

利安資金東南亞基金 年度財務報告

(中文簡譯本)

2022年12月31日

利安資金管理公司

Lion Global Investors Limited

www.lionglobalinvestors.com

新光投信

Shin Kong Investment Trust

www.skit.com.tw

本基金財務報告內容如與英文版財務報告有任何歧異，以英文版財務報告為主。

本基金財務報告簡譯本僅供投資人參考用。

警語：本基金財務報告（簡譯本）僅投資人參考，不代表對行情之預測或研判，投資人應自負風險。本基金經主管機關核准，惟不表示本基金絕無風險。本公司以往之經理績效，不保證各基金之最終投資收益；本公司除盡善良管理人之注意義務外，不負責各基金之盈虧，亦不保證最低收益，投資人申購前應詳閱各基金公開說明書。

利安資金東南亞基金財務報告

總投資報酬表

2022年01月01日至2022年12月31日

	附註	2022 S\$	2021 S\$
收入			
股利		301,211	328,737
利息		97	1
		<u>301,308</u>	<u>328,738</u>
減: 費用			
審計費		10,000	10,000
託管費		2,029	2,987
管理費		158,363	170,996
專業費		4,540	18,578
登錄費		16,790	16,605
交易費用		49,743	77,555
受託公司費		8,002	8,000
評價行政費		8,002	8,000
其他費用		21,390	22,148
		<u>278,859</u>	<u>334,869</u>
淨利		<u>22,449</u>	<u>(6,131)</u>
淨投資收益或損失			
已實現淨投資收益/ (損失)		(1,067,005)	1,154,803
已實現現貨合約收益/ (損失)		(13,309)	(9,232)
已實現外匯合約收益/ (損失)		-	-
兌換收益/ (損失)		(3,266)	(4,752)
		<u>(1,083,580)</u>	<u>1,140,819</u>
稅前總投資利潤/ (虧損)		(1,061,131)	1,134,688
減: 所得稅		(22,141)	(22,207)
期間總利潤/ (虧損)		<u>(1,083,272)</u>	<u>1,112,481</u>

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利安資金東南亞基金財務報告

資產負債表 2022年12月31日

	附註	2022 S\$	2021 S\$
資產			
投資組合		10,336,354	11,708,584
應收帳款		106,612	13,205
經紀人應付帳款		-	-
衍生性金融商品公平價值		-	-
現金及銀行存款		565,693	187,115
總資產		11,008,659	11,908,904
負債			
應付款項		46,013	56,837
經紀人應收款		-	-
衍生性金融商品公平價值		-	-
總負債		46,013	56,837
權益			
基金單位持有人資產淨值		10,962,646	11,852,067

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For the financial year ended 31 December 2022

ANNUAL REPORT LIONGLOBAL SOUTH EAST ASIA FUND

Lion Global Investors Ltd

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DIRECTORY

Manager

Lion Global Investors Limited
65 Chulia Street #18-01
OCBC Centre
Singapore 049513

Directors of Lion Global Investors Limited

Mr Khor Hock Seng (Chairman)
Mr Teo Joo Wah (Chief Executive Officer)
Mr Ronnie Tan Yew Chye
Ms Chong Chuan Neo

Trustee/Registrar

HSBC Institutional Trust Services (Singapore) Limited
10 Marina Boulevard,
Marina Bay Financial Centre, Tower 2,
#48-01
Singapore 018983

Custodian

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road
Central, Hong Kong

Independent Auditor

PricewaterhouseCoopers LLP
7 Straits View, Marina One
East Tower, Level 12
Singapore 018936

PERFORMANCE OF THE FUND

For the financial year ended 31 December 2022

Past performance is not necessarily indicative of future performance. Cumulative returns for the Fund are calculated up to 31 December 2022 in SGD terms, based on single pricing, with dividends reinvested net of all charges payable upon reinvestment.

Time Period	Fund Returns (%)	
	LionGlobal South East Asia Fund (SGD Class)	Benchmark* Returns (%)
3 months	-0.1	2.7
6 months	1.3	4.0
1 year	-9.3	-4.8
3 years**	-3.5	-3.7
5 years**	-3.1	-2.3
10 years**	0.5	1.0
Since Inception** (23 February 1996)	4.2	3.7

Past performance is not necessarily indicative of future performance. Cumulative returns for the Fund are calculated up to 31 December 2022 in USD terms, based on single pricing, with dividends reinvested net of all charges payable upon reinvestment.

Time Period	Fund Returns (%)	
	LionGlobal South East Asia Fund (USD Class)	Benchmark* Returns (%)
3 months	6.8	9.9
6 months	5.0	7.9
1 year	-8.8	-4.3
3 years**	-3.3	-3.6
5 years**	-3.2	-2.3
10 years**	-0.5	0.1
Since Inception** (25 June 2004)	5.3	7.8

Source: Morningstar/Lion Global Investors Ltd.

