

For the financial period from 31 January 2024
(date of inception) to 31 December 2024

ANNUAL REPORT

LION-NOMURA JAPAN ACTIVE ETF (POWERED BY AI)

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 Teo Joo Wah (Chief Executive Officer)
Mr Ronnie Tan Yew Chye
Mr Tung Siew Hoong
Mr Sunny Quek Ser Khieng
Mr Gregory Thomas Hingston

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 period from 31 January 2024 (date of inception) to 31 December 2024

Past performance is not necessarily indicative of future performance. Cumulative returns for the Fund are calculated up to 31 December 2024 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-Nomura Japan Active ETF (Powered by AI)	
3 months	2.22	2.09
6 months	1.92	3.12
Since inception (31 January 2024)	1.00	7.57

Source: Lion Global Investors Ltd / Morningstar

* Benchmark / Index: Tokyo Stock Price Index (TOPIX)

The Fund's net asset value may have higher volatility as a result of its narrower investment focus a single market (namely, Japan), when compared to funds investing in global or regional markets.

REVIEW

For the period ended 31 December 2024, the Fund returned 1.00% in SGD terms. The Tokyo Stock Price Index (TOPIX) benchmark was up 7.57% for the same period and this discrepancy is largely due to currency losses in the first half of 2024.

In the second half of 2024, the Fund was up 3.53%, relative to TOPIX which was up 3.25%, based on strong performance. The Fund ended the year strong with a positive return of 4.07%, which is almost double that of the 2.04% return of TOPIX for the last quarter in 2024.

Unlike a passive exchange traded fund (ETF), the active ETF is able to add value by timing its positioning. One of the positive contributors to portfolio returns was our Artificial Intelligence (AI) model which guided the timings of our position in Hitachi Ltd. Our AI model recommended to sell out Hitachi Ltd. in mid-October 2024 just before its decline in November 2024. Our AI model subsequently recommended to buy back the same stock in mid-November near its low before it spikes up again in December 2024. Hitachi was up 10.4% over the period the AI ETF held the stock while it was only up 4.9% over the entire quarter to date.

The Fund's net asset value may have higher volatility as a result of its narrower investment focus a single market (namely, Japan), when compared to funds investing in global or regional markets.

STRATEGY AND OUTLOOK

The Yen-based performance of Japanese equities in 2024 has been relatively strong with a 14.68% gain, notwithstanding the rise in dollar terms has been mediocre at 2.64%. Japanese equities tracked US equities on a dollar basis through mid-September 2024, but once the market started to price in a new Donald Trump administration, the strength of US equities started to outshine the competition and Japanese equities have since lagged markedly. The extent to which Japanese equities are undervalued relative to global equities is now close to its largest gap in the past 15 years, which leads to the key focus in 2025 on whether this spread would be rectified.

Trump 2.0 would likely be a major impact in early 2025. Expect some uncertainty over the short term in micro-level policies (additional tariffs and semiconductor regulations, for example) and its potential detrimental impact on stocks. From 2018 to 2019, Japan's market declined on the news of US tariff increases against China amid US-China trade frictions, but it subsequently normalized after the Federal Reserve (Fed) started cutting rates in July 2019. Similarly, when the US tightened restrictions on semiconductor exports to China in 2018 and 2022, semiconductor stocks rebounded having declined for six to eight months, and the impact on the index turned positive.

Conversely, the stated end of Trump's policies (e.g., rising interest rates, weaker Yen, and greater demand in the US) are likely to have a favourable impact on the Japanese market in the second half of 2025.

As of 27 January 2025

The Fund's net asset value may have higher volatility as a result of its narrower investment focus a single market (namely, Japan), when compared to funds investing in global or regional markets.

DISCLOSURES ON THE FUND¹

For the financial period from 31 January 2024 (date of inception) to 31 December 2024

1. DISTRIBUTION OF INVESTMENTS AS AT 31 DECEMBER 2024

	Fair Value JPY	Percentage of total net assets attributable to unitholders %
a) <u>By Asset Class</u>		
Equities	5,407,543,362	98.3
Cash and other net assets	92,402,406	1.7
Net assets attributable to unitholders	5,499,945,768	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 period were JPY13,008,084.

