Investors, as at 31 July 2015.

While maintaining a regular payout, the Fund's NAV has continued to rise, indicating that the Fund can maintain a sustainable level of payout with the potential for capital appreciation.

The team behind the Fund includes veteran fund manager Veronica Ng, who has managed the Fund since its inception. The Fund has won awards and recognition from the industry, receiving awards for "Asia Pacific Hard Currency" and "Asian Fixed Income, USD" in 2015 for its performance from Citywire Asia and AsianInvestor¹ respectively.

Looking Ahead

In the coming months, we expect fundamentals in Asia to remain constructive, as the stable macro backdrop, low inflationary pressures and generally positive fiscal and current account trends underpin Asian economic growth. However, various factors continue to affect Asian credit markets, including the pace of US rate normalisation amid stronger economic data, the impact of the evolving Greek debt situation, and market volatility in China.

The team will continue to apply the same investment process and discipline that has won industry recognition¹. The LionGlobal Asia Bond Fund is a viable option for investors seeking favourable returns at lower risk.

¹ Source: Lion Global Investors, full list of awards is available at <http://www.lionglobalinvestors.com>

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