

LionGlobal Singapore Balanced Fund

Semi-Annual Report
For the half year ended 30 June 2008

Managers

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

Directors of Lion Global Investors Limited

Tan Beng Lee (Chairman)
David Philbrick Conner (Deputy Chairman)
Daniel Chan Choong Seng (CEO & Chief Investment Officer)
Soon Tit Koon
Andrew Lee Kok Keng
Loh Sook Mee (Mrs)
Chan Choong Tho

Trustee/Custodian/ Registrar

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

Auditors

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

LIONGLOBAL SINGAPORE BALANCED FUND

PERFORMANCE OF THE FUND

For the half year ended 30 June 2008

Returns for the fund are calculated up to 30 June 2008 in SGD terms, based on single pricing, with dividends reinvested net of all charges payable upon reinvestment.

Time Period	Fund Returns (%) LionGlobal Singapore Balanced Fund - SGD Class	Benchmark Returns (%) (50% STI + 50% CPF Ordinary Rate)
3 months	-1.1	-0.6
6 months	-9.0	-6.8
1 year	-11.7	-6.9
3 years	35.6	21.3
5 years	79.8	54.1
10 years	179.4	103.7
Since Inception (22 September 1995)	111.6	57.2

Returns for the fund are calculated up to 30 June 2008 in USD terms, based on single pricing, with dividends reinvested net of all charges payable upon reinvestment.

Time Period	Fund Returns (%) LionGlobal Singapore Balanced Fund - USD Class	Benchmark Returns (%) (50% STI + 50% CPF Ordinary Rate)
3 months	0.4	0.8
6 months	-3.6	-1.3
1 year	-0.7	4.8
3 years	68.1	50.7
Since Inception (2 August 2004)	89.7	67.8

Source: Morningstar/CPF Board/Lion Global Investors Limited

FUND AND MARKET REVIEW

For the half year ended 30 June 2008, the fund fell 9% underperforming the benchmark which fell 6.8%, in Singapore dollar terms.

During the period under review, Singapore stocks were not spared from the global sell-down, as investors reduced equity exposure on the back of rich valuations and rising risk aversion. In the current environment of a slowing US economy, Singapore, being an export dependent economy added to the worries of investors.

On a sector level, the fund's positioning in the telecom and financial sectors resulted in a positive performance relative to the benchmark, while the industrial sector is the biggest drag to the performance of the fund.

A confluence of negative news in financial markets, sky-high energy prices and concerns about the economy and profits resulted in a rally in the global bond market seen in the first quarter of 2008, only to be followed by an erosion of gains in the second quarter.

Singapore's bond market followed likewise, rallying in the first quarter on the back of the credit crisis, but turned around sharply in the second quarter as inflationary expectations set in across the Asian countries on the back of sustained increases in energy and commodity prices and seeing the pass through to consumer prices. Hence, whilst the UOB Singapore Government Bond Index was up 2.7% in the first quarter, it more than gave back its gains in the second quarter at -4%, resulting in a negative first half return of -1.4%. The yield curve was steepening throughout this period, with short-end yields still firmly anchored and the long-end being whip-sawed by changes in market expectations, liquidity and uncertainty in premiums and negative real yields.

STRATEGY AND OUTLOOK

The fear of inflation has come to the fore due mainly to spiraling food, energy and commodity prices. Given rising input prices and a global slowdown, sentiment has turned more cautious even as the US housing and credit problems are still being worked out. Given the asset inflation and business cycle peak over the past two years, the Singapore domestic economy now faces further downside risks from asset/wealth deflation, in our view.

Singapore economic growth is likely to slow on the back of declining electronic exports. We have been seeing negative electronic exports growth over the past few months, an indication of a slowing US economy. Inflation also registered a recent high of 7.5%, as oil price continues to hit new highs. To ease inflationary concerns, the Monetary Authority of Singapore has also tightened monetary policy, pushing the Singapore dollar to a record high against the US dollar.