¹ As required by the Code on Collective Investment Schemes

2. TOP 10 HOLDINGS

As at 31 December 2024

	Fair Value JPY	Percentage of total net assets attributable to unitholders %
Advantest Corporation	505,890,000	9.2
NEC Corporation	498,310,400	9.1
Recruit Holdings Company Limited	467,644,200	8.5
Mitsui Fudosan Company Limited	435,229,000	7.9
KDDI Corporation	427,158,240	7.8
Marubeni Corporation	261,787,350	4.8
Asahi Group Holdings Limited	243,247,600	4.4
Daiwa Securities Group Inc.	191,008,480	3.5
SBI Holdings Inc.	168,199,680	3.0
Daito Trust Construction Company Limited	159,932,500	2.9

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 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 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.

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 period from 31 January 2024 (date of inception) to 31 December 2024

The Trustee is under a duty to take into custody and hold the assets of Lion-Nomura Japan Active ETF (Powered by AI) (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 period 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 period covered by these financial statements, set out on pages 13 to 37, 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

26 March 2025

STATEMENT BY THE MANAGER

For the financial period from 31 January 2024 (date of inception) to 31 December 2024

In the opinion of Lion Global Investors Limited, the accompanying financial statements set out on pages 13 to 37 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 Lion-Nomura Japan Active ETF (Powered by AI) (the "Fund") as at 31 December 2024, and the financial performance and movements in unitholders' funds for the financial period 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

26 March 2025

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF LION-NOMURA JAPAN ACTIVE ETF (POWERED BY AI)

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

Our Opinion

In our opinion, the accompanying financial statements of Lion-Nomura Japan Active ETF (Powered by AI) (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 ("RAP 7"), so as to present fairly, in all material respects, the financial position and portfolio holdings of the Fund as at 31 December 2024, and the financial performance and movements of unitholders' funds for the financial period ended on that date.

What we have audited

The financial statements of the Fund comprise:

- the Statement of Total Return for the financial period ended 31 December 2024;
- the Statement of Financial Position as at 31 December 2024;
- the Statement of Movements of Unitholders' Funds for the financial period then ended;
- the Statement of Portfolio as at 31 December 2024; and
- the notes to the financial statements, including material accounting policy information.

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 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 LION-NOMURA JAPAN ACTIVE ETF (POWERED BY AI)

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

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Other Information

The Fund's Manager (the "Manager") is responsible for the other information. The other information comprises all the 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 RAP 7 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.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF LION-NOMURA JAPAN ACTIVE ETF (POWERED BY AI)

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

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.

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.

**INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF
LION-NOMURA JAPAN ACTIVE ETF (POWERED BY AI)**

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

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

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ong King Howe.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 26 March 2025

STATEMENT OF TOTAL RETURN

For the financial period from 31 January 2024 (date of inception) to 31 December 2024

		For the financial period from 31 January 2024 (date of inception) to 31 December 2024 JPY
Income		
Dividends		140,408,960
Interest on cash and cash equivalents	9	3,094
		<hr/> 140,412,054 <hr/>
Less: Expenses		
Audit fee	10	2,125,875
Custodian fees	9	819,542
Management fee	9	34,545,685
Professional fees		1,101,414
Registration fee	9	1,249,835
Trustee fee	9	987,024
Valuation and administration fees	9	987,024
Preliminary expenses		14,655,285
Transaction costs		13,222,895
Miscellaneous expenses		6,937,121
		<hr/> 76,631,700 <hr/>
Net income		<hr/> 63,780,354 <hr/>
Net gains on value of investments and financial derivatives		
Net gains on investments		320,141,484
Net losses on foreign exchange spot contracts		(13,008,084)
Net foreign exchange gains		39,126,919
		<hr/> 346,260,319 <hr/>
Total return for the financial period before income tax		410,040,673
Less: Income tax	3	(21,503,628)
Total return for the financial period		<hr/> 388,537,045 <hr/>

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

STATEMENT OF FINANCIAL POSITION*As at 31 December 2024*

	Note	2024 JPY
ASSETS		
Portfolio of investments		5,407,543,362
Receivables	4	9,568,687
Cash and cash equivalents	5	90,168,203
Total assets		<u>5,507,280,252</u>
LIABILITIES		
Payables	6	7,334,484
Total liabilities		<u>7,334,484</u>
EQUITY		
Net assets attributable to unitholders	7	<u>5,499,945,768</u>

