

利安資金新加坡信託基金 年度財務報告

(中文簡譯本)

2009年12月31日

利安資金管理公司

Lion Global Investors Limited

www.lookforLion.com

永豐證券投資顧問股份有限公司

SinoPac Capital Management Corp.

scm.sinotrade.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。

利安資金新加坡信託基金財務報告

獨立稽核報告

致利安資金新加坡信託基金股東

我們業已審計利安資金新加坡信託基金財務報告包含11頁至29頁中，資產負債表、投資組合表截至2009年12月31日，以及截至該年度底的總投資報酬表，重要會計準則及其他附註。

基金經理公司對本財務報表之責任

基金經理公司有責任依據新加坡會計師協會所發佈之會計財務報表實務七中『單位信託基金財務報告之架構』之建議事項以準備及誠實提出此等財務報表。其責任包含設計、執行並維持關於財務報表準備及誠實提供內部控制制度以免於重大不實陳述-無論係詐欺或是疏失，選擇並適用合適的會計準則，並做成合理之會計估計。

會計師之責任

我們的責任在於依據我們之審計就該等財務報表表示意見。我們係依據新加坡會計標準進行查核。該標準要求我們須符合道德要求，計畫並且執行稽核，以確保財務報表無重大不實陳述。

稽核包含以抽查方式獲取那些用來佐證財務報表裡的金額並揭露事項的查核證據。抽查方式依據會計師之判斷，包含財務報表重大不實陳述之風險估算，無論係詐欺或是疏失。在進行此等風險估算時，會計師會考量該事業之準備及誠實提出此等財務報表之內控制度，以設計合理之稽核方式，而非為了對該事業之內控制度是否有效來表示意見。稽核也包括查核基金經理公司在編製財務報表過程中所使用的會計原理與會計估計之合理性與評價整體財務報表呈現。

相信我們所取得之查核證據為我們之稽核意見提供充分且適當之基礎。

意見

在我們看來，本財務報表符合新加坡會計師協會所發佈之會計財務報表實務七中『單位信託基金財務報告之架構』之建議事項，且對本基金的財務狀況在2009年12月31日結算時的經營狀況和淨資產變化呈現一個真實公平的看法。

PricewaterhouseCoopers LLP

Public Accountants and Certified Public Accountants

Singapore

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永豐證券投資顧問股份有限公司(99)金管投顧新字第零零參號 台北市中山區八德路二段306號8樓(02)8161-8319

利安資金新加坡信託基金財務報告

總投資報酬表

2009年1月1日至2009年12月31日

	附註	2009 S\$	2008 S\$
收入			
股利		1,451,520	1,609,144
利息		617	7,894
其他收益		-	70
		<u>1,452,137</u>	<u>1,617,108</u>
減項：費用			
審計費		15,329	9,056
託管費		7,107	12,807
管理費		394,010	464,171
專業費		23,690	12,751
登錄費		20,066	24,763
受託公司費		25,696	31,510
評價行政費		13,992	16,900
其他費用		46,769	51,147
		<u>546,659</u>	<u>623,105</u>
淨收入		<u>905,478</u>	<u>994,003</u>
淨投資收益/(損失)			
已實現淨投資收益/(損失)		(708,216)	(7,837,348)
已實現金融衍生性商品淨變現收益/(損失)		412	(2,126)
淨投資變現公平價值		18,120,052	(18,453,271)
未實現金融衍生性商品淨變現收益/(損失)		(61)	
兌換收益/(損失)		4,943	18,084
		<u>17,417,130</u>	<u>(26,274,661)</u>
稅前總投資報酬/(虧損)		<u>18,322,608</u>	<u>(25,280,658)</u>
減項：所得稅	3	(20,772)	(27,636)
分配前總投資報酬/(虧損)		<u>18,301,836</u>	<u>(25,308,294)</u>
減項：分配	4	-	-
期間總投資報酬/(虧損)		<u>18,301,836</u>	<u>(25,308,294)</u>

