

LionGlobal Investment Funds II

- LIONGLOBAL JAPAN GROWTH FUND

Prospectus

11 May 2012

LIONGLOBAL INVESTMENT FUNDS II

DIRECTORY

MANAGERS

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

DIRECTORS OF THE MANAGERS

Ching Wei Hong (Chairman)
Christopher Brian Wei (Deputy Chairman)
Gerard Lee How Cheng (CEO)
Cheong Jin Keat
Yoon Mun Thim
Norman Ip Ka Cheung
Tan Siew Peng

TRUSTEE

Citicorp Trustee (Singapore) Limited
8 Marina View, 16th Floor, Asia Square Tower 1, Singapore 018960

AUDITORS

PricewaterhouseCoopers LLP
8 Cross Street, #17-00, PWC Building, Singapore 048424

SOLICITORS TO THE MANAGERS

Chan & Goh LLP
50 Craig Road, #03-01, Singapore 089688

SOLICITORS TO THE TRUSTEE

Shook Lin & Bok LLP
1 Robinson Road, #18-00, AIA Tower, Singapore 048542

LIONGLOBAL INVESTMENT FUNDS II

IMPORTANT INFORMATION

The managers of LionGlobal Investment Funds II (the “**Fund**”), Lion Global Investors Limited (the “**Managers**”), accept full responsibility for the accuracy of information contained in this Prospectus and confirm, having made all reasonable enquiries to the best of their knowledge and belief that this Prospectus contains all information with respect to the Fund which is material in the context of the offer of units in the LionGlobal Japan Growth Fund, a sub-fund of the Fund (“**Units**”) hereunder and the statements contained in this Prospectus are in every material respect true and accurate and not misleading and there are no other facts the omission of which would make any statement in this Prospectus misleading. Unless otherwise stated, all terms not defined in this Prospectus have the same meanings as used in the deed of trust (as amended) relating to the Fund (the “**Deed**”).

Investors should consult the relevant provisions of the Deed and obtain independent professional advice in any event of any doubt or ambiguity relating thereto.

No application has been made for the Units to be listed on any stock exchange. Any holder of Units may request the Managers to realise all or part of his holding of units in accordance with and subject to the provisions of the Deed. The Managers’ unit trusts and investment products, except for guaranteed funds, are not obligations of, deposits in, or guaranteed by, the Managers or any of their affiliates. An investment in unit trusts and/or other investment products is subject to investment risks, including the possible loss of the principal amount invested. Past performance figures are not necessarily indicative of future performance of any unit trust. Investors should note that the value of Units and the income from them may fall as well as rise.

Potential investors should seek independent professional advice to ascertain (a) the possible tax consequences, (b) the legal requirements, (c) any foreign exchange restrictions or exchange control requirements which they may encounter under the laws of the countries of their citizenship, residence or domicile, and (d) any restrictions or requirements under the Central Provident Fund (“**CPF**”) (Investment Schemes) Regulations and the terms and conditions in respect of the CPF Investment Scheme issued by the CPF Board thereunder (as the same may be amended, modified or supplemented from time to time), which may be relevant to the subscription, holding or disposal of Units in the Fund and should inform themselves of and observe all such laws and regulations in any relevant jurisdiction that may be applicable to them.

The distribution of this Prospectus and the offering, purchase, sale or transfer of the Units in certain jurisdictions may be restricted by law. We require persons into whose possession this Prospectus comes to inform themselves about and to observe any such restrictions at their own expense and without liability to us. This Prospectus does not constitute an offer of, or an invitation to purchase, any of the Units in any jurisdiction in which such offer or invitation would be unlawful.

Restriction on U.S. Persons on subscribing to our funds

Persons to whom a copy of this Prospectus has been issued shall not circulate to any other person, reproduce or otherwise distribute this Prospectus or any information herein for any purpose whatsoever nor permit or cause the same to occur. In particular, please note that the Units have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or any other applicable law of the United States. The Fund has not been and will not be registered as an investment company under the U.S. Investment Company Act of 1940, as amended. The Units are being offered and sold outside the United States to persons that are not “U.S. persons” (as defined in Regulation S promulgated under the U.S. Securities Act) in reliance on Regulation S promulgated under the U.S. Securities Act. The Units are not being offered or made available to U.S. persons and nothing in this Prospectus is directed to or is intended for U.S. persons. For the purposes of the U.S. Securities Act, the term “U.S. person” means: (i) any natural person resident in the United States; (ii) any partnership or corporation organised or incorporated under the laws of the United States; (iii) any estate of which any executor or administrator is a U.S. person; (iv) any trust of which any trustee is a U.S. person; (v) any agency or branch of a non-United States entity located in the United States; (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person; (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and (viii) any partnership or corporation if (a) organised or incorporated under the laws of any non-United States jurisdiction and (b) formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organised or incorporated, and owned, by “accredited investors” (as defined in Regulation D promulgated under the U.S. Securities Act) who are not natural persons, estates or trusts.

For the purposes of the U.S. Securities Act, the term “U.S. person” does not include: (i) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. person by a dealer or other professional fiduciary organised, incorporated, or (if an individual), resident in the United States; (ii) any estate of which any professional fiduciary acting as executor or administrator is a U.S. person if (a) an executor or administrator of the

estate who is not a U.S. person has sole or shared investment discretion with respect to the assets of the estate and (b) the estate is governed by non-United States law; (iii) any trust of which any professional fiduciary acting as trustee is a U.S. person, if a trustee who is not a U.S. person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settler if the trust is revocable) is a U.S. person; (iv) an employee benefit plan established and administered in accordance with the law of a country other than the United States; (v) an agency or branch of a U.S. person located outside the United States if (a) the agency or branch operates for valid business reasons and (b) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and (vi) the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, any other similar international organisations, and their respective agencies, affiliates and pension plans.

Investors should also consider the risks of investing in Units which are summarised in Paragraph 10 of this Prospectus.

All enquiries in relation to the Fund or the sub-fund should be directed to the Managers, Lion Global Investors Limited, or any agent or distributor appointed by the Managers.

MANAGERS' POLICY ON MARKET TIMING

The Fund is designed and managed to support medium to long-term investments. In this regard, the Managers take a serious view of, and strongly discourage the practice of market timing (that is, investors conducting short-term buying or selling of the Units to gain from inefficiencies in pricing) as such practices may cause an overall detriment to the long-term interests of other investors. In addition, short-term trading in Units increases the total transaction costs of the Fund, such as trading commission and other costs which are absorbed by all other investors. Moreover, the widespread practice of market timing may cause large movements of cash in the Fund which may disrupt the investment strategies to the detriment of long-term investors. For the reasons set out above, the Managers strongly discourage the practice of market timing and may implement internal measures to monitor and control such practice to the extent of their powers available under the Deed. The Managers intend to review their policy on market timing from time to time in a continuous effort to protect the long-term interests of investors in the Fund.

LIONGLOBAL INVESTMENT FUNDS II

Table of Contents

Contents	Page
Directory.....	i
Important Information.....	ii
Managers' Policy on Market Timing.....	iii
1. Basic Information.....	1
2. The Managers.....	3
3. The Trustee.....	3
4. The Register of Holders.....	3
5. The Auditors.....	3
6. Fund Structure.....	3
7. Investment Objective, Focus and Approach of Sub-Fund.....	4
8. Sub-Fund Included Under the CPF Investment Scheme.....	5
9. Fee and Charges.....	6
10. Risks.....	7
11. Subscription of Units.....	8
12. Regular Savings Plan.....	10
13. Realisation of Units.....	10
14. Switching of Units.....	12
15. Obtaining Prices of Units.....	12
16. Suspension of Dealings.....	13
17. Performance of the Sub-Funds.....	13
18. Soft Dollar Commissions/Arrangements.....	14
19. Conflicts of Interest.....	14
20. Reports.....	14
21. Other Material Information.....	15
22. Queries and Complaints.....	22

LIONGLOBAL INVESTMENT FUNDS II

The sub-fund of the Fund, LionGlobal Japan Growth Fund, offered in this Prospectus is an authorised scheme under the Securities and Futures Act (Chapter 289 of Singapore) (“**SFA**”). A copy of this Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the “**MAS**”). This Prospectus has been prepared in accordance with the requirements of the SFA. The MAS assumes no responsibility for the contents of this Prospectus. The registration of this Prospectus by the MAS does not imply that the SFA or any other legal or regulatory requirements have been complied with. The MAS has not, in any way, considered the investment merits of the sub-fund of the Fund. The meanings of terms not defined in this Prospectus can be found in the deed of trust (as amended) constituting the Fund.

1. BASIC INFORMATION

1.1 LionGlobal Investment Funds II

The Fund is a Singapore constituted umbrella fund currently offering Units in one sub-fund, namely the LionGlobal Japan Growth Fund (the “**Sub-Fund**”). An umbrella fund is a collection of sub-funds under a common umbrella fund structure, in this case the Fund, with each sub-fund having a separate investment objective and focus. In the future, the Managers could add new sub-funds to the umbrella fund with different investment objectives. The main aim of such a structure is to reduce operational costs and provide facilities like inter sub-fund switching of units.

Each sub-fund of the Fund may comprise of distinct Classes of Units (each a “**Class**”). Please refer to Paragraph 6 below for a description of the Classes of Units currently offered by the Sub-Fund.

1.2 Date of Registration and Expiry Date of Prospectus

The date of registration of this Prospectus with the MAS is 11 May 2012. This Prospectus shall be valid for 12 months after the date of registration (i.e., up to and including 10 May 2013) and shall expire on 11 May 2013.

1.3 Trust Deed and Supplemental Deeds

1.3.1 The deed of trust relating to the interests being offered for subscription or purchase is dated 9 November 1999 (the “**Principal Deed**”) and the parties to the Principal Deed are Keppel Investment Management Limited (the “**Retired Managers**”) and Citicorp Trustee (Singapore) Limited (the “**Trustee**”).

