

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

利安資金日本增長基金財務報告

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		5,688,520	5,420,930
利息		35	-
其他收益		-	-
		<u>5,688,555</u>	<u>5,420,930</u>
減：費用			
審計費		24,750	24,750
託管費		31,305	3,594
管理費		3,348,608	4,249,409
專業費		22,891	23,956
登錄費		21,619	17,535
受託公司費		45,183	-
交易費用		276,383	371,420
評價行政費		49,717	60,706
其他費用		152,850	66,286
		<u>3,973,306</u>	<u>4,817,656</u>
淨利 / (支出)		<u>1,715,249</u>	<u>603,274</u>
淨投資收益或損失			
已實現淨投資收益/ (損失)		(60,024,792)	8,991,363
已實現現貨合約收益/ (損失)		27,236	563
已實現遠期合約收益/ (損失)		3,943,766	2,531,663
兌換收益/ (損失)		519,102	(919,017)
		<u>(55,534,688)</u>	<u>10,604,572</u>
稅前總投資利潤/ (虧損)		(53,819,439)	11,207,846
減：所得稅		(871,197)	(828,497)
期間總利潤/ (虧損)		<u>(54,690,636)</u>	<u>10,379,349</u>

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利安資金日本增長基金財務報告

資產負債表 2022年12月31日

	附註	2022 S\$	2021 S\$
資產			
投資組合		184,370,203	299,040,983
應收帳款		276,960	483,467
經紀人應付帳款		-	-
衍生性金融商品公平價值		215,744	456,655
現金及銀行存款		9,996,204	8,031,440
總資產		194,859,111	308,012,545
負債			
應付款項		2,488,625	446,199
經紀人應收款		-	-
衍生性金融商品公平價值		43,165	1,426
總負債		2,531,790	447,625
權益			
基金單位持有人資產淨值		192,327,321	307,564,920

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For the financial year ended 31 December 2022

**ANNUAL REPORT
LIONGLOBAL
INVESTMENT FUNDS II
- LionGlobal Japan Growth
Fund**

Lion Global Investors Ltd

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OCBC Centre, Singapore 049513

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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

LIONGLOBAL JAPAN GROWTH FUND

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 Japan Growth Fund (SGD Class)	Benchmark* Returns (%)
3 months	4.8	5.8
6 months	0.3	1.4
1 year	-20.1	-15.7
3 years**	-1.0	-1.4
5 years**	-0.2	-0.3
10 years**	7.5	6.6
Since Inception** (3 December 1999)	0.8	-1.1

Time Period	Fund Returns (%) LionGlobal Japan Growth Fund (SGD-Hedged Class)	Benchmark* Returns (%)
3 months	3.1	4.0
6 months	2.7	3.7
1 year	-6.5	-1.0
3 years**	6.3	6.0
5 years**	3.9	3.8
Since Inception** (25 March 2014)	8.7	8.6

The Fund's net asset value may have a higher volatility as a result of its narrower investment focus on a limited geographical market, when compared to funds investing in global or wider regional markets.

LIONGLOBAL INVESTMENT FUNDS II

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 Japan Growth Fund (USD Class)	Benchmark* Returns (%)
3 months	12.1	13.2
6 months	4.0	5.3
1 year	-19.6	-15.2
3 years**	-0.9	-1.3
5 years**	-0.3	-0.3
10 years**	6.5	5.6
Since Inception** (25 June 2004)	4.0	2.5

Time Period	Fund Returns (%)	
	LionGlobal Japan Growth Fund (USD-Hedged Class)	Benchmark## Returns (%)
3 months	3.2	4.1
6 months	2.8	4.1
1 year	-6.7	-0.7
3 years**	6.5	6.4
5 years**	3.9	4.4
Since Inception ** (16 May 2014)	8.3	8.9

The Fund's net asset value may have a higher volatility as a result of its narrower investment focus on a limited geographical market, when compared to funds investing in global or wider regional markets.

LIONGLOBAL INVESTMENT FUNDS II

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

Time Period	Fund Returns (%) LionGlobal Japan Growth Fund (JPY Class)	Benchmark* Returns (%)
3 months	2.1	3.2
6 months	1.0	2.2
1 year	-7.5	-2.9
3 years**	5.7	5.3
5 years**	3.0	2.9
Since Inception ** (16 May 2014)	8.2	7.9

Source: Morningstar/Lion Global Investors Ltd.

* Benchmark:

Nikkei 225: Inception – 30 June 2002

Tokyo Stock Price Index: From 1 July 2002

Tokyo Stock Price Index Total Return: From 1 March 2014

Tokyo Stock Price Index SGD Hedged

Tokyo Stock Price Index USD Hedged

** Returns of more than 1 year are annualised.

The Fund's net asset value may have a higher volatility as a result of its narrower investment focus on a limited geographical market, when compared to funds investing in global or wider regional markets.

REVIEW

For the year ended 31 December 2022, the Fund returned -20.1%, while the benchmark Tokyo Stock Price Index returned -15.7%, in SGD terms.

The year 2022 was a difficult year for the market and the Fund. With strong demand from post-COVID-19 normalization, supply chain bottlenecks and labour shortages, Russia's invasion of Ukraine pushing up energy and commodity prices, inflation spiked up sharply. With the US Federal Reserve (Fed) accelerating rate hikes to fight inflation, US bond yields spiked higher while stocks fell in tandem around the world. At the same time, China was faced with the dual issue of an imploding property market while trying to maintain a zero COVID-19 policy.

Amidst the difficult external environment, Japanese corporates were faced with production disruptions and rising input costs, but profits were cushioned by the sharply weakened Yen as Japan was one of the few countries where ultra-easy monetary policy was maintained. Japan's belated re-opening from COVID-19 restrictions also provided some tailwind from both domestic and inbound tourism towards year-end. On the political front, former Prime Minister Shinzo Abe was assassinated while campaigning for the Liberal Democratic Party (LDP) during the Upper House elections, which was subsequently won comfortably by the LDP and ensured little shift in government policies. In December 2022, the Bank of Japan (BOJ) sprung a surprise by widening the trading range of its yield curve control policy from +/-25basis points (bps) to +/-50bps around zero for 10-year government bonds, sparking a sharp strengthening of the Yen and a corresponding sell-off in the stock market.