While we remain positive on Singapore's economic restructuring potential over the medium term, we are cautious on the possibility of a near term slowdown in the economy. Much depends on how events unfold in the US. We see value in the financial sector, boosted by continued construction spending. We also like domestic oriented sectors such as telecoms and transport.

Over coming months, global bond yields are likely to move higher from here, especially in emerging Asia markets, on the back of inflationary pressures. Central banks are poised to raise policy rates in an attempt to slow demand and contain inflation to some extent.

The Singapore Government Securities bond supply pipeline is fairly limited, with only one new issue and three re-openings remaining. There is only one on the long-end, a 15-year reopening. We will continue to monitor the corporate pipeline and corporate liability hedging activities. Real estate investment trusts have been gearing up their balance sheets and there were some news on potential issuances from the marine services/support sector. On the macro front, we need to see decisive tightening among central banks in the region to bring down inflationary expectations. The uncertainty will keep risk premium high, and therefore maintain the steep yield curve. Our investment strategy for bonds will be to maintain overall short portfolio duration, and look for opportunistic buys or switches across the curve upon weakness.

DISCLOSURES ON THE FUND ¹

For the half year ended 30 June 2008

1. DISTRIBUTION OF INVESTMENTS AS AT 30 JUNE 2008

	Fair Value \$	Percentage of total net assets attributable to unitholders %
<i>a) <u>By Asset Class</u></i>		
Equities	87,382,590	53.1
Debt Securities (including accrued interest on debt securities)	56,405,352	34.3
Cash and cash equivalents	20,709,037	12.6
Net assets attributable to unitholders	<u>164,496,979</u>	<u>100.0</u>

b) By Credit Rating of Debt Securities

Aaa	4,865,034	3.0
Aa1	500,959	0.3
Aa2	1,744,020	1.1
Aa3	3,800,794	2.3
A1	2,513,875	1.5
A3	2,486,261	1.5
Baa2	2,514,620	1.5
Unrated (Singapore - incorporated debt securities)	37,523,669	22.8
Accrued interest on debt securities	456,120	0.3
	<u>56,405,352</u>	<u>34.3</u>

c) By Derivative Type

Not applicable

¹ As required by the Code on Collective Investment Schemes.

2. TOP 10 HOLDINGS

As at 30 June 2008

	Fair Value \$	Percentage of total net assets attributable to unitholders %
DBS Group Holdings Limited	8,336,120	5.1
United Overseas Bank Limited	7,413,739	4.5
Singapore Telecommunications Limited	7,000,935	4.3
United Overseas Land Limited 3.34% due 15/05/2012	4,782,833	2.9
Keppel Corporation Limited	4,584,320	2.8
Oversea-Chinese Banking Corporation	4,451,016	2.7
Ascott Capital Private Limited Series MTN 3.085% due 27/04/2010	3,969,533	2.4
SMRT Corporation Limited	3,848,000	2.3
Raffles Medical Group Limited	3,620,144	2.2
MacarthurCook Industrial Real Estate Investment Trust	3,546,000	2.2

LIONGLOBAL SINGAPORE BALANCED FUND

As at 30 June 2007

	Fair Value \$	Percentage of total net assets attributable to unitholders %
United Overseas Bank Limited	6,135,504	3.5
MacarthurCook Industrial Real Estate Investment Trust	5,200,800	3.0
SMRT Corporation Limited	5,044,000	2.9
Oversea-Chinese Banking Corporation	4,984,920	2.9
United Overseas Land Limited 3.34% due 15/05/2012	4,950,875	2.8
Macquarie International Infrastructure Fund Limited	4,760,000	2.7
United Overseas Land Group Limited	4,616,800	2.7
First Ship Lease Trust	4,147,348	2.4
Ascott Capital Private Limited Series MTN 3.085% due 27/04/2010	3,966,200	2.3
CDL Hospitality Trusts	3,896,640	2.2

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

STATEMENT OF TOTAL RETURN

For the half year ended 30 June 2008 (Unaudited)