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

STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS

For the financial period from 31 January 2024 (date of inception) to 31 December 2024

	For the financial period from 31 January 2024 (date of inception) to 31 December 2024 JPY
Net assets attributable to unitholders at the beginning of the financial period	-
Operations	
Change in net assets attributable to unitholders resulting from operations	388,537,045
Unitholders' contributions/(withdrawals)	
Creation of units	5,342,906,542
Cancellation of units	(231,497,819)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	<u>5,111,408,723</u>
Total increase in net assets attributable to unitholders	5,499,945,768
Net assets attributable to unitholders at the end of the financial period	<u>7 5,499,945,768</u>

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

STATEMENT OF PORTFOLIO

As at 31 December 2024

	Holdings at 31 December 2024	Fair value at 31 December 2024 JPY	Percentage of total net assets attributable to unitholders at 31 December 2024 %
By Industry (Primary)			
QUOTED EQUITIES			
INDUSTRIAL			
Recruit Holdings Company Limited	41,960	467,644,200	8.5
Marubeni Corporation	109,420	261,787,350	4.8
Kawasaki Kisen Kaisha Limited	61,760	139,237,920	2.5
Hitachi Limited	30,260	119,133,620	2.2
Sojitz Corporation	31,960	103,614,320	1.9
Nippon Express Holdings Company Limited	20,580	49,247,940	0.9
Infroneer Holdings Inc.	28,320	34,578,720	0.6
Hanwa Company Limited	5,280	26,294,400	0.5
Fuyo General Lease Company Limited	1,980	23,166,000	0.4
Asanuma Corporation	20,580	13,747,440	0.3
Amada Holdings Company Limited	8,680	13,341,160	0.2
Central Glass Company Limited	3,980	13,213,600	0.2
Shibaura Machine Company Limited	3,640	13,049,400	0.2
Yokogawa Bridge Corporation	4,040	11,400,880	0.2
Kawada Technologies Inc.	4,120	11,334,120	0.2
Mitsubishi Kakoki Kaisha Limited	3,000	11,325,000	0.2
Nippon Valqua Industries Limited	3,220	10,529,400	0.2
Tokyu Construction Company Limited	14,480	10,440,080	0.2
Star Micronics Company Limited	5,460	10,308,480	0.2
		<u>1,343,394,030</u>	<u>24.4</u>

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

LION-NOMURA JAPAN ACTIVE ETF (POWERED BY AI)

	Holdings at 31 December 2024	Fair value at 31 December 2024 JPY	Percentage of total net assets attributable to unitholders at 31 December 2024 %
By Industry (Primary) (continued)			
QUOTED EQUITIES (continued)			
INFORMATION TECHNOLOGY			
Advantest Corporation	55,000	505,890,000	9.2
NEC Corporation	36,320	498,310,400	9.1
Nihon Dempa Kogyo Company Limited	15,100	13,152,100	0.2
Tomen Devices Corporation	1,880	13,028,400	0.2
SIIX Corporation	10,100	12,180,600	0.2
Oki Electric Industry Company Limited	10,620	11,342,160	0.2
		1,053,903,660	19.1
FINANCIAL			
Daiwa Securities Group Inc.	182,260	191,008,480	3.5
SBI Holdings Inc.	42,240	168,199,680	3.0
Shizuoka Financial Group Inc.	58,800	75,528,600	1.4
Concordia Financial Group Limited	63,340	55,175,474	1.0
Japan Exchange Group Inc.	30,460	53,914,200	1.0
Yamaguchi Financial Group Inc.	18,140	29,758,670	0.5
Nishi-Nippon Financial Holdings Inc.	14,620	29,634,740	0.5
Tokyo Century Corporation	12,580	20,165,740	0.4
Financial Products Group Company Limited	5,740	16,617,300	0.3
Tokai Tokyo Financial Holdings	32,140	15,909,300	0.3
Hokuhoku Financial Group Inc.	7,560	14,518,980	0.3
JACCS Company Limited	3,500	13,667,500	0.3
The North Pacific Bank Limited	24,620	11,275,960	0.2
Tsukuba Bank Limited	43,540	10,580,220	0.2
		705,954,844	12.9