For the period under review, due to the rising interest rates environment, the Fund suffered from the sell-off in growth stocks as well as the strong performance in the banking sector which the Fund was underweight in.

The Fund's net asset value may have a higher volatility as a result of its narrower investment focus on a limited geographical market, when compared to funds investing in global or wider regional markets.

STRATEGY AND OUTLOOK

The multiple issues that buffeted the markets in 2022 have mostly continued in 2023. These include the Ukraine war, inflation and US Fed rate hikes, supply chain disruptions, China's COVID-19 fight and real estate crisis. The outlook does not look much brighter at the start of 2023 but at least, the extent of all the issues in 2022 are better understood now and the process of resolving these issues are well underway.

The most important issue in 2023 is likely to be the US economy and how well it can withstand the higher interest rates and how long it will take to bring inflation back to manageable levels. At the moment, it appears that supply-side issues like the shortage of labour and on-going effects of the Ukraine war may keep inflation high for some time, while the re-opening of China's economy may potentially add on to demand even as supply chain constraints are gradually resolved, potentially fueling inflation further. On the other hand, as China re-opens, the recovery in demand can somewhat offset the slowing demand across countries impacted by inflation and higher interest rates. The confluence of such global factors means that uncertainty will remain high.

For Japan, the environment is relatively stable but several factors bear watching. The belated re-opening of its borders to inbound tourism in late-2022 has provided some consumption boost, which can be further accelerated when Chinese tourists make their comeback, provided there is no major COVID-19 infection wave. Also, Japan's key auto sector was severely curtailed by supply chain disruptions in 2022 and a gradual recovery in 2023 is much anticipated. Finally, inflation may finally come back in Japan, and how this influences the attitude of corporate management toward wage hikes and the BOJ's stance on monetary policy may well affect the investment environment of the Japan market.

We prefer globally-competitive companies that can ride on structural growth trends and companies that can grow through value-added products and services. We like structural growth themes like factory automation and digitalization that enhance productivity across all types of economies, as well as solutions and products that contribute to sustainability and environmental protection. Technology and Healthcare are also areas of structural growth and advancement. Inbound consumption may well return to its long-term structural growth trend in Japan and bears watching.

As of 9 January 2023.

The Fund's net asset value may have a higher volatility as a result of its narrower investment focus on a limited geographical market, when compared to funds investing in global or wider regional markets.

DISCLOSURES ON THE FUND ¹

For the financial year ended 31 December 2022

LIONGLOBAL JAPAN GROWTH FUND

1. DISTRIBUTION OF INVESTMENTS AS AT 31 DECEMBER 2022

	Fair Value \$	Percentage of total net assets attributable to unitholders %
a) <i>By Asset Class</i>		
Equities	184,370,203	95.9
Financial derivatives	172,579	0.1
Cash and other net assets	7,784,539	4.0
Net assets attributable to unitholders	192,327,321	100.0
b) <i>By Credit Rating of Debt Securities</i>		
Not applicable		
c) <i>By Derivative Type</i>		
Foreign exchange forward contracts	192,813	0.1
Foreign exchange spot contracts	(20,234)	*
	172,579	0.1

Total net realised and unrealised gains from financial derivatives at the end of the financial year were \$3,798,423 and \$172,579 respectively.

* denotes amount less than 0.1%

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
	\$	%
Sony Group Corporation	5,447,023	2.8
Daiichi Sankyo Company Limited	4,911,905	2.6
Keyence Corporation	4,129,141	2.2
Oriental Land Company Limited	3,953,594	2.1
Chiba Bank Limited	3,556,468	1.8
Orix Corporation	3,344,264	1.7
Fuji Electric Company Limited	3,221,136	1.7
Denso Corporation	3,149,133	1.6
Mizuho Financial Group Inc.	3,095,901	1.6
Mitsubishi Corporation	3,091,057	1.6

As at 31 December 2021

	Fair Value	Percentage of total net assets attributable to unitholders
	\$	%
Sony Group Corporation	12,438,557	4.0
Keyence Corporation	9,223,591	3.0
Denso Corporation	7,195,524	2.3
Recruit Holdings Company Limited	6,660,440	2.2
Tokyo Electron Limited	6,595,638	2.1
Shin-Etsu Chemical Company Limited	5,806,896	1.9
Daiichi Sankyo Company Limited	5,499,545	1.8
Hitachi Limited	5,448,338	1.8
Mizuho Financial Group Inc.	5,345,563	1.7
Orix Corporation	5,304,180	1.7

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

4. COLLATERAL

Nil

5. SECURITIES LENDING OR REPURCHASE 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 Sub-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 the sub-fund of LionGlobal Investment Funds II (the “Fund”), namely LionGlobal Japan Growth Fund (the “Sub-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 Sub-Fund during the financial year covered by these financial statements, set out on pages 14 to 47, 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 signatories

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 14 to 47, 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 portfolio holdings of the sub-fund of LionGlobal Investment Funds II (the "Fund"), namely LionGlobal Japan Growth Fund (the "Sub-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 Sub-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 SUB-FUND OF LIONGLOBAL INVESTMENT FUNDS II

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

Our Opinion

In our opinion, the accompanying financial statements of the sub-fund of LionGlobal Investment Funds II (the "Fund"), namely LionGlobal Japan Growth Fund (the "Sub-Fund") is 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 Sub-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 Sub-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 Sub-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 SUB-FUND OF LIONGLOBAL INVESTMENT FUNDS II

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

Other Information

The Sub-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 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, 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 Sub-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 Sub-Fund or to cease the Sub-Fund's operations, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Sub-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 SUB-FUND OF LIONGLOBAL INVESTMENT FUNDS II