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利安資金新加坡信託基金財務報告

資產負債表 2009年12月31日

	附註	2009/12/31 S\$	2008/12/31 S\$
資產			
投資組合		45,690,268	23,613,139
應收帳款	5	171,227	132,997
定存	6	-	901,037
現金及銀行存款	7	1,055,981	455,237
總資產		46,917,476	25,102,410
負債			
應付款項	8	217,272	391,311
金融衍生性商品公平價值	9	61	-
基金單位持有人資產淨值	10	46,700,143	24,711,099
總負債		46,917,476	25,102,410

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LionGlobal Singapore Trust Fund

Annual Report

For the financial year ended 31 December 2009

Managers

Lion Global Investors Limited
One George Street #08-01
Singapore 049145

Directors of Lion Global Investors Limited

Ng Keng Hooi (Chairman)
David Philbrick Conner (Deputy Chairman)
Daniel Chan Choong Seng (CEO)
Soon Tit Koon
Andrew Lee Kok Keng
Cheong Jin Keat
Yoon Mun Thim

Trustee/Custodian

British and Malayan Trustees Limited
1 Coleman Street #08-01
The Adelphi
Singapore 179803

Independent Auditor

PricewaterhouseCoopers LLP
8 Cross Street #17-00
PWC Building
Singapore 048424

Registrar

HSBC Institutional Trust Services (Singapore) Limited
21 Collyer Quay
#14-01 HSBC Building
Singapore 049320

LIONGLOBAL SINGAPORE TRUST FUND

PERFORMANCE OF THE FUND

For the year ended 31 December 2009

Returns for the Fund are calculated up to 31 December 2009 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	9.5	9.4
6 months	28.4	27.1
1 year	70.1	69.5
3 years	1.6	7.6
5 years	65.6	69.7
10 years	56.0	37.7
Since Inception (3 March 1989)	452.8	182.0

Returns for the Fund are calculated up to 31 December 2009 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	10.0	9.8
6 months	32.4	31.0
1 year	74.7	74.0
3 years	11.1	17.6
5 years	92.6	97.3
Since Inception (2 August 2004)	117.2	127.0

Source: Morningstar/Lion Global Investors Ltd

** Benchmark:*

DBS CPF Index: Inception to 30 November 1999

MSCI Singapore: From 1 December 1999

FUND AND MARKET REVIEW

For the year ended 31 December 2009, the Fund gained 70.1% outperforming the benchmark which rose 69.5%, in Singapore dollar terms.

The collapse in global trade in the wake of the global financial meltdown has led to Singapore's open economy reaching its bottom in the first quarter of 2009, with a year-on-year contraction of -10.1% versus -4.2% in the fourth quarter of 2008. The Singapore government unveiled a SGD20.5 billion fiscal stimulus package aimed at helping businesses and individuals to tide over the recession. Singapore's GDP improved and would likely register a 2.1% contraction for 2009.

While the economic recovery gained traction, the real estate sector saw a sharp increase in prices driven by increased buyer confidence and an exceptionally low interest rate environment. This led to the introduction of cooling measures by the government, such as increasing the supply of land available and removal of the interest absorption scheme and interest-only loans.

In contrast to 2008, cyclical stocks including commodities, offshore and marine, and property were out-performers in 2009, while defensive high-yield sectors such as telecommunications and land transportation underperformed. While large cap stocks led the recovery, the performance of small and mid cap stocks lagged. In particular, the S-shares suffered a massive blow to their reputation as certain Chinese listings ran into corporate governance, accounting scandal and going concern issues.

During the year, the portfolio outperformed in energy, information technology, REIT and healthcare sectors. It lagged in industrial and consumer sectors.

STRATEGY AND OUTLOOK

After the strong rally in the last nine months, the equities market could offer a more normalised return scenario going forward, as corporate earnings expectations appear to be largely priced into stocks. In Singapore, the government has projected 2010 GDP growth at 3 to 5%, and maintained 2009 forecast at -2.5 to -2.0%. Consumer price index inflation forecast for 2010 has been revised upwards to 2.5 - 3.5% from 1 - 2%.