* Benchmark:

MSCI AC Far East ex Japan Gross Index: 23 Feb 1996 - 31 Dec 2000

MSCI AC Far East ex Japan Net Index: 1 Jan 2001- 31 Dec 2005

MSCI AC ASEAN Net Index: 1 Jan 2006 – present

** Returns of more than 1 year are annualised.

REVIEW

For the year ended 31 December 2022, the Fund returned -9.3%, while the benchmark MSCI All Countries ASEAN Net Index returned -4.8% in SGD terms.

With COVID-19 lockdowns abating and restrictions being gradually removed, ASEAN started the year with optimism. There were signs of inflation initially, but these were largely treated as transitory. The optimism over re-opening recovery was short-lived, however, when Russia invaded Ukraine, driving up commodity prices and disrupting supply chains further. This, together with pent-up demand, drove inflation to levels not seen since the 1980s, causing central banks to tighten monetary policies and raised interest rates aggressively. Volatility ensued and markets corrected significantly. Indonesia and Thailand were the best performing markets as they were beneficiaries of higher commodity prices and re-opening recovery respectively while Philippines, being a net importer of goods, suffered when inflation spiked. Singapore also underperformed after being dragged by the weak performance of technology stock SEA Limited.

For the Fund, Sumber Alfaria in Indonesia and Semcorp Industries in Singapore contributed to performance. Sumber Alfaria's retail operations recovered as Indonesia reopened while Sembcorp Industries delivered on its renewables energy transition strategy. Detractors came mainly from Stark Corporation in Thailand which declined significantly after terminating its proposed acquisition of Leoni, an European automotive cable manufacturer and Grand Venture Technology in Singapore where sentiment on this stock soured on higher interest rates.

STRATEGY AND OUTLOOK

ASEAN should continue to be a safe haven region against the backdrop of elevated inflation, rising interest rates, slowing global growth and potential recession globally. Although ASEAN's Gross Domestic Product in 2023 may slow from 2022 levels due to the slower global growth environment and some of the re-opening effects dissipate, it should remain resilient and expect to grow around 4.4% year-over-year (based on Bloomberg estimates). Some of the tailwinds from ASEAN's re-opening will continue, especially international tourism and travel. China's re-opening should also boost ASEAN's tourism as China accounted for around 22% of ASEAN's foreign visitor arrivals before the pandemic. Domestic consumption growth should continue to drive economic growth as wage increases and improved labour market are supporting household incomes. Although overall trade growth may be impacted from global recession concerns, intra-ASEAN trade is expected to be resilient and should partly cushion the global trade slowdown. In addition, China's re-opening and recovery of her economy may also benefit ASEAN given that China is ASEAN's largest trading partner outside the region. The reconfiguration of manufacturing supply chains and friend-shoring of production bases are expected to benefit ASEAN and result in more Foreign Direct Investments (FDI) into the region.

Tighter monetary conditions and interest rate hikes, which are headwinds to the markets, are still expected especially in the 1st half of 2023 as inflation remains elevated. However, there are signs that inflation may be peaking which should provide central banks some breathing space to moderate their tightening pace some time in 2023.

Thus, we are positive on companies that are beneficiaries of domestic consumption growth and more FDIs into the region. We are also favourable to companies that should benefit from the expected increase in travel and tourism in ASEAN especially with China opening up. We remain invested in selective companies in the Consumer, Technology and Clean Energy sectors that are expected to capture some of the secular trends of rising middle income, adoption of technology and clean energy transition in ASEAN.

The key uncertainties to the markets are inflation pressures remaining higher for longer resulting in more rate hikes and tighter monetary conditions, potential recession or even stagflation, some major credit events or fallout, geo-politics, worsening US-China tensions and domestic politics. Another pandemic or COVID-19 mutation resulting in new waves of serious infections remains a risk as well.

As of 16 January 2023.

DISCLOSURES ON THE FUND¹*For the financial year ended 31 December 2022***1. DISTRIBUTION OF INVESTMENTS AS AT 31 DECEMBER 2022**

	Fair Value	Percentage of
	\$	total net assets
		attributable to
		unitholders
		%
a) <u>By Asset Class</u>		
Equities	10,336,354	94.3
Cash and other net assets	626,292	5.7
Net assets attributable to unitholders	10,962,646	100.0

b) By Credit Rating of Debt Securities

Not applicable

c) By Derivative Type

Total net realised losses from financial derivatives at the end of the financial year were \$13,309.

¹ As required by Code on Collective Investment Schemes

2. TOP 10 HOLDINGS
As at 31 December 2022

	Fair Value	Percentage of
	\$	total net assets
		attributable to
		unitholders
		%
DBS Group Holdings Limited	1,055,556	9.6
United Overseas Bank Limited	862,916	7.9
PT Bank Central Asia Tbk	542,517	4.9
PT Bank Rakyat Indonesia (Persero) Tbk	338,741	3.1
Sea Limited ADR	320,442	2.9
CP Seven Eleven Public Company Limited - NVDR	296,534	2.6
CIMB Group Holdings Berhad	288,726	2.6
Public Bank Berhad	280,689	2.6
PT Cisarua Mountain Dairy Tbk	261,544	2.4
PT Telkom Indonesia Persero Tbk	253,260	2.3

