LION
GLOBAL
INVESTORS

LionGlobal Singapore Balanced Fund

Semi-Annual Report

For the half year ended 30 June 2009

Managers

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

Directors of Lion Global Investors Limited

Trustee/Custodian/Registrar

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

Independent Auditor

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

PERFORMANCE OF THE FUND

For the half year ended 30 June 2009

Returns for the Fund are calculated up to 30 June 2009 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	17.5	18.3
6 months	15.8	16.7
1 year	-11.9	-8.0
3 years	9.2	4.8
5 years	32.9	24.0
10 years	59.0	25.4
Since Inception (22 September 1995)	87.3	44.6

Returns for the Fund are calculated up to 30 June 2009 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	23.4	21.5
6 months	15.2	16.8
1 year	-17.3	-10.2
3 years	19.2	10.5
Since Inception (2 August 2004)	58.2	34.5

Source: Morningstar/CPF Board/Lion Global Investors Ltd

FUND AND MARKET REVIEW

For the half year ended 30 June 2009, the Fund rose 15.8% underperforming the benchmark which rose 16.7%, in Singapore dollar terms.

The slight underperformance of the Fund was due mainly to negative contributions from the industrial and consumer staple sectors while positive contributions came from the energy, financial and healthcare sectors.

Singapore's equity market started the year strongly before falling in February on disappointment over the US bailout and stimulus packages, growing fears of bank nationalisations in the US and sharp contractions in economic data. However, the market soon rebounded from March's lows on signs of economic stabilisation and expectations that the worst in the economic downturn was behind us. Property developers surged following buoyant developer sales and bank stocks also rallied on better-than-expected earnings in the first quarter. Commodity related stocks also performed well due to recovering oil and commodity prices. S-chips were largely ignored by the market due to accounting scandals and corporate governance issues.

In a bid to mitigate the effects of slowing economic growth, the Singapore government unveiled a SGD20.5 billion Resilience Package, marking the first time that the government is tapping into past reserves. Taking advantage of improved sentiment, many corporates (particularly property developers and REITs) came to the market to raise funds through rights issues.

Buoyed by stronger risk appetite and liquidity flush, Singapore corporate bond prices rose from severely beaten down levels, particularly in the banking and real estate sectors. With the less punitive borrowing costs and improvement in investor sentiment, companies have been able to obtain refinancing from local banks and tap the capital markets for funds.

STRATEGY AND OUTLOOK

The sharp rally in the Singapore market was supported by abundant liquidity and expectations that the economy has bottomed in the first quarter of 2009. Recent economic indicators have shown signs of improvement as seen by the Purchasing Managers' Index and industrial output although other indicators such as unemployment, trade, retail sales and visitor arrivals remained weak. Business expectations for companies in manufacturing and service sectors have improved in the recent quarter.

With no firm signs of economic recovery in the US yet, the current recession is likely to last longer and deeper than previous recessions. The global financial system remains weak and lending conditions remain tight despite capital raisings due to fears of further loan losses. Against the backdrop of slower global economic growth, the government has set up an Economic Strategies Committee to study the long-term economic transformation of Singapore with recommendations expected to be announced before the next budget.

The market is currently trading around its historical mean price-earnings ratio while trading at a discount to its historical price-to-book ratio. Further advances in the current rally will require a further re-rating of the market or by improving earnings. The market is likely to range trade around current levels in the short term.

Against the backdrop of weak economic growth and global deleveraging, we prefer to position ourselves in companies that have low leverage, strong balance sheets and stable cash flows. We remain positive on the financial sector as well as domestic oriented sectors such as telecom and transportation. We are cautious on property developers given that share prices are pricing in a V-shaped residential price recovery. The outlook for the office sector remains challenging due to oversupply and lackluster new demand. With the global economic recovery still tentative, we remain cautious on the industrial sector. The shipbuilding industry has been quiet since the third quarter of last year with new orders declining by over 95% year-to-date and the outlook for container shipping as well as airlines remains poor.

In terms of local bond outlook, Singapore government bond yields are likely to be capped on the upside. In the near term, investment grade credit spreads are likely to stay in a trading range with a tightening bias as demand from mutual fund inflows will continue to provide technical support. Our strategy will be to stay in good quality corporate bonds which are more liquid and to participate in new issuances that offer spread pick-ups. We also prefer senior bank papers to subordinated ones.