In the near to medium term, we believe the low interest rate environment should continue to be supportive of asset markets. However, the government is also concerned by the rapidly rising property market and hence announced measures to cool the market. Earnings upgrades should continue, albeit at a slower pace. We would look for a more positive top-line and improving margins over the next year, supported by operational efficiencies and a benign interest rate environment.

Longer term, we expect a higher population base and the two integrated resorts to drive tourism, generate more domestic consumption and create a more vibrant services sector. Job creation and investment spending are likely to continue, driven by the government's expenditure and foreign direct investments.

In view of improving economic fundamentals, we would be positioned in banks as interest rates are expected to trend up and loan growth stabilise and poised for future growth. For a major re-rating to take place, banks' return on equity should begin to expand going forward. The REIT sector remains undervalued and offers attractive risk-reward proposition over next 3 to 6 months. Domestic segments like hotels and business, travel-related services could benefit from a stronger Singapore brand as a business and holiday destination. The telecom and healthcare sectors are likely to remain stable on earnings consistency. The poor earnings outlook in the transportation and office sectors could drag down market earnings for 2009 and likely 2010. But we see these sectors as potentially profitable investments from a global trade recovery perspective, given the low consensus earnings expectations.

DISCLOSURES ON THE FUND ¹

For the financial year ended 31 December 2009

1. DISTRIBUTION OF INVESTMENTS AS AT 31 DECEMBER 2009

	Fair Value \$	Percentage of total net assets attributable to unitholders %
<i>a) By Asset Class</i>		
Equities	45,690,268	97.8
Cash and cash equivalents	1,009,875	2.2
Net assets attributable to unitholders	<u>46,700,143</u>	<u>100.0</u>
<i>b) By Credit Rating of Debt Securities</i>		
Not applicable		
<i>c) By Derivative Type</i>		
Spot foreign exchange contract	<u>(61)</u>	<u>*</u>

* Denotes amount less than 0.1%

¹ As required by the Code on Collective Investment Schemes

2. TOP 10 HOLDINGS

As at 31 December 2009

	Fair Value \$	Percentage of total net assets attributable to unitholders %
DBS Group Holdings Limited	5,429,140	11.6
United Overseas Bank Limited	4,942,435	10.6
Singapore Telecommunications Limited	4,536,168	9.7
Oversea-Chinese Banking Corporation	3,468,353	7.4
Singapore Airlines Limited	3,263,100	7.0
CapitaLand Limited	2,427,272	5.2
Keppel Corporation Limited	2,030,340	4.3
Raffles Medical Group Limited	1,668,370	3.5
City Developments Limited	1,460,500	3.1
Singapore Airport Terminal Services Limited	1,257,247	2.7

As at 31 December 2008

	Fair Value \$	Percentage of total net assets attributable to unitholders %
Singapore Telecommunications Limited	3,731,364	15.1
United Overseas Bank Limited	3,239,706	13.1
DBS Group Holdings Limited	2,304,340	9.3
Oversea-Chinese Banking Corporation	1,814,164	7.3
Singapore Exchange Limited	1,003,860	4.1
CapitaLand Limited	982,760	4.0
City Developments Limited	808,990	3.3
Raffles Medical Group Limited	782,408	3.2
Singapore Airlines Limited	686,860	2.8
StarHub Limited	656,200	2.6

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

Nil

4. BORROWINGS

Nil

5. SOFT DOLLAR COMMISSION RECEIVED BY THE MANAGERS

The soft dollar commissions from various brokers for the 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.