(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 Sub-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 Sub-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 Sub-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		5,688,520	5,420,930
Interest on cash and bank balances		35	-
		<u>5,688,555</u>	<u>5,420,930</u>
Less: Expenses			
Audit fee		24,750	24,750
Custodian fees	10	31,305	3,594
Management fee	10	3,348,608	4,249,409
Professional fees		22,891	23,956
Registration fee	10	21,619	17,535
Trustee fee	10	45,183	-
Transaction costs		276,383	371,420
Valuation and administration fees	10	49,717	60,706
Miscellaneous expenses		152,850	66,286
		<u>3,973,306</u>	<u>4,817,656</u>
Net income		<u>1,715,249</u>	<u>603,274</u>
Net gains or losses on value of investments and financial derivatives			
Net (losses)/gains on investments		(60,024,792)	8,991,363
Net gains on foreign exchange spot contracts		27,236	563
Net gains on foreign exchange forward contracts		3,943,766	2,531,663
Net foreign exchange gains/(losses)		519,102	(919,017)
		<u>(55,534,688)</u>	<u>10,604,572</u>
Total (deficit)/return for the financial year before income tax		(53,819,439)	11,207,846
Less: Income tax	3	(871,197)	(828,497)
Total (deficit)/return for the financial year		<u>(54,690,636)</u>	<u>10,379,349</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		184,370,203	299,040,983
Receivables	4	276,960	483,467
Financial derivatives at fair value	5	215,744	456,655
Cash and cash equivalents	6	9,996,204	8,031,440
Total assets		194,859,111	308,012,545
LIABILITIES			
Payables	7	2,488,625	446,199
Financial derivatives at fair value	5	43,165	1,426
Total liabilities		2,531,790	447,625
EQUITY			
Net assets attributable to unitholders	8	192,327,321	307,564,920

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		307,564,920	292,176,908
Operations			
Change in net assets attributable to unitholders resulting from operations		(54,690,636)	10,379,349
Unitholders' contributions/(withdrawals)			
Creation of units		21,252,891	28,546,487
Cancellation of units		(81,799,854)	(23,537,824)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		(60,546,963)	5,008,663
Total (decrease)/increase in net assets attributable to unitholders		(115,237,599)	15,388,012
Net assets attributable to unitholders at the end of the financial year	8	192,327,321	307,564,920

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 Industry (Primary)			
QUOTED EQUITIES			
INDUSTRIAL			
Fuji Electric Company Limited	63,000	3,221,136	1.7
Mitsubishi Corporation	71,000	3,091,057	1.6
Daikin Industries Limited	13,500	2,771,952	1.5
Recruit Holdings Company Limited	59,300	2,517,791	1.3
Mitsui & Company Limited	51,000	1,997,422	1.1
ITOCHU Corporation	47,200	1,989,170	1.0
Marubeni Corporation	126,500	1,948,066	1.0
SMC Corporation Japan	3,200	1,807,878	0.9
FANUC Corporation	8,200	1,653,281	0.9
Nidec Corporation	19,500	1,355,588	0.7
Central Japan Railway Company	8,000	1,317,770	0.7
East Japan Railway Company	16,100	1,230,678	0.6
Komatsu Limited	36,800	1,075,814	0.6
Nippon Yusen Kabushiki Kaisha	32,300	1,021,089	0.5
Japan Airlines Company Limited	36,600	1,002,629	0.5
Sanwa Holdings Corporation	80,700	1,001,590	0.5
Sankyu Inc.	18,800	923,008	0.5
IHI Corporation	23,200	906,745	0.5
Persol Holdings Company Limited	30,900	888,257	0.5
Nihon M&A Center Holdings Inc.	49,400	817,991	0.4
Mitsubishi Electric Corporation	60,200	803,761	0.4
Seibu Holdings, Inc.	54,000	791,516	0.4
Keisei Electric Railway Company Limited	20,100	767,196	0.4
Minebea Mitsumi Inc.	32,500	651,134	0.3
Skymark Airlines Inc.	43,200	631,456	0.3
Tokyu Corporation	36,600	618,691	0.3
West Japan Railway Company	10,600	617,284	0.3

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

LIONGLOBAL INVESTMENT FUNDS II

	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Industry (Primary) (continued)			
QUOTED EQUITIES (continued)			
INDUSTRIAL (continued)			
Misumi Group Inc.	19,600	573,586	0.3
Daifuku Company Limited	8,900	559,087	0.3
Kubota Corporation	27,800	513,453	0.3
SECOM Company Limited	6,200	475,375	0.3
MonotaRO Company Limited	24,900	470,015	0.2
Kajima Corporation	26,700	416,872	0.2
Taisei Corporation	7,600	328,324	0.2
Japan Steel Works Limited	10,800	286,417	0.2
Yamato Holdings Company Limited	12,000	254,568	0.1
Harmonic Drive Systems Inc.	6,500	245,456	0.1
Nippon Express Holdings Inc.	3,100	237,593	0.1
JGC Corporation	12,100	206,385	0.1
SG Holdings Company Limited	9,300	172,995	0.1
		42,160,076	21.9
CONSUMER, CYCLICAL			
Sony Group Corporation	53,400	5,447,023	2.8
Oriental Land Company Limited	20,300	3,953,594	2.1
Denso Corporation	47,400	3,149,133	1.6
Suzuki Motor Corporation	66,900	2,904,399	1.5
Fast Retailing Company Limited	2,100	1,719,007	0.9
Honda Motor Company Limited	55,700	1,716,663	0.9
Isuzu Motors Limited	101,400	1,594,516	0.8
Marui Group Company Limited	71,100	1,576,253	0.8
ABC-Mart, Inc.	17,900	1,359,171	0.7
Bridgestone Corporation	26,200	1,249,302	0.7
Subaru Corporation	56,900	1,172,664	0.6
Pan Pacific International Holdings Corporation	46,700	1,164,434	0.6
Nitori Holdings Company Limited	4,700	814,560	0.4