1.3.2 The Principal Deed has been amended by the following Supplemental Deeds and Amending and Restating Deeds:

Deed	Dated	Purpose	Parties to Supplemental Deed
Supplemental Deed	23 August 2000	To establish a new sub-fund known as the Keppel Investment Funds – Global Elite Fund.	The Retired Managers and the Trustee
Second Supplemental Deed	24 August 2001	To incorporate the revised CPF Investment Guidelines for unit trusts included under the CPF Investment Scheme issued by the CPF Board on 31 January 2001 by way of an Appendix to the Principal Deed.	The Retired Managers and the Trustee
Third Supplemental Deed	27 December 2001	To appoint the Managers as the new managers of the Fund in place of the Retired Managers with effect from 1 January 2002.	The Retired Managers, the Managers and the Trustee.
Fourth Supplemental Deed	26 June 2002	To, <i>inter alia</i> , reflect the change in the name of the Fund to “OCBC Investment Funds II” and the change in the name of the Sub-Fund to “OCBC Japan Growth Fund”.	The Managers and the Trustee

Deed	Dated	Purpose	Parties to Supplemental Deed
Amending and Restating Deed	27 June 2003	To amend the Deed to comply with the prescribed requirements for trust deeds under the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2002, to incorporate the investment guidelines for non-specialised funds issued by the MAS under the Code on Collective Investment Schemes on 23 May 2002 (last updated on 28 March 2003) and to comply with the Notice on Cancellation Period for Collective Investment Schemes Constituted as Unit Trusts issued by the MAS on 1 October 2002 and revised on 20 March 2003.	The Managers and the Trustee
Second Amending and Restating Deed	25 June 2004	To comply with applicable fiscal, statutory, or official requirements (whether or not having the force of law), to modify the Deed in order to give effect to the Managers' policy on market timing, and to incorporate the new CPF investment guidelines, which took effect on 15 September 2003.	The Managers and the Trustee
Third Amending and Restating Deed	20 May 2005	To, <i>inter alia</i> , comply with applicable fiscal, statutory, or official requirements (whether or not having the force of law)	The Managers and the Trustee
Fourth Amending and Restating Deed	19 May 2006	To, <i>inter alia</i> , comply with applicable fiscal, statutory, or official requirements (whether or not having the force of law)	The Managers and the Trustee
Fifth Amending and Restating Deed	18 May 2007	To, <i>inter alia</i> , comply with applicable fiscal, statutory, or official requirements (whether or not having the force of law)	The Managers and the Trustee
Sixth Amending and Restating Deed	16 May 2008	To amend the definition of Valuation Point and to generally update the Deed.	The Managers and the Trustee
Seventh Amending and Restating Deed	15 May 2009	To amend the Deed to, <i>inter alia</i> , (a) reflect the changes in the names of the Managers, the Fund and the Sub-Fund; and (b) allow for switching into other funds managed by the Managers.	The Managers and the Trustee
Eighth Amending and Restating Deed	15 August 2011	To amend the Deed to, <i>inter alia</i> , reflect the new Code on Collective Investment Schemes revised on 8 April 2011.	The Managers and the Trustee

The Principal Deed as amended by the Supplemental Deed, the Second Supplemental Deed, the Third Supplemental Deed, the Fourth Supplemental Deed, the Amending and Restating Deed, the Second Amending and Restating Deed, the Third Amending and Restating Deed, the Fourth Amending and Restating Deed, the Fifth Amending and Restating Deed, the Sixth Amending and Restating Deed, the Seventh Amending and Restating Deed and the Eighth Amending and Restating Deed shall hereinafter be referred to as the “**Deed**”.

- 1.3.3** The terms and conditions of the Deed shall be binding on each unitholder (each a “**Holder**” and collectively the “**Holders**”) and persons claiming through such Holder as if such person had been a party to the Deed and as if the Deed contained covenants on such Holder to observe and be bound by the provisions of the Deed and an authorisation by each Holder to do all such acts and things as the Deed may require the Managers and/or the Trustee to do.
- 1.3.4** A copy of the Deed shall be made available for inspection free of charge, at all times during usual business hours at the registered office of the Managers at 65 Chulia Street, #18-01, OCBC Centre, Singapore 049513 and will be supplied by the Managers to any person upon request at a charge of S\$25 per copy of the document.

1.4 Accounts and reports

A copy of the latest annual and semi-annual accounts, the auditor's report on the annual accounts and the annual and semi-annual reports relating to the Fund may be obtained from the Managers upon request at their registered address at 65 Chulia Street, #18-01, OCBC Centre, Singapore 049513 during normal business hours.

2. THE MANAGERS

The Managers of the Fund are Lion Global Investors Limited (Company Registration Number 198601745D), whose registered office is at 65 Chulia Street, #18-01, OCBC Centre, Singapore 049513.

Lion Global Investors, a member of the Oversea-Chinese Banking Corporation Limited (OCBC) Group, is one of the largest asset management companies in South East Asia, with total assets under management of S\$28.4 billion as at 31 March 2012. Established as an Asian asset specialist since 1986, Lion Global Investors offers Asian equities and Asian fixed income funds to institutional and retail investors globally. It has one of the largest and most experienced investment teams dedicated to regional and global equities and fixed income markets, with 50 investment professionals with an average of 16 years of investment experience. The company's commitment to investment excellence begins with a team-based and research-intensive approach, combining in-depth market insights with comprehensive sector knowledge.

Lion Global Investors is 70% owned by Great Eastern Holdings Limited and 30% owned by Orient Holdings Private Limited, a wholly-owned subsidiary of OCBC Bank.

The Managers have been managing collective investment schemes and discretionary funds in Singapore since 1987 and investment-linked product funds since 1996.

For more information about Lion Global Investors, please visit www.lionglobalinvestors.com.

Investors should note that the past performance of the Managers is not necessarily indicative of the future performance of the Managers.

3. THE TRUSTEE

The Trustee of the Fund is Citicorp Trustee (Singapore) Limited (Company Registration Number 199604601H) whose registered address is at 8 Marina View, 16th Floor, Asia Square Tower 1, Singapore 018960.

4. THE REGISTER OF HOLDERS

HSBC Institutional Trust Services (Singapore) Limited (Company Registration Number 194900022R) is the registrar for the Fund. The register of Holders of the Sub-Fund (the "**Register**") can be inspected at 20 Pasir Panjang Road (East Lobby), #12-21, Mapletree Business City, Singapore 117439 during usual business hours subject to reasonable conditions and restrictions as the Managers or Trustee may impose. The Register is conclusive evidence of the number of Units in the Sub-Fund held by each Holder and the entries in the Register shall prevail in the event of any discrepancy between the entries in the Register and the details appearing on any statement of holding, unless the Holder proves to the satisfaction of the Managers and the Trustee that the Register is incorrect.

5. THE AUDITORS

The auditors of the accounts relating to the interests under the Deed are PricewaterhouseCoopers LLP of 8 Cross Street, #17-00, PWC Building, Singapore 048424 (the "**Auditors**").

6. FUND STRUCTURE

The Fund is a Singapore constituted open-ended umbrella unit trust.

There are currently two Classes of Units in the Sub-Fund, namely SGD Class Units and USD Class Units. There are no material differences between the SGD Class Units and the USD Class Units save for the currency of denomination.

7. INVESTMENT OBJECTIVE, FOCUS AND APPROACH OF SUB-FUND

7.1 Investment Objective and Focus

The investment objective and focus of the Sub-Fund is the long-term capital growth of assets of the Sub-Fund by investing primarily in quoted or listed securities in any Recognised Stock Exchange¹ or OTC Market² in Japan.

The investment strategy of the Sub-Fund is to invest the majority of the Deposited Property of the Sub-Fund in mid to small market capitalisation companies. The Sub-Fund will not target any specific industry or sector.

7.2 Investment Approach and Philosophy

Investment Philosophy

The Managers believe in sustained long term outperformance and achieve this through a rigorous research methodology and process aimed at uncovering high conviction ideas which are trading at significant discounts to fair value. The Managers look to an objective and disciplined implementation of these ideas using sound portfolio risk controls and portfolio construction rules.

The underlying philosophy is that securities prices will ultimately reflect underlying economic fundamentals. In the short to medium term however, technical factors including behavioural factors or liquidity may distort prices. By staying focused on the long term, the Managers avoid the common mistake of selling too early or overtrading the portfolio.

Investment Approach

The Managers believe the key is to design and implement a research process that would identify businesses that have most, if not all, of the following characteristics:

- A clearly understandable business model and value added proposition
- Strong and forward looking management
- Sustainable top line and bottom line growth
- Adopt healthy corporate governance practices
- Strong free cash flows or has the potential to generate such
- Exhibit strong profitability in terms of net profit margins and return on equity
- Strong balance sheets
- Sustainable competitive edge
- A proven track record of growth and profitability through both good and weak economic conditions
- Whose share price is trading at a discount to fair value

In order to arrive at an accurate estimation of the fair value, it is first and foremost necessary to have a clear understanding of the business model and all the key drivers of sales and profits. A thorough look back at the operating history of the company is essential. This should preferably include a long enough history that indicates operating performance under both economic growth periods and slow/recessionary conditions.

An earnings and cash flow model is developed for each stock wherein the Managers also develop some sensitivity analysis to analyse earnings and cash flows under varying assumptions. The key is to determine for each stock that the Managers research, its sustainable earning power and the likely medium to long term growth rate of those earnings and apply an appropriate discount rate to derive its intrinsic value. The Managers tend to be skeptical of the accounting definition of earnings and prefer to look at the cash flow returns as a more reliable basis for determining investment value. Other inputs that the Managers use to derive fair value include conventional measures such as Price-Earnings ratios (PER), Enterprise Value-Earnings Before Interest, Tax, Depreciation and Amortization (EV-EBITDA), replacement values and comparable business transactions and dividend discount model.

The Managers' preference is to search for growth stocks in growth industries although they would also include some "value" stocks as well as cyclical stocks.

¹ "Recognised Stock Exchange" is defined in the Deed to mean any stock exchange, futures exchange and organised securities exchange on which securities are regularly invested in any country in any part of the world, and in relation to any particular Authorised Investment shall be deemed to include any responsible firm, corporation or association in any part of the world dealing in the Authorised Investment which the Managers may from time to time elect.

² "OTC Market" is defined in the Deed to mean any over-the-counter market or over-the-telephone market in any country in any part of the world, and in relation to any particular Authorised Investment shall be deemed to include any responsible firm, corporation or association in any country in any part of the world dealing in the Authorised Investment which the Managers may from time to time elect.

While these are widely used valuation tools the Managers believe they can gain an edge by having deeper insights into understanding the business fundamentals thus enabling them to make better judgments on estimating the growth potential and applying the correct discount rate which reflects the risk level of those earnings appropriately. The Managers also make it a point to monitor closely all their investments so that mid course adjustments can be made expeditiously when conditions warrant.

7.3 Authorised Investments

The Fund is authorised to invest in the following investments (“**Authorised Investments**”):

- (i) any Quoted Investment³;
- (ii) any Unquoted Investment⁴;
- (iii) in relation to any CPFIS Included Fund, any investment for the time being approved by the relevant authority for the purposes of unit trust schemes included as CPFIS Included Funds under the CPFIS Regulations; and
- (iv) any other Investments⁵ not covered by Paragraphs (i), (ii) and (iii) above but approved by the Trustee (such approval to be confirmed in writing),

provided that each of such Authorised Investments falling within paragraphs (i) to (iv) of this definition shall be a Permissible Investment⁶ under the Code on Collective Investment Schemes (as the same may be amended from time to time) issued by the MAS (“**Code**”).

8. SUB-FUND INCLUDED UNDER THE CPF INVESTMENT SCHEME

The Sub-Fund is included for investment under the CPF Investment Scheme (“**CPFIS**”) - Ordinary Account. It has been classified by the CPF Board under the “**Higher Risk - Narrowly Focused (Country - Japan)**” category. Investors should note that only the SGD Class Units are included under the CPFIS.

The CPF interest rate for the CPF ordinary account is based on the 12-month fixed deposit and month-end savings rates of the major local banks, subject to a minimum of 2.5% interest per annum.

