

For the financial period from 13 May 2024 (date of inception) to 31 December 2024

ANNUAL REPORT

Lion-OCBC Securities

APAC Financials Dividend

Plus ETF

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 13 May 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 (%)	
	Lion-OCBC Securities APAC Financials Dividend Plus ETF	Benchmark/Index* Returns (%)
3 months	6.27	6.71
6 months	11.25	12.09
Since inception (13 May 2024)	13.97	15.11

Source: Lion Global Investors Ltd / Morningstar

* Benchmark / Index: iEdge APAC Financials Dividend Plus Index

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

REVIEW

For the period ended 31 December 2024, the Fund returned 13.97% in SGD terms.

The economy continued to hold up better than expected in a restrictive interest rate environment, creating a conducive backdrop for risk assets. Further progression in disinflation shifted the global monetary cycle towards more synchronized easing. The Federal Reserve (Fed) kicked off its easing cycle with a front-loaded 50 basis points (bps) rate cut in September 2024, followed by two additional 25 bps rate cuts at subsequent meetings, bringing the target range for the Federal Funds Rate to 4.25% - 4.50%. In China, pressured to achieve the year's economic target growth of 5% saw officials trimmed several major interest rates to historic lows in attempt to boost sluggish spending and investment.

After the comprehensive policy pivot in late September 2024, China's economic momentum picked up in the final quarter, with notable improvements in exports, retail sales, and service sector activity. Nevertheless, there remained prominent areas of concern, including lingering deflation pressure, sluggish labour market conditions, and a persistently weak real estate sector. The annual Central Economic Work Conference (CEWC) outlined the government's main economic agenda and policy plans for 2025. It sets a supportive macro policy tone to stabilize growth, with an emphasis on boosting domestic demand and reviving household consumption via a more proactive fiscal policy and easier monetary policy.

In November 2024, Donald Trump was elected the 47th US president in an unprecedented replacement of a Democratic candidate.

In SGD terms, since inception, Singapore (+24.2%) was the best performing country, followed by Japan (+23.0%). On the other hand, Indonesia (-22.4%) and South Korea (-5.4%) were the worst performing countries.

DBS (+27.5%), Sumitomo Mitsui Financial Group (+29.2%) and OCBC (+23.9%) contributed positively to performance, while Bank Rakyat Indonesia (-21.6%), Hana Financial Group (-2.6%) and Malayan Banking Berhad (-3.4%) detracted.

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

STRATEGY AND OUTLOOK

The Fund continues to replicate as closely as possible, before expenses, the performance of the iEdge APAC Financials Dividend Plus Index.

As of 15 January 2025

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

DISCLOSURES ON THE FUND ¹

For the financial period from 13 May 2024 (date of inception) to 31 December 2024

1. DISTRIBUTION OF INVESTMENTS AS AT 31 DECEMBER 2024

	Fair Value	Percentage of
	\$	total net assets
		attributable to
		unitholders
		%
a) <u>By Asset Class</u>		
Equities	50,501,672	101.0
Cash and other net liabilities	(495,136)	(1.0)
Net assets attributable to unitholders	50,006,536	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 \$145,380.

¹ As required by the Code on Collective Investment Schemes

2. TOP 10 HOLDINGS**As at 31 December 2024**

	Fair Value	Percentage of
	\$	total net assets
		attributable to
		unitholders
		%
DBS Group Holdings Limited	3,966,322	8.0
Oversea-Chinese Banking Corporation [#]	3,784,641	7.6
Sumitomo Mitsui Financial Group Inc.	3,618,297	7.2
United Overseas Bank Limited	3,271,117	6.5
Mizuho Financial Group Inc.	2,839,039	5.7
HSBC Holdings PLC	2,773,364	5.6
China Construction Bank Corporation H Shares	2,481,031	5.0
Commonwealth Bank of Australia	2,135,389	4.3
National Australia Bank Limited	1,892,167	3.8
Westpac Banking Corporation Limited	1,884,318	3.8

[#] *Ultimate holding company of the Manager*

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

(a) As at 31 December 2024, there was no securities lent or repurchase transaction.