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

LIONGLOBAL INVESTMENT FUNDS II

	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Industry (Primary) (continued)			
QUOTED EQUITIES (continued)			
CONSUMER, CYCLICAL (continued)			
Sekisui House Limited	32,100	761,401	0.4
Toyota Boshoku Corporation	42,400	761,127	0.4
Yamaha Corporation	12,600	630,139	0.3
Bandai Namco Holdings Inc.	7,100	600,024	0.3
Nifco Inc.	18,500	582,954	0.3
Panasonic Corporation	45,500	513,607	0.3
Shimano, Inc.	2,300	489,091	0.3
Toyota Industries Corporation	5,300	390,045	0.2
Koito Manufacturing Company Limited	13,200	266,607	0.1
Rakuten Group Inc.	31,200	189,017	0.1
ZOZO Inc.	5,700	188,883	0.1
Open House Group Company Limited	2,900	142,084	0.1
Musashi Seimitsu Industry Company Limited	5,400	85,903	0.1
		33,421,601	17.4
CONSUMER, NON-CYCLICAL			
Daiichi Sankyo Company Limited	113,700	4,911,905	2.6
Seven & I Holdings Limited	42,200	2,427,893	1.3
Astellas Pharma Inc.	112,100	2,286,364	1.2
Olympus Corporation	94,600	2,261,669	1.2
Hoya Corporation	16,400	2,117,967	1.1
Terumo Corporation	46,700	1,778,219	0.9
Asahi Group Holdings Limited	38,200	1,599,395	0.8
Shiseido Company Limited	20,600	1,355,000	0.7
Asahi Intecc Company Limited	60,300	1,326,402	0.7
Toyo Suisan Kaisha Limited	25,400	1,316,753	0.7
Nichirei Corporation	44,300	1,295,520	0.7

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 Industry (Primary) (continued)			
QUOTED EQUITIES (continued)			
CONSUMER, NON-CYCLICAL (continued)			
Chugai Pharmaceutical Company Limited	27,300	934,620	0.5
Unicharm Corporation	17,200	886,065	0.5
M3 Inc.	23,200	843,779	0.4
Sysmex Corporation	10,100	821,114	0.4
Kao Corporation	14,900	795,902	0.4
Kirin Holdings Company Limited	37,700	770,644	0.4
EISAI Company Limited	8,200	725,493	0.4
Amvis Holdings Inc.	20,700	702,777	0.3
Nippon Shinyaku Company Limited	9,100	691,900	0.3
Shionogi & Company Limited	8,500	569,038	0.3
Suntory Beverage & Food Limited	11,000	503,160	0.3
PeptiDream Inc.	22,400	472,917	0.2
		<u>31,394,496</u>	<u>16.3</u>
TECHNOLOGY			
Keyence Corporation	7,900	4,129,141	2.2
Hitachi Limited	44,400	3,019,775	1.6
Tokyo Electron Limited	6,100	2,410,775	1.3
Fujitsu Limited	10,200	1,826,347	1.0
ROHM Company Limited	17,100	1,656,493	0.9
Murata Manufacturing Company Limited	23,100	1,546,914	0.8
Renesas Electronics Corporation	118,500	1,425,566	0.7
Ibiden Company Limited	27,600	1,342,430	0.7
Fuji Film Holdings Corporation	18,300	1,232,360	0.6
KOA Corporation	59,100	1,132,399	0.6
TDK Corporation	21,900	965,014	0.5
Disco Corporation	2,300	882,562	0.5
OBIC Company Limited	4,400	868,118	0.5

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

LIONGLOBAL INVESTMENT FUNDS II

	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Industry (Primary) (continued)			
QUOTED EQUITIES (continued)			
TECHNOLOGY (continued)			
NEC Corporation	17,400	819,784	0.4
ULVAC Inc.	14,500	819,489	0.4
GMO Payment Gateway Inc.	7,200	799,200	0.4
Nomura Research Institute Limited	24,900	788,421	0.4
Yaskawa Electric Corporation	16,100	691,438	0.3
Iriso Electronics Company Limited	15,100	649,259	0.3
Information Services International- Dentsu, Limited	13,800	550,579	0.3
NTT Data Corporation	23,700	465,432	0.2
Advantest Corporation	5,000	430,989	0.2
OMRON Corporation	6,100	397,145	0.2
Taiyo Yuden Company Limited	6,600	256,947	0.1
Ricoh Company Limited	18,100	185,272	0.1
Socionext Inc.	3,100	182,764	0.1
Fuji Soft Inc.	2,200	169,062	0.1
		29,643,675	15.4
FINANCIAL			
Chiba Bank Limited	363,700	3,556,468	1.8
Orix Corporation	155,300	3,344,264	1.7
Mizuho Financial Group Inc.	164,100	3,095,901	1.6
Sumitomo Mitsui Trust Holdings Inc.	59,000	2,751,541	1.4
Tokio Marine Holdings Inc.	87,000	2,500,475	1.3
Dai-ichi Life Holdings Inc.	56,500	1,719,495	0.9
Sompo Holdings Inc.	18,100	1,078,144	0.6
Fukuoka Financial Group Inc.	29,200	891,924	0.5
T&D Holdings Inc.	40,600	784,941	0.4
Nomura Holdings Inc.	78,900	391,860	0.2
Daiwa Securities Group Inc.	49,100	290,972	0.2
		20,405,985	10.6