	Note	For the half year ended 30 June 2008 \$	For the half year ended 30 June 2007 \$
Income			
Dividends		1,804,243	1,577,944
Interest		49,072	120,335
Other income		10	-
		<u>1,853,325</u>	<u>1,698,279</u>
Less: Expenses			
Audit fee		4,099	7,340
Custodian fees		19,470	12,877
Management fee		1,022,655	801,047
Professional fees		8,662	9,501
Registration fee		20,622	17,958
Trustee fee		43,770	868
Valuation and administration fee		31,710	22,953
Miscellaneous expenses		88,000	12,559
		<u>1,238,988</u>	<u>885,103</u>
Net income		<u>614,337</u>	<u>813,176</u>
Net gains or losses on investments			
Net realised (losses)/gains on investments		(880,697)	6,786,217
Net change in fair value of investments		(14,693,598)	10,590,311
Net foreign exchange (losses)/gains		(12,935)	583
		<u>(15,587,230)</u>	<u>17,377,111</u>
Total (deficit)/return for the period before income tax		(14,972,893)	18,190,287
Less: Income tax	3	<u>(58,290)</u>	<u>(106,270)</u>
Total (deficit)/return for the period after income tax before distribution		(15,031,183)	18,084,017
Less: Distribution	4	-	-
Total (deficit)/return for the period		<u>(15,031,183)</u>	<u>18,084,017</u>

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

LIONGLOBAL SINGAPORE BALANCED FUND

BALANCE SHEET

As at 30 June 2008 (Unaudited)

	Note	As at 30 June 2008 \$	As at 31 December 2007 \$
ASSETS			
Investments		143,787,942	153,157,401
Receivables	5	6,675,277	6,363,240
Fixed deposits	6	16,170,638	10,601,608
Cash and bank balances	7	4,319,470	2,202,891
Total assets		<u>170,953,327</u>	<u>172,325,140</u>
LIABILITIES			
Payables	8	6,456,348	4,420,967
Net assets attributable to unitholders	9	164,496,979	167,904,173
Total liabilities		<u>170,953,327</u>	<u>172,325,140</u>

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

LIONGLOBAL SINGAPORE BALANCED FUND

PORTFOLIO STATEMENT

As at 30 June 2008 (Unaudited)

	Holdings at 30 June 2008	Fair value at 30 June 2008 \$	Percentage of total net assets attributable to unitholders at 30 June 2008 %
By Industry (Primary)			
QUOTED			
EQUITIES			
FINANCIAL			
DBS Group Holdings Limited	442,000	8,336,120	5.1
United Overseas Bank Limited	398,160	7,413,739	4.5
Oversea-Chinese Banking Corporation *	544,800	4,451,016	2.7
MacarthurCook Industrial Real Estate Investment Trust	3,940,000	3,546,000	2.2
CapitaMall Trust	1,151,000	3,429,980	2.1
Macquarie International Infrastructure Fund Limited	4,250,000	3,378,750	2.0
CapitaLand Limited	505,000	2,858,300	1.7
Hongkong Land Holdings Limited	280,000	1,609,185	1.0
Frasers Centrepoint Trust	1,213,000	1,431,340	0.9
CDL Hospitality Trusts	822,000	1,405,620	0.8
Suntec Real Estate Investment Trust	1,000,000	1,360,000	0.8
Ascendas India Trust	1,300,000	1,170,000	0.7
Ascendas Real Estate Investment Trust	360,000	795,600	0.5
DBS Group Holdings Limited 6% Non-Cummulative Preference Shares	1,400	149,100	0.1
		<u>41,334,750</u>	<u>25.1</u>