DISCLOSURES ON THE FUND [1]
For the half year ended 30 June 2009

1. DISTRIBUTION OF INVESTMENTS AS AT 30 JUNE 2009

	Fair Value $	Percentage of total net assets attributable to unitholders %
a) *By Asset Class*		
Equities	61,510,754	51.1
Debt Securities (including accrued interest on debt securities)	47,873,330	39.7
Financial Derivatives	18,310	*
Cash and cash equivalents	11,106,822	9.2
Net assets attributable to unitholders	120,509,216	100.0
b) *By Credit Rating of Debt Securities*		
Aa2	3,415,159	2.9
Aa3	4,922,930	4.0
A1	1,506,555	1.3
A2	700,905	0.6
A3	2,207,894	1.9
Baa2	1,241,300	1.0
Unrated (Singapore - incorporated debt securities)	33,530,518	27.7
Accrued interest on debt securities	348,069	0.3
	47,873,330	39.7
c) *By Derivative Type*		
Forward foreign exchange contract	18,310	*

* denotes amount less than 0.1%

[1] *As required by the Code on Collective Investment Schemes*

2. TOP 10 HOLDINGS

As at 30 June 2009

	Fair Value	Percentage of total net assets attributable to unitholders
	$	%
DBS Group Holdings Limited	7,810,140	6.5
Singapore Telecommunications Limited	7,208,501	6.0
United Overseas Bank Limited	5,829,062	4.8
United Overseas Land Limited 3.34% due 15/05/2012	4,764,400	4.0
Ascott Capital Private Limited Series MTN 3.085% due 27/04/2010	3,986,760	3.3
Oversea-Chinese Banking Corporation	3,727,930	3.1
CapitaMall Trust	3,039,791	2.5
City Developments Limited Series MTN 3.38% due 25/04/2012	2,896,620	2.4
DBS Capital Funding Corporation Preference Shares	2,830,230	2.3
CapitaLand Limited	2,810,325	2.3

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

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 2009 (Unaudited)

	Note	For the half year ended 30 June 2009 $	For the half year ended 30 June 2008 $
Income			
Dividends		1,586,658	1,804,243
Interest		1,052	49,072
Other income		-	10
		1,587,710	1,853,325
Less: Expenses			
Audit fee		8,864	4,099
Custodian fees		11,336	19,470
Management fee		671,905	1,022,655
Professional fees		15,225	8,662
Registration fee		17,883	20,622
Trustee fee		26,876	43,770
Valuation and administration fee		19,967	31,710
Miscellaneous expenses		63,462	88,000
		835,518	1,238,988
Net income		752,192	614,337
Net gains or losses on investments			
Net realised losses on investments		(496,296)	(880,697)
Net change in fair value of investments		15,961,596	(14,693,598)
Net unrealised gains on financial derivatives		18,310	-
Net foreign exchange gains/(losses)		18,259	(12,935)
		15,501,869	(15,587,230)
Total return/(deficit) for the period before income tax		16,254,061	(14,972,893)
Less: Income tax	3	(40,881)	(58,290)
Total return/(deficit) for the period after income tax before distribution		16,213,180	(15,031,183)
Less: Distribution	4	-	-
Total return/(deficit) for the period		16,213,180	(15,031,183)

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

BALANCE SHEET

As at 30 June 2009 (Unaudited)

	Note	As at 30 June 2009 $	As at 31 December 2008 $
ASSETS			
Investments		109,384,084	103,014,893
Receivables	5	1,228,819	365,188
Due from broker		-	434,091
Financial derivatives at fair value	6	18,310	-
Fixed deposits	7	8,500,708	1,657,104
Cash and bank balances	8	2,081,296	753,567
Total assets		121,213,217	106,224,843
LIABILITIES			
Payables	9	704,001	568,602
Net assets attributable to unitholders	10	120,509,216	105,656,241
Total liabilities		121,213,217	106,224,843

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

PORTFOLIO STATEMENT

As at 30 June 2009 (Unaudited)