6. OTHER MATERIAL INFORMATION

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

7. SUPPLEMENTAL INFORMATION ON UNDERLYING SUB-FUNDS

Not applicable

REPORT OF THE TRUSTEE

The Trustee is under a duty to take into custody and to hold the assets of LionGlobal Singapore Trust Fund (the "Fund") in trust for the unitholders. In accordance with the Securities and Futures Act (Cap. 289), its subsidiary legislation and the Code on Collective Investment Schemes (collectively referred to as the "laws and regulations"), the Trustee shall monitor the activities of the Managers for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting period and report thereon to unitholders in an annual report which shall contain the matters prescribed by the laws and regulations as well as the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore and the Trust Deed.

To the best knowledge of the Trustee, the Managers have, in all material respects, managed the Fund during the period covered by these financial statements, set out on pages 11 to 29 comprising the Statement of Total Return, Balance Sheet, Portfolio Statement and Notes to the Financial Statements, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed, laws and regulations and otherwise in accordance with the provisions of the Trust Deed.

For and on behalf of the Trustee
BRITISH AND MALAYAN TRUSTEES LIMITED

LINDA HO
General Manager

STATEMENT BY THE MANAGERS

In the opinion of the directors of Lion Global Investors Limited, the accompanying financial statements set out on pages 11 to 29, comprising the Statement of Total Return, Balance Sheet, Portfolio Statement and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position of LionGlobal Singapore Trust Fund (the "Fund") as at 31 December 2009 and the total return for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore. 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 directors of
LION GLOBAL INVESTORS LIMITED

DANIEL CHAN CHOONG SENG
CEO

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

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

We have audited the accompanying financial statements of LionGlobal Singapore Trust Fund (the "Fund") set out on pages 11 to 29, which comprise the Balance Sheet and Portfolio Statement as at 31 December 2009, the Statement of Total Return for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Manager's Responsibility for the Financial Statements

The Fund's 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 Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Fund's Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2009 and the total return for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore.

PricewaterhouseCoopers LLP
Public Accountants and Certified Public Accountants

Singapore

LIONGLOBAL SINGAPORE TRUST FUND

STATEMENT OF TOTAL RETURN

For the financial year ended 31 December 2009

	Note	2009 \$	2008 \$
Income			
Dividends		1,451,520	1,609,144
Interest		617	7,894
Other income		-	70
		<u>1,452,137</u>	<u>1,617,108</u>
Less: Expenses			
Audit fee		15,329	9,056
Custodian fees		7,107	12,807
Management fee		394,010	464,171
Professional fees		23,690	12,751
Registration fee		20,066	24,763
Trustee fee		25,696	31,510
Valuation and administration fees		13,992	16,900
Miscellaneous expenses		46,769	51,147
		<u>546,659</u>	<u>623,105</u>
Net income		<u>905,478</u>	<u>994,003</u>
Net gains or losses on investments			
Net realised losses on investments		(708,216)	(7,837,348)
Net realised gains/(losses) on financial derivatives		412	(2,126)
Net change in fair value of investments		18,120,052	(18,453,271)
Net unrealised losses on financial derivatives		(61)	-
Net foreign exchange gains		4,943	18,084
		<u>17,417,130</u>	<u>(26,274,661)</u>
Total return/(deficit) for the year before income tax		18,322,608	(25,280,658)
Less: Income tax	3	<u>(20,772)</u>	<u>(27,636)</u>
Total return/(deficit) for the year after income tax before distribution		18,301,836	(25,308,294)
Less: Distribution	4	-	-
Total return/(deficit) for the year		<u>18,301,836</u>	<u>(25,308,294)</u>

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

LIONGLOBAL SINGAPORE TRUST FUND

BALANCE SHEET

As at 31 December 2009

	Note	2009 \$	2008 \$
ASSETS			
Portfolio of investments		45,690,268	23,613,139
Receivables	5	171,227	132,997
Fixed deposits	6	-	901,037
Cash and bank balances	7	1,055,981	455,237
Total assets		<u>46,917,476</u>	<u>25,102,410</u>
LIABILITIES			
Payables	8	217,272	391,311
Financial derivatives at fair value	9	61	-
Net assets attributable to unitholders	10	46,700,143	24,711,099
Total liabilities		<u>46,917,476</u>	<u>25,102,410</u>