(b) Revenue earned

Security lending income of \$12 earned for the financial period ended 31 December 2024.

(c) Split between the return from securities lending and repurchase transactions and the return from cash collateral reinvestment

100% from securities lending.

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 13 May 2024 (date of inception) to 31 December 2024

The Trustee is under a duty to take into custody and hold the assets of Lion-OCBC Securities APAC Financials Dividend Plus ETF (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 36, 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 13 May 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 36, 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-OCBC Securities APAC Financials Dividend Plus ETF (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-OCBC SECURITIES APAC FINANCIALS DIVIDEND PLUS ETF**

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

Our Opinion

In our opinion, the accompanying financial statements of Lion-OCBC Securities APAC Financials Dividend Plus ETF (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-OCBC SECURITIES APAC FINANCIALS DIVIDEND PLUS ETF**

(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 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-OCBC SECURITIES APAC FINANCIALS DIVIDEND PLUS ETF

(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-OCBC SECURITIES APAC FINANCIALS DIVIDEND PLUS ETF**

(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 13 May 2024 (date of inception) to 31 December 2024

	Note	For the financial period from 13 May 2024 (date of inception) to 31 December 2024 \$
Income		
Dividends		1,906,262
Interest on cash and cash equivalents	10	43
Other income		12
		<u>1,906,317</u>
Less: Expenses		
Audit fee	11	18,700
Custodian fees	10	4,867
Management fee	10	156,989
Professional fees		6,100
Registration fee	10	8,103
Trustee fee	10	6,279
Valuation and administration fees	10	6,279
Preliminary expenses		111,718
Transaction costs		54,210
Miscellaneous expenses		69,039
		<u>442,284</u>
Net income		<u>1,464,033</u>
Net gains or losses on value of investments and financial derivatives		
Net gains on investments		6,713,670
Net losses on foreign exchange spot contracts		(145,380)
Net foreign exchange gains		65,772
		<u>6,634,062</u>
Total return for the financial period before income tax		8,098,095
Less: Income tax	3	(130,732)
Total return for the financial period		<u>7,967,363</u>

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

STATEMENT OF FINANCIAL POSITION*As at 31 December 2024*

	Note	2024 \$
ASSETS		
Portfolio of investments		50,501,672
Receivables	5	72,524
Cash and cash equivalents	6	70,660
Total assets		<u>50,644,856</u>
LIABILITIES		
Payables	7	638,320
Total liabilities		<u>638,320</u>
EQUITY		
Net assets attributable to unitholders	8	<u>50,006,536</u>

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

STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS

For the financial period from 13 May 2024 (date of inception) to 31 December 2024

	Note	For the financial period from 13 May 2024 (date of inception) to 31 December 2024 \$
Net assets attributable to unitholders at the beginning of the financial period		-
Operations		
Change in net assets attributable to unitholders resulting from operations		7,967,363
Unitholders' contributions/(withdrawals)		
Creation of units		55,018,298
Cancellation of units		(10,488,010)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		44,530,288
Distributions	4	(2,491,115)
Total increase in net assets attributable to unitholders		50,006,536
Net assets attributable to unitholders at the end of the financial period	8	50,006,536

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 \$	Percentage of total net assets attributable to unitholders at 31 December 2024 %
By Geography (Primary)			
QUOTED EQUITIES			
SINGAPORE			
DBS Group Holdings Limited	90,721	3,966,322	8.0
Oversea-Chinese Banking Corporation [#]	226,761	3,784,641	7.6
United Overseas Bank Limited	90,039	3,271,117	6.5
		11,022,080	22.1
JAPAN			
Sumitomo Mitsui Financial Group Inc.	110,504	3,618,297	7.2
Mizuho Financial Group Inc.	84,265	2,839,039	5.7
MS&AD Insurance Group Holdings Inc.	47,091	1,412,888	2.8
Sompo Holdings Inc.	31,502	1,128,772	2.3
Japan Post Holdings Company Limited	66,635	863,994	1.7
Japan Post Bank Company Limited	50,605	657,909	1.3
		10,520,899	21.0
AUSTRALIA			
Commonwealth Bank of Australia	16,482	2,135,389	4.3
National Australia Bank Limited	60,328	1,892,167	3.8
Westpac Banking Corporation Limited	68,963	1,884,318	3.8
ANZ Group Holdings Limited	59,646	1,439,136	2.9
Macquarie Group Limited	7,558	1,416,254	2.8
QBE Insurance Group Limited	32,147	521,805	1.0
		9,289,069	18.6