* ultimate holding company of the Managers

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

LIONGLOBAL SINGAPORE BALANCED FUND

	Holdings at 30 June 2008	Fair value at 30 June 2008 \$	Percentage of total net assets attributable to unitholders at 30 June 2008 %
INDUSTRIAL			
SMRT Corporation Limited	2,080,000	3,848,000	2.3
Singapore Post Limited	2,800,000	3,052,000	1.9
Cosco Corporation (Singapore) Limited	932,000	2,982,400	1.8
Hyflux Limited	905,000	2,696,900	1.6
Unisteel Technology Limited	1,125,000	2,126,250	1.3
Singapore Technologies Engineering Limited	560,000	1,540,000	0.9
AusGroup Limited	1,620,000	1,142,100	0.7
SBS Transit Limited	450,000	976,500	0.6
Peace Mark (Holdings) Limited	91,200	85,811	0.1
		<u>18,449,961</u>	<u>11.2</u>
CONSUMER, NON-CYCLICAL			
Raffles Medical Group Limited	2,701,600	3,620,144	2.2
Wilmar International Limited	443,000	2,241,580	1.4
Ezion Holdings Limited	4,622,000	1,802,580	1.1
China Fishery Group Limited	805,000	1,368,500	0.8
Thomson Medical Centre Limited	2,100,000	1,270,500	0.8
		<u>10,303,304</u>	<u>6.3</u>
COMMUNICATIONS			
Singapore Telecommunications Limited	1,933,960	7,000,935	4.3
StarHub Limited	600,000	1,710,000	1.0
		<u>8,710,935</u>	<u>5.3</u>
DIVERSIFIED			
Keppel Corporation Limited	416,000	4,584,320	2.8
TECHNOLOGY			
CSE Global Limited	1,500,000	1,575,000	1.0

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LIONGLOBAL SINGAPORE BALANCED FUND

	Holdings at 30 June 2008	Fair value at 30 June 2008 \$	Percentage of total net assets attributable to unitholders at 30 June 2008 %
CONSUMER, CYCLICAL			
Tat Hong Holdings Limited	540,000	<u>1,020,600</u>	<u>0.6</u>
UTILITIES			
CitySpring Infrastructure Trust	1,000,000	<u>760,000</u>	<u>0.4</u>
BASIC MATERIALS			
Ferrochina Limited	532,000	<u>643,720</u>	<u>0.4</u>
TOTAL EQUITIES		<u>87,382,590</u>	<u>53.1</u>

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LIONGLOBAL SINGAPORE BALANCED FUND

	Nominal amounts at 30 June 2008	Fair value at 30 June 2008 \$	Percentage of total net assets attributable to unitholders at 30 June 2008 %
DEBT SECURITIES			
FINANCIAL			
United Overseas Land Limited 3.34% due 15/05/2012	5,000,000	4,782,833	2.9
Ascott Capital Private Limited Series MTN 3.085% due 27/04/2010	4,000,000	3,969,533	2.4
DBS Capital Funding II Var Non-Cumulative Guaranteed Preference Shares	3,000,000	3,088,500	1.9
City Developments Limited Series MTN 3.38% due 25/04/2012	3,000,000	2,854,100	1.7
Sunshine Asset Limited MTN 3.915% due 21/04/2009	2,500,000	2,514,620	1.5
Joynote Limited 3.655% due 26/10/2009	2,000,000	2,010,633	1.2
Frasers Centrepoint Limited MTN 4.045% due 14/03/2011	2,000,000	1,998,000	1.2
F&N Treasury Private Limited MTN 3.405% due 11/06/2012	2,000,000	1,910,000	1.2
General Electric Capital Corporation EMTN 3.03% due 11/02/2013	2,000,000	1,890,634	1.2
Solitaire Capital Limited MTN 3.95% due 23/02/2009	1,500,000	1,516,650	0.9
Sun Hung Kai Properties MTN 3.69% due 06/11/2009	1,500,000	1,513,875	0.9
CDL Properties Limited DMTN 3.85% due 12/10/2011	1,500,000	1,503,477	0.9
HK Land Treasury SG 3.01% due 04/10/2010	1,500,000	1,481,194	0.9
United Overseas Bank Limited 4.95% due 30/09/2016	1,250,000	1,277,750	0.8
IFS Capital Limited Series MTN 4.435% due 07/08/2009	1,000,000	1,016,900	0.6
CapitaLand Treasury Limited Series MTN 3.89% due 25/08/2009	1,000,000	1,014,167	0.6