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

LIONGLOBAL INVESTMENT FUNDS II

	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Industry (Primary) (continued)			
QUOTED EQUITIES (continued)			
BASIC MATERIALS			
Shin-Etsu Chemical Company Limited	16,300	2,688,270	1.4
Sumitomo Bakelite Company Limited	41,300	1,643,548	0.9
Toray Industries Inc.	213,500	1,598,565	0.8
Nippon Steel Corporation	44,200	1,029,763	0.5
Mitsui Chemicals Inc.	23,700	716,697	0.4
Sumitomo Titanium Corporation	15,600	615,257	0.3
Kureha Corporation	7,400	606,272	0.3
Tokyo Ohka Kogyo Company Limited	9,500	578,430	0.3
Zeon Corporation	42,500	577,160	0.3
Tokyo Steel Manufacturing Company Limited	44,600	541,756	0.3
Sumitomo Metal Mining Company Limited	9,800	465,304	0.2
Nitto Denko Corporation	5,900	458,790	0.2
Nippon Paint Holdings Company Limited	35,800	378,093	0.2
Mitsubishi Gas Chemical Company Inc.	19,500	361,345	0.2
Asahi Kasei Corporation	28,100	268,894	0.2
JSR Corporation	5,000	131,533	0.1
		12,659,677	6.6
COMMUNICATIONS			
Nintendo Company Limited	44,000	2,474,203	1.3
Toho Company Limited	19,700	1,017,257	0.5
Kakaku.com, Inc.	31,100	667,659	0.3
Nexon Company Limited	19,700	593,133	0.3
Capcom Company Limited	8,100	346,631	0.2
Internet Initiative Japan Inc.	11,800	293,865	0.2
Dentsu Inc.	5,700	240,160	0.1

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

LIONGLOBAL INVESTMENT FUNDS II

	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Industry (Primary) (continued)			
QUOTED EQUITIES (continued)			
COMMUNICATIONS (continued)			
Square Enix Holdings Company Limited	3,800	236,780	0.1
Z Holdings Corporation	55,400	186,960	0.1
Cyberagent Inc.	9,000	106,853	0.1
		6,163,501	3.2
REAL ESTATE			
Mitsui Fudosan Company Limited	75,500	1,854,916	1.0
Mitsubishi Estate Company Limited	59,300	1,031,348	0.6
Daiwa House Industry Company Limited	25,400	784,630	0.4
Nomura Real Estate Holdings	22,900	658,753	0.3
Orix JREIT Inc.	245	464,457	0.2
United Urban Investment Corporation	246	376,583	0.2
Daito Trust Construction Company Limited	2,400	330,317	0.2
Tokyu Fudosan Holdings Corporation	40,500	258,532	0.1
		5,759,536	3.0
ENERGY			
Inex Corporation	55,900	793,228	0.4
Eneos Holdings Inc.	116,200	529,157	0.3
Idemitsu Kosan Company Limited	16,000	499,297	0.3
		1,821,682	1.0

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

LIONGLOBAL INVESTMENT FUNDS II

	Holdings at 31 December 2022	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Industry (Primary) (continued)			
QUOTED EQUITIES (continued)			
UTILITIES			
Tokyo Gas Company Limited	19,000	499,246	0.3
Kansai Electric Power Company Inc.	33,900	440,728	0.2
		<hr/> 939,974	<hr/> 0.5
Portfolio of investments		184,370,203	95.9
Other net assets		<hr/> 7,957,118	<hr/> 4.1
Net assets attributable to unitholders		<hr/> 192,327,321	<hr/> 100.0

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 Industry (Summary)		
Industrial	21.9	24.8
Consumer, Cyclical	17.4	17.1
Consumer, Non-cyclical	16.3	15.7
Technology	15.4	19.3
Financial	10.6	8.4
Basic Materials	6.6	6.5
Communications	3.2	2.1
Real Estate	3.0	2.2
Energy	1.0	0.9
Utilities	0.5	0.2
	<hr/>	<hr/>
Portfolio of investments	95.9	97.2
Other net assets	4.1	2.8
Net assets attributable to unitholders	<hr/> 100.0 <hr/>	<hr/> 100.0 <hr/>

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

	Fair value at 31 December 2022 \$	Percentage of total net assets attributable to unitholders at	
		31 December 2022 %	31 December 2021 %
By Geography (Secondary)			
Japan	184,370,203	95.9	97.2
Portfolio of investments	184,370,203	95.9	97.2
Other net assets	7,957,118	4.1	2.8
Net assets attributable to unitholders	192,327,321	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 Investment Funds II (the “Fund”) is a Singapore domiciled umbrella fund constituted by a deed of trust dated 9 November 1999 together with its supplemental deeds thereon (hereafter referred to as “Trust Deed”) between Lion Global Investors Limited (the “Manager”) and Citicorp Trustee (Singapore) Limited. The Trust Deed is governed by the laws of the Republic of Singapore.

With effect from 1 January 2021, Citicorp Trustee (Singapore) Limited retired as the trustee of the Fund and HSBC Institutional Trust Services (Singapore) Limited (the “Trustee”) was appointed in place of Citicorp Trustee (Singapore) Limited, in accordance with a Supplemental Deed of Appointment and Retirement of Trustee dated 4 November 2020.

The Fund comprises the following sub-funds:

- (i) LionGlobal Japan Growth Fund
- (ii) LionGlobal RMB Equity Fund

These financial statements relate to LionGlobal Japan Growth Fund (the “Sub-Fund”) only. The Sub-Fund aims for the long-term capital growth of assets by investing primarily in quoted or listed securities in any Recognised Stock Exchange or Over-the-counter (“OTC”) Market in Japan and this is a unit trust under the Central Provident Fund Investment Scheme.

