

# CASH FUND

SEMI - ANNUAL REPORT  
FOR THE HALF YEAR ENDED 30 JUNE 2020

UNAUDITED FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 30 JUNE 2020





## CASH FUND

### **Manager**

Eastspring Investments  
(Singapore) Limited  
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(UEN: 199407631H)

### **Auditors**

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### **Directors of the Manager**

Seck Wai Kwong (Chairman)  
Gwee Siew Ping  
Jeroen Jelle Bart Buwalda  
Ooi Boon Peng  
Xavier Bernard Maurice Meyer

### **Solicitors to the Manager**

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One Marina Boulevard #28-00  
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### **Trustee**

HSBC Institutional Trust Services  
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### **Solicitors to the Trustee**

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## **CASH FUND**

### **Structure**

The Cash Fund (“the Fund”) is an open-ended, standalone unit trust constituted in Singapore which is denominated in Singapore dollars. The Fund is a “money market fund” as defined in Appendix 2 of the Code on Collective Investment Schemes (“the Code”) issued by the Monetary Authority of Singapore (“MAS”), which together with Appendix 1 of the Code constitutes the money market funds investment guidelines, which may be amended from time to time (“**Money Market Funds Investment Guidelines**”).

### **Investment Objective**

The investment objective of the Fund is to provide liquidity to investors and provide a return comparable to that of Singapore-dollar savings deposits. The Fund will predominantly hold its assets in Singapore-dollar deposits with eligible financial institutions as defined in the Money Markets Funds Investment Guidelines (“Eligible Financial Institutions”), with varying terms of maturity of not more than 366 calendar days.

### **Manager’s Commentary**

#### **Fund Performance**

From end-December 2019 to end-June 2020 (“period under review”), the Fund rose 0.5% (bid-to-bid basis) while its benchmark, the Singapore-Dollar Savings Deposit Rate, rose by 0.1%.

#### **Market Background<sup>1</sup>**

Short-term Singapore Dollar (SGD) interest rates fell sharply over the semi-annual period with 3-month SIBOR falling by 121 bps to 0.6%, while SGD deposit rates fell in tandem.

The sharp falls in SGD interest rates tracked the declines of short-term US interest rates as heightened risk aversion led to safe-haven flows and aggressive monetary policy easing globally. While the year started on a bullish tone, risk appetite dissipated quickly as the COVID-19 pandemic unfolded. With the number of infections and deaths escalating globally, lockdown and social distancing measures were imposed by affected countries, deepening concerns over their impact on global growth. In response to the rising recessionary pressures and spike in market volatility, the US Federal Reserves cut policy rates aggressively by 150 bps over the February and March period, while announcing that it would buy assets “in the amounts needed” to support the financial market. This led 3-month to fall by 160 bps to 0.3%.

## **CASH FUND**

Singapore, too, was impacted by the virus outbreak; Greater-than-expected disruption of global economic activity and the imposition of “circuit Breaker” measures contributed to a downgrade of the official 2020 GDP forecast from -4.0% to -1.0% in March to -7.0% to -4.0% in May. A total of four stimulus packages was announced by the government to support the domestic economy and preserve jobs, bringing the total stimulus to an unprecedented size of SGD 92.5 billion, or about 19% of GDP. Despite acknowledging the primary role of fiscal policy in mitigating the economic impact of COVID-19, the Singapore central bank moved to a more accommodative stance as it re-centered the SGD’s trading band and eased the pace at which it could strengthen to zero appreciation. It also committed to provide sufficient liquidity to the financial system through its money market operations.

### **Factors Affecting Performance**

The Fund’s yield moved lower during the period under review, in line with the declines in domestic money market rates.

### **Key Changes to the Portfolio**

No significant change.

### **Outlook**

Recent economic data points to signs of growth recovery as countries gradually re-open their economies. However, concerns over a second wave of COVID-19 infection is expected to result in a gradual and tentative path of recovery. This necessitates continued policy support and major central banks can be expected to maintain highly accommodative monetary policy to ensure economic recovery is self-sustaining. The macroeconomic backdrop is expected to keep short-end SGD rates anchored, especially as the Monetary Authority of Singapore is inclined to keep domestic liquidity flush. The Fund will seek to extend the tenor of deposit placement, where possible, in view of the prospect of lower rates over the coming months.