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

LIONGLOBAL SINGAPORE BALANCED FUND

	Nominal amounts at 30 June 2008	Fair value at 30 June 2008 \$	Percentage of total net assets attributable to unitholders at 30 June 2008 %
Sing Investments & Finance Limited			
MTN 4.36% due 17/04/2009	1,000,000	1,011,600	0.6
Mapletreelog Treasury Company Series MTN 3.81% due 19/10/2009	1,000,000	1,011,467	0.6
General Electric Capital Corporation EMTN 3.65% due 06/04/2009	1,000,000	1,009,400	0.6
CapitaMall Trust Series MTN 3.02% due 12/12/2008	1,000,000	1,005,067	0.6
Korea Development Bank EMTN 3.03% due 18/09/2008	1,000,000	1,001,642	0.6
National Agricultural Company Series GMTN FRN due 29/06/2009	1,000,000	1,000,000	0.6
Morgan Stanley EMTN 3.585% due 23/10/2012	750,000	712,294	0.4
Westpac Banking Corporation Series EMTN 3.1% due 12/09/2008	500,000	500,959	0.3
Mapletreelog Treasury Company Series EMTN 4% due 04/07/2008	500,000	500,037	0.3
IFS Capital Limited MTN FRN due 29/05/2009	500,000	499,995	0.3
F&N Treasury Private Limited MTN 2.43% due 21/05/2009	500,000	499,039	0.3
CapitaCommercial Trust 2% due 06/05/2013	500,000	493,750	0.3
DBS Bank Limited MTN Var due 15/07/2021	500,000	466,270	0.3
Housing & Development Board MTN 5.07% due 21/09/2009	280,000	289,948	0.2
Queensley Holdings Limited Series A 4.5% due 05/12/2009	250,000	252,730	0.2
Solitaire Capital Limited FRN due 23/02/2009	250,000	250,076	0.2
Sengkang Mall Limited Series A 4.88% due 20/11/2012	250,000	242,600	0.2
		<u>45,089,740</u>	<u>27.4</u>

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

LIONGLOBAL SINGAPORE BALANCED FUND

	Nominal amounts at 30 June 2008	Fair value at 30 June 2008 \$	Percentage of total net assets attributable to unitholders at 30 June 2008 %
CONSUMER, CYCLICAL			
Cathay Pacific Airways Limited MTN 3.82% due 09/11/2011	1,500,000	1,481,425	0.9
Singapore Airlines 4.15% due 19/12/2011	1,250,000	1,267,833	0.8
Hotel Properties Limited Series MTN 3.3% due 07/03/2010	1,000,000	972,025	0.6
Hotel Properties Limited MTN 3.95% due 29/01/2010	750,000	761,620	0.4
Hotel Properties Limited MTN 3.215% due 27/03/2009	500,000	503,588	0.3
		<u>4,986,491</u>	<u>3.0</u>
CONSUMER, NON-CYCLICAL			
SNP Corporation Limited MTN 2.68% due 08/08/2008	1,500,000	1,501,649	0.9
Petra Foods Limited EMTN 4.435% due 11/01/2012	1,250,000	1,246,353	0.8
		<u>2,748,002</u>	<u>1.7</u>
SOVEREIGN			
Government of Singapore 2.25% due 01/07/2013	2,000,000	1,965,000	1.2
UTILITIES			
Singapore Power 4.05% due 04/05/2013	940,000	925,818	0.6
INDUSTRIAL			
Singapore Post Limited 3.13% due 11/04/2013	250,000	234,181	0.1
Accrued interest receivable on debt securities		456,120	0.3
TOTAL DEBT SECURITIES		<u>56,405,352</u>	<u>34.3</u>

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

LIONGLOBAL SINGAPORE BALANCED FUND

	Nominal amounts at 30 June 2008	Fair value at 30 June 2008 \$	Percentage of total net assets attributable to unitholders at 30 June 2008 %
UNQUOTED			
NIL			
Investments		143,787,942	87.4
Other net assets		20,709,037	12.6
Net assets attributable to unitholders		<u>164,496,979</u>	<u>100.0</u>