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

LIONGLOBAL SINGAPORE TRUST FUND

PORTFOLIO STATEMENT

As at 31 December 2009

	Holdings at 31 December 2009	Fair value at 31 December 2009 \$	Percentage of total net assets attributable to unitholders at 31 December 2009 %
By Industry (Primary)			
QUOTED			
FINANCIAL			
DBS Group Holdings Limited	353,000	5,429,140	11.6
United Overseas Bank Limited	251,140	4,942,435	10.6
Oversea-Chinese Banking Corporation*	381,557	3,468,353	7.4
CapitaLand Limited	577,922	2,427,272	5.2
City Developments Limited	127,000	1,460,500	3.1
Ascendas Real Estate Investment Trust	510,000	1,127,100	2.4
CapitaCommercial Trust	920,000	1,067,200	2.3
Singapore Exchange Limited	113,000	940,160	2.0
Wing Tai Holdings Limited	504,000	922,320	2.0
CapitaRetail China Trust	719,000	920,320	2.0
Hongkong Land Holdings Limited	115,000	787,897	1.7
Ascendas India Trust	808,000	787,800	1.7
CapitaMall Trust	357,000	639,030	1.4
CDL Hospitality Trusts	317,000	551,580	1.2
Ascott Residence Trust	452,000	542,400	1.2
CapitaMalls Asia Limited	194,000	492,760	1.0
UOL Group Limited	114,000	462,840	1.0
		<u>26,969,107</u>	<u>57.8</u>
COMMUNICATIONS			
Singapore Telecommunications Limited	1,463,280	<u>4,536,168</u>	<u>9.7</u>

* ultimate holding company of the Managers

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

LIONGLOBAL SINGAPORE TRUST FUND

	Holdings at 31 December 2009	Fair value at 31 December 2009 \$	Percentage of total net assets attributable to unitholders at 31 December 2009 %
INDUSTRIAL			
Singapore Airport Terminal Services Limited	460,530	1,257,247	2.7
Singapore Technologies Engineering Limited	261,000	845,640	1.8
Neptune Orient Lines Limited	478,000	788,700	1.7
Singapore Post Limited	755,000	762,550	1.6
Venture Corporation Limited	43,000	380,120	0.8
SBS Transit Limited	77,500	135,625	0.3
Hyflux Limited	23,000	81,650	0.2
		<u>4,251,532</u>	<u>9.1</u>
CONSUMER, CYCLICAL			
Singapore Airlines Limited	219,000	3,263,100	7.0
Tat Hong Holdings Limited Call Warrants due 02/08/2013	37,400	2,431	**
		<u>3,265,531</u>	<u>7.0</u>
CONSUMER, NON-CYCLICAL			
Raffles Medical Group Limited	1,150,600	1,668,370	3.5
Wilmar International Limited	174,000	1,118,820	2.4
		<u>2,787,190</u>	<u>5.9</u>
DIVERSIFIED			
Keppel Corporation Limited	247,000	2,030,340	4.3

** denotes amount less than 0.1%

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

LIONGLOBAL SINGAPORE TRUST FUND

	Holdings at 31 December 2009	Fair value at 31 December 2009 \$	Percentage of total net assets attributable to unitholders at 31 December 2009 %
ENERGY			
Straits Asia Resources Limited	414,000	1,076,400	2.3
TECHNOLOGY			
CSE Global Limited	900,000	774,000	1.7
UNQUOTED			
NIL			
Portfolio of investments		45,690,268	97.8
Other net assets		1,009,875	2.2
Net assets attributable to unitholders		46,700,143	100.0