[#] *Ultimate holding company of the Manager*

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

	Holdings at 31 December 2024	Fair value at 31 December 2024 \$	Percentage of total net assets attributable to unitholders at 31 December 2024 %
By Geography (Primary) (continued)			
QUOTED EQUITIES (continued)			
CHINA			
China Construction Bank Corporation H Shares	2,187,546	2,481,031	5.0
Industrial and Commercial Bank of China H Shares	1,783,775	1,626,589	3.2
Bank of China Limited H Shares	1,862,545	1,294,188	2.6
Ping An Insurance (Group) Company of China Limited H Shares	148,159	1,194,146	2.4
China Merchants Bank Company Limited H Shares	99,900	699,400	1.4
Agricultural Bank of China Limited H Shares	720,690	558,794	1.1
China Life Insurance Company Limited	174,462	448,257	0.9
		<u>8,302,405</u>	<u>16.6</u>
SOUTH KOREA			
KB Financial Group Inc.	21,105	1,613,197	3.2
Shinhan Financial Group Company Limited	30,691	1,348,409	2.7
Hana Financial Group Inc.	16,914	885,814	1.8
		<u>3,847,420</u>	<u>7.7</u>
HONG KONG			
HSBC Holdings PLC	209,044	2,773,364	5.6
BOC Hong Kong Holdings Limited	84,132	367,394	0.7
		<u>3,140,758</u>	<u>6.3</u>

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

	Holdings at 31 December 2024	Fair value at 31 December 2024 \$	Percentage of total net assets attributable to unitholders at 31 December 2024 %
By Geography (Primary) (continued)			
QUOTED EQUITIES (continued)			
MALAYSIA			
Malayan Banking Berhad	454,395	1,413,375	2.8
Public Bank Berhad	942,835	1,305,944	2.6
		<u>2,719,319</u>	<u>5.4</u>
INDONESIA			
Bank Rakyat Indonesia Persero	4,818,308	1,659,722	3.3
Portfolio of investments		50,501,672	101.0
Other net liabilities		(495,136)	(1.0)
Net assets attributable to unitholders		<u>50,006,536</u>	<u>100.0</u>

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

**Percentage of
total net assets
attributable to
unitholders at
31 December
2024
%**

By Geography (Summary)

Singapore	22.1
Japan	21.0
Australia	18.6
China	16.6
South Korea	7.7
Hong Kong	6.3
Malaysia	5.4
Indonesia	3.3

Portfolio of investments

101.0

Other net liabilities

(1.0)

Net assets attributable to unitholders

100.0

Information on the investment portfolio by industry segments is not presented as the Fund invests only in companies within the financial sector that are listed in the Asia Pacific region.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 13 May 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-OCBC Securities APAC Financials Dividend Plus ETF (the “Fund”) is a unit trust constituted by a Deed of Trust dated 22 March 2024 together with its Supplemental Deeds (thereafter 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 replicate as closely as possible, before expenses, the performance of the iEdge APAC Financials Dividend Plus Index (the “Index”) using a direct investment policy of investing in all, or substantially all, of the underlying securities constituting the Index.

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) Distributions

The Manager has the absolute discretion to determine whether a distribution is to be made. In such an event, an appropriate amount will be transferred to a distribution account to be paid out on the distribution date. The amount shall not be treated as part of the property of the Fund. Distributions are accrued for at the reporting date if the necessary approvals have been obtained and a legal or constructive obligation has been created.

(e) 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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(f) 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.

(g) 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.

(h) 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.

(i) 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.