Percentage of total net assets attributable to unitholders at

	30 June 2008 %	31 December 2007 %
By Industry (Summary)		
Financial	52.5	49.7
Industrial	11.3	13.5
Consumer, Non-Cyclical	8.0	12.2
Communications	5.3	6.6
Consumer, Cyclical	3.6	3.4
Diversified	2.8	2.0
Sovereign	1.2	1.2
Utilities	1.0	0.6
Technology	1.0	1.1
Basic Materials	0.4	0.6
	<u>87.1</u>	<u>90.9</u>
Accrued interest receivable on debt securities	<u>0.3</u>	<u>0.3</u>
Investments	87.4	91.2
Other net assets	<u>12.6</u>	<u>8.8</u>
Net assets attributable to unitholders	<u>100.0</u>	<u>100.0</u>

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

LIONGLOBAL SINGAPORE BALANCED FUND

	Fair value at 30 June 2008 \$	Percentage of total net assets attributable to unitholders at	
		30 June 2008 %	31 December 2007 %
By Geography (Secondary)			
Singapore	132,561,157	80.5	87.5
United States of America	3,612,328	2.2	1.0
Cayman Islands	3,088,500	1.9	-
South Korea	2,001,642	1.2	1.2
Hong Kong	1,567,236	1.0	0.9
Australia	500,959	0.3	0.3
	<u>143,331,822</u>	<u>87.1</u>	<u>90.9</u>
Accrued interest receivable on debt securities	456,120	0.3	0.3
	<u>143,787,942</u>	<u>87.4</u>	<u>91.2</u>
Investments	<u>143,787,942</u>	<u>87.4</u>	<u>91.2</u>
Other net assets	<u>20,709,037</u>	<u>12.6</u>	<u>8.8</u>
Net assets attributable to unitholders	<u>164,496,979</u>	<u>100.0</u>	<u>100.0</u>

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

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 30 June 2008 (Unaudited)

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

1. GENERAL

LionGlobal Singapore Balanced Fund (formerly known as Lion Capital Singapore Balanced Fund) (the "Fund") is a unit trust constituted by a Deed of Trust dated 15 September 1995 together with its Supplemental Deeds thereon (hereafter referred to as "Trust Deed") between Lion Capital Management Ltd, which changed its name to Lion Global Investors Limited on 2 June 2008 (the "Managers") and HSBC Institutional Trust Services (Singapore) 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.

The Fund changed its name to LionGlobal Singapore Balanced Fund on 2 June 2008.

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").

The Financial Reporting Standard ("FRS") 107 Financial Instruments: Disclosures is effective for annual periods beginning on or after 1 January 2008. This standard introduces new quantitative disclosures relating to financial instruments, such as sensitivity analysis to market risks on financial instruments, but does not have any impact on the classification or valuation of the Fund's financial instruments. Please note that sensitivity analysis to market risks on financial instruments is not presented in semi-annual accounts.

(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 period/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 period 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 these 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 carried at anticipated realisable value.

(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 dollar and United States dollar. The primary activity of the Fund is to invest in securities and bonds (including real estate investment trusts) in Singapore with limited investments in countries outside Singapore.

The performance of the Fund is measured and reported to the investors in Singapore dollar. 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 period/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.

	30 June 2008	30 June 2007
	\$	\$
Singapore income tax	58,290	105,021
Overseas income tax	-	1,249
Total income tax	58,290	106,270

The Singapore income tax represents tax deducted at source for Singapore sourced dividends. The overseas income tax represents tax deducted at source on dividends derived from outside Singapore.

4. DISTRIBUTION

The Managers do not propose any distribution to unitholders for the financial period ended 30 June 2008 (30 June 2007: Nil).

5. RECEIVABLES

	30 June 2008	31 December 2007
	\$	\$
Amount receivable for creation of units	6,674,070	6,251,633
Dividends receivable	-	108,302
Interest receivable from a bank which is the ultimate holding company of the Managers	577	-
Interest receivable from a bank which is a related company of the Trustee	-	3,305
Interest receivable from a bank which is a non-related company	630	-
	<u>6,675,277</u>	<u>6,363,240</u>

6. FIXED DEPOSITS

Included in fixed deposits is an amount of \$7,656,631 (31 December 2007: Nil) placed with a financial institution which is the ultimate holding company of the Managers.