The interest rate for the Special and Medisave Accounts (“**SMA**”) is pegged to either the 12-month average yield of 10-year Singapore Government Securities (10YSGS) plus 1% or 4%, whichever is higher. The interest rate to be credited to the CPF Retirement Account (“**RA**”) is the weighted average interest rate of the entire portfolio of Special Singapore Government Securities (SSGS), in which the RA savings are invested in, which earn a fixed coupon equal to either the 12-month average yield of the 10YSGS plus 1% at the point of issuance or 4%, whichever is higher. A 4% per annum floor rate will be maintained for interest earned on SMA and RA until 31 December 2012, after which a 2.5% per annum minimum rate will apply.

³ “**Quoted Investment**” is defined in the Deed to mean any Investment which is listed, quoted or dealt with on any Recognised Stock Exchange or OTC Market.

“**Investment**” is defined in the Deed to mean any share, stock, warrant, option or other stock purchase right, interest-bearing instrument, bond, discount bond, note, discount note, exchange fund note, debenture, debenture stock, banker’s acceptance, debt security, loan, loan convertible into security, loan stock, warrant, options, certificates of deposit, currency deposits, commercial paper, promissory note, unit or sub-unit in any unit trust scheme, participation in a mutual fund, other interests in collective investment schemes, share or other interest in a real estate investment trust company, share or unit or sub-unit or participation or other interest in any hedge fund, treasury bill, fixed or floating rate debt instrument, futures, forward, swap, floor, collar, index and forward currency exchange contract or any other security (as defined in the SFA) (all of the foregoing denominated in any currency) or any other money market instrument or any other derivative which may be selected by the Managers for the purpose of investment of the deposited property or which may for the time being form part thereof.

⁴ “**Unquoted Investment**” is defined in the Deed to mean any Investment which is not listed, quoted or dealt with on any Recognised Stock Exchange or OTC Market.

⁵ “**Investment**” is defined in the Deed to mean any Permissible Investment, including any share, stock, warrant, option or other stock purchase right, interest-bearing instrument, bond, discount bond, note, discount note, exchange fund note, debenture, debenture stock, banker’s acceptance, debt security, loan, loan convertible into security, loan stock, warrant, options, certificates of deposit, currency deposits, commercial paper, promissory note, unit or sub-unit in any unit trust scheme, participation in a mutual fund, other interests in collective investment schemes, share or other interest in a real estate investment trust company, share or unit or sub-unit or participation or other interest in any hedge fund, treasury bill, fixed or floating rate debt instrument, futures, forward, swap, floor, collar, index and forward currency exchange contract or any other security (as defined in the SFA) (all of the foregoing denominated in any currency) or any other money market instrument or any other derivative which may be selected by the Managers for the purpose of investment of the Deposited Property or which may for the time being form part thereof.

⁶ “**Permissible Investment**” is defined in the Deed to mean such investment as may be permitted to be made by the Sub-Fund under the Code.

In addition, the CPF Board pays an extra 1% per annum interest on the first S\$60,000 of a CPF member's combined balances, including up to S\$20,000 in the CPF Ordinary Account. The first S\$20,000 in the CPF Ordinary Account and the first S\$40,000 in the CPF Special Account cannot be invested under the CPF Investment Scheme.

Subscriptions using CPF monies shall at all times be subject to the regulations and such directives or requirements imposed by the CPF Board from time to time.

Investors should note that the applicable interest rates for each of the CPF accounts may be varied by the CPF Board from time to time.

9. FEES AND CHARGES

Fees and Charges Payable by Holder	
Preliminary charge [^] :	<p><u>Cash Units and SRS Units:</u> Currently 5%. Maximum 5%.</p> <p><u>CPF Units:</u> Currently 3%. Maximum 3% or such higher percentage as may be permitted by the CPF board from time to time.</p>
Realisation charge:	Currently 0%. Maximum 2%.
Switching fee:	Currently 1%*. Maximum 5%.
Fees Payable by Fund to Managers and Trustee	
Annual management fee:	Currently 1.60% p.a. Maximum 2% p.a.
Annual trustee fee:	Currently 0.0475% p.a. Maximum 0.15% p.a. Subject to a minimum of S\$8,000 p.a.

[^] The preliminary charge (if any) will be payable by Holders to the Managers or to appointed distributors or will be shared between the Managers and appointed distributors depending on the arrangement between the Managers and the relevant appointed distributors. Additional fees may be imposed and payable to appointed distributors that are in addition to the maximum preliminary charge disclosed above, depending on the specific nature of services provided by the appointed distributor.

* In the case of a switch of Units to units of another sub-fund or units of another fund managed by the Managers (referred to as "**New Units**" and "**New Fund**" respectively), the switching fees referred to relate to the 1% preliminary charge imposed by the Managers for investment into the New Fund. Such 1% switching fee would, in the case of a New Fund which normally imposes a preliminary charge of more than 1%, effectively translate to a discount of the preliminary charge of the New Fund. Currently, no switching fee is charged for a switch to units in a money market fund.

In addition, the Managers may from time to time, in their absolute discretion, invest up to 10% of the net asset value of the Sub-Fund in any single collective investment scheme or real estate investment trust ("**REIT**") which may or may not be authorised or recognised by the MAS. It is estimated that the Sub-Fund will pay the following fees and charges to each of such collective investment schemes or REITs:

(i)	Subscription fee or preliminary charges	Generally ranging from 0% to 5%
(ii)	Realisation fee	Generally ranging from 0% to 5%
(iii)	Management fee	Generally ranging from 0% to 1.75% p.a.
(iv)	Performance fee	Generally ranging from 0% to 25% p.a. (and in some cases only in excess of a hurdle rate of return)
(v)	Other fees** (which may include trustee/custodian fee, legal fees, audit fees and administrative costs)	Generally less than 5% p.a.

** The Sub-Fund may invest in REITs which may be listed on a securities exchange. Fees payable by investors in such REITs may also include, without limitation, other fees such as property management and lease management fees, acquisition fees, divestment fees, commissions (which may consist of underwriting and selling commissions payable to the underwriters of the REIT).

Actual fees incurred by the Sub-Fund as a result of its investment in each of such collective investment scheme or REIT may be higher or lower than the estimates above.

Should any underlying collective investment scheme be managed by the Managers, all or part of the subscription fee, realisation fee, management fee and performance fee may be either waived or rebated back to the Sub-Fund, at the discretion of the Managers.

The fees and charges payable by the Holders and the Fund may be raised from the current rate to a higher rate, but always subject to the maximum rate, by the Managers upon giving at least one month's written notice to the Trustee and the Holders.

As required by the Code, all marketing, promotional and advertising expenses in relation to the Sub-Fund will be borne by the Managers and not charged to the deposited property of the Sub-Fund.

10. RISKS

10.1 General risks

Investors should consider and satisfy themselves as to the risks of investing in the Sub-Fund and, in particular, securities quoted or listed in any Recognised Stock Exchange or OTC Market in Japan. Generally, some of the risk factors that should be considered by the investors of the Sub-Fund are market, derivatives, liquidity, political, repatriation, regulatory, currency and risks associated with investments in smaller companies and in debt securities which are default and interest rate risks.

An investment in the Sub-Fund is meant to produce returns over the long-term. Investors should not expect to obtain short-term gains from such investment.

Investors should note that the value of Units, and the income accruing to the Units, may fall or rise and that investors may not get back their original investment.

10.2 Specific risks

10.2.1 Market Risks

The risks of investing and participating in listed and unlisted securities apply. Prices of securities may go up or down in response to changes in economic conditions, interest rates, and the market's perception of securities. These may cause the price of Units in the Sub-Fund to go up or down as the price of Units in the Sub-Fund is based on the current market value of the Investments of the Sub-Fund.

There are risks in investing in bonds and other fixed income securities. Bond prices may go up or down in response to interest rates with increases in interest rates leading to falling bond prices.

The market prices of bonds and other fixed income securities are also affected by credit risks, such as risk of default by issuers and liquidity risk.

10.2.2 Derivatives Risks

The Sub-Fund may, subject to applicable investment and borrowing guidelines in the Code and the Deed, from time to time invest in derivatives, which are financial contracts whose value depend on, or is derived from, the value of an underlying asset, reference rate or index for hedging purposes or for the purpose of efficient portfolio management. Such assets, rates and indices may include bonds, shares, interest rates, currency exchange rates, bond indices and stock indices.

While the judicious use of derivatives by professional investment managers can be beneficial, derivatives involve risks different from, and, in some cases, greater than, the risks presented by more traditional securities investments. Some of the risks associated with derivatives are market risk, management risk, credit risk, liquidity risk and leverage risk.

As the viability of exercising derivative instruments depends on the market price of the investments to which they relate, it may be the case that the Managers may from time to time consider it not viable to exercise certain derivatives held by the Sub-Fund within the prescribed period, in which case any costs incurred in obtaining the derivatives will not be recoverable. There is also the risk that the market price of the relevant investment at any time during the exercise period or at the time at which the warrants or options are exercised and this may result in an immediate loss to the Sub-Fund.

Please refer to Paragraph 21.5.4 of this Prospectus on the risks associated with the use of Financial Derivative Instruments.

10.2.3 Political Risks

The political situation in the countries may have an effect on the value of the securities of companies in whose securities the Sub-Fund has invested, which may in turn impact on the value of the Units in the Sub-Fund.

10.2.4 Currency Risks

As the Investments of the Sub-Fund may be denominated in foreign currencies, fluctuations of the exchange rates of foreign currencies against the base currency of the Sub-Fund may affect the value of the Units in the Sub-Fund.

The Managers may from time to time employ currency hedging techniques to manage the impact of the exchange rate fluctuations on the Sub-Fund and/or for the purpose of efficient portfolio management.

10.2.5 Risks associated with investments in smaller companies

Although smaller companies present more potential for growth, investing in smaller companies may present greater risk in comparison to investing in larger companies, for example, higher stock price volatility due to lower trading volume and a narrow range of investors. The Managers will attempt to minimise the risks through a diversified portfolio.

10.2.6 Risks associated with investments in debt securities

(i) Default Risks

Investments in debt securities are subject to adverse changes in the financial condition of the issuer, or in general economic conditions, or both, or an unanticipated rise in interest rates, which may impair the ability of the issuer to make payments of interest and principal, especially if the issuer is highly leveraged. Such issuer's ability to meet its debt obligations may also be adversely affected by specific corporate developments, or the issuer's inability to meet specific projected business forecasts, or the unavailability of additional financing. Also, an economic downturn or an increase in interest rates may increase the potential for default by the issuers of these securities.

(ii) Interest-rate Risks

Investments in debt securities are also subject to the risk of interest-rate fluctuations, and the prices of debt securities may go up or down in response to such fluctuations in interest rates.

The above should not be considered to be an exhaustive list of the risks which investors should consider before investing in the Sub-Fund. Investors should be aware that an investment in the Sub-Fund may be exposed to other risks of an exceptional nature from time to time.

11. SUBSCRIPTION OF UNITS

11.1 Subscription procedure

Applications for Units may be made to the Managers on the application form prescribed by the Managers or through any agent or distributor appointed by the Managers or the internet or any other sales channels, if applicable.