As at 31 December 2021

	Fair Value	Percentage of
	\$	total net assets
		attributable to
		unitholders
		%
DBS Group Holdings Limited	1,130,657	9.5
United Overseas Bank Limited	737,275	6.2
PT Bank Central Asia Tbk	508,561	4.3
Sea Limited ADR	506,679	4.3
PT Bank Rakyat Indonesia (Persero) Tbk	495,372	4.2
Public Bank Berhad	287,281	2.4
PT Telkom Indonesia Persero Tbk	285,119	2.4
CP Seven Eleven Public Company Limited - NVDR	267,160	2.3
Wilmar International Limited	231,840	2.0
Energy Absolute Public Company Limited - NVDR	223,937	1.9

3. GLOBAL EXPOSURE

The global exposure relating to derivative instruments is calculated using the commitment approach by converting the derivative positions into equivalent positions in the underlying assets embedded in those derivatives.

The global exposure of the Fund to financial derivative instruments or embedded financial derivative instruments will not exceed 100% of the net asset value of the Fund at any time.

4. COLLATERAL

Nil

5. SECURITIES LENDING OR PURCHASE TRANSACTIONS

Nil

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

Nil

7. BORROWINGS

Nil

8. SOFT DOLLAR COMMISSION RECEIVED BY THE MANAGERS

The soft dollar commissions if applicable from various brokers for the financial year 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.

9. OTHER MATERIAL INFORMATION

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

10. SUPPLEMENTAL INFORMATION ON UNDERLYING SUB-FUNDS

Not applicable

REPORT OF THE TRUSTEE

For the financial year ended 31 December 2022

The Trustee is under a duty to take into custody and hold the assets of LionGlobal South East Asia Fund (the “Fund”) in trust for the unitholders. In accordance with the Securities and Futures Act 2001, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting year and report thereon to unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Fund during the financial year covered by these financial statements, set out on pages 12 to 38, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee
HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED

Authorised signatory

28 March 2023

STATEMENT BY THE MANAGER

For the financial year ended 31 December 2022

In the opinion of Lion Global Investors Limited, the accompanying financial statements set out on pages 12 to 38, comprising the Statement of Total Return, Statement of Financial Position, Statement of Movements of Unitholders' Funds, Statement of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position and the portfolio holdings of LionGlobal South East Asia Fund (the "Fund") as at 31 December 2022, and the financial performance and movements in unitholders' funds for the financial year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the Fund will be able to meet its financial obligations as and when they materialise.

For and on behalf of
LION GLOBAL INVESTORS LIMITED

TEO JOO WAH
CEO

28 March 2023

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF LIONGLOBAL SOUTH EAST ASIA FUND

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

Our Opinion

In our opinion, the accompanying financial statements of the LionGlobal South East Asia Fund (the "Fund"), are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants, so as to present fairly, in all material respects, the financial position and portfolio holdings of the Fund as at 31 December 2022, and the financial performance and movements of unitholders' funds for the financial year ended on that date.

What we have audited

The financial statements of the Fund comprise:

- the Statement of Total Return for the financial year ended 31 December 2022;
- the Statement of Financial Position as at 31 December 2022;
- the Statement of Movements of Unitholders' Funds for the financial year ended 31 December 2022;
- the Statement of Portfolio as at 31 December 2022; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

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

Independence

We are independent of the Fund in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF LIONGLOBAL SOUTH EAST ASIA FUND

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

Other Information

The Fund's Manager (the "Manager") is responsible for the other information. The other information comprises all sections of the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the Financial Statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Fund or to cease the Fund's operations, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF LIONGLOBAL SOUTH EAST ASIA FUND

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

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 28 March 2023

STATEMENT OF TOTAL RETURN
For the financial year ended 31 December 2022

	Note	2022 \$	2021 \$
Income			
Dividends		301,211	328,737
Interest on cash and bank balances	9	97	1
		<u>301,308</u>	<u>328,738</u>
Less: Expenses			
Audit fee		10,000	10,000
Custodian fees	9	2,029	2,987
Management fee	9	158,363	170,996
Professional fee		4,540	18,578
Registration fee	9	16,790	16,605
Transaction costs		49,743	77,555
Trustee fee	9	8,002	8,000
Valuation and administration fees	9	8,002	8,000
Miscellaneous expenses		21,390	22,148
		<u>278,859</u>	<u>334,869</u>
Net income/(expense)		<u>22,449</u>	<u>(6,131)</u>
Net gains or losses on value of investments and financial derivatives			
Net (losses)/gains on investments		(1,067,005)	1,154,803
Net losses on foreign exchange spot contracts		(13,309)	(9,232)
Net foreign exchange losses		(3,266)	(4,752)
		<u>(1,083,580)</u>	<u>1,140,819</u>
Total (deficit)/return for the financial year before income tax		<u>(1,061,131)</u>	<u>1,134,688</u>
Less: Income tax	3	(22,141)	(22,207)
Total (deficit)/return for the financial year		<u>(1,083,272)</u>	<u>1,112,481</u>