	Holdings at 30 June 2009	Fair value at 30 June 2009 $	Percentage of total net assets attributable to unitholders at 30 June 2009 %
By Industry (Primary)			
QUOTED			
EQUITIES			
FINANCIAL			
DBS Group Holdings Limited	663,000	7,810,140	6.5
United Overseas Bank Limited	398,160	5,829,062	4.8
Oversea-Chinese Banking Corporation*	560,591	3,727,930	3.1
CapitaMall Trust	2,186,900	3,039,791	2.5
CapitaLand Limited	757,500	2,810,325	2.3
Singapore Exchange Limited	313,000	2,219,170	1.9
Frasers Centrepoint Trust	2,213,000	1,914,245	1.6
City Developments Limited	200,000	1,716,000	1.4
CapitaRetail China Trust	989,000	1,058,230	0.9
Ascendas India Trust	1,300,000	890,500	0.7
CDL Hospitality Trusts	822,000	682,260	0.6
Ascendas Real Estate Investment Trust	430,000	675,100	0.6
		32,372,753	26.9
COMMUNICATIONS			
Singapore Telecommunications Limited	2,418,960	7,208,501	6.0
StarHub Limited	600,000	1,266,000	1.0
Singapore Press Holdings Limited	193,000	609,880	0.5
		9,084,381	7.5

** ultimate holding company of the Managers*

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

	Holdings at 30 June 2009	Fair value at 30 June 2009 $	Percentage of total net assets attributable to unitholders at 30 June 2009 %
INDUSTRIAL			
Singapore Post Limited	2,800,000	2,506,000	2.1
Venture Corporation Limited	299,000	2,087,020	1.8
SMRT Corporation Limited	1,080,000	1,814,400	1.5
Singapore Technologies Engineering Limited	560,000	1,366,400	1.1
SBS Transit Limited	218,000	346,620	0.3
		8,120,440	6.8
CONSUMER, NON-CYCLICAL			
Raffles Medical Group Limited	2,701,600	2,566,520	2.1
Wilmar International Limited	333,000	1,668,330	1.4
Thomson Medical Centre Limited	2,100,000	1,155,000	1.0
		5,389,850	4.5
ENERGY			
Straits Asia Resources Limited	1,203,000	2,105,250	1.7
DIVERSIFIED			
Keppel Corporation Limited	244,000	1,683,600	1.4
CONSUMER, CYCLICAL			
Singapore Airlines Limited	98,000	1,299,480	1.1
TECHNOLOGY			
CSE Global Limited	1,500,000	810,000	0.7
UTILITIES			
CitySpring Infrastructure Trust	1,000,000	645,000	0.5

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

	Holdings at 30 June 2009	Fair value at 30 June 2009 $	Percentage of total net assets attributable to unitholders at 30 June 2009 %
UNQUOTED			
EQUITIES			
BASIC MATERIALS			
Ferrochina Limited	532,000	-	-
INDUSTRIAL			
Peace Mark (Holdings) Limited	91,200	-	-
TOTAL EQUITIES		61,510,754	51.1

	Nominal amounts at 30 June 2009	Fair value at 30 June 2009 $	Percentage of total net assets attributable to unitholders at 30 June 2009 %
QUOTED			
DEBT SECURITIES			
FINANCIAL			
United Overseas Land Limited 3.34% due 15/05/2012	5,000,000	4,764,400	4.0
Ascott Capital Private Limited Series MTN 3.085% due 27/04/2010	4,000,000	3,986,760	3.3
City Developments Limited Series MTN 3.38% due 25/04/2012	3,000,000	2,896,620	2.4
DBS Capital Funding Corporation Preference Shares	30,000	2,830,230	2.3