Investors may pay for SGD Class Units either with cash, Supplementary Retirement Scheme ("SRS") monies or CPF monies. Investors paying with SRS monies or CPF monies must indicate so on the application form. Further, the application form contains the applicant's instructions to the relevant SRS operator bank or CPF agent bank or CPF Board (as the case may be) to withdraw the purchase monies from the investor's SRS account or CPF Ordinary Account or CPF Investment Account in respect of the Units applied for.

No transfer of Units is permitted in respect of SGD Class Units purchased by a Holder with SRS monies or CPF monies unless required or permitted by applicable laws or the relevant authorities.

Investors who purchased SGD Class Units using SRS monies or CPF monies may not be registered as joint holders of the Units.

Investors may pay for USD Class Units with cash only.

Notwithstanding receipt of the application forms, the Managers shall retain the absolute discretion to accept or reject any application for Units in accordance with the provisions of the Deed. In the event that an application for Units is rejected by the Managers, the application monies shall be refunded (without interest) to the investor within a reasonable time in such manner as the Managers or relevant authorised distributor shall determine.

Units will only be issued when the funds are cleared, although the Managers may at their discretion issue Units before receiving full payment in cleared funds.

No certificates will be issued by the Managers.

11.2 Minimum Initial Subscription, Minimum Subsequent Subscription and Minimum Investment Amount for Regular Savings Plan

Class	Minimum Initial Subscription	Minimum Subsequent Subscription	Minimum Investment Amount for Regular Savings Plan per Month*
SGD Class	S\$1,000	S\$100	S\$100
USD Class	US\$1,000	US\$100	US\$100

* See Paragraph 12 for further details on the regular savings plan.

11.3 Dealing deadline and pricing basis

11.3.1 As Units are issued on a forward pricing basis, the issue price of Units shall not be ascertainable at the time of application. In buying Units, applicants pay a fixed amount of money e.g., \$1,000, which will buy the applicant the number of Units (including fractions of Units) obtained from dividing \$1,000 (after deducting the relevant preliminary charge and applicable Duties and charges⁷) by the issue price when it has been ascertained later. The issue price of Units will vary from day to day in line with the net asset value of the Sub-Fund (calculated in accordance with the Deed).

The dealing deadline is 3 p.m. Singapore time (the “**Dealing Deadline**”) on each dealing day, being any Business Day⁸ other than a day on which the relevant Recognised Stock Exchange is closed (the “**Dealing Day**”). Units in respect of applications received and accepted by the Managers before the Dealing Deadline will be issued at that Dealing Day’s issue price calculated in accordance Clause 12(B) of the Deed.

Applications received after the Dealing Deadline or on a day which is not a Dealing Day shall be treated as having been received on the next Dealing Day.

11.3.2 The issue price per Unit of the Sub-Fund shall be ascertained by calculating the net asset value per Unit of the Sub-Fund as at the Valuation Point⁹ in respect of the Dealing Day on which such issue occurs as provided for in Clause 11 of the Deed and by adjusting such figure downwards to three decimal places (or such other number of decimal places as the Managers may from time to time determine after consultation with the Trustee). The preliminary charge shall be retained by the Managers and the amount of the adjustment aforesaid shall be retained by the Sub-Fund.

11.3.3 The Managers may, subject to the prior approval of the Trustee, change the method of determining the issue price as provided in Deed, and the Trustee shall determine if the Holders should be informed of such change.

11.4 Numerical example of how Units are allotted:

Units are allotted on a single pricing system. The number of Units allotted for an investment of \$1,000.00* at a notional issue price of \$1.000* and assuming a preliminary charge of 5% will be calculated as follows:

\$1,000.00*	-	\$50.00*	=	\$950.00*	-	\$0*	=	\$950.00*	/	\$1.000*	=	950.00 Units
Your investment		Preliminary charge (currently 5%)		Investment amount after preliminary charge		Duties and charges (currently 0%)		Net investment amount		Notional Issue price (= net asset value per Unit)		No. of Units subscribed

* In Singapore Dollars or US Dollars, as the case may be. Notional issue price is used for illustrative purposes and actual issue price may vary.

⁷ “**Duties and charges**” is defined in the Deed to mean all stamp and other duties, taxes, governmental charges, brokerage, bank charges, transfer fees, registration fees and other duties and charges whether in connection with the constitution of the deposited property of the Sub-Fund or the increase of the deposited property of the Sub-Fund or the creation, issue, sale, exchange or purchase of Units or the sale or purchase of Authorised Investments or otherwise which may have become or may be payable in respect of or prior to or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable but does not include commissions payable to agents on sales and repurchases of Units in the Sub-Fund.

⁸ “**Business Day**” is defined in the Deed to mean any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore or any other day as the Managers and the Trustee may agree in writing.

⁹ “**Valuation Point**” is defined in the Deed to mean the close of the last relevant market on a Dealing Day or such other time as the Managers with the prior approval of the Trustee may from time to time determine and the Managers shall notify the Holders of such change if required by the Trustee.

11.5 Confirmation of purchase

A confirmation note detailing the investment amount and the number of Units allocated to investors in the Sub-Fund will be sent to the investors within 10 Business Days from the date of issue of such Units.

11.6 Cancellation of Units by Investors

Investors shall, subject to Clause 14A of the Deed and to the cancellation terms and conditions contained in the Notice to Cancel Form (available from the Managers), have the right to cancel their subscription of Units in the Sub-Fund within 7 calendar days from the date of their first subscription of Units (or such longer period as may be agreed between the Managers and the Trustee or such other period as may be prescribed by the MAS) by providing notice in writing to the Managers or their authorised distributors.

Full details relating to the cancellation of Units may be found in the cancellation terms and conditions contained in the Notice to Cancel Form.

12. REGULAR SAVINGS PLAN

Holders of at least 1,000 Units (or the number of Units which were or would have been purchased for S\$1,000, in the case of SGD Class Units or US\$1,000, in the case of USD Class Units, at the prevailing issue price at the time of their initial subscription or purchase of Units) or more may participate in the Managers' regular savings plan by investing a minimum of S\$100 in respect of SGD Class Units or US\$100 in respect of USD Class Units every month. Holders have a choice of paying for SGD Class Units with cash or SRS monies or CPF monies. Regular Savings Plan for USD Class Units is not available for CPF monies or SRS monies. Payment for USD Class Units may be made in cash or such other mode of payment acceptable to the Managers. Units are allotted and payment for Units will be debited from the Holder's bank account or SRS account or CPF Investment Account on the 25th of each month (or such other day as the distributors may stipulate) commencing on the month following the activation of the Holder's direct debit instructions. Where the 25th of a month is not a Business Day, the Holder's bank account or SRS account or CPF Investment Account will be debited on the next Business Day (or such other day as the distributors may stipulate).

A Holder may terminate his participation without suffering any penalty upon giving 30 days' written notice (or such other period of notice as may be determined by the Managers provided that such period of notice shall not be longer than the period between the regular subscriptions) to the Managers.

In the event that a Holder is in breach of his obligations under the regular savings plan or fails to maintain sufficient funds in his bank account or SRS account or CPF Investment Account, the Managers may terminate the participation of that Holder in the regular savings plan upon serving a written termination notice to such Holder.

The Managers shall not assume any liability for any losses arising from the Holder's payment for the regular savings plan via direct debit transactions. Any applicable bank and related charges incurred shall be borne by the Holders.

13. REALISATION OF UNITS

13.1 Realisation procedure

Holders may realise their Units on any Dealing Day by submitting their realisation forms to the Managers or through their relevant agent or distributor appointed by the Managers, if applicable. Holders may realise their Units in full or partially, subject to Paragraphs 13.2 and 13.3 below.

Investors should note that any realisation of Units of a Class may be limited by the total number of Units of such Class to be realised on any Dealing Day and may not exceed 10% of the total number of Units of such Class then in issue on any Dealing Day, such limitation to be applied pro rata to all Holders of the Units of such Class. Any Units not realised shall be realised on the next Dealing Day, subject to the same limitation. Investors should note that Units cancelled pursuant to Paragraph 11.6 of this Prospectus will be included in determining whether this 10% limit is exceeded.

13.2 Minimum holding and minimum realisation amount

13.2.1 SGD Class Units

The minimum holding applicable to a Holder if he has not at any time realised any of his Units in accordance with this Paragraph 13, is 1,000 SGD Class Units or the number of Units which were or would have been purchased for S\$1,000 by the Holder concerned at the prevailing issue price at the time of his initial subscription or purchase of Units or such other number or amount as may from time to time be determined by the Managers upon giving prior notice to the Trustee. After a Holder has realised any of

his Units at any point of time in accordance with this Paragraph 13, the minimum holding applicable to such Holder will be 1,000 SGD Class Units or such other number or amount as may from time to time be determined by the Managers upon giving prior notice to the Trustee.

The minimum realisation amount is 100 SGD Class Units or such lower amount as the Managers may, upon notification to the Trustee, determine.

13.2.2 USD Class Units

The minimum holding applicable to a Holder if he has not at any time realised any of his Units in accordance with this Paragraph 13, is 1,000 USD Class Units or the number of Units which were or would have been purchased for US\$1,000 by the Holder concerned at the prevailing issue price at the time of his initial subscription or purchase of Units or such other number or amount as may from time to time be determined by the Managers upon giving prior notice to the Trustee. After a Holder has realised any of his Units at any point of time in accordance with this Paragraph 13, the minimum holding applicable to such Holder will be 1,000 USD Class Units or such other number or amount as may from time to time be determined by the Managers upon giving prior notice to the Trustee.

The minimum realisation amount is 100 USD Class Units or such lower amount as the Managers may, upon notification to the Trustee, determine.

13.3 Dealing deadline and pricing basis

13.3.1 As Units are realised on a forward pricing basis, the realisation price of Units is not ascertainable at the time of realisation.

Units in respect of realisation forms received and accepted by the Managers by the Dealing Deadline on each Dealing Day shall be realised at that Dealing Day's realisation price. Realisation forms received after the Dealing Deadline or on a day which is not a Dealing Day shall be treated as having been received on the next Dealing Day.

13.3.2 The realisation price shall be the price per Unit of the Sub-Fund ascertained by the Managers by calculating the net asset value per Unit of the Sub-Fund as at the Valuation Point in respect of the Dealing Day on which the realisation form is received as provided for in Clause 15(E) of the Deed or, in the event that the realisation of Units is suspended pursuant to Clause 15(E)(ii) of the Deed, in respect of the Dealing Day immediately following the cessation of such suspension. The resultant figure shall be adjusted downwards to the nearest three (3) decimal places or in such other manner as the Managers may from time to time determine after consultation with the Trustee. The net realisation proceeds shall be such amount after deducting a sum as the Managers may consider represents the appropriate Duties and charges and the realisation charge (if any).

The realisation charge (if any) shall be retained by the Managers and the amount of the adjustment aforesaid shall be retained by the Sub-Fund.

The Managers may, subject to the prior approval of the Trustee, change the method of determining the realisation price as provided in the Deed and the Trustee shall determine if the Holders should be informed of such change.