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

LION-NOMURA JAPAN ACTIVE ETF (POWERED BY AI)

	Holdings at 31 December 2024	Fair value at 31 December 2024 JPY	Percentage of total net assets attributable to unitholders at 31 December 2024 %
By Industry (Primary) (continued)			
QUOTED EQUITIES (continued)			
REAL ESTATE			
Mitsui Fudosan Company Limited	342,700	435,229,000	7.9
Daito Trust Construction Company Limited	9,100	159,932,500	2.9
Ki-Star Real Estate Company Limited	2,720	11,736,800	0.2
Tosei Corporation	4,480	11,280,640	0.2
		618,178,940	11.2
CONSUMER DISCRETIONARY			
Bandai Namco Holdings Inc.	39,720	150,101,880	2.7
Sony Group Corporation	33,260	112,052,940	2.0
Mazda Motor Corporation	84,060	91,079,010	1.7
Sankyo Company Limited	31,820	67,712,960	1.2
Heiwa Corporation	8,380	20,388,540	0.4
Mitsubishi Corporation	27,080	14,422,808	0.3
Daikoku Denki Company Limited	4,440	13,297,800	0.2
Mars Engineering Corporation	3,340	11,255,800	0.2
		480,311,738	8.7
COMMUNICATIONS			
KDDI Corporation	84,720	427,158,240	7.8
CONSUMER, NON-CYCLICAL			
Asahi Group Holdings Limited	146,800	243,247,600	4.4
ONO Pharmaceutical Company Limited	56,540	92,414,630	1.7
Otsuka Holdings Company Limited	6,960	59,856,000	1.1
		395,518,230	7.2

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

LION-NOMURA JAPAN ACTIVE ETF (POWERED BY AI)

	Holdings at 31 December 2024	Fair value at 31 December 2024 JPY	Percentage of total net assets attributable to unitholders at 31 December 2024 %
By Industry (Primary) (continued)			
QUOTED EQUITIES (continued)			
BASIC MATERIALS			
Asahi Kasei Corporation	67,140	73,350,450	1.3
Tosoh Corporation	12,440	26,341,700	0.5
Inabata & Company Limited	5,800	19,314,000	0.4
Nittetsu Mining Company Limited	3,060	13,662,900	0.2
Kyoei Steel Limited	7,280	13,366,080	0.2
Nippon Soda Company Limited	4,140	12,039,120	0.2
Ishihara Sangyo Kaish Limited	7,280	11,211,200	0.2
		169,285,450	3.0
ENERGY			
Idemitsu Kosan Company Limited	72,000	74,556,000	1.4
Japan Petroleum Exploration Company Limited	20,840	23,653,400	0.4
AOC Holdings Inc.	46,060	13,956,180	0.3
		112,165,580	2.1
UTILITIES			
Electric Power Development Company Limited	20,800	53,497,600	1.0
Chubu Electric Power Company Inc.	29,100	48,175,050	0.9
		101,672,650	1.9
Portfolio of investments		5,407,543,362	98.3
Other net assets		92,402,406	1.7
Net assets attributable to unitholders		5,499,945,768	100.0

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

	Percentage of total net assets attributable to unitholders at 31 December 2024 %
By Industry (Summary)	
Industrial	24.4
Information Technology	19.1
Financial	12.9
Real Estate	11.2
Consumer Discretionary	8.7
Communications	7.8
Consumer, Non-Cyclical	7.2
Basic Materials	3.0
Energy	2.1
Utilities	1.9
	<hr/>
Portfolio of investments	98.3
Other net assets	1.7
	<hr/>
Net assets attributable to unitholders	100.0
	<hr/>

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

	Fair value at 31 December 2024 JPY	Percentage of total net assets attributable to unitholders at 31 December 2024 %
By Geography (Secondary)		
Japan	5,407,543,362	98.3
Portfolio of investments	5,407,543,362	98.3
Other net assets	92,402,406	1.7
Net assets attributable to unitholders	5,499,945,768	100.0

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 31 January 2024 (date of inception) to 31 December 2024

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

1. GENERAL

Lion-Nomura Japan Active ETF (Powered by AI) (the "Fund") is a unit trust constituted by a Deed of Trust dated 28 December 2023 together with its Supplemental Deeds (hereafter referred to as "Trust Deed"). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee of the Fund is HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"). The Manager of the Fund is Lion Global Investors Limited (the "Manager").