Included in fixed deposits is an amount of nil (31 December 2007: \$10,601,608) placed with a financial institution related to the Trustee.

Fixed deposits have an average maturity of 5 days (31 December 2007: 4 days) from the end of the financial period/year with the following weighted average effective interest rate:

	30 June 2008	31 December 2007
	%	%
Singapore dollar	<u>0.56</u>	<u>1.31</u>

7. CASH AND BANK BALANCES

The cash and bank balances are placed with a financial institution related to the Trustee.

8. PAYABLES

	30 June 2008	31 December 2007
	\$	\$
Amount payable for cancellation of units	6,215,418	4,145,205
Amount due to Managers	195,950	227,992
Amount due to Trustee	13,022	13,280
Amount due to Custodian	877	892
Amount due to Registrar	5,268	5,240
Other payables	25,813	28,358
	6,456,348	4,420,967

9. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	30 June 2008	31 December 2007
	\$	\$
At beginning of financial period/year	167,904,173	64,814,930
Operations		
Change in net assets attributable to unitholders resulting from operations	(15,031,183)	13,249,896
Unitholders' contributions/ (withdrawals)		
Creation of units	193,668,309	448,656,790
Cancellation of units	(182,044,320)	(358,817,443)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	11,623,989	89,839,347
Total (decrease)/increase in net assets attributable to unitholders	(3,407,194)	103,089,243
At end of financial period/year	164,496,979	167,904,173
Units in issue (see Note 10)	88,828,177	82,671,303
Net assets attributable to unitholders per unit	\$ 1.851	\$ 2.030

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

	30 June 2008	31 December 2007
	\$	\$
Net assets attributable to unitholders per unit for issuing / redeeming units	1.855	2.038
Effect of adopting bid prices as fair value	(0.004)	(0.008)
Net assets attributable to unitholders per unit per the financial statements	<u>1.851</u>	<u>2.030</u>

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.

10. UNITS IN ISSUE

	30 June 2008	31 December 2007
	Units	Units
Units at beginning of the period/year	82,671,303	36,130,961
Units created	101,779,457	222,077,907
Units cancelled	(95,622,583)	(175,537,565)
Units at end of the period/year	<u>88,828,177</u>	<u>82,671,303</u>
of which, units denominated in - USD	<u>221,398</u>	<u>245,746</u>

11. FINANCIAL RISK MANAGEMENT

(a) Market risk

The Fund's investments will be subject to different degrees of economic, political, foreign exchange, interest rate, liquidity, default, regulatory and possible repatriation risks depending on the countries that the Fund invests in.

(b) Derivatives risk

Investments in debt securities are subject to adverse changes in the financial condition of the issuer, or in general economic conditions, or both, or an unanticipated rise in interest rates, which may impair the ability of the issuer to make payments of interest and principal, especially if the issuer is highly leveraged. Such issuer's ability to meet its debt obligations may also be adversely affected by specific corporate developments, or the issuer's inability to meet specific projected business forecasts, or the unavailability of additional financing. Also, an economic downturn or an increase in interest rates may increase the potential for default by the issuers of these securities. The Fund's exposure to default risk arises primarily from its investments in debt securities and to a lesser extent, from its transactions with counterparties such as brokers, custodians and banks. The Managers have in place procedures for proper credit screening and monitoring of default risk.

(c) Currency risk

As the investments of the Fund may be denominated in foreign currencies, fluctuations of the exchange rates of foreign currencies against the Singapore dollar may affect the value of the units of the Fund. The Managers may from time to time employ currency hedging techniques to manage the impact of the exchange rate fluctuations on the Fund and/or for the purpose of efficient portfolio management.

LIONGLOBAL SINGAPORE BALANCED FUND

The tables below summarise the currency profile of the assets and liabilities of the Fund.