### *Notes:*

*(1) Source: Bloomberg, 30 June 2020*

## CASH FUND

### Fund Performance (As at 30 June 2020)

Fund/Benchmark	3 months	6 months	1 year	3 years	5 years	10 years	Since inception <sup>†</sup>
	%	%	%	%	%	%	%
Cash Fund	0.2	0.5	1.2	1.1	0.9	0.5	0.7
SGD Saving Deposits Rate	0.0	0.1	0.2	0.2	0.1	0.1	0.2

Source: Eastspring Investments (Singapore) Limited

Benchmark values were calculated using rates published on the website of MAS. There are no initial sales charge and realisation charge for the Fund. The return is in S\$, and calculated on a bid-to-bid basis with net income reinvested.

There has been no dividend distribution since the inception of Cash Fund.

<sup>†</sup> The first date of valuation of Cash Fund was 23 January 2007.

Past performance is not necessarily indicative of the future performance of the Cash Fund.

## **CASH FUND**

(As at 30 June 2020)

### **Exposure to Derivatives**

Nil for the period ended 30 June 2020.

### **Global exposure**

Global derivative exposure is computed using the commitment approach which is calculated as the sum of:

- a) the absolute value of the exposure of each individual financial derivative not involved in netting or hedging arrangements;
- b) the absolute value of the net exposure of each individual financial derivative after netting or hedging arrangements; and
- c) The sum of the values of cash collateral received pursuant to :
  - (i) the reduction of exposure to counterparties of OTC financial derivatives; and
  - (ii) EPM techniques relating to securities lending and repurchase transactions, and that are reinvested.

### **Collateral**

Nil for the period ended 30 June 2020.

### **Securities Lending or Repurchase Transactions**

Nil for the period ended 30 June 2020.

### **Investment in other unit trusts, mutual funds and collective investment schemes**

Nil for the period ended 30 June 2020.

### **Borrowings**

Nil for the period ended 30 June 2020.

### **Related Party Transactions**

In the normal course of the business of the Fund, trustee fees and management fees have been paid or are payable to the Trustee and Manager respectively as stated in the Statement of Total Return. The Fund has also carried out transactions which include bank services with the holding company of the Trustee in the normal course of business. Other than related party information shown elsewhere in the financial statements, the Fund maintains bank accounts with Hong Kong and Shanghai Banking Corporation Limited, a related corporation of the Trustee amounting to S\$13,762,371 (2019: S\$152,732).

Transactions with related parties were at terms agreed between the parties and within the provisions of the Trust Deed.

### **Total Subscriptions and Redemptions for the period ended 30 June 2020**

	<b>SGD</b>
Subscriptions	103,912,793
Redemptions	89,173,096



## **CASH FUND**

(As at 30 June 2020)

### **Annualised Expense Ratio\***

0.35% (2019: 0.35%)

*\*The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the expense ratio at 30 June 2020 was based on total operating expenses of S\$241,740 (2019: S\$380,697) divided by the average net asset value of S\$68,575,670 (2019: S\$109,103,352) for the year. The total operating expenses do not include (where applicable) brokerage and other transactions 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. The average net asset value is based on the daily balances.*

### **Turnover Ratio^**

951.25% (2019: 985.87%)

*^The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The Fund predominantly invests in term deposits. New term deposits and deposit placements as a result of rollover are taken in as purchases; matured term deposits, including the deposits that are rolled over, and early redemption of term deposits are taken in as sales. The calculation of the portfolio turnover ratio was based on the lesser of purchases or sales for the financial period of the underlying investments being sales of S\$652,323,900 (2019: purchases of S\$1,018,351,700) divided by the weighted average daily net asset value of S\$72,621,741 (2019: S\$103,294,282).*

### **Soft Dollar Commission**

Nil for the Fund.

### **Any other material information that will adversely impact the valuation of the fund**

Nil.

### **Pre-determined payouts**

The Fund does not offer pre-determined payouts.

## CASH FUND

(As at 30 June 2020)

### Top 10 Fixed Deposit Holdings

(As at 30 June 2020)

	Market Value SGD	% of Net Assets**
Malayan Bank Berhad 1.68% 10/01/20 to 13/07/20	3,500,000	4.57
United Overseas Bank Limited 1.92% 24/07/19 to 23/07/20	3,110,000	4.06
Malayan Bank Berhad 1.93% 25/07/19 to 24/07/20	2,894,000	3.78
Landesbank Baden-Württemberg 1.48% 21/02/20 to 21/08/20	2,500,000	3.27
Crédit Industriel et Commercial 1.46% 27/02/20 to 27/08/20	2,106,426	2.75
Malayan Bank Berhad 1.68% 13/02/20 to 13/08/20	2,000,459	2.61
Landesbank Baden-Württemberg 0.23% 04/06/20 to 07/12/20	1,968,399	2.57
Crédit Industriel et Commercial 1.55% 04/02/20 to 04/11/20	1,958,389	2.56
Landesbank Baden-Württemberg 1.55% 11/02/20 to 11/08/20	1,846,137	2.41
United Overseas Bank Limited 0.10% 05/06/20 to 07/09/20	1,679,125	2.19

\*\* Any differences in the percentage of the Net Asset figures are the result of rounding.