The investment objective of the Fund is to achieve long-term capital growth through investment in an actively managed portfolio of Japanese equity securities, diversified across sectors and market capitalisation.

2. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial instruments at fair value, and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" ("RAP 7") revised and issued by the Institute of Singapore Chartered Accountants in August 2023 for the financial year beginning on or after 1 January 2023.

(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. MATERIAL ACCOUNTING POLICY INFORMATION (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 period 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.

When a financial derivative expires, or is sold or terminated, the gains or 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 period in which they arise.

(iii) Derecognition

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sales of investments are computed on the basis of the difference between the weighted average cost and selling price 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. MATERIAL ACCOUNTING POLICY INFORMATION (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

The Fund qualifies as an authorised scheme under the Securities and Futures Act ("SFA") of Singapore and is offered to retail investors in Singapore. The Fund's activities are substantially based in Japan, with subscriptions and redemptions of the units in the Fund denominated in Singapore Dollar ("SGD").

The performance of the Fund is measured and reported to the Investors in both Singapore Dollar and Japanese Yen ("JPY"). The Manager considers the Japanese Yen 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 Japanese Yen.

2. MATERIAL ACCOUNTING POLICY INFORMATION (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 within the net foreign exchange gain or loss. 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 Statements 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 Funds or the counterparty.

(l) Expenses

Expenses are recognised in the Statement of Total Return as the related services are performed.

(m) Management fee

Management fee expense is recognised on an accrual basis and in accordance with the Prospectus. Management fee is recognised as an expense over the period for which the service is provided.

(n) Creation and cancellation of units

Units are issued and redeemed at the prices based on the Fund's net asset value per unit at the time of issue or redemption for each respective class. The Fund's net asset value per unit is calculated by dividing the net asset attributable to the holders of each class of units with the total number of outstanding units for each respective class.

3. INCOME TAX

The Fund meets the qualifying conditions under Section 13D of the Income Tax Act 1947 and the relevant Regulations for the current financial period (“Section 13D Scheme”). Under the Section 13D Scheme, the Fund enjoys Singapore corporate income tax exemptions on “specified income” derived from “designated investments”. Losses from “designated investments” are correspondingly disregarded. The terms “specified income” and “designated investments” are defined in the relevant Regulations.

The trustee and Manager of the Fund will ensure that the Fund fulfills its reporting obligations under the Section 13D Scheme.

**For the financial
period from
31 January 2024
(date of inception)
to 31 December
2024
JPY**

Overseas income tax	<u>21,503,628</u>
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The overseas income tax represents tax deducted at source on income derived from outside Singapore. Such income is recorded gross of withholding tax in the Statement of Total Return.

4. RECEIVABLES

	2024 JPY
Dividends receivable	4,969,112
Other receivables	<u>4,599,575</u>
	<u>9,568,687</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

	2024 JPY
Amount due to the Manager	3,120,809
Amount due to the Trustee	178,334
Amount due to the Registrar	117,127
Other payables	3,918,214
	<u>7,334,484</u>

7. UNITS IN ISSUE

	For the financial period from 31 January 2024 (date of inception) to 31 December 2024 Units
Units at beginning of the financial period	-
Units created	48,745,320
Units cancelled	(2,025,000)
Units at end of the financial period	<u>46,720,320</u>
	2024 JPY
Net assets attributable to unitholders	5,499,945,768
Net assets attributable to unitholders (SGD equivalent)	47,844,826
Net asset value per unit	117
Net asset value per unit (SGD equivalent)	<u>1.024</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.

	2024 SGD
Net assets attributable to unitholders per unit per financial statements	1.024
Effect of preliminary expenses	*
Effect of movement in the net asset value between the last dealing date and the end of the reporting period	(0.013)
Net assets attributable to unitholders per unit for issuing/redeeming units	<u>1.011</u>

* denotes amount less than SGD0.001

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 Manager is responsible for the implementation of overall risk management programme, which seeks to minimise potential adverse effects on the Fund's financial performance. 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 equities. 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.

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.

8. FINANCIAL RISK MANAGEMENT (continued)

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

(a) Market risk (continued)

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 industries.