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

	Nominal amounts at 30 June 2009	Fair value at 30 June 2009 $	Percentage of total net assets attributable to unitholders at 30 June 2009 %
Joynote Limited 3.655% due 26/10/2009	2,000,000	2,007,940	1.7
Frasers Centrepoint Limited MTN 4.045% due 14/03/2011	2,000,000	1,995,200	1.7
United Overseas Bank Limited Class E 5.05% Non-Cumulative Preference Shares	20,000	1,952,000	1.6
F&N Treasury Private Limited MTN 3.405% due 11/06/2012	2,000,000	1,932,380	1.6
General Electric Capital Corporation EMTN 3.03% due 11/02/2013	2,000,000	1,714,418	1.4
Sun Hung Kai Properties MTN 3.69% due 06/11/2009	1,500,000	1,506,555	1.3
HK Land Treasury SG 3.01% due 04/10/2010	1,500,000	1,494,495	1.3
CDL Properties Limited DMTN 3.85% due 12/10/2011	1,500,000	1,482,150	1.2
United Overseas Bank Limited 4.95% due 30/09/2016	1,250,000	1,264,376	1.1
Ascendas Real Estate Investment Trust MTN 4.75% due 29/04/2011	1,250,000	1,241,300	1.0
Mapletreelog Treasury Company Series MTN 3.81% due 19/10/2009	1,000,000	1,003,580	0.8
CDL Properties Limited MTN 3.15% due 16/09/2010	1,000,000	1,001,517	0.8
IFS Capital Limited Series MTN 4.435% due 07/08/2009	1,000,000	1,000,960	0.8
CapitaLand Treasury Limited Series MTN 3.89% due 25/08/2009	1,000,000	999,950	0.8
Midpoint Properties Series MTN 5.1% due 21/05/2014	750,000	746,850	0.6
CapitaLand Limited Series 2.95% due 20/06/2022	1,000,000	726,270	0.6

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

	Nominal amounts at 30 June 2009	Fair value at 30 June 2009 $	Percentage of total net assets attributable to unitholders at 30 June 2009 %
Public Bank Var 22/09/2014	500,000	713,399	0.6
Morgan Stanley EMTN 3.585% due 23/10/2012	750,000	700,905	0.6
CapitaCommercial Trust 2% due 06/05/2013	500,000	493,750	0.4
DBS Bank Limited MTN Var 15/07/2021	500,000	436,365	0.4
Housing & Development Board MTN 5.07% due 21/09/2009	280,000	282,173	0.2
Queensley Holdings Limited Series A 4.5% due 05/12/2009	250,000	251,154	0.2
Sengkang Mall Limited Series A 4.88% due 20/11/2012	250,000	244,123	0.2
DBS Group Holdings Limited 6% Non-Cumulative Preference Shares	1,400	140,700	0.1
		39,810,520	33.0
CONSUMER, CYCLICAL			
Cathay Pacific Airways Limited MTN 3.82% due 09/11/2011	1,500,000	1,447,200	1.2
Singapore Airlines 4.15% due 19/12/2011	1,250,000	1,263,950	1.1
Hotel Properties Limited Series MTN 3.3% due 07/03/2011	1,000,000	970,050	0.8
Hotel Properties Limited MTN 3.95% due 29/01/2010	750,000	748,260	0.6
		4,429,460	3.7
INDUSTRIAL			
Sembcorp Financial Services MTN 5% due 21/04/2014	1,000,000	1,002,820	0.8
Singapore Post Limited 3.13% due 11/04/2013	250,000	250,352	0.2
		1,253,172	1.0

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

	Nominal amounts at 30 June 2009	Fair value at 30 June 2009 $	Percentage of total net assets attributable to unitholders at 30 June 2009 %
CONSUMER, NON CYCLICAL			
Petra Foods Limited EMTN 4.435% due 11/01/2012	1,250,000	1,092,363	0.9
UTILITIES			
Singapore Power 4.05% due 04/05/2013	940,000	939,746	0.8
Accrued interest receivable on debt securities		348,069	0.3
TOTAL DEBT SECURITIES		47,873,330	39.7
UNQUOTED			
NIL			
Investments		109,384,084	90.8
Other net assets		11,125,132	9.2
Net assets attributable to unitholders		120,509,216	100.0

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

	Percentage of total net assets attributable to unitholders at	
	30 June 2009	31 December 2008
	%	%
By Industry (Summary)		
Financial	59.9	66.7
Industrial	7.8	6.9
Communications	7.5	6.9
Consumer, Non-Cyclical	5.4	5.0
Consumer, Cyclical	4.8	5.8
Energy	1.7	0.9
Diversified	1.4	1.0
Utilities	1.3	1.4
Technology	0.7	0.5
Sovereign	-	2.0
	90.5	97.1
Accrued interest receivable on debt securities	0.3	0.4
Investments	90.8	97.5
Other net assets	9.2	2.5
Net assets attributable to unitholders	100.0	100.0

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

PORTFOLIO STATEMENT

As at 30 June 2009 (Unaudited)