## CASH FUND

(As at 30 June 2020)

### Top 10 Fixed Deposit Holdings

(As at 30 June 2019)

	Market Value SGD	% of Net Assets**
Overseas-Chinese Banking Corporation 1.52% 30/05/19 to 03/07/19	14,145,000	19.38
Malayan Bank Berhad 1.73% 29/05/19 to 01/07/19	13,500,000	18.49
BNP Paribas 1.60% 26/06/19 to 04/07/19	5,350,000	7.33
United Overseas Bank Limited 1.62% 31/05/19 to 03/07/19	5,000,000	6.85
Landesbank Baden-Württemberg 1.95% 31/05/19 to 02/08/19	5,000,000	6.85
BNP Paribas 1.60% 27/06/19 to 04/07/19	4,135,000	5.66
BNP Paribas 1.60% 28/06/19 to 05/07/19	3,690,000	5.05
United Overseas Bank Limited 1.95% 18/06/19 to 18/12/19	3,636,000	4.98
BNP Paribas 1.50% 28/06/19 to 02/07/19	3,300,000	4.52
Landesbank Baden-Württemberg 1.75% 18/06/19 to 02/07/19	3,000,000	4.11

\*\* Any differences in the percentage of the Net Asset figures are the result of rounding.

## CASH FUND

(As at 30 June 2020)

### Fixed Deposit Holdings by Financial Institution

(As at 30 June 2020)

	Market Value SGD	% of Net Assets**
<b>Singapore</b>		
BNP Paribas, Singapore Branch	1,500,000	1.96
Crédit Industriel et Commercial, Singapore Branch	20,453,901	26.72
Landesbank Baden-Württemberg, Singapore Branch	19,754,342	25.81
Malayan Banking Berhad, Singapore Branch	15,253,947	19.93
Overseas-Chinese Banking Corporation	1,003,000	1.31
United Overseas Bank Limited, Singapore Branch	4,789,125	6.26

### Fixed Deposit Holdings by Financial Institution

(As at 30 June 2019)

	Market Value SGD	% of Net Assets**
<b>Singapore</b>		
BNP Paribas, Singapore Branch	18,491,000	25.33
Landesbank Baden-Württemberg, Singapore Branch	9,440,900	12.93
Malayan Banking Berhad, Singapore Branch	15,297,000	20.95
Overseas-Chinese Banking Corporation, Singapore Branch	17,045,000	23.35
United Overseas Bank Limited, Singapore Branch	13,295,500	18.21

\*\* Any differences in the percentage of the Net Asset figures are the result of rounding.

## CASH FUND

(As at 30 June 2020)

### Term to Maturity

(As at 30 June 2020)

	Market Value SGD	% of Net Assets**
1 Weeks	1,608,931	2.10%
2 Weeks	5,970,820	7.80%
3 Weeks	1,500,000	1.96%
4 Weeks	10,101,763	13.20%
6 Weeks	2,570,094	3.36%
7 Weeks	6,962,738	9.10%
8 Weeks	7,584,532	9.91%
9 Weeks	2,106,426	2.75%
10 Weeks	6,859,054	8.96%
11 Weeks	2,702,868	3.53%
12 Weeks	507,933	0.66%
13 Weeks	599,315	0.78%
16 Weeks	1,003,000	1.31%
19 Weeks	5,443,352	7.11%
23 Weeks	2,789,822	3.65%
24 Weeks	974,736	1.27%
26 Weeks	579,926	0.76%
27 Weeks	1,489,005	1.95%
29 Weeks	1,400,000	1.83%
Total	<u>62,754,315</u>	<u>81.99%</u>

### Schedule of Investments

(As at 30 June 2020)

	Market Value SGD	% of Net Assets**
<b>Country</b>		
Singapore	62,754,315	81.99
<b>Industry</b>		
Banks	62,754,315	81.99
<b>Asset Class</b>		
Deposits	62,754,315	81.99
Other Net Assets	13,786,394	18.01

\*\* Any differences in the percentage of the Net Asset figures are the result of rounding.