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

LIONGLOBAL SINGAPORE TRUST FUND

	Percentage of total net assets attributable to unitholders at	
	31 December 2009	31 December 2008
	%	%
By Industry (Summary)		
Financial	57.8	52.0
Communications	9.7	17.7
Industrial	9.1	10.7
Consumer, Cyclical	7.0	3.8
Consumer, Non-Cyclical	5.9	5.8
Diversified	4.3	2.5
Energy	2.3	1.7
Technology	1.7	1.4
Portfolio of investments	97.8	95.6
Other net assets	2.2	4.4
Net assets attributable to unitholders	100.0	100.0

	Fair value at	Percentage of total net assets attributable to unitholders at	
		31 December 2009	31 December 2008
	\$	%	%
By Geography (Secondary)			
Singapore	44,902,371	96.1	94.6
Hong Kong	787,897	1.7	1.0
Portfolio of investments	45,690,268	97.8	95.6
Other net assets	1,009,875	2.2	4.4
Net assets attributable to unitholders	46,700,143	100.0	100.0

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2009

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

1. GENERAL

LionGlobal Singapore Trust Fund (the “Fund”) is a unit trust constituted by a Deed of Trust dated 1 February 1989 together with its Supplemental Deeds thereon (hereafter referred to as “Trust Deed”) between Lion Global Investors Limited (the “Managers”) and British and Malayan Trustees Limited (the “Trustee”). The Trust Deed is governed by the laws of the Republic of Singapore. The Fund is a unit trust under the Central Provident Fund Investment Scheme.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention 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 Unit Trusts” issued by the Institute of Certified Public Accountants of Singapore (“ICPAS”).

(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.

(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 Managers 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) Distribution

The Managers have the absolute discretion to determine whether a distribution is to be made. In such an event, an appropriate amount will be transferred to a distribution account to be paid out on the distribution date. The amount shall not be treated as part of the property of the Fund.

(e) 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 sales of investments are computed on the basis of the difference between the weighted average cost and selling price net of transaction costs, and are taken up in the Statement of Total Return.

(f) Basis of valuation of investments

The fair value of investments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price for the investments held by the Fund is the current market quoted bid price.

(g) 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.

(h) Foreign currencies

(i) Functional and presentation currency

The Fund's investors are mainly from Singapore with the subscriptions and redemptions of the units denominated in Singapore dollars and United States dollars. The primary activity of the Fund is to invest in securities listed on the Main Board of The Singapore Exchange Securities Trading Limited ("SGX-ST") and on the Catalist (formerly known as the SGX-ST Dealing and Automated Quotation System ("SESDAQ")).

The performance of the Fund is measured and reported to the investors in Singapore dollars. The Managers consider 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 at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies 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 fair value net gain or loss.

3. INCOME TAX

The Fund was granted the status of a Designated Unit Trust and included under the Central Provident Fund Investment Scheme and, therefore, the following income is exempted from tax in accordance with Section 35(12) and (12A) of the Income Tax Act (Cap 134):

- (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);
- (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; and
- (e) distributions from foreign unit trusts derived from outside Singapore and received in Singapore.

	2009	2008
	\$	\$
Singapore income tax	<u>20,772</u>	<u>27,636</u>

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

4. DISTRIBUTION

The Managers do not propose any distribution to unitholders for the financial year ended 31 December 2009 (2008: Nil).

5. RECEIVABLES

	2009	2008
	\$	\$
Amount receivable for creation of units	80,504	51,044
Dividends receivable	90,723	81,943
Interest receivable from a bank which is a non-related company	-	10
	<u>171,227</u>	<u>132,997</u>

6. FIXED DEPOSITS

There was no fixed deposit placed as at 31 December 2009.

As at 31 December 2008, fixed deposit was placed with a bank which is a non-related company. It had a maturity of 5 days from the end of that financial year and an effective interest rate of 0.40%.

7. CASH AND BANK BALANCES

The cash and bank balances are placed with a non-related financial institution.

