

For the half year ended 30 June 2026 (Unaudited)

SEMI-ANNUAL REPORT LION-CHINA MERCHANTS CSI DIVIDEND INDEX ETF

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PERFORMANCE OF THE FUND

For the half year ended 30 June 2026 (Unaudited)

Past performance is not necessarily indicative of future performance. Cumulative returns for the Fund are calculated up to 30 June 2026 in SGD terms, based on single pricing, with dividends reinvested net of all charges payable upon reinvestment.

Time Period	Fund Returns (%)	Benchmark / Index* Returns (%)
	Lion-China Merchants CSI Dividend Index ETF	
3 months	-9.2	-9.0
6 months	-4.1	-3.6
1 year	2.4	3.4
Since Inception** (28 March 2025)	-0.1	0.6

Source: Lion Global Investors Ltd / Morningstar

* Benchmark / Index: CSI Dividend Index

** Return periods longer than 1 year are annualised.

REVIEW

For the half year ended 30 June 2026, the Fund returned -4.1%, while the benchmark returned -3.6%, in SGD terms.

The first half of 2026 was marked by a sharp divergence between onshore and offshore Chinese markets, even as the macro backdrop remained uneven. Onshore A-shares were supported by strong Artificial Intelligence (AI)-related trading activity and a powerful rotation into technology and industrial supply chains, while Hong Kong-listed Chinese equities came under sustained pressure from the United States (US)-Iran war, weak domestic demand, and a more bifurcated earnings environment. Beijing's 2026 growth target of 4.5-5% signalled a lower but more sustainable policy ambition, and the economy delivered a brief upside surprise in the first quarter before slowing again in the second. Retail sales weakened materially, fixed investment softened, and the recovery remained heavily reliant on exports and policy support.

Inflation dynamics were similarly mixed. China moved out of its long producer-price deflation cycle, but the improvement was driven more by energy costs and AI-related industrial demand than by a broad-based domestic demand recovery. The yuan strengthened against the US dollar through most of the period, supported by improving capital flows, stronger AI-linked exports, and greater tolerance for currency firmness. At the same time, government bond yields compressed to historic lows as the market priced a more accommodative policy stance. Against this backdrop, the People's Bank of China (PBoC) continued to manage liquidity carefully, while the trade truce with Washington and the Trump-Xi summit offered some relief, though geopolitical and trade uncertainties remained elevated.

From a market perspective, AI remained the dominant thematic driver across the region. Semiconductor, data centre, and related infrastructure names outperformed sharply, outperforming more cyclical and consumer-facing segments by a wide margin. However, the rally was increasingly concentrated, and broader sentiment remained pressured by weaker earnings visibility, persistent property-sector stress, and renewed concerns over external demand. Looking into the second half, the key question is whether policy support, AI investment, and trade stability can offset still-fragile household demand and renewed external headwinds.

In SGD terms, the China Merchants CSI Dividend ETF (-7.0%) contributed negatively to the performance of the Lion-China Merchants CSI Dividend Index ETF.

STRATEGY AND OUTLOOK

The Fund continues to replicate as closely as possible, before expenses, the performance of the CSI Dividend Index, by investing in units of the China Merchants CSI Dividend ETF.

As of 8 July 2026

DISCLOSURES ON THE FUND¹*For the half year ended 30 June 2026 (Unaudited)***1. DISTRIBUTION OF INVESTMENTS AS AT 30 JUNE 2026**

	Fair Value	Percentage of
	\$	total net assets
		attributable to
		unitholders
		%
a) <u>By Asset Class</u>		
Investment fund	16,070,814	100.1
Cash and other net liabilities	(9,672)	(0.1)
Net assets attributable to unitholders	16,061,142	100.0

b) By Credit Rating of Debt Securities

Not applicable

c) By Derivative Type

Net realised losses from financial derivatives at the end of the financial period were \$2,058.

¹ As required by the Code on Collective Investment Schemes

2. TOP 10 HOLDINGS
As at 30 June 2026

	Fair Value \$	Percentage of total net assets attributable to unitholders %
China Merchants CSI Dividend ETF	16,070,814	100.1

As at 30 June 2025

	Fair Value \$	Percentage of total net assets attributable to unitholders %
China Merchants CSI Dividend ETF	16,956,394	100.0

3. RELATED PARTY TRANSACTIONS
For the period from 1 January 2026 to 30 June 2026

	\$
Interest income earned from a bank which is a related company of the Trustee	26
Transaction fees charged by the Trustee	128
Custodian fees charged by a related company of the Trustee	2,107
Valuation and administration fees charged by the Trustee	1,763
Registration fees charged by a related company of the Trustee	<u>5,671</u>
Cash and cash equivalents placed with a financial institution related to the Trustee as at 30 June 2026 were \$18,743.	

4. FINANCIAL RATIOS

	30 June 2026 %	For the financial period from 28 March 2025 (date of inception) to 30 June 2025 %
Expense ratio ¹ (annualised) (excludes underlying sub-fund's expense ratio and preliminary expenses)	1.35	0.76
Expense ratio ² (annualised) (includes underlying sub-fund's expense ratio and preliminary expenses)	1.65	1.25
Portfolio turnover ratio ³	3	15

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 at 30 June 2026 was based on total operating expenses of \$241,035 (2025: \$144,928) divided by the average net asset value of \$17,832,963 (2025: \$19,164,214) for the period. 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.

² The expense ratio is the sum of the Sub-Fund's expense ratio and the underlying fund's unaudited expense ratio of 0.3%.

³ 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 \$471,484 (2025: Sales of \$2,815,820) divided by the average daily net asset value of \$17,764,004 (2025: \$19,164,214).