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

STATEMENT OF FINANCIAL POSITION*As at 31 December 2022*

	Note	2022 \$	2021 \$
ASSETS			
Portfolio of investments		10,336,354	11,708,584
Receivables	4	106,612	13,205
Cash and cash equivalents	5	565,693	187,115
Total assets		<u>11,008,659</u>	<u>11,908,904</u>
LIABILITIES			
Payables	6	46,013	56,837
Total liabilities		<u>46,013</u>	<u>56,837</u>
EQUITY			
Net assets attributable to unitholders	7	<u>10,962,646</u>	<u>11,852,067</u>

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

STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS

For the financial year ended 31 December 2022

	Note	2022 \$	2021 \$
Net assets attributable to unitholders at the beginning of the financial year		11,852,067	11,969,298
Operations			
Change in net assets attributable to unitholders resulting from operations		(1,083,272)	1,112,481
Unitholders' contributions/(withdrawals)			
Creation of units		959,311	1,351,289
Cancellation of units		(765,460)	(2,581,001)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		193,851	(1,229,712)
Total decrease in net assets attributable to unitholders		(889,421)	(117,231)
Net assets attributable to unitholders at the end of the financial year	7	10,962,646	11,852,067

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

STATEMENT OF PORTFOLIO
As at 31 December 2022

	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Geography (Primary)			
QUOTED EQUITIES			
SINGAPORE			
DBS Group Holdings Limited	31,119	1,055,556	9.6
United Overseas Bank Limited	28,108	862,916	7.9
Sea Limited ADR	4,592	320,442	2.9
Singapore Telecommunications Limited	76,000	195,320	1.8
Keppel Corporation Limited	18,600	135,036	1.2
Wilmar International Limited	26,700	111,339	1.0
Novo Tellus Alpha Acquisition	23,400	103,662	0.9
Nanofilm Technologies International Limited	70,400	97,856	0.9
CapitaLand Integrated Commercial Trust	41,500	84,660	0.8
Sembcorp Industries	23,200	78,416	0.7
Singapore Airlines Limited	13,000	71,890	0.7
Venture Corporation Limited	4,200	71,652	0.7
Grand Venture Technology Private Limited	123,500	62,367	0.6
Singapore Technologies Engineering Limited	17,600	58,960	0.5
Singapore Exchange Limited	4,900	43,855	0.4
CapitaLand Investment Limited	9,500	35,150	0.3
Mapletree Commercial Trust	13,000	21,710	0.2
Novo Tellus Alpha Acquisition Warrants 31/12/2029	11,700	585	*
		<u>3,411,372</u>	<u>31.1</u>

* denotes amount less than 0.1%

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

LIONGLOBAL SOUTH EAST ASIA FUND

	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Geography (Primary) (continued)			
QUOTED EQUITIES (continued)			
INDONESIA			
PT Bank Central Asia Tbk	736,500	542,517	4.9
PT Bank Rakyat Indonesia (Persero) Tbk	795,914	338,741	3.1
PT Cisarua Mountain Dairy Tbk	714,300	261,544	2.4
PT Telkom Indonesia Persero Tbk	783,900	253,260	2.3
PT Bank Mandiri Persero Tbk	231,500	197,950	1.8
PT Sumber Alfaria Trijaya Tbk	730,200	166,710	1.5
PT Merdeka Copper Gold Tbk	395,479	140,377	1.3
Bank Negara Indonesia	170,600	135,588	1.2
PT Astra International Tbk	264,200	129,743	1.2
PT Indocement Tunggal Prakarsa Tbk	123,600	105,421	1.0
PT Ashmore Asset Management Indonesia Tbk	859,146	98,815	0.9
PT Map Aktif Adiperkasa Tbk	286,200	94,930	0.9
PT Panca Mitra Multiperdana Tbk	1,785,600	63,073	0.6
PT AKR Corporindo Tbk	475,600	57,365	0.5
		<u>2,586,034</u>	<u>23.6</u>
THAILAND			
CP Seven Eleven Public Company Limited - NVDR	112,200	296,534	2.6
PTT Exploration & Production Public Company Limited - NVDR	33,300	227,597	2.0
PTT Public Company Limited - NVDR	134,200	172,792	1.6
Bangkok Dusit Medical Services Public Company Limited	145,000	162,834	1.5
I-TAIL Corporation Public Company Limited	128,028	148,732	1.4
Siam Commercial Bank Public Company Limited	33,400	138,391	1.3