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

(i) Price risk

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

As at 31 December 2024, the Fund's beta is calculated 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 2024. 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.

As at 31 December 2024

Fund	Benchmark	Beta	Reasonable possible change %	Impact of reasonable possible change on net asset attributable to unitholders JPY
Lion-Nomura Japan Active ETF (Powered by AI)	Tokyo Stock Price Index (TOPIX)	0.72	5	194,671,561

8. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(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.

(iii) Currency risk

The Fund has monetary financial assets/liabilities denominated in currencies other than Japanese Yen and the Fund may be affected favourably or unfavourably by exchange rate regulations or changes in the exchange rates between the Japanese Yen 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 table below summarises the Fund's exposure to key currencies at the end of the financial period. Monetary and non-monetary items have been taken into account for the analysis.

As at 31 December 2024	USD JPY	SGD JPY	JPY JPY	Total JPY
Assets				
Portfolio of investments	-	-	5,407,543,362	5,407,543,362
Receivables	130,329	1,479,391	7,958,967	9,568,687
Cash and cash equivalents	24,143	13,494,599	76,649,461	90,168,203
Total assets	154,472	14,973,990	5,492,151,790	5,507,280,252
Liabilities				
Payables	-	4,035,341	3,299,143	7,334,484
Total liabilities	-	4,035,341	3,299,143	7,334,484
Net financial assets	154,472	10,938,649	5,488,852,647	
Net currency exposure	154,472	10,938,649	5,488,852,647	

8. 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 Fund's net asset value has been included in the above 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 2024, 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.

(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 from unitholders. The Manager therefore ensures that the Fund maintains sufficient cash and cash equivalents and that it is able to obtain cash from the sale of investments held to meet its liquidity requirements. Reasonable efforts will be taken to invest in investments that are traded in active market and can be readily disposed of.

The table below analyses 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 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 2024	Less than 3 months JPY	3 months- 1 year JPY	1-5 years JPY	Above 5 years JPY
Payables	7,334,484	-	-	-

8. 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 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 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.

8. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

The table below summarises the credit rating of bank and custodian in which the Fund's assets are held as at 31 December 2024.

	Credit rating ^{##}	Source of credit rating
As at 31 December 2024		
<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 instruments.

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 table analyses within the fair value hierarchy the Fund's financial assets and liabilities (by class) measured at fair value at 31 December 2024:

As at 31 December 2024	Level 1 JPY	Level 2 JPY	Level 3 JPY	Total JPY
Assets				
Portfolio of investments				
- Quoted equities	5,407,543,362	-	-	5,407,543,362

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 investments.

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

	For the financial period from 31 January 2024 (date of inception) to 31 December 2024 JPY
Interest income earned with a bank which is a related company of the Trustee	3,094
Transaction fees charged by the Trustee	745,310
Registration fee charged by a related company of the Trustee	1,249,835
Valuation and administration fees charged by the Trustee	987,024
Custodian fees charged by a related company of the Trustee	819,542
Bank service fees charged by a bank which is a related company of the Trustee	<u>61,238</u>

10. AUDITORS' REMUNERATION

During the financial period ended 31 December 2024, the following fees were paid or payable for services provided by the auditor of the Fund.

	For the financial period from 31 January 2024 (date of inception) to 31 December 2024 JPY
Audit fee paid/payable to:	
- Auditor of the Fund	2,125,875
Other fees paid/payable to:	
- Auditor of the Fund	522,950
	<u>2,648,825</u>

11. FINANCIAL RATIOS

	For the financial period from 31 January 2024 (date of inception) to 31 December 2024 %
Expense ratio ¹ (excluding preliminary expenses) (annualised)	0.98
Expense ratio ¹ (including preliminary expenses) (annualised)	1.26
Portfolio turnover ratio ²	<u>352</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 expense ratio at 31 December 2024 was based on total annualised operating expenses of JPY52,682,867 (excluding preliminary expenses of JPY14,655,285) divided by the average net asset value of JPY5,364,500,968 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.

11. FINANCIAL RATIOS (continued)

- 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 sales of JPY18,873,452,239 divided by the average daily net asset value of JPY5,364,500,968.

12. COMPARATIVES

There are no comparative figures presented for the Fund as this is the first set of annual financial statements prepared since 31 January 2024 (date of inception).

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