(j) Payables

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

(k) 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 Singapore, with subscriptions and redemptions of the units in the Fund denominated in Singapore Dollar.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)(k) Foreign currencies (continued)

(i) Functional and presentation currency (continued)

The performance of the Fund is measured and reported to the investors in Singapore Dollar. The Manager considers the Singapore Dollar as the currency which most faithfully represents the economic effects of the underlying transactions, events and conditions. The Fund's functional and presentation currency is the Singapore Dollar.

(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.

(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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(o) Securities lending

Securities on loan are included in the investment portfolio of the Fund as the Fund is entitled to the interest income from equities on loan and retain substantially all the risks and rewards. Relevant securities lending income received by the Fund is included in other income in the Statement of Total Return.

Collateral received for the purpose of securities on loan generally consists of fixed income securities collateral. Fixed income securities collateral received is treated as an off-balance sheet transaction and is therefore not included in the Statement of Financial Position because the Fund is not entitled to the interest income from the fixed income securities collateral and do not retain substantially all the risks and rewards. Interest received from fixed income securities collateral is paid to the counterparty that provides the collateral to the Fund.

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.

**For the financial
period from
13 May 2024 (date
of inception) to
31 December 2024
\$**

Overseas income tax

130,732

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. DISTRIBUTIONS

	For the financial period from 13 May 2024 (date of inception) to 31 December 2024
	\$
Distribution of \$3.00 per 100 units on 30 July 2024 to unitholders as at 18 July 2024	1,334,108
Distribution of \$1.25 per 100 units on 30 September 2024 to unitholders as at 10 September 2024	592,566
Distribution of \$1.25 per 100 units on 31 January 2025 to unitholders as at 7 January 2025	564,441
	<u>2,491,115</u>

5. RECEIVABLES

	2024
	\$
Dividends receivable	43,934
Other receivables	28,590
	<u>72,524</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

	2024
	\$
Distribution payable	564,441
Amount due to the Manager	21,633
Amount due to the Trustee	1,731
Amount due to the Custodian	228
Amount due to the Registrar	1,059
Other payables	49,228
	<u>638,320</u>

8. UNITS IN ISSUE

	For the financial period from 13 May 2024 (date of inception) to 31 December 2024 Units
Units at beginning of the financial period	-
Units created	55,005,268
Units cancelled	(9,850,000)
Units at end of the financial period	<u>45,155,268</u>

2024
\$

Net assets attributable to unitholders	50,006,536
Net asset value per unit	<u>1.107</u>

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 \$
Net assets attributable to unitholders per unit per financial statements	1.107
Effect of preliminary expenses	0.002
Effect of movement in the net asset value between the last dealing date and the end of the reporting period	(0.002)
Effect of distribution per unit	<u>0.012</u>
Net assets attributable to unitholders per unit for issuing/redeeming units	<u>1.119</u>

9. 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 investments in Index securities in substantially the same weightings as reflected in the Index. The Manager will rebalance the Fund's portfolio of investments from time to time to reflect any changes to the composition of, or weighting of Index securities to minimise tracking error of the Fund's overall returns relating to the performance of the Index. The financial instruments are held in accordance with the published investment policies of the Fund and managed accordingly 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.

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. However, events beyond reasonable control of the Manager could affect the prices of the underlying investments and hence the asset value of the Fund.

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.

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Price risk

Price risk is the risk of potential adverse changes to the value of financial investments because of changes in market conditions and volatility in security prices. The Fund is designated to track the performance of the Index, therefore the exposure to price risk in the Fund will be substantially the same as the Index. As an exchange traded fund, the Manager manages the Fund's exposure to price risk by ensuring the key characteristics of the portfolio, such as security weight, is closely aligned to the characteristics of the index.

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 \$
Lion-OCBC Securities APAC Financials Dividend Plus ETF	iEdge APAC Financials Dividend Plus Index	0.99	5	2,499,833

9. 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 Singapore Dollar and the Fund may be affected favourably or unfavourably by exchange rate regulations or changes in the exchange rates between the Singapore Dollar and such other currencies. The Fund may enter into foreign currency contracts designed to either hedge some or all of this exposure, or alternatively increase exposure to preferred foreign currencies.