13.4 Numerical example of how the amount paid to an investor is calculated, based on the sale of 1,000.00 Units in the Sub-Fund at a notional realisation price of \$1.000*:-

1,000.00 Units	x	\$1.000*	=	\$1,000.00*	-	\$0*	=	\$1,000.00*	-	\$0*	=	\$1,000.00*
No. of Units realised		Notional Realisation price (= net asset value per Unit)		Gross realisation proceeds		Duties and charges (currently 0%)		Realisation proceeds after Duties and charges		Realisation charge (currently 0%)		Net realisation proceeds

** In Singapore Dollars or US Dollars, as the case may be. Notional realisation price is used for illustrative purposes and actual realisation price may vary. No Realisation Charge is currently imposed.*

The Managers may with the approval of the Trustee, elect that the realisation price per Unit of the Sub-Fund shall be the price per Unit of the Sub-Fund that better reflects a fair value for the Sub-Fund's deposited property having taken into account the necessity of selling a material proportion of the Authorised Investments as at the time constituting part of the Sub-Fund's deposited property.

13.5 Payment of realisation proceeds

Realisation proceeds shall be paid within 6 Business Days (or such other period as may be permitted by the MAS) following the receipt and acceptance of the realisation form by the Managers unless the realisation of Units has been suspended in accordance with Paragraph 16 of this Prospectus.

If an investor is resident outside Singapore, the Managers shall be entitled to deduct from the total amount (which would otherwise be payable on the purchase from the investor) an amount equal to the excess of the expenses actually incurred over the amount of expenses which would have been incurred if the investor had been resident in Singapore.

Any applicable bank and related charges incurred in the payment of realisation proceeds shall also be borne by the investor.

14. SWITCHING OF UNITS

The Managers may at their discretion and on such terms and conditions as they may impose, permit each Holder of Units of any of the Sub-Funds (the "**original Fund**") from time to time to switch all or any of the Units of the original Fund held by him into units of any other sub-fund or units of another fund managed by the Managers (the "**new Fund**"). Any switching shall be effected by way of realisation of Units in the original Fund and by issuance of units in the new Fund subject to the terms of the relevant trust deed.

No switching of Units may be made which would result in the relevant Holder holding in respect of either the original Fund or the new Fund (as the case may be), fewer units than the relevant minimum holding of such fund. If the number of units of the new Fund so produced shall include any fraction of more than two decimal places, such fraction shall be ignored and any moneys arising from such fraction shall be forfeited and retained as part of the new Fund.

Units of the original Fund purchased with cash or SRS monies or CPF monies may only be switched to units of the new Fund purchased with cash or SRS monies or CPF monies respectively.

Switching shall only be permitted between the same currency of units between the original Fund and the new Fund, unless otherwise permitted by the Managers at their absolute discretion.

An application to switch may be made by a Holder giving to the Managers such application form as the Managers may from time to time require. Such switching request shall not be revocable without the consent of the Managers.

No Units shall be switched during any period when the right of Holders to require the realisation of Units is suspended pursuant to Paragraph 16 of this Prospectus or on any Dealing Day on which the number of Units of the original Fund that can be realised is limited pursuant to Paragraph 13.1 of this Prospectus.

15. OBTAINING PRICES OF UNITS

The Sub-Fund will be valued on each Dealing Day. The indicative prices of the SGD Class Units and USD Class Units are quoted on a forward pricing basis and will likely be available 2 Business Days in Singapore after each relevant Dealing Day (subject to the publication policies of the relevant publisher). The prices are published on the Managers' website at www.lionglobalinvestors.com. The prices may also be published in The Straits Times, The Business Times, Lianhe Zaobao and selected major wire services or such other sources as the Managers may decide upon.

In the case of the USD Class, the issue price and realisation price will be converted into its equivalent amount in US Dollars based on the prevailing foreign exchange rate to be determined by the Managers.

Investors should note that, other than in respect of the publications of the Managers, the Managers do not accept any responsibility for any errors on the part of the relevant publisher in the prices published in the abovementioned newspapers and wire services or for any non-publication of prices by such publisher and shall incur no liability in respect of any action taken or loss suffered by investors in reliance upon such publications.

16. SUSPENSION OF DEALINGS

- 16.1 The Managers may, subject to the provisions of the Code and with the prior written approval of the Trustee, suspend the issue or realisation of Units in relation to the Sub-Fund or of the Fund during:
- 16.1.1 any period when the Recognised Stock Exchange or the OTC Market on which any Authorised Investments forming part of the deposited property (whether of the Sub-Fund or of the Fund) for the time being are dealt in is closed or during which dealings are restricted or suspended;
 - 16.1.2 the existence of any state of affairs which, in the opinion of the Managers might seriously prejudice the interests of the Holders (whether of any particular Sub-Fund or of the Fund) as a whole or of the deposited property (whether of the Sub-Fund or of the Fund);
 - 16.1.3 any breakdown in the means of communication normally employed in determining the price of any of such Authorised Investments or the current price on that Recognised Stock Exchange or that OTC Market or when for any reason the prices of any of such Authorised Investments cannot be promptly and accurately ascertained (including any period when the fair value of a material portion of the Authorised Investments cannot be determined);
 - 16.1.4 any period when remittance of money which will or may be involved in the realisation of such Authorised Investments or in the payment for such Authorised Investments cannot, in the opinion of the Managers, be carried out at normal rates of exchange;
 - 16.1.5 any 48-hour period (or such longer period as the Managers and the Trustee may agree) prior to the date of any meeting of Holders (or any adjourned meeting thereof);
 - 16.1.6 any period where dealing of Units is suspended pursuant to any order or direction of the MAS; or
 - 16.1.7 any period when the business operations of the Managers or the Trustee in relation to the operation of the Sub-Fund or the Fund is substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God; or
 - 16.1.8 any period as may be required under the provisions of the Code.
- 16.2 Subject to the provisions of the Code, such suspension shall take effect forthwith upon the declaration in writing thereof by the Managers to the Trustee and the MAS (or, as the case may be, by the Trustee to the Managers and the MAS) and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension shall have ceased to exist and no other conditions under which suspension is authorised under this Paragraph 16 shall exist upon the declaration in writing thereof by the Managers (or, as the case may be, by the Trustee).

17. PERFORMANCE OF THE SUB-FUND

17.1 Past performance of the Sub-Fund and benchmark (as of 29 February 2012)¹⁰

Sub-Fund/ Benchmark	One Year	Three Years (average annual compounded returns)	Five Years (average annual compounded returns)	Ten Years (average annual compounded returns)	Since inception ¹¹ (average annual compounded returns)
LionGlobal Japan Growth Fund	-13.5%	9.2%	-9.5%	4.0%	-4.3%
Benchmark	-12.7%	2.5%	-10.7%	-0.8%	-6.5%

The benchmark of the Sub-Fund was Nikkei 225 from November 1999 to 30 June 2002, and TOPIX from 1 July 2002 to present. The change in benchmark was made to be more reflective of the Sub-Fund's investment strategy of focusing on mid to small market capitalisation companies.

Past performance of the Sub-Fund is not necessarily indicative of the future performance of the Sub-Fund.

¹⁰ Source: Morningstar/ Lion Global Investors Limited. Performance figures are calculated based on single pricing as at 29 February 2012 taking into account the preliminary charge with dividends being reinvested net of all charges payable upon reinvestment and in SGD terms.

¹¹ Inception date for the Sub-Fund was 3 December 1999.

17.2 Expense ratio and turnover ratio

The annualised expense ratio¹² and turnover ratio¹³ of the Sub-Fund for the financial year ended 31 December 2011 are:

Sub-Fund	Expense ratio	Turnover ratio
LionGlobal Japan Growth Fund	1.89%	68%

18. SOFT DOLLAR COMMISSIONS/ARRANGEMENTS

- 18.1** The Managers shall be entitled to and currently do receive or enter into soft-dollar commissions/arrangements in respect of the Sub-Fund. The Managers will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions/arrangements which the Managers may receive or enter into include specific advice as to the advisability of dealing in or as to the value of any investments, research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses, data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis, and custodial service in relation to the investments managed for clients.
- 18.2** Soft-dollar commissions received shall not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employees' salaries or direct money payment. The Managers will not accept or enter into soft-dollar commissions/arrangements unless such soft-dollar commissions/arrangements would reasonably assist the Managers in their management of the Sub-Fund, provided that the Managers shall ensure at all times that best execution is carried out for the transactions and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.
- 18.3** The Managers do not retain cash rebates for their own account in respect of rebates earned when transacting in securities for account of the Sub-Fund.

19. CONFLICTS OF INTEREST

The Managers are of the view that they are not in a position of conflict in managing their other unit trust funds and the Sub-Fund as each of the funds has its own investment universe, investment objectives and investment restrictions, separate and distinct from each of the other funds. The Managers are obligated by the provisions of each respective trust deed to observe strictly such separate and strict investment mandate for each of the funds. In the event the various funds place the same orders for securities as the Sub-Fund, the Managers shall endeavour as far as possible to allocate such securities among the funds in a fair manner based on a pro rata basis.

The Managers or the Trustee or their respective affiliates (together the "**Parties**") are or may be involved in other financial, investment and professional activities which may on occasion give rise to possible conflict of interest with the management of the Fund. Each of the Parties will ensure that the performance of their respective duties will not be impaired by any such involvement. In the event a conflict of interest does arise, the Parties will endeavour to ensure that it is resolved fairly and in the interest of the Holders.

Associates of the Managers and/or the Trustee may be engaged to provide financial, banking or brokerage services to the Fund. Such services, where provided, will be on an arm's length basis.

20. REPORTS

Financial year-end and distribution of reports and accounts

The financial year-end for the Fund is 31 December. The annual report, annual accounts, and the auditors' report on the annual accounts will be prepared in accordance with the provisions of the Code and sent or made available to Holders (whether by post or such electronic means as may be permitted under the Code) within three (3) months

¹² The expense ratio is calculated in accordance with the requirements in the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios (the "IMAS Guidelines") and based on figures in the Fund's latest audited accounts. The following expenses, and such other expenses as may be set out in the **IMAS Guidelines** (as may be updated from time to time), are excluded from the calculation of the expense ratio:

- (a) brokerage and other transaction costs associated with the purchase and sales of investments (such as registrar charges and remittance fees);
- (b) interest expenses;
- (c) foreign exchange gains and losses of the Sub-Fund, whether realised or unrealised;
- (d) front-end loads, back-end loads and other costs arising on the purchase or sale of a foreign unit trust or mutual fund;
- (e) tax deducted at source or arising on income received, including withholding tax; and
- (f) dividends and other distributions paid to Holders.