	Fair value at 30 June 2009	Percentage of total net assets attributable to unitholders at 30 June 2009	Percentage of total net assets attributable to unitholders at 31 December 2008
	$	%	%
By Geography (Secondary)			
Singapore	101,629,863	84.4	89.0
United States of America	2,415,323	2.0	3.2
Cayman Islands	2,830,230	2.3	2.6
Hong Kong	1,447,200	1.2	1.4
Malaysia	713,399	0.6	-
South Korea	-	-	0.9
	109,036,015	90.5	97.1
Accrued interest receivable on debt securities	348,069	0.3	0.4
Investments	109,384,084	90.8	97.5
Other net assets	11,125,132	9.2	2.5
Net assets attributable to unitholders	120,509,216	100.0	100.0

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

NOTES TO THE FINANCIAL STATEMENTS
For the half year ended 30 June 2009 (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 (the "Fund") is a unit trust constituted by a Deed of Trust dated 15 September 1995 together with its Supplemental Deeds thereon (thereafter referred to as "Trust Deed") between Lion Global Investors Limited (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.

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 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 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 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 2009	**30 June 2008**
	$	**$**
Singapore income tax	40,881	58,290

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 period ended 30 June 2009 (30 June 2008: Nil).

5. RECEIVABLES

	30 June 2009 $	31 December 2008 $
Amount receivable for creation of units	1,228,723	198,139
Dividends receivable	-	166,962
Interest receivable from a bank which is the ultimate holding company of the Managers	72	87
Interest receivable from a bank which is a non-related company	24	-
	1,228,819	365,188

6. FINANCIAL DERIVATIVES AT FAIR VALUE

Financial derivative contracts comprise forward foreign exchange contract due for settlement within 3 months 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.

30 June 2009

	Contract or underlying principal amount	Fair value	
		Asset	Liability
	$	$	$
Forward foreign exchange contract	742,000	18,310	-

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

7. FIXED DEPOSITS

	30 June 2009 $	31 December 2008 $
Fixed deposit placed with a bank which is the ultimate holding company of the Managers	6,500,708	1,657,104
Fixed deposit placed with a bank which is a non-related company	2,000,000	-
	8,500,708	1,657,104

Fixed deposits have an average maturity of 4 days (31 December 2008: 5 days) from the end of the financial period/year with the following weighted average effective interest rate:

	30 June 2009 %	31 December 2008 %
Singapore dollar	0.18	0.36

8. CASH AND BANK BALANCES

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

9. PAYABLES

	30 June 2009 $	31 December 2008 $
Amount payable for cancellation of units	532,265	421,201
Amount due to Managers	127,367	113,667
Amount due to Trustee	8,780	8,783
Amount due to Custodian	2,055	2,123
Amount due to Registrar	8,837	4,991
Other payables	24,697	17,837
	704,001	568,602

10. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	30 June 2009 $	31 December 2008 $
At beginning of financial period/year	105,656,241	167,904,173
Operations		
Change in net assets attributable to unitholders resulting from operations	16,213,180	(52,070,374)
Unitholders' contributions/ (withdrawals)		
Creation of units	17,880,697	255,587,173
Cancellation of units	(19,240,902)	(265,764,731)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(1,360,205)	(10,177,558)
Total increase/(decrease) in net assets attributable to unitholders	14,852,975	(62,247,932)
At end of financial period/year	120,509,216	105,656,241
Units in issue (see Note 11)	73,862,057	74,969,886
Net assets attributable to unitholders per unit	1.631	1.409

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 2009 $	31 December 2008 $
Net assets attributable to unitholders per unit for issuing/redeeming units	1.635	1.412
Effect of adopting bid prices as fair value	(0.004)	(0.003)
Net assets attributable to unitholders per unit per the financial statements	1.631	1.409

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

	30 June 2009 Units	31 Decembe 2008 Units
Units at beginning of the period/year	74,969,886	82,671,303
Units created	11,928,940	137,516,612
Units cancelled	(13,036,769)	(145,218,029)
Units at end of the period/year	73,862,057	74,969,886
of which, units denominated in - USD	217,053	218,566

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, financial options contracts 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, fixed interest investments, money market investments and cash. 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) <u>Market risk</u>

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 by three main components: changes in actual market prices, interest rate volatility 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 price movement of the portfolio's holdings as at period/year-end are measured against the price movement of a benchmark index (an index that best reflects the Fund's equity investment as at period/year-end) to derive the beta.