5. 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.

6. COLLATERAL

Nil

7. SECURITIES LENDING OR REPURCHASE TRANSACTIONS

Nil

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

Nil

9. BORROWINGS

Nil

10. SOFT DOLLAR COMMISSION RECEIVED BY THE MANAGERS

The soft dollar commissions from various brokers for the financial period were utilised on research and advisory services, economic and political analyses, portfolio analyses, market analyses, data and quotation analyses and computer hardware and software used for and in support of the investment process of fund managers. Goods and services received were for the benefit of the scheme and there was no churning of trades. These brokers also execute trades for other funds managed by the managers. The trades are conducted on best available terms and in accordance with best practices.

11. OTHER MATERIAL INFORMATION

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

12. SUPPLEMENTAL INFORMATION ON UNDERLYING SUB-FUNDS²

	30 June 2026	30 June 2025
a) Ratio of expenses to average net assets	0.30	0.31
b) Turnover ratios	57	12
c) Top 10 holdings		

As at 30 June 2026

	Fair Value \$	Percentage of total net assets %
COSCO Shipping	326,086,698	2.82
Shangfeng Materials	261,376,998	2.26
Shanghai Zhonggu Logistics	228,651,519	1.98
Shanxi Lu'an Environmental Energy Development	223,063,496	1.93
Yankuang Energy Group	221,935,803	1.92
Guanghui Energy	217,490,154	1.88
Shanxi Coal International Energy Group	199,487,048	1.73
Huaibei Mining	183,345,068	1.59
Haohua Energy	173,205,659	1.50
Pingdingshan Tianan Coal Mining	167,756,167	1.45

As at 30 June 2025

	Fair Value \$	Percentage of total net assets %
COSCO Shipping	177,742,720	2.59
Jizhong Energy	125,078,600	1.82
Ningbo Huaxiang	119,364,917	1.74
CITIC Bank	109,184,413	1.59
Bank of Chengdu	104,813,118	1.53
HLA Group	103,548,437	1.51
Industrial Bank	103,440,546	1.51
Daqin Railway	96,569,220	1.41
Bank of Jiangsu	94,788,233	1.38
Bank of Communications	93,784,944	1.37

² Based on latest available information provided by the underlying sub-fund managers.

STATEMENT OF TOTAL RETURN

For the half year ended 30 June 2026 (Unaudited)

	For the half year ended 30 June 2026 \$	For the financial period from 28 March 2025 (date of inception) to 30 June 2025 \$
Income		
Dividends	387,857	191,659
Interest on cash and cash equivalents	26	50
	<u>387,883</u>	<u>191,709</u>
Less: Expenses		
Audit fee	7,437	5,108
Custodian fees	2,107	1,107
Management fee	44,327	24,886
Professional fee	9,261	1,193
Registration fee	5,671	3,253
Trustee fee	1,763	995
Transaction costs	371	5,188
Valuation and administration fees	1,763	995
Preliminary expenses	-	35,706
Miscellaneous expenses	45,284	4,844
	<u>117,984</u>	<u>83,275</u>
Net income	<u>269,899</u>	<u>108,434</u>
Net gains or losses on value of investments and financial derivatives		
Net losses on investments	(905,077)	(601,314)
Net losses on foreign exchange spot contracts	(2,058)	(6,611)
Net foreign exchange gains/(losses)	5,215	(22,160)
	<u>(901,920)</u>	<u>(630,085)</u>
Total return for the financial period before income tax	<u>(632,021)</u>	<u>(521,651)</u>
Less: Income tax	-	-
Total deficit for the financial period	<u>(632,021)</u>	<u>(521,651)</u>

STATEMENT OF FINANCIAL POSITION*As at 30 June 2026 (Unaudited)*

	30 June 2026 \$	31 December 2025 \$
ASSETS		
Portfolio of investments	16,070,814	18,261,422
Receivables	16,849	8,074
Cash and cash equivalents	18,743	12,831
Total assets	<u>16,106,406</u>	<u>18,282,327</u>
LIABILITIES		
Payables	45,264	797,614
Total liabilities	<u>45,264</u>	<u>797,614</u>
EQUITY		
Net assets attributable to unitholders	<u>16,061,142</u>	<u>17,484,713</u>

STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS

For the half year ended 30 June 2026 (Unaudited)

	30 June 2026 \$	For the financial period from 28 March 2025 (date of inception) to 31 December 2025 \$
Net assets attributable to unitholders at the beginning of the financial period	17,484,713	-
Operations		
Change in net assets attributable to unitholders resulting from operations	(632,021)	632,944
Unitholders' contributions/(withdrawals)		
Creation of units	454,050	20,942,415
Cancellation of units	(1,245,600)	(3,357,000)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(791,550)	17,585,415
Distributions	-	(733,646)
Total (decrease)/increase in net assets attributable to unitholders	(1,423,571)	17,484,713
Net assets attributable to unitholders at the end of the financial period	16,061,142	17,484,713

STATEMENT OF PORTFOLIO*As at 30 June 2026 (Unaudited)*

	Holdings at 30 June 2026	Fair value at 30 June 2026 \$	Percentage of total net assets attributable to unitholders at 30 June 2026 %
QUOTED FUND			
China Merchants CSI Dividend ETF	59,805,226	16,070,814	100.1
Portfolio of investments		16,070,814	100.1
Other net liabilities		(9,672)	(0.1)
Net assets attributable to unitholders		<u>16,061,142</u>	<u>100.0</u>

Information on investment portfolio by industry and geographical segments is not presented as the Fund is a feeder into another investment fund, which invests primarily in China stocks.

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