¹³ The turnover ratio of the Sub-Fund is calculated based on the lesser of purchases or sales of underlying investments of the Sub-Fund expressed as a percentage over the average daily net asset value over the same period used for calculating the expense ratio of the Sub-Fund.

of the financial year-end (or such other period as may be permitted by the MAS). The semi-annual accounts and the semi-annual report will be prepared in accordance with the provisions of the Code and sent or made available to Holders (whether by post or such electronic means as may be permitted under the Code) within two (2) months of the financial half-year end, i.e., 30 June (or such other period as may be permitted by the MAS). In cases where the accounts and reports are available in electronic form, Holders will receive a hardcopy letter or an email (where email addresses have been provided for correspondence purposes) informing them that the accounts and reports are available and how they may be accessed. Holders may also request for hardcopies of the accounts and reports within 1 month (or such other period as may be permitted by the MAS) from the notification of the availability of the accounts and reports. The Trustee will also make available, or cause to be made available, hardcopies of the accounts and reports to any Holder who requests for them within 2 weeks of any request from such Holder (or such other period as may be permitted by the MAS). Holders may also at any time opt for hardcopies for all future reports and accounts at no cost to them.

21. OTHER MATERIAL INFORMATION

21.1 Information on investments

At the end of each quarter, Holders will receive a statement showing the value of their investment, including any transactions during the quarter. However, if there is any transaction within a particular month, Holders will receive an additional statement for that month.

21.2 Distribution of income and capital

Distribution of income and capital will be at the Managers' sole discretion.

21.3 Exemptions from liability

21.3.1 The Trustee and the Managers shall incur no liability in respect of any action taken or thing suffered by them in reliance upon any notice, resolution, direction, consent, certificate, affidavit, statement, certificate of stock, plan of reorganisation or other paper or document believed to be genuine and to have been passed, sealed or signed by the proper parties.

21.3.2 The Trustee and the Managers shall incur no liability to the Holders or to any other person for doing or (as the case may be) failing to do any act or thing which by reason of any provision of any present or future law or regulation made pursuant thereto, or of any decree, order or judgment of any court, or by reason of any request, announcement or similar action (whether of binding legal effect or not) which may be taken or made by any person or body acting with or purporting to exercise the authority of any government (whether legally or otherwise) either they or any of them shall be directed or requested to do or perform or to forbear from doing or performing. If for any reason it becomes impossible or impracticable to carry out any of the provisions of the Deed neither the Trustee nor the Managers shall be under any liability therefor or thereby.

21.3.3 Neither the Trustee nor the Managers shall be responsible for any authenticity of any signature or of any seal affixed to any endorsement on any certificate or to any transfer or form of application, endorsement or other document affecting the title to or transmission of Units or be in any way liable for any forged or unauthorised signature on or any seal affixed to such endorsement, transfer or other document or for acting upon or giving effect to any such forged or unauthorised signature or seal. The Trustee and the Managers respectively shall nevertheless be entitled but not bound to require that the signature of any person to any document required to be signed by him under or in connection with the Deed shall be verified to its or their reasonable satisfaction.

21.3.4 Notwithstanding anything contained in the Deed:

- (i) the Trustee shall not incur any liability in respect of or be responsible for losses incurred through the insolvency of or any act or omission of any depository or clearing system with which Authorised Investments may be deposited or any broker, financial institution or other person with whom Authorised Investments are deposited in order to satisfy any margin requirement;
- (ii) the Trustee shall not incur any liability in respect of or be responsible for losses incurred through the insolvency of or any act or omission of any nominee, custodian, joint custodian or sub-custodian appointed by the Trustee except where the Trustee has failed to exercise reasonable skill and care in the selection, appointment and monitoring of such appointee (having regard to the market in which the relevant appointee is located) or the Trustee is in wilful default; and
- (iii) the Trustee shall not incur any liability in respect of or be responsible for losses incurred through the insolvency of or any act or omission of any sub-custodian not appointed by it.

21.3.5 The Trustee shall not be under any liability on account of anything done or suffered to be done by the Trustee in good faith in accordance with or in pursuance of any request or advice of the Managers. Whenever pursuant to any provision of the Deed by certificate, notice, instruction or other communication is to be given by the Managers to the Trustee the Trustee may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Managers by any one person whose signature the Trustee is for the time being authorised by the Managers under their common seal to accept and may act on verbal and telefacsimile instructions given by authorised officers of the Managers specified in writing by the Managers to the Trustee.

21.3.6 Any indemnity expressly given to the Trustee or the Managers in the Deed is in addition to and without prejudice to any indemnity allowed by law; Provided Nevertheless That any provision of the Deed shall be void insofar as it would have the effect of exempting the Trustee or the Managers from or indemnifying them against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of duty or trust of which they may be guilty in relation to their duties where they fail to show the degrees of diligence and care required of them having regard to the provisions of the Deed.

21.4 Investment restrictions

The investment guidelines for funds included under the CPFIS (“**CPFIS Included Funds**”) issued by the CPF Board (“**CPF Investment Guidelines**”), and the investment and borrowing guidelines issued by the MAS under Appendix 1 and Annex 1A of the Code, which guidelines may be amended, restated, supplemented or replaced from time to time, shall apply to the Sub-Fund.

The Managers may engage in securities lending transactions and invest in derivatives and accordingly, are subject to the provisions on securities lending and derivatives as set out in Appendix 1 and Annex 1A of the Code and the CPF Investment Guidelines. However, the Managers currently do not intend to carry out securities lending or repurchase transactions in relation to the Sub-Fund but may do so in future.

21.5 Financial Derivative Instruments

21.5.1 Use and types of FDIs

The Sub-Fund may make use of the FDIs for the purposes of hedging and efficient portfolio management.

The FDIs which may be used by the Sub-Fund include, but are not limited to, options on securities, stock index options, forward currency contracts, currency futures, currency swap agreements, currency options, interest rate futures or options or interest rate swaps, financial or index futures, over-the-counter (“**OTC**”) options, credit default swaps, swaps, futures or options on any kind of financial instrument, provided that any FDI to be used by the Sub-Fund shall meet the relevant requirements relating to FDIs set out in the Code.

21.5.2 Exposure to FDIs

The global exposure of the Sub-Fund to FDIs or embedded FDIs will not exceed 100% of the net asset value of the Sub-Fund at any time.

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. In determining the Sub-Fund’s exposure to FDIs, the Managers will adopt the calculation methods set out under paragraph 4.10 of Appendix 1 of the Code.

21.5.3 Risk management and compliance procedures

Risk Management Framework

(i) Portfolio Risk

Derivative instruments are highly volatile instruments and their market values may be subject to wide fluctuations and may subject the Sub-Fund to potential gains and losses. Where such instruments are used, the Managers will ensure that the risk management and compliance procedures and controls adopted are adequate and have been or will be implemented and that they have the necessary experience to manage the risks relating to the use of these of financial derivative instruments. The Managers will attempt to minimise the risks through careful selection of reputable counterparties and constant monitoring of the Sub-Fund’s derivatives positions. Depending on the severity, non-compliance or deviation from established controls or limits will be escalated to senior management and monitored for rectification. The Managers may modify the risk management and compliance procedures from time to time, where appropriate and in the interest of the Sub-Fund. The Managers have a dedicated team which oversees portfolio risk management.

Additionally, all open positions/exposure in derivatives will be marked to market at a frequency at least equal to the frequency of the net asset value calculation of the Sub-Fund.

(ii) Compliance Risk

The Managers have a structured Compliance Monitoring Program (“**CMP**”) which includes monitoring of portfolios for compliance with investment guidelines. There is a dedicated Compliance team to implement the CMP. Investment guidelines will be reviewed by the Compliance team and checks will be programmed into the Managers’ automated pre-trade compliance system as far as possible. In addition, guidelines which cannot be electronically monitored will be manually checked for compliance. The Managers may modify the risk management and compliance procedures and controls at any time as they deem fit and in the interests of the Sub-Fund.

21.5.4 Risks associated with the use of FDIs

While the prudent use of FDIs can be beneficial, FDIs also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments. The following is a general discussion of important risk factors and issues concerning the use of FDIs:

(i) Market Risk

This is a general risk that applies to all investments meaning that the value of a particular derivative may change in a way which may be detrimental to the Sub-Fund’s interests.

(ii) Liquidity Risk

Derivative products are highly specialised instruments that require investment techniques and risk analysis different from those associated with equity and fixed income securities. The use of derivative techniques requires an understanding not only of the underlying assets of the derivative but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions. In particular, the use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the Sub-Fund and the ability to forecast the relative price, interest rate or currency rate movements correctly.

(iii) Counterparty Risk

The Sub-Fund may enter into transactions in OTC markets, which will expose the Sub-Fund to the credit of its counterparty and its ability to satisfy the terms of such contracts. In the event of a bankruptcy or insolvency of a counterparty, the Sub-Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Sub-Fund seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated.

(iv) Other Risks

Other risks in using FDIs include the risk of differing valuations of FDIs arising out of different permitted valuation methods and the inability of FDIs to correlate perfectly with underlying securities, rates and indices. Many FDIs, in particular OTC derivatives, are complex and often valued subjectively and the valuation can only be provided by a limited number of market professionals which often are acting as counterparties to the transaction to be valued. Inaccurate valuations can result in increased cash payment requirements to counterparties or a loss of value to the Sub-Fund.

Derivatives do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track. Consequently, the Sub-Fund’s use of derivative techniques may not always be an effective means of, and sometimes could be counterproductive to, following the Sub-Fund’s investment objective.

21.6 Holders' right to vote

- 21.6.1** A meeting of Holders of all the sub-funds of the Fund duly convened and held in accordance with the provisions of the schedule of the Deed shall be competent by Extraordinary Resolution¹⁴:
- (i) to sanction any modification, alteration or addition to the provisions of the Deed which shall be agreed by the Trustee and the Managers as provided in Clause 39 of the Deed;
 - (ii) to sanction a supplemental deed increasing the maximum permitted percentage of the Management Fee or the remuneration of the Trustee in relation to all the sub-funds of the Fund;
 - (iii) to terminate the Fund as provided in Clause 36(F) of the Deed;
 - (iv) to remove the Auditors as provided in Clause 32(D) of the Deed;
 - (v) to remove the Trustee as provided in Clause 33(C)(iv) of the Deed;
 - (vi) to remove the Managers as provided in Clause 34(A)(v) of the Deed;
 - (vii) to authorise and direct the Managers and the Trustee to enter into a scheme of reconstruction or amalgamation in relation to any sub-fund of the Fund as provided in Clause 36(H) of the Deed; and
 - (viii) to direct the Trustee to take any action (including the termination of the Fund) pursuant to Section 295 of the SFA,

but shall not have any further or other powers.

- 21.6.2** A meeting of the Holders of a sub-fund or Class of a sub-fund of the Fund duly convened and held in accordance with the provisions of the schedule of the Deed shall be competent by Extraordinary Resolution:

- (i) to sanction any modification, alteration or addition to the provisions of the Deed which shall be agreed by the Trustee and the Managers as provided in Clause 39 of the Deed to the extent that such modification, alteration or addition affects the Holders of the relevant sub-fund or Class of a sub-fund of the Fund;
- (ii) to sanction a supplemental deed increasing the maximum permitted percentage of the Management Fee or the maximum permitted percentage or amount of the Trustee's remuneration in relation to the relevant sub-fund or Class of a sub-fund of the Fund;
- (iii) to terminate the relevant sub-fund or the relevant Class of a sub-fund of the Fund as provided in Clause 36(F) of the Deed; and
- (iv) to direct the Trustee to take any action (including the termination of the relevant sub-fund or Class of a sub-fund of the Fund) pursuant to Section 295 of the SFA,

but shall not have any further or other powers expressly reserved to the meeting of Holders of all sub-funds of the Fund in sub-Paragraph 21.6.1 (above) or any power effecting the interests of Holders of another sub-fund of the Fund as Holders of that other sub-fund.