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

	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Geography (Primary) (continued)			
QUOTED EQUITIES (continued)			
THAILAND (continued)			
Airports of Thailand Public Company Limited - NVDR	47,400	137,663	1.3
Stark Corporation Public Company Limited	1,393,800	134,933	1.2
Bangkok Bank Public Company Limited	21,500	123,219	1.1
Siam Cement Public Company Limited - NVDR	8,200	108,597	1.0
Kasikornbank Public Company Limited - NVDR	17,200	98,242	0.9
BTS Group Holdings Public Company Limited - NVDR	296,700	96,511	0.9
Beryl 8 Plus Public Company Limited	39,800	94,014	0.9
Advanced Information Service Public Company Limited - NVDR	9,600	72,491	0.7
Energy Absolute Public Company Limited - NVDR	18,100	67,988	0.6
VGI Public Company Limited	317,700	54,131	0.5
Minor International Public Company Limited - NVDR	39,878	49,801	0.5
Stark Corporation Public Company Limited Warrants 31/12/2046	251,333	2,628	*
BTS Group Holdings Public Company Limited Warrants 31/12/2049 (TH0221056BR3)	59,340	689	*
BTS Group Holdings Public Company Limited Warrants 31/12/2049 (TH0221054BR8)	29,670	322	*
		<u>2,188,109</u>	<u>20.0</u>

* denotes amount less than 0.1%

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

LIONGLOBAL SOUTH EAST ASIA FUND

	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Geography (Primary) (continued)			
QUOTED EQUITIES (continued)			
MALAYSIA			
CIMB Group Holdings Berhad	163,497	288,726	2.6
Public Bank Berhad	213,400	280,689	2.6
Malayan Banking Berhad	59,835	158,497	1.4
Genetech Technology Berhad	199,300	145,028	1.3
Supercomnet Technologies Berhad	292,800	139,965	1.3
TIME dotCom Berhad	73,900	110,252	1.0
ITMAX System Berhad	249,700	107,958	1.0
Malaysia Airports Holdings Berhad	44,100	88,083	0.8
CTOS Digital Berhad	154,000	66,582	0.6
Press Metal Aluminium Holdings Berhad	44,600	66,268	0.6
Petronas Chemicals Group Berhad	19,100	50,012	0.5
Inari Amertron Berhad	38,800	30,833	0.3
LGMS Berhad	70,000	24,084	0.2
Farm Fresh Berhad	33,900	16,618	0.2
		<u>1,573,595</u>	<u>14.4</u>
PHILIPPINES			
Metropolitan Bank & Trust Company	101,900	132,432	1.2
Wilcon Depot Inc.	173,000	122,826	1.1
Banco De Oro Unibank Inc.	32,856	83,582	0.8
Century Pacific Food, Inc.	112,000	69,544	0.6
SM Prime Holdings Inc.	57,000	48,700	0.4
Nickel Asia Corporation	340,600	47,872	0.4
SM Investments Corporation	1,900	41,155	0.4
Ayala Land Inc.	42,000	31,133	0.3
		<u>577,244</u>	<u>5.2</u>

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

	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Geography (Primary) (continued)			
QUOTED EQUITIES (continued)			
Portfolio of investments		10,336,354	94.3
Other net assets		626,292	5.7
Net assets attributable to unitholders		<u>10,962,646</u>	<u>100.0</u>

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

	Percentage of total net assets attributable to unitholders at	
	31 December 2022 %	31 December 2021 %
By Geography (Summary)		
Singapore	31.1	32.7
Indonesia	23.6	24.8
Thailand	20.0	20.5
Malaysia	14.4	12.5
Philippines	5.2	8.3
Portfolio of investments	94.3	98.8
Other net assets	5.7	1.2
Net assets attributable to unitholders	100.0	100.0

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

LIONGLOBAL SOUTH EAST ASIA FUND

	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at	
		31 December 2022 %	31 December 2021 %
By Industry (Secondary)			
Financial	4,683,963	42.7	39.8
Consumer, Non-cyclical	1,296,928	11.8	11.1
Communications	1,140,829	10.4	12.2
Industrial	1,079,008	9.9	10.4
Technology	530,049	4.8	5.0
Basic Materials	518,547	4.8	5.8
Energy	468,377	4.3	5.6
Consumer, Cyclical	397,300	3.6	4.9
Real Estate	221,353	2.0	1.8
Utilities	-	-	2.2
Portfolio of investments	10,336,354	94.3	98.8
Other net assets	626,292	5.7	1.2
Net assets attributable to unitholders	10,962,646	100.0	100.0

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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

1. GENERAL

LionGlobal South East Asia Fund (the “Fund”) is a unit trust constituted by a Deed of Trust dated 12 December 1995 together with its Supplemental Deeds thereon (hereafter referred to as “Trust Deed”) between Lion Global Investors Limited (the “Manager”) and HSBC Institutional Trust Services (Singapore) Limited (the “Trustee”). The Trust Deed is governed by the laws of the Republic of Singapore.

There are currently 3 classes of units established in respect of the Fund, namely 2 Singapore Dollar-denominated Classes, “Grandfathered Class” and “SGD Class”, and a US Dollar-denominated Class, “USD Class”. There are no material differences between the SGD Class Units and the USD Class Units save for the currency of denomination. The Grandfathered Class was established by the Manager solely in order for units in the LionGlobal Philippines Fund (which has been terminated) to be switched into the Grandfathered Class Units on 4 April 2013 at the offer price of S\$1.000. The Grandfathered Class is not currently being offered to investors.