The Sub-Fund offers five classes of units, namely SGD Class, SGD-Hedged Class, USD Class, USD-Hedged Class and JPY Class. Subscriptions and redemptions of the Sub-Fund are denominated in Singapore Dollar, United States Dollar and Japanese Yen. Investors may subscribe in United State Dollar and Japanese Yen at the applicable rate of exchange from Singapore Dollar. In respect of the SGD-Hedged Class and USD-Hedged Class units, the Manager has the ability to hedge the units of such class in relation to the currency of the underlying investments, which is Japanese Yen, as they deem appropriate. Where hedging of this kind is undertaken, the Manager may engage, for the exclusive account of the SGD-Hedged Class and USD-Hedged Class units in currency forwards, currency futures, currency option transactions and currency swaps in order to preserve the value of the SGD-Hedged Class and USD-Hedged Class units against the currency of the underlying investments. The effects of this hedging will be reflected in the Net Asset Value of the SGD-Hedged Class and USD-Hedged Class, respectively, and therefore, in the performance of the relevant class. Similarly, any expenses arising from such hedging transactions will be borne by the respective class units. The management fee rates are the same for all five classes. The management fee rate is 1.4% per annum.

1. GENERAL (continued)

All the classes of units of the Sub-Fund may be subscribed by all investors.

The Sub-Fund is single priced and may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of its underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions, redemptions and/or switching in and out of the Sub-Fund. This is known as “dilution”. In order to counter this and to protect unitholders’ interests, with effect from 29 August 2022, the Manager applied a technique known as “dilution adjustment” or “swing pricing” as part of its daily valuation policy. This means that in certain circumstances, the Manager makes adjustments in the calculations of the net asset value per unit, to counter the impact of dealing and other costs on occasions when these are deemed to be significant.

The dilution adjustment depends upon the net value of subscriptions, switching and redemptions received by the Sub-Fund for each dealing day. The Manager therefore reserves the right to make a dilution adjustment where the Sub-Fund experiences a net cash movement which exceeds a threshold of the previous dealing day’s net asset value.

Any dilution adjustment as at the last dealing day of the financial year end will be disclosed under Note 8 Units in Issue. During the financial year ended 31 December 2022, the Sub-Fund did not reach the swing threshold and no swing pricing has been applied.

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 are included in the Statement of Total Return in the year in which they arise.

(iii) Derecognition

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sale 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 quoted market price used for investments in equities held by the Sub-Fund is 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) 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.

(h) Payables

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

(i) Foreign currencies

(i) Functional and presentation currency

Subscriptions and redemptions of the units in the Sub-Fund is denominated in Singapore Dollar, United States Dollar and Japanese Yen.

The performance of the Sub-Fund is measured and reported to the investors in Singapore Dollar and majority of the Sub-Fund's expenses are incurred in Singapore Dollar. The Manager considers the Singapore Dollar as the currency which most faithfully represent the economic effects of the underlying transactions, events and conditions. The Sub-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 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 investment.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) 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 Sub-Fund or the counterparty.

3. INCOME TAX

The Sub-Fund has been approved by the Monetary Authority of Singapore (“MAS”) under the Enhanced-Tier Fund (“ETF”) Incentive Tax Scheme under Section 13U of the Income Tax Act 1947 and the relevant Regulations. Subject to certain conditions being met on an annual basis, the Sub-Fund may enjoy Singapore corporate tax exemption on “specified income” derived from “designated investments” for the life of the Sub-Fund. The tax exemption does not apply in the year when the relevant conditions are not met. Losses from “designated investments” are correspondingly disregarded. The terms “specified income” and “designated investments” are defined in the relevant income tax Regulations.

	2022	2021
	\$	\$
Overseas income tax	871,197	828,497

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	86,801	16,804
Dividends receivable	141,134	160,726
Other receivables	49,025	305,937
	276,960	483,467

5. FINANCIAL DERIVATIVES AT FAIR VALUE

Financial derivatives comprise foreign exchange spot contracts and foreign exchange forward contracts due for settlement within 1 month (2021: 1 month) from the reporting date. The contracts or underlying principal amounts of these financial derivatives and their corresponding gross fair values at the reporting date are analysed below.

As at 31 December 2022

	Contract or underlying principal amount	Fair value	
		Asset	Liability
	\$	\$	\$
Foreign exchange forward contracts	36,810,062	214,792	21,979
Foreign exchange spot contracts	2,312,717	952	21,186
		<u>215,744</u>	<u>43,165</u>

As at 31 December 2021

	Contract or underlying principal amount	Fair value	
		Asset	Liability
	\$	\$	\$
Foreign exchange forward contracts	30,215,694	456,617	276
Foreign exchange spot contracts	97,685	38	1,150
		<u>456,655</u>	<u>1,426</u>

6. CASH AND CASH EQUIVALENTS

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

7. PAYABLES

	2022	2021
	\$	\$
Amount payable for cancellation of units	2,213,214	30,439
Amount due to the Manager	235,820	369,793
Amount due to the Trustee	7,039	5,269
Amount due to the Custodian	346	-
Amount due to the Registrar	867	6,433
Other payables	31,339	34,265
	<u>2,488,625</u>	<u>446,199</u>

8. UNITS IN ISSUE

	2022	2021
	Units	Units
SGD Class		
Units at beginning of the financial year	27,946,929	27,376,536
Units created	6,734,202	7,274,566
Units cancelled	(3,583,229)	(6,704,173)
Units at end of the financial year	<u>31,097,902</u>	<u>27,946,929</u>

	\$	\$
Net assets attributable to unitholders	35,700,445	40,064,370
Net asset value per unit	<u>1.148</u>	<u>1.433</u>

	2022	2021
	Units	Units
SGD-Hedged Class		
Units at beginning of the financial year	10,544,151	9,883,021
Units created	4,591,373	6,908,284
Units cancelled	(3,111,165)	(6,247,154)
Units at end of the financial year	<u>12,024,359</u>	<u>10,544,151</u>

	\$	\$
Net assets attributable to unitholders	24,923,826	23,298,464
Net asset value per unit	<u>2.072</u>	<u>2.209</u>