As at 30 June 2009, the Fund's beta was 1.06 (31 December 2008: 1.06) which was calculated based on the daily returns over the preceding 12 months for the Fund and benchmark (31 December 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 30 June 2009 and 31 December 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.

		Impact of 12% (31 December 2008: 12%) movement in benchmark on net assets attributable to the unitholders	
Fund	**Benchmark**	**30 June 2009**	**31 December 2008**
		$	**$**
LionGlobal Singapore Balanced Fund	Straits Times Index	7,824,168	6,097,605

(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.

It affects the value of fixed income securities more directly than equities, and is a risk to the Fund. As interest rates rise, prices of fixed income securities fall and vice versa. The rationale is that as interest rates increase, the opportunity cost of holding a fixed income security increases since investors are able to realize greater yields by switching to other investments that reflect the higher interest rate. Fixed deposits have short term to maturity and have minimal exposure to interest rate risk. The Managers will regularly assess the economic condition, monitor changes in interest rates outlook and take appropriate measures accordingly to control the impact of interest rate risk.

The tables below summarise the Fund's exposure to interest rate risks. They include the Fund's assets and liabilities at fair value, categorized by the interest rate types.

30 June 2009	**Variable rates**	**Fixed rates**	**Non-interest bearing**	**Total**
	$	**$**	**$**	**$**
Assets				
Investments	1,149,764	46,375,497	61,858,823	109,384,084
Receivables	-	-	1,228,819	1,228,819
Financial derivatives at fair value	-	-	18,310	18,310
Fixed deposits	-	8,500,708	-	8,500,708
Cash and bank balances	2,081,296	-	-	2,081,296
Total assets	3,231,060	54,876,205	63,105,952	121,213,217
Liabilities				
Payables	-	-	704,001	704,001
Net assets attributable to unitholders	-	-	120,509,216	120,509,216
Total liabilities	-	-	121,213,217	121,213,217

31 December 2008	Variable rates $	Fixed rates $	Non-interest bearing $	Total $
Assets				
Investments	2,204,727	52,467,731	48,342,435	103,014,893
Receivables	-	-	365,188	365,188
Due from broker	-	-	434,091	434,091
Fixed deposits	-	1,657,104	-	1,657,104
Cash and bank balances	753,567	-	-	753,567
Total assets	2,958,294	54,124,835	49,141,714	106,224,843
Liabilities				
Payables	-	-	568,602	568,602
Net assets attributable to unitholders	-	-	105,656,241	105,656,241
Total liabilities	-	-	106,224,843	106,224,843

The duration, a measure of the sensitivity of the price of a fixed income security to a change in interest for the 12 months period is 3.30 (31 December 2008: 3.36). As of 30 June 2009, should interest rates have lowered or risen by 1% (31 December 2008: 1%) with all other variables remaining constant, the increase or decrease in net assets attributable to unitholders would be as follows:

	Impact of 1% (31 December 2008: 1%) movement in interest rates on net assets attributable to the unitholders	
	30 June 2009	31 December 2008
Fund	$	$
LionGlobal Singapore Balanced Fund	1,530,391	1,762,916

(iii) Currency risk

The Fund has securities 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.

30 June 2009	**USD**	**MYR**	**SGD**	**Total**
	$	$	$	$
Assets				
Investments	724,593	-	108,659,491	109,384,084
Receivables	220	-	1,228,599	1,228,819
Fixed deposits	-	-	8,500,708	8,500,708
Cash and bank balances	29,342	67	2,051,887	2,081,296
Total assets	754,155	67	120,440,685	121,194,907
Liabilities				
Payables	101	-	703,900	704,001
Net assets attributable to unitholders	-	-	120,509,216	120,509,216
Total liabilities	101	-	121,213,116	121,213,217
Net financial assets/(liabilities)	754,054	67	(772,431)	(18,310)
Fair value of currency forwards and financial derivatives	(723,690)	-	742,000	18,310
Currency exposure	30,364	67	(30,431)	