The 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	AUD \$	HKD \$	IDR \$	JPY \$	KRW \$
Assets					
Portfolio of investments	9,289,069	11,443,163	1,659,722	10,520,899	3,847,420
Receivables	-	-	43,934	-	-
Cash and cash equivalents	1	25	-	-	232
Total assets	9,289,070	11,443,188	1,703,656	10,520,899	3,847,652
Liabilities					
Payables	-	-	-	-	-
Total liabilities	-	-	-	-	-
Net financial assets/ (liabilities)	9,289,070	11,443,188	1,703,656	10,520,899	3,847,652
Net currency exposure	9,289,070	11,443,188	1,703,656	10,520,899	3,847,652

9. FINANCIAL RISK MANAGEMENT (continued)

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

As at 31 December 2024	MYR	SGD	Others	Total
	\$	\$	\$	\$
Assets				
Portfolio of investments	2,719,319	11,022,080	-	50,501,672
Receivables	-	28,590	-	72,524
Cash and cash equivalents	268	69,788	346	70,660
Total assets	<u>2,719,587</u>	<u>11,120,458</u>	<u>346</u>	<u>50,644,856</u>
Liabilities				
Payables	-	628,014	10,306	638,320
Total liabilities	<u>-</u>	<u>628,014</u>	<u>10,306</u>	<u>638,320</u>
Net financial assets/ (liabilities)	<u>2,719,587</u>	<u>10,492,444</u>	<u>(9,960)</u>	
Net currency exposure	<u>2,719,587</u>	<u>10,492,444</u>	<u>(9,960)</u>	

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.

9. FINANCIAL RISK MANAGEMENT (continued)

(b) Liquidity risk (continued)

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	3 months- 1 year	1-5 years	Above 5 years
	\$	\$	\$	\$
Payables	638,320	-	-	-

(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.

9. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

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.

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.*

9. FINANCIAL RISK MANAGEMENT (continued)

(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).

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	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Portfolio of investments				
- Quoted equities	50,501,672	-	-	50,501,672

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.

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 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 13 May 2024 (date of inception) to 31 December 2024 \$
Interest income earned with a bank which is a related company of the Trustee	43
Transaction fees charged by the Trustee	6,243
Interest expense charged by a bank which is a related company of the Trustee	409
Registration fee charged by a related company of the Trustee	8,103
Valuation and administration fees charged by the Trustee	6,279
Custodian fees charged by a related company of the Trustee	4,867
Bank service fees charged by a bank which is a related company of the Trustee	670
Brokerage on purchases and sales of investments charged by a related company of the Manager	111

11. 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 13 May 2024 (date of inception) to 31 December 2024
	\$
Audit fee paid/payable to:	
- Auditor of the Fund	18,700
Other fees paid/payable to:	
- Auditor of the Fund	4,600
	<u>23,300</u>

12. SECURITIES LENDING TRANSACTIONS

The Fund may engage in securities lending transactions or repurchase transactions where such securities lending or repurchase transactions are carried out solely for the purpose of efficient portfolio management and do not amount to more than 50% of the net asset value of the Fund. The collateral of the securities lending or repurchase transactions should exceed the market value of the transferable securities or money market instruments transferred.

The collateral will be marked-to-market on a daily basis and be safekept by the Trustee or an agent appointed by the Trustee. Security lending income and expenses are accounted for in the Statement of Total Return on an accrual basis.

13. FINANCIAL RATIOS

	For the financial period from 13 May 2024 (date of inception) to 31 December 2024 %
Expense ratio ¹ (excluding preliminary expenses) (annualised)	0.85
Expense ratio ¹ (including preliminary expenses) (annualised)	1.08
Portfolio turnover ratio ²	<u>43</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 operating expenses of \$419,305 (excluding preliminary expenses of \$111,718) divided by the average net asset value of \$49,134,437 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 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 \$20,920,187 divided by the average daily net asset value of \$49,134,437.

14. COMPARATIVES

There are no comparative figures presented for the Fund as this is the first set of annual financial statements prepared since 13 May 2024 (date of inception).

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