21.7 Valuation

- 21.7.1** The Managers or their agent shall in relation to each Dealing Day determine the net asset value per Unit of the Sub-Fund in accordance with the provisions set out in this Paragraph.
- 21.7.2** The net asset value per Unit of the Sub-Fund on each Dealing Day shall be calculated as at the Valuation Point in relation to the relevant Dealing Day in accordance with the following Paragraphs. The Managers may, to the extent permitted by the MAS, and subject to the prior approval of the Trustee, change the method of valuation provided in this Paragraph 21.7 and the Trustee shall determine if the Holders should be informed of such change.
- 21.7.3** The net asset value of the Sub-Fund shall be calculated by valuing the assets of the Sub-Fund in accordance with Paragraph 21.7.4 and deducting from such amount the liabilities of the Sub-Fund in accordance with Paragraph 21.7.5.

¹⁴ "Extraordinary Resolution" is defined in the Deed to mean a resolution proposed and passed as such by a majority consisting of seventy-five per cent. or more of the total number of votes cast for and against such resolution.

21.7.4 The value of the assets comprised in the Sub-Fund, except where otherwise expressly stated and subject always to the requirements of the Code, with reference to any Authorised Investments which are:

- (i) a Quoted Investment, shall be calculated, as the case may be, by reference to the official closing price, the last known transacted price or the last transacted price on such Recognised Stock Exchange or OTC Market on the Valuation Point in respect of the Dealing Day on which the value is to be determined; where such Quoted Investment is listed, dealt or traded in more than one Recognised Stock Exchange or OTC Market, the Managers (or such person as the Managers shall appoint for the purpose) may in their absolute discretion with due care and in good faith select any one of such Recognised Stock Exchange or OTC Market for the foregoing purposes and, if there be no such official closing price, last known transacted price or last transacted price, the value shall be the fair value as determined by the Managers with due care and in good faith in consultation with the Trustee;
- (ii) an Unquoted Investment, shall be calculated by reference to the initial value thereof being the amount expended in the acquisition thereof or the mean of bid and offer prices quoted by responsible firms, corporations or associations on a Recognised Stock Exchange or an OTC Market at the time of calculation (or at such other time as the Managers may from time to time after consultation with the Trustee determine), as may be determined to represent the fair value of such Authorised Investment;
- (iii) cash, deposits and similar assets shall be valued at their face value (together with accrued interest) unless, in the opinion of the Managers (after consultation with the Trustee), any adjustment should be made to reflect the value thereof;
- (iv) a unit or share in a unit trust or mutual fund or collective investment scheme shall be valued at the latest published or available net asset value per unit or share, or if no net asset value per unit or share is published or available, then at their latest available realisation price; and
- (v) an Investment other than as described above, shall be valued by an approved valuer in such manner and at such time as the Managers after consultation with the Trustee shall from time to time determine,

Provided That, if the quotations referred to in (i), (ii), (iii), (iv) or (v) above are not available, or if the value of the Authorised Investment determined in the manner described in (i), (ii), (iii), (iv) or (v) above, in the opinion of the Managers is not representative, then the value shall be such value as the Managers may with due care and in good faith consider in the circumstances to be fair value and is approved by the Trustee and the Managers shall notify the Holders of such change if required by the Trustee. For the purposes of this proviso, the "fair value" shall be the price that the Sub-Fund would reasonably expect to receive upon the current sale of the assets, such basis for determining the fair value of the assets shall be documented and for the purposes of (i), (ii), (iii), (iv) or (v) above, the fair value shall be determined by the Managers in consultation with a stockbroker or an approved valuer and with the approval of the Trustee in accordance with the Code. When the fair value of a material portion of the assets of the Sub-Fund cannot be determined, the Managers should suspend valuation and trading in the Units of the Sub-Fund.

In exercising in good faith the discretion given by the proviso above, the Managers shall not, subject to the provisions of the Code, assume any liability towards the Fund, and the Trustee shall not be under any liability in accepting the opinion of the Managers, notwithstanding that the facts may subsequently be shown to have been different from those assumed by the Managers.

21.7.5 The net asset value of the Sub-Fund or any proportion thereof shall be calculated in accordance with Clause 11 of the Deed, which includes the following adjustments:

- (i) every Unit relating to the Sub-Fund agreed to be issued by the Managers shall be deemed to be in issue and the deposited property of the Sub-Fund shall be deemed to include not only cash or other assets in the hands of the Trustee but also the value of any cash, accrued interest on bonds or other assets to be received in respect of Units of the Sub-Fund agreed to be issued after deducting therefrom or providing thereout the preliminary charge relating to the Sub-Fund and the rounding adjustment (if any) and (in the case of Units issued against the vesting of Authorised Investments) any moneys payable out of the deposited property pursuant to Clause 12 of the Deed;
- (ii) where Authorised Investments have been agreed to be purchased or otherwise acquired or sold but such purchase, acquisition or sale has not been completed, such Authorised Investments shall be included or excluded and the gross purchase, acquisition or net sale consideration excluded or included as the case may require as if such purchase, acquisition or sale had been duly completed;

- (iii) where in consequence of any notice or request in writing given pursuant to Clause 14, 14A or 15 of the Deed a reduction of the Sub-Fund by the cancellation of Units of the Sub-Fund is to be effected but such reduction has not been completed the Units of the Sub-Fund in question shall not be deemed to be in issue and any amount payable in cash and the value of any Authorised Investments to be transferred out of the deposited property of the Sub-Fund shall be deducted from the net asset value of the deposited property of the Sub-Fund; and
- (iv) there shall be deducted on a proportionate basis any amounts not provided for above which are payable out of the deposited property of the Sub-Fund including:
 - (a) any amount of Management Fee, the remuneration of the Trustee, the valuation agent's fees, the Registrar's fees, the securities transaction fee, the inception fee of the Trustee and any other expenses accrued but remaining unpaid attributable to the Sub-Fund;
 - (b) the amount of tax, if any, on capital gains (including any provision made for unrealised capital gains) accrued up to the end of the last accounting period and remaining unpaid attributable to the Sub-Fund;
 - (c) the amount in respect of tax, if any, on net capital gains realised during a current accounting period prior to the valuation being made as in the estimate of the Managers will become payable attributable to the Sub-Fund;
 - (d) the aggregate amount for the time being outstanding of any borrowings for the account of the Sub-Fund effected under Clause 18(C) of the Deed together with the amount of any interest and expenses thereon accrued pursuant to Clause 18(C)(v) of the Deed and remaining unpaid;
 - (e) all such costs, charges, fees and expenses as the Managers may have determined pursuant to the provisions of the Deed attributable to the Sub-Fund;
 - (f) there shall be taken into account such sum as in the estimate of the Managers will fall to be paid or reclaimed in respect of taxation related to Income up to the time of calculation of the net asset value of the deposited property of the Sub-Fund;
 - (g) there shall be added the amount of any tax, if any, on capital gains estimated to be recoverable and not received attributable to the Sub-Fund;
 - (h) any value (whether of an Authorised Investment, cash or a liability) otherwise than in the currency the Sub-Fund is denominated in (in this sub-Paragraph, the "relevant currency") and any borrowing which is not in the relevant currency shall be converted into the relevant currency at the rate (whether official or otherwise) which the Managers shall after consulting with or in accordance with a method approved by the Trustee deem appropriate to the circumstances having regard inter alia to any premium or discount which may be relevant and to the costs of exchange;
 - (i) where the current price of an Authorised Investment is quoted "ex" dividend, interest or other payment but such dividend, interest or other payment has not been received the amount of such dividend, interest or other payment shall be taken into account; and
 - (j) there shall be taken into account such estimated sum approved by the Trustee as in the opinion of the Managers represents provision for any nationalisation, expropriation, sequestration or other restriction relating to the deposited property of the Sub-Fund,

the Managers may, to the extent permitted by the MAS and subject to the prior approval of the Trustee, change the method of valuation provided in this Paragraph 21.7, and the Trustee shall determine if the Holders shall be informed of such change.

21.8 Duration and termination of the Fund

The Fund and the Sub-Fund are of indeterminate duration and may be terminated as provided in this paragraph 21.8.

21.8.1 Under the provisions of the Deed:

- (i) the Fund may be terminated either by the Trustee or the Managers in their absolute discretion by not less than six months' notice in writing to the other. Either the Trustee or the Managers shall be entitled by notice in writing as aforesaid to make the continuation of the Fund beyond any such date conditional on the revision to its or their satisfaction at least three months

before the relevant date of its or their remuneration under the Deed. In the event that the Fund shall be terminated or discontinued the Managers shall give notice thereof to all Holders not less than three months in advance. Subject as aforesaid the Fund shall continue until terminated in the manner hereinafter provided;

- (ii) subject to Section 295 of the SFA, the Fund may be terminated by the Trustee by notice in writing:
 - (a) if the Managers shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed over any of their assets or if a judicial manager is appointed in respect of the Managers or if any encumbrance shall take possession of any of their assets or if they shall cease business;
 - (b) if any law shall be passed, any authorisation withdrawn or revoked or any direction issued by the MAS which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue the Fund;
 - (c) if within the period of three months from the date of the Trustee expressing in writing to the Managers the desire to retire the Managers shall have failed to appoint a new trustee within the terms of Clause 33 of the Deed; and
 - (d) if within the period of three months from the date of the Trustee removing the Managers the Trustee shall have failed to appoint new managers within the terms of Clause 34 of the Deed;
- (iii) a sub-fund or Class of a sub-fund of the Fund relating thereto may be terminated by the Managers in their absolute discretion by notice in writing:
 - (a) if the aggregate net asset value of the deposited property of a sub-fund or Class of a sub-fund of the Fund established before the date of the First Supplemental Deed shall be less than S\$5,000,000 (or its equivalent in any other relevant currency);
 - (b) in the case of any sub-fund of the Fund established on or after the date of the First Supplemental Deed, if the aggregate net asset value of the deposited property of that sub-fund shall be less than S\$10,000,000 (or its equivalent in any other relevant currency); or
 - (c) if any law shall be passed, any authorisation withdrawn or revoked or any direction issued by the MAS which renders it illegal or in the opinion of the Managers impracticable or inadvisable to continue the sub-fund or Class of a sub-fund of the Fund;
- (iv) the Fund may be terminated by the Managers in their absolute discretion by notice in writing if:
 - (a) the aggregate net asset value of the deposited property of all sub-funds of the Fund shall be less than S\$5,000,000 (or its equivalent in any other relevant currency); or
 - (b) any law shall be passed, any authorisation withdrawn or revoked or any direction issued by the MAS which renders it illegal or in the opinion of the Managers impracticable or inadvisable to continue the Fund;
- (v) the Fund or the Sub-Fund may at any time after five years from the date of the Principal Deed be terminated by Extraordinary Resolution of a meeting of the Holders of the Sub-Fund or of a meeting of the Holders of all the sub-funds of the Fund in the case of the termination of the Fund duly convened and held in accordance with the provisions contained in the schedule to the Deed and such termination shall take effect from the date on which the said Extraordinary Resolution is passed or such later date (if any) as the said Extraordinary Resolution may provide.