The management fee of both the SGD and USD Class is 1.5% per annum, and the management fee of the Grandfathered class is 1.0% per annum.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention, as 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 Investment Funds” (“RAP 7”) issued by the Institute of Singapore Chartered Accountants.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(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 Manager and in accordance with the provisions of the Trust Deed.

Financial derivatives outstanding at the end of the financial year are measured at their fair values using the marked-to-market method, and the resultant gains and losses are taken up in the Statement of Total Return.

(d) 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 is included in the Statement of Total Return in the year in which they arise.

(iii) Derecognition

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sales of investments are computed on the basis of the difference between the weighted average cost and selling price gross of transaction costs, and are taken up in the Statement of Total Return.

(e) Basis of valuation of investments

The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at the close of trading on the reporting date. The Fund utilises the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of fair value.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) 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, less accumulated impairment losses.

(g) Due from and due to brokers

Sales and purchases awaiting settlement represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the Statement of Financial Position date respectively. These amounts are recognised initially at fair value and subsequently measured at amortised cost.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand which are subject to an insignificant risk of changes in value.

(i) Payables

Payables are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

(j) Foreign currencies

(i) Functional and presentation currency

Subscriptions and redemptions of the units in the Fund are denominated in Singapore Dollar and United States Dollar. The primary activity of the Fund is to invest in quoted or listed securities (including real estate investment trusts) in South East Asia, particularly in Indonesia, Malaysia, Singapore, Thailand, the Philippines, Hong Kong S.A.R. and other countries within the region.

The performance of the Fund is measured and reported to the investors in Singapore Dollar. In addition, the Fund's activities are substantially based in Singapore and expenses are predominantly in Singapore Dollar. Therefore, the Manager considers 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Foreign currencies (continued)

(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 of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date 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 net gain or loss on investments.

(k) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Fund or the counterparty.

3. INCOME TAX

The Fund was granted the status of a Designated Unit Trust ("DUT") in Singapore. The Manager and Trustee of the Fund will ensure that the Fund fulfills its reporting obligations under the DUT Scheme.

Under the DUT Scheme, subject to certain conditions and reporting obligations being met, certain income of the DUT fund is not taxable in accordance with sections 35(12) and 35(12A) of the Income Tax Act.1947 Such income includes:

- (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.1947);
- (c) dividends derived from outside Singapore and received in Singapore;

3. INCOME TAX (continued)

- (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;
- (e) discount, prepayment fee, redemption premium and break cost from qualifying debt securities issued during the prescribed period; and
- (f) distributions from foreign unit trusts derived from outside Singapore and received in Singapore.

	2022	2021
	\$	\$
Refund of Singapore income tax from prior year	-	(367)
Singapore income tax	-	158
Overseas income tax	22,141	22,416
Total income tax	<u>22,141</u>	<u>22,207</u>

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. RECEIVABLES

	2022	2021
	\$	\$
Amount receivable for creation of units	100,891	5,085
Dividends receivable	2,654	4,587
Other receivables	3,067	3,533
	<u>106,612</u>	<u>13,205</u>

5. CASH AND CASH EQUIVALENTS

The cash and cash equivalents are placed with a financial institution which is a related company of the Trustee.

6. PAYABLES

	2022	2021
	\$	\$
Amount payable for cancellation of units	525	2,221
Amount due to the Manager	13,191	14,263
Amount due to the Trustee	11,912	12,298
Amount due to the Custodian	156	270
Amount due to the Registrar	1,200	6,433
Other payables	19,029	21,352
	<u>46,013</u>	<u>56,837</u>

7. UNITS IN ISSUE

	2022		2021	
	SGD/USD	Grandfathered	SGD/USD	Grandfathered
	Class	Class	Class	Class
	Units	Units	Units	Units
Units at beginning of the financial year	6,296,214	1,737,186	6,895,419	2,032,697
Units created	650,435	-	880,586	-
Units cancelled	(435,218)	(100,859)	(1,479,791)	(295,511)
Units at end of the financial year	<u>6,511,431</u>	<u>1,636,327</u>	<u>6,296,214</u>	<u>1,737,186</u>
of which, units denominated in - USD	<u>1,559,445</u>	<u>-</u>	<u>1,531,338</u>	<u>-</u>
	SGD/USD	Grandfathered	SGD/USD	Grandfathered
	Class	Class	Class	Class
	\$	\$	\$	\$
Net assets attributable to unitholders	9,295,234	1,667,412	9,910,043	1,942,024
Net asset value per unit	<u>1.427</u>	<u>1.018</u>	<u>1.573</u>	<u>1.117</u>

7. UNITS IN ISSUE (continued)

A reconciliation of the net assets attributable to unitholders per unit per the financial statements and the net assets attributable to unitholders per unit for issuing/redeeming units at the reporting date is presented below:

	2022		2021	
	SGD/USD Class	Grandfathered Class	SGD/USD Class	Grandfathered Class
	\$	\$	\$	\$
Net assets attributable to unitholders per unit per the financial statements	1.427	1.018	1.573	1.117
Effect for movement in the net asset value between the last dealing date and the end of the reporting period	*	0.001	*	*
Net assets attributable to unitholders per unit for issuing/redeeming units	1.427	1.019	1.573	1.117

* denotes amount less than \$0.001

8. FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Fund's overall risk management programme seeks to minimise potential adverse effects on the Fund's financial performance. The Fund may use financial futures contracts, options and/or currency forward contracts subject to the terms of the Trust Deed to moderate certain risk exposures. Specific guidelines on exposures to individual securities and certain industries are in place for the Fund at any time as part of the overall financial risk management to reduce the Fund's risk exposures.