8. UNITS IN ISSUE (continued)

	2022	2021
	Units	Units
USD Class		
Units at beginning of the financial year	350,758	290,334
Units created	336,151	132,113
Units cancelled	(69,348)	(71,689)
Units at end of the financial year	<u>617,561</u>	<u>350,758</u>
	US\$	US\$
Net assets attributable to unitholders	528,571	373,058
Net assets attributable to unitholders (SGD equivalent)	708,920	502,938
Net asset value per unit	0.855	1.063
Net asset value per unit (SGD equivalent)	<u>1.147</u>	<u>1.433</u>
	2022	2021
	Units	Units
USD-Hedged Class		
Units at beginning of the financial year	2,310,430	2,309,701
Units created	84,855	105,588
Units cancelled	(1,646,041)	(104,859)
Units at end of the financial year	<u>749,244</u>	<u>2,310,430</u>
	US\$	US\$
Net assets attributable to unitholders	1,486,917	4,913,010
Net assets attributable to unitholders (SGD equivalent)	1,994,253	6,623,474
Net asset value per unit	1.984	2.126
Net asset value per unit (SGD equivalent)	<u>2.661</u>	<u>2.866</u>
	2022	2021
	Units	Units
JPY Class		
Units at beginning of the financial year	94,854,066	93,851,144
Units created	1,223,080	1,014,975
Units cancelled	(31,611,717)	(12,053)
Units at end of the financial year	<u>64,465,429</u>	<u>94,854,066</u>

8. UNITS IN ISSUE (continued)

	2022	2021
	JPY	JPY
JPY Class (continued)		
Net assets attributable to unitholders	12,690,791,863	20,250,307,450
Net assets attributable to unitholders (SGD equivalent)	128,999,877	237,075,674
Net asset value per unit	197	213
Net asset value per unit (SGD equivalent)	2.001	2.499

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:

	SGD Class		SGD-Hedged Class	
	2022	2021	2022	2021
	\$	\$	\$	\$
Net assets attributable to unitholders per unit per the financial statements	1.148	1.433	2.072	2.209
Effect of movement in the net asset value between the last dealing date and the end of the reporting period	*	0.004	*	0.006
Net assets attributable to unitholders per unit for issuing/redeeming units	1.148	1.437	2.072	2.215

	USD Class		USD-Hedged Class	
	2022	2021	2022	2021
	US\$	US\$	US\$	US\$
Net assets attributable to unitholders per unit per the financial statements	0.855	1.063	1.984	2.126
Effect of movement in the net asset value between the last dealing date and the end of the reporting period	*	*	*	*
Net assets attributable to unitholders per unit for issuing/redeeming units	0.855	1.063	1.984	2.126

* denotes amount less than \$0.001/US\$0.001/JPY1

8. UNITS IN ISSUE (continued)

	JPY Class	
	2022 JPY	2021 JPY
Net assets attributable to unitholders per unit per the financial statements	197	213
Effect of movement in the net asset value between the last dealing date and the end of the reporting period	*	*
Net assets attributable to unitholders per unit for issuing/redeeming units	197	213

9. FINANCIAL RISK MANAGEMENT

The Sub-Fund's activities expose it to a variety of market risk (including price risk, interest rate risk and currency risk), credit risk and liquidity risk. The Sub-Fund's overall risk management programme seeks to minimise potential adverse effects on the Sub-Fund's financial performance. The Sub-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 Sub-Fund at any time as part of the overall financial risk management to reduce the Sub-Fund's risk exposures.

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

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

(a) Market risk

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

* denotes amount less than \$0.001/US\$0.001/JPY1

9. FINANCIAL RISK MANAGEMENT (continued)(a) Market risk (continued)

The Sub-Fund's investments are substantially dependent on changes in market prices. The Manager monitors the Sub-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 Sub-Fund. Guidelines are set to reduce the Sub-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 Sub-Fund. The Manager is closely monitoring the development of the COVID-19 pandemic and its related impact.

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

(i) Price risk

The Sub-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 funds' price movements are measured against the daily price movement of the benchmark to derive the beta.

As at 31 December 2022, the Sub-Fund's beta was 1.05 (2021: 1.01) which was calculated based on the daily returns over the preceding 12 months for the Sub-Fund and its benchmark (2021: based on the daily returns over the preceding 12 months for the Sub-Fund and its benchmark).

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Price risk (continued)

The table below summarises the impact of increases/decreases from the Sub-Fund's underlying investments in equities on the Sub-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 Sub-Fund's investments moved according to the beta.

Sub-Fund	Benchmark	Impact of 5% (2021: 5%) movement in benchmark on net assets attributable to the unitholders	
		2022	2021
		\$	\$
LionGlobal Japan Growth Fund	TOPIX Total Return	9,679,436	15,101,570

(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.

The Sub-Fund does not hold substantial financial assets or liabilities of which the values are sensitive to changes in interest rates. The Sub-Fund invests in equity securities, which 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 Sub-Fund's portfolio investments accordingly. However, the effects of changes in interest rates on the Sub-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 for the Sub-Fund.

(iii) Currency risk

The Sub-Fund has monetary financial assets/liabilities denominated in currencies other than the functional currency and the Sub-Fund may be affected favorably or unfavorably by exchange rate regulations or changes in the exchange rates between their functional currency and such other currencies. The Sub-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.

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(iii) Currency risk (continued)

The tables below summarise the Sub-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	JPY	USD	SGD	Total
	\$	\$	\$	\$
Assets				
Portfolio of investments	184,370,203	-	-	184,370,203
Receivables	147,452	359	129,149	276,960
Cash and cash equivalents	7,847,424	397,037	1,751,743	9,996,204
Total assets	192,365,079	397,396	1,880,892	194,643,367
Liabilities				
Payables	-	2,183,579	305,046	2,488,625
Total liabilities	-	2,183,579	305,046	2,488,625
Net financial assets/ (liabilities)	192,365,079	(1,786,183)	1,575,846	
Currency forwards and spots	(29,159,795)	4,167,221	24,992,574	
Net currency exposure	163,205,284	2,381,038	26,568,420	
As at 31 December 2021				
	JPY	USD	SGD	Total
	\$	\$	\$	\$
Assets				
Portfolio of investments	299,040,983	-	-	299,040,983
Receivables	162,364	9,143	311,960	483,467
Cash and cash equivalents	6,481,149	127,005	1,423,286	8,031,440
Total assets	305,684,496	136,148	1,735,246	307,555,890
Liabilities				
Payables	-	-	446,199	446,199
Total liabilities	-	-	446,199	446,199
Net financial assets	305,684,496	136,148	1,289,047	
Currency forwards and spots	(30,075,001)	6,633,905	23,441,096	
Net currency exposure	275,609,495	6,770,053	24,730,143	

9. FINANCIAL RISK MANAGEMENT (continued)

- (a) Market risk (continued)
- (iii) Currency risk (continued)

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 Sub-Fund's net asset value has been included in the above price risk sensitivity analysis.