The party terminating the Fund or the relevant sub-fund or the Class of a sub-fund of the Fund shall give notice thereof to the Holders fixing the date at which such termination is to take effect and such date shall not be less than three months after the service of such notice and the Managers shall give written notice thereof to the MAS not less than seven days (or such other period as may be permitted by the MAS) before such termination.

The Trustee may (with the consent of the Managers) remove the Fund to the jurisdiction of a country other than Singapore, if it appears to the Trustee to be beneficial to the Fund and in the interests of the Holders to do so. The circumstances in which the Trustee may exercise its discretion hereunder are limited to the outbreak of war or grave civil unrest threatening the safe maintenance of the banking system or securities market; and

- (vi) provided the Holders of Units of any sub-fund established on or after the date of the First Supplemental Deed have been circulated with the particulars of a scheme of reconstruction or amalgamation to be entered into with the Managers and the Trustee of some other unit scheme or open-ended investment company and an Extraordinary Resolution of such Holders of Units in that sub-fund has been duly passed authorising and directing the Managers and the Trustee to enter into the said scheme, then the said scheme shall take effect upon the passing of such Extraordinary Resolution or upon such later date as the scheme may provide, whereupon (1) the Deed shall, to the extent inconsistent with the scheme, be amended by the terms of the scheme, and (2) the terms of such scheme shall be binding upon all the Holders of Units in that sub-fund who shall be bound to give effect thereto accordingly and the Managers and the Trustee shall do all such acts and things as may be necessary for the implementation thereof.

22. QUERIES AND COMPLAINTS

If you have questions concerning your investment in the Fund or Sub-Fund, you may call the Managers at telephone number (65) 6417 6900.

LIONGLOBAL INVESTMENT FUNDS II
PROSPECTUS

BOARD OF DIRECTORS OF LION GLOBAL INVESTORS LIMITED

Signed:

Ching Wei Hong
Chairman

Signed:

Christopher Brian Wei
Deputy Chairman

Signed:

Gerard Lee How Cheng
CEO

Signed:

Cheong Jin Keat
Director

Signed:

Yoon Mun Thim
Director

Signed:

Norman Ip Ka Cheung
Director

Signed:

Tan Siew Peng
Director

This Product Highlights Sheet is an important document.

- It highlights the key terms and risks of this investment product and complements the Prospectus¹.
- It is important to read the Prospectus before deciding whether to purchase units in the product. If you do not have a copy, please contact us to ask for one.
- You should not invest in the product if you do not understand it or if you are not comfortable with the accompanying risks.
- If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.

**LIONGLOBAL INVESTMENT FUNDS II (the “Fund”)
LIONGLOBAL JAPAN GROWTH FUND (the “Sub-Fund”)**

Product Type	Unit Trust	Inception Date	3 December 1999
Manager	Lion Global Investors Limited	Custodian	Citibank, N.A.
Trustee	Citicorp Trustee (Singapore) Limited	Dealing Frequency	Every Business Day
Capital Guaranteed	No	Expense Ratio for FY 31 Dec 2011	1.89%
Name of Guarantor	NA		

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Sub-Fund is only suitable for investors who:

- seek capital growth over the long term;
- are comfortable with the greater volatility and risks of an equity fund.

Further Information
Refer to Section 7 on pages 4 & 5 of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a unit trust constituted in Singapore that aims to provide you with long-term capital growth of assets of the Sub-Fund by investing primarily in quoted or listed securities in any Recognised Stock Exchange or OTC Market in Japan.

Refer to Section 7 on pages 4 & 5 of the Prospectus for further information on features of the product.

Investment Strategy

The Sub-Fund will invest the majority of the deposited property of the Sub-Fund in mid to small market capitalisation companies. The Sub-Fund will not target any specific industry or sector.

Refer to Section 7 on pages 4 & 5 of the Prospectus for further information on features of the product.

Parties Involved

WHO ARE YOU INVESTING WITH?

- **The Managers**
 - Lion Global Investors Limited
- **The Trustee and Custodian**
 - Citicorp Trustee (Singapore) Limited
- **The Registrar**
 - HSBC Institutional Trust Services (Singapore) Limited
- **The Auditors**
 - PricewaterhouseCoopers LLP

Refer to Section 2, 3, 4 & 5 on page 3 of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

¹ The prospectus is available for collection at Lion Global Investors Limited, 65 Chulia Street, #18-01 OCBC Centre, Singapore 049513 from Monday to Friday (9am to 6pm) or website: www.lionglobalinvestors.com.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

Investors should consider and satisfy themselves as to the risks of investing in the Sub-Fund, and in particular, securities quoted or listed in any Recognised Stock Exchange or OTC Market in Japan. Generally, some of the risk factors that should be considered are market, derivatives, liquidity, repatriation, regulatory, political, currency and risks associated with investments in smaller companies.

An investment in the Sub-Fund is meant to produce returns over the long-term. Investors should not expect to obtain short-term gains from such investment.

Investors should note that the value of Units, and the income accruing to the Units, may fall or rise and that investors may not get back their original investment.

Refer to Section 10 on pages 7 & 8 of the Prospectus for further information on risks of the product.

Market and Credit Risks

• **You are exposed to Market Risks**

- Prices of securities may go up or down in response to changes in economic conditions, interest rates and the market's perception of securities. These may cause the price of Units in the Sub-Fund to go up or down as the price of Units in the Sub-Fund is based on the current market value of the investments of the Sub-Fund.

• **You are exposed to Currency Risks**

- As the investments of the Sub-Fund may be denominated in foreign currencies, fluctuations of the exchange rates of foreign currencies against the base currency of the Sub-Fund may affect the value of the Units in the Sub-Fund.

Liquidity Risks

- The Sub-Fund is not listed and you can redeem only on Dealing Days.

Product Specific Risks

• **You are exposed to Derivatives Risks**

- The Sub-Fund may invest in financial derivative instruments such as futures, options, warrants, forwards and swaps for hedging purposes or for the purpose of efficient portfolio management. While the judicious use of derivatives by professional investment managers can be beneficial, derivatives involve risks different from, and, in some cases, greater than, the risks presented by more traditional securities investments.

• **You are exposed to Risks associated with investments in smaller companies**

- The Sub-Fund may invest in smaller companies. Although smaller companies present more potential for growth, investing in smaller companies may present greater risk in comparison to investing in larger companies, for example, higher stock price volatility due to lower trading volume and a narrow range of investors. The Managers will attempt to minimise the risks through a diversified portfolio.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES FOR THIS INVESTMENT?

• **Payable directly by investors**

You will need to pay the following fees and charges as a percentage of your gross investment amount:

Preliminary Charge	Currently 5% for cash & SRS. Maximum 5%. Currently 3% for CPF subscriptions. Maximum 3% or such higher percentage as may be permitted by the CPF board from time to time.
Realisation Charge	Currently Nil. Maximum 2%.
Switching Fee	Currently 1%. Maximum 5%.

• **Payable by the Sub-Fund from invested proceeds**

The Sub-Fund will pay the following fees and charges to the Managers, Trustee and other parties:

Annual Management Fee	Currently 1.60% p.a. Maximum 2% p.a.
Annual Trustee Fee	Currently 0.0475% p.a. Maximum 0.15% p.a. Subject to a minimum of S\$8,000 p.a.

Refer to Section 9 on pages 6 & 7 of the Prospectus for further information on fees and charges.

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The Sub-Fund will be valued on each Dealing Day. The indicative prices of Units are quoted on a forward pricing basis and will likely be available two Business Days in Singapore after each relevant Dealing Day.

The prices are published on the Managers' website at www.lionglobalinvestors.com. The prices may also be published in The Straits Times, The Business Times, Lianhe Zaobao and selected major wire services.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may realise your holdings in the Sub-Fund on any Dealing Day by submitting a realisation form to the Managers or the relevant agent or distributor appointed by the Managers.

As Units are realised on a forward pricing basis, the realisation price of Units is not ascertainable at the time of realisation. If your realisation form is received and accepted by the Managers by the dealing deadline of 3 p.m. Singapore time on a Dealing Day, your Units shall be realised at that Dealing Day's realisation price. Realisation forms received after the dealing deadline or on a day which is not a Dealing Day shall be treated as having been received on the next Dealing Day.

You will receive your realisation proceeds within 6 business days from the receipt and acceptance of the realisation form by the Managers.

Illustration of realisation proceeds paid

1,000	x \$1,000*		= \$1,000.00*
Units Realised	Notional Realisation Price (= net asset value per Unit)		Gross Realisation Proceeds
\$1,000.00*	- Nil		= \$1,000.00*
Gross Realisation Proceeds	Realisation Charge		Net Realisation Proceeds

**In SGD or USD, as the case may be.*

Investors should note that the notional realisation price is for illustration only and is not indicative of any future or likely performance of the Sub-Fund.

Cooling Off Period

First-time investors in the Sub-Fund may cancel their subscription of Units within 7 calendar days from the date of subscription by submitting a Notice to Cancel Form to the Managers, subject to cancellation terms and conditions. You will be refunded the lower of the market value of the Units held on the day of receipt and acceptance of such form or the original amount paid by you. Where the market value of the Units held is greater than the original amount paid by you, the Managers are not obliged to pay the excess amount to you and the excess amount shall be retained in the Sub-Fund.

Refer to Section 15 on page 12 of the Prospectus for further information on valuation of the product.

Refer to Section 13 on pages 10 to 12 the Prospectus for further information on exiting from the product.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

If you have questions concerning your investment in the Sub-Fund, you may call the Managers at telephone number (65) 6417 6900.

Website: www.lionglobalinvestors.com

Email: contactus@lionglobalinvestors.com

APPENDIX: GLOSSARY OF TERMS

Equity

Investing or ownership in a company. Often used as a synonym for stock.

Net asset value

The market value of a unit trust fund's total assets, minus liabilities, divided by the number of units outstanding.

Dealing Day

Every business day (other than a Saturday or Sunday or a day on which the relevant recognised stock exchange is closed). Business day means any day (other than a Saturday or Sunday) on which commercial banks are open for business in Singapore.

Recognised Stock Exchange

Recognised Stock Exchange means any stock exchange, futures exchange and organized securities exchange on which securities are regularly invested in any country in any part of the world.

OTC Market

OTC Market means any over-the-counter market or over-the-telephone market in any country in any part of the world.

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

TEL: (65) 6417 6900 FAX: (65) 6417 6806
www.lionglobalinvestors.com

Co Reg No: 198601745D

A member of the OCBC Group