8. PAYABLES

	2009	2008
	\$	\$
Amount payable for cancellation of units	126,210	283,983
Amount due to Managers	43,898	75,022
Amount due to Trustee	8,154	4,893
Amount due to Custodian	1,019	1,019
Amount due to Registrar	5,046	3,302
Other payables	32,945	23,092
	<u>217,272</u>	<u>391,311</u>

9. FINANCIAL DERIVATIVES AT FAIR VALUE

As at 31 December 2009, financial derivative contract comprises spot foreign exchange contract due for settlement within 4 days from balance sheet date. The contract or underlying principal amounts of these financial derivatives and their corresponding gross fair values at the balance sheet date are analysed below.

31 December 2009

	Contract or underlying principal amount	Fair value	
		Asset	Liability
	\$	\$	\$
Spot foreign exchange contract	<u>28,079</u>	<u>-</u>	<u>61</u>

As at 31 December 2008 there was no commitment under financial derivative contract.

10. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	2009 \$	2008 \$
At beginning of financial year	24,711,099	52,062,458
Operations		
Change in net assets attributable to unitholders resulting from operations	18,301,836	(25,308,294)
Unitholders' contributions/(withdrawals)		
Creation of units	10,450,181	40,663,422
Cancellation of units	(6,762,973)	(42,706,487)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	3,687,208	(2,043,065)
Total increase/(decrease) in net assets attributable to unitholders	21,989,044	(27,351,359)
At end of financial year	46,700,143	24,711,099
Units in issue (see Note 11)	20,653,457	18,574,109
Net assets attributable to unitholders per unit	2.261	1.330

Reconciliation of net assets attributable to unitholders per unit for issuing/redeeming units at financial year end and the net assets attributable to unitholders per unit per the financial statements:

	2009 \$	2008 \$
Net assets attributable to unitholders per unit for issuing/redeeming units	2.266	1.332
Effect of adopting bid prices as fair value	(0.005)	(0.002)
Net assets attributable to unitholders per unit per the financial statements	2.261	1.330

Quoted investments have been valued at the current bid prices in accordance with the recommendations of Statement of Recommended Accounting Practice 7. For the purpose of the net assets attributable to unitholders per unit calculation for the issuance and redemption of units, quoted investments are stated at the last available transacted price, in accordance with the Code on Collective Investment Schemes.

11. UNITS IN ISSUE

	2009	2008
	Units	Units
Units at beginning of the year	18,574,109	19,772,888
Units created	5,863,446	17,937,874
Units cancelled	<u>(3,784,098)</u>	<u>(19,136,653)</u>
Units at end of the year	<u>20,653,457</u>	<u>18,574,109</u>
of which, units denominated in		
- USD	<u>888,483</u>	<u>999,331</u>

12. 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 equity investments. 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 Managers 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 Managers monitor the Fund's investments closely so as to assess changes in fundamentals and valuation. Although the Managers make reasonable efforts in the choice of investments, events beyond reasonable control of the Managers 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.

The Fund's market risk is affected primarily by changes in three components: changes in actual market prices, interest rate volatilities and foreign exchange movements.

(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 movements are measured against the daily price movement of the benchmark to derive the beta.

As at 31 December 2009, the Fund beta was 0.88 (2008: 0.81) which is calculated based on the daily returns over the preceding 12 months for the Fund and benchmark (2008 is based on the daily returns over the preceding 12 months for the Fund and 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 2009 and 2008. The analysis was based on the assumptions that the index components within the benchmark 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 12% (2008: 12%) movement in benchmark on net assets attributable to the unitholders	
		2009 \$	2008 \$
	MSCI Singapore Index	4,931,535	2,415,856

(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.

Investment funds that invest in equity securities may be subject to interest rate risk as any interest rate change may affect the equity risk premium though at varying degrees. To manage this risk, the Managers analyse how interest rate changes may affect different industries and securities and then seeks to adjust the Fund's portfolio investments accordingly. However, the effects of changes in interest rates on the Fund's portfolio may not be quantified as the relationship between interest rates and the value of the equity securities is indirect. Consequently, no separate sensitivity analysis has been presented.