31 December 2008	USD $	MYR $	TWD $	SGD $	Total $
Assets					
Investments	996,423	-	-	102,018,470	103,014,893
Receivables	-	-	-	365,188	365,188
Due from broker	-	-	-	434,091	434,091
Fixed deposits	-	-	-	1,657,104	1,657,104
Cash and bank balances	217,462	33,380	1	502,724	753,567
Total assets	1,213,885	33,380	1	104,977,577	106,224,843
Liabilities					
Payables	4,169	-	-	564,433	568,602
Net assets attributable to unitholders	-	-	-	105,656,241	105,656,241
Total liabilities	4,169	-	-	106,220,674	106,224,843
Net financial assets/ (liabilities)	1,209,716	33,380	1	(1,243,097)	-
Fair value of currency forwards and financial derivatives	-	-	-	-	-
Currency exposure	1,209,716	33,380	1	(1,243,097)	

The following table shows the Fund's sensitivity to foreign currency exposure should those currencies increase by a reasonable possible shift with all other variables held constant. The sensitivity analysis is not presented separately should those currencies decrease as it is the reversal of the impact disclosed below.

	Reasonable possible FX movement		Impact of increase in FX rates on net assets attributable to the unitholders	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
Currency	%	%	$	$
USD	5	5	1,518	60,486
MYR	5	5	3	1,669
TWD	-	5	-	*

(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.

30 June 2009	Less than 3 months	3 months - 1 year	1-5 years	Above 5 years
	$	$	$	$
Payables	704,001	-	-	-
Net assets attributable to unitholders	120,509,216	-	-	-

* denotes amount less than $1

31 December 2008	Less than 3 months $	3 months - 1 year $	1-5 years $	Above 5 years $
Payables	568,602	-	-	-
Net assets attributable to unitholders	105,656,241	-	-	-

(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.

The Fund invests mostly in financial assets, which have an investment grade as rated by Standard and Poor's or Moody's. The credit ratings are reviewed regularly.

The table below analyses the Fund's investments by credit ratings.

	30 June 2009	31 December 2008
	%	%
Aaa	-	4.6
Aa2	2.9	1.6
Aa3	4.0	4.5
A1	1.3	2.3
A2	0.6	0.6
A3	1.9	1.4
Baa2	1.0	2.4
Unrated (Singapore - incorporated debt securities)	27.7	34.3
Accrued interest on debt securities	0.3	0.4
Total debt securities	39.7	52.1

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 enters 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 minimize the Fund's credit risk by undertaking transactions with banks that are part of a banking group 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 30 June 2009 and 31 December 2008.

30 June 2009	**Amount $**	**Credit Rating ##**	**Source of Credit Rating**
Custodian			
HSBC Institutional Trust Services (Singapore) Limited	109,384,084	AA-	S&P
Bank			
The Hongkong and Shanghai Banking Corporation Limited	2,081,296	AA-	S&P
Oversea-Chinese Banking Corporation Limited	6,500,708	A+	S&P
United Overseas Bank Limited	2,000,000	A+	S&P

31 December 2008	**Amount $**	**Credit Rating ##**	**Source of Credit Rating**
Custodian			
HSBC Institutional Trust Services (Singapore) Limited	103,014,893	AA-	S&P
Bank			
The Hongkong and Shanghai Banking Corporation Limited	753,567	AA-	S&P
Oversea-Chinese Banking Corporation Limited	1,657,104	A+	S&P

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

(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.

Group credit rating will be presented for unrated subsidiaries.

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

	30 June 2009	30 June 2008
	$	$
Brokerage on purchases and sales of investments charged by the ultimate holding company of the Managers	-	323
Interest income earned from a bank which is the ultimate holding company of the Managers	1,021	27,208
Interest income earned from a bank which is a related company of the Trustee	7	7,227
Interest expenses incurred with a bank which is a related company of the Trustee	123	71
Transaction fees charged by the Trustee	1,336	3,342
Registration fee charged by a related company of the Trustee	17,883	20,622
Valuation and administration fee charged by the Trustee	19,967	31,710
Custodian fees charged by a related company of the Trustee	11,336	19,470
Bank service fees charged by a bank which is a related company of the Trustee	3,064	10,405

14. FINANCIAL RATIOS

	30 June 2009	30 June 2008
	%	%
Expense ratio [1]	1.52	1.52
Portfolio turnover ratio [2]	16	16

[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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