30 June 2008	HKD	MYR	USD	SGD	TWD	Total
	\$	\$	\$	\$	\$	\$
Assets						
Investments	85,811	-	1,609,185	142,092,946	-	143,787,942
Receivables	-	-	224	6,675,053	-	6,675,277
Fixed deposits	-	-	-	16,170,638	-	16,170,638
Cash and bank balances	-	33,332	210,432	4,075,704	2	4,319,470
Total assets	85,811	33,332	1,819,841	169,014,341	2	170,953,327
Liabilities						
Payables	-	-	14,233	6,442,115	-	6,456,348
Net assets attributable to unitholders	-	-	409,997	164,086,982	-	164,496,979
Total liabilities	-	-	424,230	170,529,097	-	170,953,327
Net balance sheet						
currency exposure	85,811	33,332	1,395,611	(1,514,756)	2	-

31 December 2007	MYR	USD	SGD	TWD	Total
	\$	\$	\$	\$	\$
Assets					
Investments	-	1,982,986	151,174,415	-	153,157,401
Receivables	-	2,511	6,360,729	-	6,363,240
Fixed deposits	-	-	10,601,608	-	10,601,608
Cash and bank balances	34,893	129,369	2,038,628	1	2,202,891
Total assets	34,893	2,114,866	170,175,380	1	172,325,140
Liabilities					
Payables	-	669	4,420,298	-	4,420,967
Net assets attributable to unitholders	-	499,106	167,405,067	-	167,904,173
Total liabilities	-	499,775	171,825,365	-	172,325,140
Net balance sheet					
currency exposure	34,893	1,615,091	(1,649,985)	1	-

In respect of investments in equity and debt securities, the currency analysis above is based on the currencies in which the listed securities are denominated.

(d) Interest rate risk

Investments in debt securities are also subject to the risk of interest-rate fluctuations, and the prices of debt securities may go up or down in response to such fluctuations in interest rates.

The Managers manage the duration of the investments in the Fund.

The table below summarises the repricing profile of the Fund's assets and liabilities based on the earlier of the next contractual interest repricing date and the maturity date.

30 June 2008	Up to 1 year	1 - 5 years	Over 5 years
	\$	\$	\$
Assets			
Investments	13,314,322	35,837,390	6,797,520
Fixed deposits	16,170,638	-	-
Cash and bank balances	4,319,470	-	-
Total interest sensitive gap	33,804,430	35,837,390	6,797,520

31 December 2007

Assets			
Investments	9,756,811	39,235,810	5,026,043
Fixed deposits	10,601,608	-	-
Cash and bank balances	2,202,891	-	-
Total interest sensitive gap	22,561,310	39,235,810	5,026,043

All other financial assets and liabilities are non-interest bearing.

(e) Liquidity risk

The Fund is exposed to daily cancellation of units. It therefore invests the majority of its assets in investments that are traded in an active market and can be readily disposed of.

12. 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 period between the Fund and related parties at terms agreed between the parties and within the provisions of the Trust Deed:

	30 June 2008	30 June 2007
	\$	\$
Brokerage on purchases and sales of investments charged by the ultimate holding company of the Managers	323	1,772
Interest income earned from a bank which is the ultimate holding company of the Managers	27,208	21,855
Interest income earned from a bank which is a related company of the Trustee	7,227	49,010
Interest expenses incurred with a bank which is a related company of the Trustee	71	406
Transaction fees charged by the Trustee	3,342	10,351
Registration fee charged by a related company of the Trustee	20,622	17,958
Valuation and administration fee charged by the Trustee	31,710	22,953
Custodian fees charged by a related company of the Trustee	19,470	12,877
Bank service fees charged by a bank which is a related company of the Trustee	<u>10,405</u>	<u>7,949</u>

13. FINANCIAL RATIOS

	30 June 2008	30 June 2007
	%	%
Expense ratio ¹	1.52	1.52
Portfolio turnover ratio ²	<u>16</u>	<u>30</u>

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

TEL (65) 6417 6900 FAX (65) 6417 6806

www.lookforLion.com
Co Reg No.: 198601745D

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