(iii) Currency risk

The Fund has monetary financial assets/liabilities denominated in currencies other than Singapore dollars 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 on-balance sheet exposure to currency risks for the Fund.

31 December 2009	USD	SGD	Total
	\$	\$	\$
Assets			
Portfolio of investments	787,897	44,902,371	45,690,268
Receivables	1,828	169,399	171,227
Cash and bank balances	8,637	1,047,344	1,055,981
Total assets	798,362	46,119,114	46,917,476
Liabilities			
Payables	32,157	185,115	217,272
Net assets attributable to unitholders	-	46,700,143	46,700,143
Total liabilities	32,157	46,885,258	46,917,415
Net financial assets/(liabilities)	766,205	(766,144)	61
Fair value of currency spot and financial derivatives	28,079	(28,140)	(61)
Currency exposure	794,284	(794,284)	

LIONGLOBAL SINGAPORE TRUST FUND

31 December 2008	USD \$	SGD \$	Total \$
Assets			
Portfolio of investments	249,106	23,364,033	23,613,139
Receivables	8,120	124,877	132,997
Fixed deposits	-	901,037	901,037
Cash and bank balances	64,734	390,503	455,237
Total assets	<u>321,960</u>	<u>24,780,450</u>	<u>25,102,410</u>
Liabilities			
Payables	1,203	390,108	391,311
Net assets attributable to unitholders	-	24,711,099	24,711,099
Total liabilities	<u>1,203</u>	<u>25,101,207</u>	<u>25,102,410</u>
Net financial assets/(liabilities)	320,757	(320,757)	-
Fair value of currency spot and financial derivatives	-	-	-
Currency exposure	<u>320,757</u>	<u>(320,757)</u>	

Equity 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 other 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 2009 and 2008, the Fund's exposure to foreign currency fluctuations with respect to the monetary assets/liabilities is not considered to be significant and consequently no sensitivity analysis on foreign currency risk has been presented.

(b) Liquidity risk

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 an 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 balance sheet 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.

31 December 2009	Less than 3 months \$	3 months- 1 year \$	1-5 years \$	Above 5 years \$
Payables	217,272	-	-	-
Financial derivatives at fair value	61	-	-	-
Net assets attributable to unitholders*	46,700,143	-	-	-
31 December 2008	Less than 3 months \$	3 months- 1 year \$	1-5 years \$	Above 5 years \$
Payables	391,311	-	-	-
Net assets attributable to unitholders*	24,711,099	-	-	-

*Net assets attributable to unitholders are repayable on demand.

(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.

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 Managers minimise the Fund's credit risk by undertaking transactions with banks that are part of banking groups with good credit-ratings assigned by international credit rating agencies.

The tables below summarise the credit rating of banks and custodian in which the Fund's assets are held as at 31 December 2009 and 2008.

31 December 2009	Credit Rating ##	Source of Credit Rating
<u>Custodian</u>		
British and Malayan Trustees Limited	Not rated	-
<u>Bank</u>		
The Hongkong and Shanghai Banking Corporation Limited	AA-	S&P
 31 December 2008		
<u>Custodian</u>		
British and Malayan Trustees Limited	Not rated	-
<u>Bank</u>		
The Hongkong and Shanghai Banking Corporation Limited	AA-	S&P
Barclays Bank PLC	AA-	S&P

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

Group credit ratings are presented for unrated subsidiaries.

(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.

13. RELATED PARTY TRANSACTIONS

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:

	2009	2008
	\$	\$
Brokerage on purchases and sales of investments charged by the ultimate holding company of the Managers	-	2,630

14. FINANCIAL RATIOS

	2009	2008
	%	%
Expense ratio ¹	1.59	1.55
Portfolio turnover ratio ²	43	40

15. COMPARATIVES

Certain comparative information in the financial statements for the year ended 31 December 2008 has been restated from the previous year, to be consistent with the current year presentation.

¹ The expense ratio does not include (where applicable) brokerage and other transaction 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.

² The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes.

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