The Fund's assets principally consist of investment in equity investments. They are held in accordance with the published investment policies of the Fund. The allocation of assets between the various types of investments is determined by the Manager to achieve their investment objectives.

8. FINANCIAL RISK MANAGEMENT (continued)

The following is a summary of the main risks and risk management policies:

(a) Market risk

Market risk is the risk of loss to the value of financial investments because of changes in market conditions like interest and currency rate movements and volatility in security prices. External factors such as changes in economic environment, consumption patterns and investor's expectation contribute to market risk which may have a significant impact on the asset's value.

The Fund's investments are substantially dependent on changes in market prices. The Manager monitors the Fund's investments closely so as to assess changes in fundamentals and valuation. Although the Manager makes reasonable efforts in the choice of investments, events beyond reasonable control of the Manager 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.

COVID-19 pandemic continues to evolve and develop. The situation is dynamic with various cities and countries around the world responding in different ways to address the pandemic. As a result of the COVID-19 pandemic, global financial markets have experienced significant volatility. Given the extent of the crisis, it is difficult to estimate the impact or duration of the volatility on the portfolio of the Fund. The Manager is closely monitoring the development of the COVID-19 pandemic and its related impact.

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

8. FINANCIAL RISK MANAGEMENT (continued)

 (a) Market risk (continued)

 (i) Price risk

The Fund's sensitivity to the market is measured using its beta, a ratio that describes how the expected return of a portfolio is correlated to the return of the financial market as a whole. The daily fund price movement is measured against the price movement of the benchmark to derive the beta.

As at 31 December 2022, the Fund's beta was 0.96 (2021: 0.92) which is calculated based on the daily returns over the preceding 12 months for the Fund and its benchmark (2021: based on the daily returns over the preceding 12 months for the Fund and its benchmark).

The table below summarises the impact of increases/decreases from the Fund's underlying investments in equities on the Fund's net assets attributable to the unitholders as at 31 December 2022 and 2021. The analysis was based on the assumptions that the index components within the benchmark index increased/decreased by a reasonable possible shift, with all variables held constant and that the fair value of the Fund's investments moved according to the beta.

Fund	Benchmark	Impact of 5% (2021: 5%) movement in benchmark on net assets attributable to the unitholders	
		2022	2021
		\$	\$
LionGlobal South East Asia Fund	MSCI AC ASEAN Index	496,145	538,595

 (ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

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

8. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(iii) Currency risk

The Fund has monetary assets/liabilities denominated in currencies other than Singapore Dollar 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 Fund's exposure to key currencies at the end of the financial year. Monetary and non-monetary items have been taken into account for the analysis.

**As at 31 December
2022**

	MYR \$	IDR \$	THB \$	SGD \$	Others \$	Total \$
Assets						
Portfolio of investments	1,573,595	2,586,033	2,188,109	3,090,931	897,686	10,336,354
Receivables	545	-	-	103,171	2,896	106,612
Cash and cash equivalents	2,320	258	233	509,194	53,688	565,693
Total assets	1,576,460	2,586,291	2,188,342	3,703,296	954,270	11,008,659
Liabilities						
Payables	-	-	-	45,368	645	46,013
Total liabilities	-	-	-	45,368	645	46,013
Net financial assets	1,576,460	2,586,291	2,188,342	3,657,928	953,625	
Net currency exposure	1,576,460	2,586,291	2,188,342	3,657,928	953,625	

8. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(iii) Currency risk (continued)

As at 31 December 2021	MYR \$	IDR \$	THB \$	SGD \$	Others \$	Total \$
Assets						
Portfolio of investments	1,483,834	2,940,608	2,424,099	3,308,647	1,551,396	11,708,584
Receivables	982	-	-	6,845	5,378	13,205
Cash and cash equivalents	2,465	284	242	126,540	57,584	187,115
Total assets	1,487,281	2,940,892	2,424,341	3,442,032	1,614,358	11,908,904
Liabilities						
Payables	-	-	-	53,643	3,194	56,837
Total liabilities	-	-	-	53,643	3,194	56,837
Net financial assets	1,487,281	2,940,892	2,424,341	3,388,389	1,611,164	
Net currency exposure	1,487,281	2,940,892	2,424,341	3,388,389	1,611,164	

Equity investments are non-monetary financial assets and are exposed to both currency risk and price risk. As these financial assets are non-monetary, no separate sensitivity analysis has been performed to analyse currency risk. The impact of currency risk arising from these financial assets on the Fund's net asset value has been included in the above other price risk sensitivity analysis.