The Sub-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 Sub-Fund.

As at 31 December 2022 and 2021, the Sub-Fund's exposure to foreign currency fluctuations with respect to the monetary assets/liabilities are not considered to be significant except for the currency presented in the table below which shows the Sub-Fund's sensitivity to exchange rate movements on significant monetary assets/liabilities denominated in foreign currencies, should those currencies increase by a reasonable possible shift with all other variables held constant. This sensitivity analysis is not presented separately should the currency decrease as it is the reversal of the impact disclosed below.

	Reasonable possible FX movement 2022	Impact of increase in FX rates on net assets attributable to the unitholders 2022	Reasonable possible FX movement 2021	Impact of increase in FX rates on net assets attributable to the unitholders 2021
	%	\$	%	\$
Currency				
JPY	5	(1,058,246)	5	(1,171,574)

9. FINANCIAL RISK MANAGEMENT (continued)

(b) Liquidity risk

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

The Sub-Fund is exposed to daily redemption of units. 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 Sub-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 table 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 \$
Derivative financial instruments				
- inflows	(11,282,866)	-	-	-
- outflows	11,326,031	-	-	-
Payables	2,488,625	-	-	-

As at 31 December 2021	Less than 3 months \$	3 months- 1 year \$	1-5 years \$	Above 5 years \$
Derivative financial instruments				
- inflows	(119,189)	-	-	-
- outflows	120,615	-	-	-
Payables	446,199	-	-	-

9. FINANCIAL RISK MANAGEMENT (continued)**(c) Credit risk**

Credit risk is the risk that counterparty will fail to perform contractual obligations, either in whole or in part, under a contract.

Concentrations of credit risk are minimised primarily by:

- ensuring counterparties, together with the respective credit limits, are approved,
- ensuring that transactions are undertaken with a large number of counterparties, and
- ensuring that the majority of transactions are undertaken on recognised exchanges.

All transactions in listed securities are settled/paid upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

Credit risk also arises from cash and cash equivalents and assets held with financial institutions.

The Sub-Fund may also enter into derivatives to manage its exposures to currency risk and price risk, including foreign exchange forward contracts and options. Hence, the Sub-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 Sub-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 Sub-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.

9. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

The tables below summarise the credit rating of banks and custodian in which the Sub-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
As at 31 December 2021		
<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

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.

9. FINANCIAL RISK MANAGEMENT (continued)

(d) Capital management

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

(e) Fair value estimation

The Sub-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).

The following tables analyse within the fair value hierarchy the Sub-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	184,370,203	-	-	184,370,203
Financial derivatives at fair value	-	215,744	-	215,744
	184,370,203	215,744	-	184,585,947
Liabilities				
Financial derivatives at fair value	-	43,165	-	43,165
	-	43,165	-	43,165

9. FINANCIAL RISK MANAGEMENT (continued)

(e) Fair value estimation (continued)

As at 31 December 2021	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Portfolio of investments				
- Quoted equities	299,040,983	-	-	299,040,983
Financial derivatives at fair value	-	456,655	-	456,655
	<u>299,040,983</u>	<u>456,655</u>	<u>-</u>	<u>299,497,638</u>
Liabilities				
Financial derivatives at fair value	-	1,426	-	1,426

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

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include over-the-counter derivatives.

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

(f) Offsetting financial assets and financial liabilities

There are no financial assets or financial liabilities subject to offsetting, enforceable master netting arrangement and similar agreement as at 31 December 2022 and 2021.

10. 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 Sub-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. Effective 1 January 2021, there was a change of Trustee from Citicorp Trustee (Singapore) Limited to HSBC Institutional Trust Services (Singapore) Limited. The new trustee fee rate for the Sub-Fund will be up to 0.02%, subject to a yearly minimum of \$8,000 and is waived for financial year 2021.

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

	2022	2021
	\$	\$
Interest income from a bank which is a related company of the Trustee	35	-
Interest expenses incurred with a bank which is a related company of the Trustee	-	3,533
Transaction fees charged by a related company of the Trustee	5,415	40
Valuation and administration fees charged by the Trustee	49,717	60,706
Registration fees charged by a related company of the Trustee	21,619	17,535
Cash transfer fees charged by a related company of the Trustee	2,765	16,742
Custodian fees charged by a related company of the Trustee	31,305	3,594
Bank service fees charged by a bank which is a related company of the Trustee	74,437	15,279

11. FINANCIAL RATIOS

	2022	2021
	%	%
Expense ratio ¹	1.55	1.46
Portfolio turnover ratio ²	<u>26</u>	<u>27</u>

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 Sub-Fund's 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 Sub-Fund does not pay any performance fee. The average net asset value is based on the daily balances.

The following table presents the total operating expenses and average net asset value of the Sub-Fund for the financial year ended 31 December 2022 and 2021.

	2022	2021
	\$	\$
Total operating expenses	3,696,923	4,442,703
Average net asset value	<u>238,412,030</u>	<u>303,462,529</u>

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 divided by the average daily net asset value as follows:

	2022	2021
	\$	\$
Lower of purchases/sales of the underlying investments	63,096,657	82,040,690
Average daily net asset value	<u>238,412,030</u>	<u>303,462,529</u>

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