## **UNAUDITED FINANCIAL STATEMENTS**

For the half year ended 30 June 2020

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## CASH FUND

## Statement of Total Return

For the half year ended 30 June 2020

	Financial period from 01/01/2020 30/06/2020 S\$	Financial period from 01/01/2019 30/06/2019 S\$
<b>Income</b>		
Interest	469,816	838,854
	<hr/>	<hr/>
	469,816	838,854
<b>Less: Expenses</b>		
Management fees	115,750	162,156
Trustee fees	10,851	15,202
	<hr/>	<hr/>
	126,601	177,358
<b>Net income</b>	343,215	661,496
	<hr/>	<hr/>
<b>Total return for the period before income tax</b>	343,215	661,496
<b>Less: Income tax</b>	-	-
	<hr/>	<hr/>
<b>Total return for the period after income tax</b>	343,215	661,496

## CASH FUND

## Statement of Financial Position

As at 30 June 2020

	30/06/2020	31/12/2019
	S\$	S\$
<b>Assets</b>		
Portfolio of investments	62,754,315	61,005,000
Receivables	605,254	419,686
Cash and bank balances	13,762,371	150,901
<b>Total assets</b>	<u>77,121,940</u>	<u>61,575,587</u>
<b>Liabilities</b>		
Payables	581,231	117,790
<b>Total liabilities</b>	<u>581,231</u>	<u>117,790</u>
<b>Equity</b>		
Net assets attributable to unitholders	<u>76,540,709</u>	<u>61,457,797</u>



**CASH FUND****Statement of Movements of  
Unitholders' Funds**

For the half year ended 30 June 2020

	30/06/2020	31/12/2019
	S\$	S\$
<b>Net assets attributable to unitholders at the beginning of financial period/year</b>	61,457,797	108,116,879
<b>Operations</b>		
Changes in net assets attributable to unitholders resulting from operations	343,215	1,103,101
<b>Unitholders' contributions/(withdrawals)</b>		
Creation of units	103,912,793	108,835,386
Cancellation of units	(89,173,096)	(156,597,569)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	14,739,697	(47,762,183)
Total increase/(decrease) in net assets attributable to unitholders	15,082,912	(46,659,082)
<b>Net assets attributable to unitholders at the end of financial period/year</b>	76,540,709	61,457,797

**CASH FUND****Statement of Portfolio**

As at 30 June 2020

	Fair value 30/06/2020 (S\$)	Percentage of total net assets attributable to unitholders	
		30/06/2020 (%)	31/12/2019 (%)
<b>By Geography *- Primary</b>			
<b>Fixed deposits</b>			
<b>Singapore</b>			
BNP Paribas, Singapore Branch	1,500,000	1.96	2.83
Crédit Industriel et Commercial, Singapore Branch	20,453,901	26.72	-
Landesbank Baden-Württemberg, Singapore Branch	19,754,342	25.81	29.29
Malayan Banking Berhad, Singapore Branch	15,253,947	19.93	17.67
Overseas-Chinese Banking Corporation, Singapore Branch	1,003,000	1.31	29.42
United Overseas Bank Limited, Singapore Branch	4,789,125	6.26	20.05
	<u>62,754,315</u>	<u>81.99</u>	<u>99.26</u>
<b>Portfolio of investments</b>	62,754,315	81.99	99.26
<b>Other net assets</b>	13,786,394	18.01	0.74
<b>Net assets attributable to unitholders</b>	<u>76,540,709</u>	<u>100.00</u>	<u>100.00</u>

\* *Geography classification is based on the place of registration/incorporation of the custodian entities.*

**CASH FUND****Statement of Portfolio**

As at 30 June 2020

	Fair value 30/06/2020 (S\$)	Percentage of total net assets attributable to unitholders	
		30/06/2020 (%)	31/12/2019 (%)
<b>By Industry - Secondary</b>			
Banks	62,754,315	81.99	99.26
<b>Other net assets</b>	13,786,394	18.01	0.74
<b>Net assets attributable to unitholders</b>	<u>76,540,709</u>	<u>100.00</u>	<u>100.00</u>

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Investors should note that the purchase of a unit in the Fund is not the same as placing funds on deposit with a bank or deposit-taking company. Although the Manager may seek to maintain or preserve the principal value of the Fund there can be no assurance that the Fund will be able to meet this objective. The Fund is not a guaranteed fund, in that there is no guarantee as to the amount of capital invested or return received.

**Distributions are not guaranteed and may fluctuate. Past distributions are not necessarily indicative of future trends, which may be lower.** Distribution payouts and its frequency are determined by the Manager, Eastspring Singapore, and can be made out of (a) income; or (b) net capital gains; or (c) capital of the Fund or a combination of (a) and/or (b) and/or (c). The payment of distributions should not be confused with the Fund’s performance, rate of return or yield. Any payment of distributions by the Fund may result in an immediate decrease in the net asset value per unit.

**The preceding paragraph is only applicable if the Fund intends to pay dividends / distributions.**

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