The Fund's monetary assets/liabilities are measured for their sensitivity to exchange rate movements based on the balance of the monetary assets/liabilities, forecasted exchange rate movements and the net asset value of the Fund.

As of 31 December 2022 and 2021, the Fund's exposure to foreign currency fluctuations with respect to the monetary assets/liabilities is not considered to be significant and hence no sensitivity analysis on foreign currency risk has been presented.

8. FINANCIAL RISK MANAGEMENT (continued)
(b) Liquidity risk

Liquidity risk is the risk of loss arising from the inability of the Fund to meet its obligation as and when they fall due without incurring unacceptable cost or losses.

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 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 reporting 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.

As at 31 December 2022	Less than 3 months \$	3 months- 1 year \$	1-5 years \$	Above 5 years \$
Payables	46,013	-	-	-

As at 31 December 2021	Less than 3 months \$	3 months- 1 year \$	1-5 years \$	Above 5 years \$
Payables	56,837	-	-	-

(c) Credit risk

Credit risk is the risk that counterparties 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.

8. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

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 Manager minimises the Fund's credit risk by undertaking transactions with banks that are part of banking groups with good credit ratings assigned by Standard and Poor's ("S&P") or Moody's.

For purposes of impairment assessment, the Fund's assets which are measured at amortised cost are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses ("ECL"). The ECL for these assets as at the end of the reporting period is not significant.

The tables below summarise the credit rating of bank and custodian in which the Fund's assets are held as at 31 December 2022 and 2021.

	Credit rating ^{##}	Source of credit rating
As at 31 December 2022		
<u>Custodian</u>		
The Hongkong and Shanghai Banking Corporation Limited	AA-	S&P
<u>Bank</u>		
The Hongkong and Shanghai Banking Corporation Limited	AA-	S&P

8. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

	Credit rating ^{##}	Source of credit rating
As at 31 December 2021		
Custodian		
The Hongkong and Shanghai Banking Corporation Limited	AA-	S&P
Bank		
The Hongkong and Shanghai Banking Corporation Limited	AA-	S&P

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

The credit ratings are based on the Long-Term Issuer Ratings published by the rating agency.

^{##} Group credit ratings are presented for unrated subsidiaries.

(d) Capital management

The Fund's capital is represented by the net assets attributable to unitholders. The Fund strives to invest the subscriptions of redeemable participating units in investments that meet the Fund's investment objectives while maintaining sufficient liquidity to meet unitholders' redemptions.

(e) Fair value estimation

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

8. FINANCIAL RISK MANAGEMENT (continued)

(e) Fair value estimation (continued)

The following tables analyse within the fair value hierarchy the Fund's financial assets and liabilities (by class) measured at fair value at 31 December 2022 and 2021:

As at 31 December 2022	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Portfolio of investments				
- Quoted equities	10,336,354	-	-	10,336,354

As at 31 December 2021	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Portfolio of investments				
- Quoted equities	11,708,584	-	-	11,708,584

Investments whose values are based on quoted market prices in active markets, and therefore classified within Level 1, comprise active listed equities. The Fund does not adjust the quoted price for these instruments.

The assets and liabilities included in the Statement of Financial Position except portfolio of investments are carried at amortised cost; their carrying values are reasonable approximation of fair value.

9. RELATED PARTY TRANSACTIONS

Management fee is paid to the Manager, while trustee fee is paid to the Trustee. These fees paid or payable by the Fund shown in the Statement of Total Return and in the respective notes to the financial statements are on terms set out in the Trust Deed.

In addition to the related party information shown elsewhere in the financial statements, the following significant transactions took place during the financial year between the Fund and related parties at terms agreed between the parties and within the provisions of the Trust Deed:

	2022	2021
	\$	\$
Brokerage on purchases and sales of investments charged by a related party of the Manager	1,072	4,845
Interest income earned from a bank which is a related company of the Trustee	97	1
Transaction fees charged by the Trustee	6,311	2,748
Registration fees charged by a related company of the Trustee	16,790	16,605
Valuation and administration fees charged by the Trustee	8,002	8,000
Custodian fees charged by a related company of the Trustee	2,029	2,987
Bank service fees charged by a bank which is a related company of the Trustee	8,279	2,103
Cash transfer fees charged by a related company of the Trustee	1,002	5,145

10. FINANCIAL RATIOS

	2022	2021
	%	%
Expense ratio ¹		
- SGD/USD class	2.13	2.19
- Grandfathered class	1.63	1.69
Portfolio turnover ratio ²	43	59

¹ 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 was based on total operating expenses divided by the average net asset value 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.

Total operating expenses and average net asset value are as below:

	2022	2021
	\$	\$
Total operating expenses		
- SGD/USD class	199,684	221,425
- Grandfathered class	29,432	32,786
Average net asset value		
- SGD/USD class	9,353,573	10,106,850
- Grandfathered class	1,800,343	1,938,828

² The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the portfolio turnover ratio was based on the lower of the total value of purchases or sales of the underlying investments, being purchases of \$4,846,227 (2021: purchases of \$7,071,242) divided by the average daily net asset value of \$11,153,916 (2021: \$12,045,678).

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