

For the financial year ended 31 December 2022

ANNUAL REPORT LION-OCBC SECURITIES CHINA LEADERS ETF

Lion Global Investors Ltd

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DIRECTORY

Manager

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

Directors of Lion Global Investors Limited

Mr Khor Hock Seng (Chairman)
Mr Teo Joo Wah (Chief Executive Officer)
Mr Ronnie Tan Yew Chye
Ms Chong Chuan Neo

Trustee/Registrar

HSBC Institutional Trust Services (Singapore) Limited
10 Marina Boulevard,
Marina Bay Financial Centre, Tower 2,
#48-01
Singapore 018983

Custodian

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

Independent Auditor

PricewaterhouseCoopers LLP
7 Straits View, Marina One
East Tower, Level 12
Singapore 018936

PERFORMANCE OF THE FUND

For the financial year ended 31 December 2022

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

Time Period	Fund Returns (%) Lion-OCBC Securities China Leaders ETF	Benchmark/Index* Returns (%)
3 months	1.5	2.5
6 months	-15.5	-14.6
1 year	-20.7	-19.5
Since Inception (2 August 2021)	-14.1	-13.0

Source: Morningstar/Lion Global Investors Ltd.

**Benchmark/Index: Hang Seng Stock Connect China 80 Index*

REVIEW

For the year ended 31 December 2022, the Fund returned -20.7%, while the benchmark Hang Seng Stock Connect China 80 Index returned -19.5% in SGD terms.

The central themes for markets in 2022 were geopolitics, sticky inflation, hawkish central bank action, and China's Zero-COVID-19 policy. As a result, global risk assets were marred by continued volatility. Despite Russia's invasion of Ukraine dragging on into its tenth month, a diplomatic solution to the war does not appear to be imminent. The initial fallout saw energy and food prices soaring to multi-year highs on supply disruptions and retaliatory sanctions. Adding to global supply chain woes, China's adherence to its Zero-COVID-19 policy prompted the lockdown of major manufacturing hubs following a resurgence of infections in the country. While the commodity price shock has since receded, inflation remains sticky above central banks' long run inflation target.

In fourth quarter of 2022, we saw the Chinese government relaxing its Zero-COVID-19 policy, leading to a sharp rebound in the Hang Seng Stock Connect China 80 Index. This suggests that China is at last on the path to reopening, lending to further optimism on China's economic trajectory in 2023.

In CNH terms, Energy (+33.2%) was the best performing sector, followed by Real Estate (+4.5%). On the other hand, Information Technology (-35.0%) and Industrials (-23.1%) were the worst performing sectors.

China Mobile (+20.4%), CNOOC (+47.0%) and Bank of China (+9.5%) contributed positively to performance, while Contemporary Amperex Technology (-33.2%), Tencent (-22.0%) and Kweichow Moutai (-14.8%), detracted.

The Fund continues to replicate as closely as possible, before expenses, the performance of the Hang Seng Stock Connect China 80 Index.

STRATEGY AND OUTLOOK

At its latest annual Central Economic Working Conference (CEWC) on 15 and 16 December 2022, China's Politburo concluded to make economic stability its top priority for 2023. Specifically, China will focus on boosting domestic demand by prioritizing the recovery and expansion of consumption, while continuing to implement proactive fiscal policy and prudent monetary policy in 2023.

We believe China's easing of COVID-19 restrictions and its reinforced focus on economic stability will continue driving growth in 2023 while other countries such as the US focus on managing inflationary and recessionary risks.

As of 16 January 2023.

DISCLOSURES ON THE FUND ¹*For the financial year ended 31 December 2022***1. DISTRIBUTION OF INVESTMENTS AS AT 31 DECEMBER 2022**

	Fair Value CNH	Percentage of total net assets attributable to unitholders %
a) <u>By Asset Class</u>		
Equities	420,089,208	99.8
Cash and other net assets	694,487	0.2
Net assets attributable to unitholders	420,783,695	100.0

b) By Credit Rating of Debt Securities

Not applicable

c) By Derivative Type

Total net realised losses from financial derivatives at the end of the financial year were CNH6,312.

¹ As required by Code on Collective Investment Schemes

2. TOP 10 HOLDINGS

As at 31 December 2022

	Fair Value CNH	Percentage of total net assets attributable to unitholders %
Tencent Holdings Limited	36,709,501	8.7
Kweichow Moutai Company Limited	26,148,507	6.2
Meituan	19,428,476	4.6
Contemporary Amperex Technology Company Limited	14,169,415	3.4
China Construction Bank Corporation H Shares	12,675,662	3.0
China Merchants Bank Company Limited	12,368,494	2.9
Ping An Insurance Group Company	11,604,770	2.8
Wuliangye Yibin Company Limited	9,403,650	2.2
China Mobile Limited	8,503,839	2.0
Ping An Insurance (Group) Company of China Limited H Shares	7,834,017	1.9

As at 31 December 2021

	Fair Value CNH	Percentage of total net assets attributable to unitholders %
Tencent Holdings Limited	31,295,111	7.9
Kweichow Moutai Company Limited	24,600,000	6.2
Contemporary Amperex Technology Company Limited	19,756,800	5.0
Meituan	18,981,152	4.8
China Construction Bank Corporation	11,461,126	2.9
Ping An Insurance Group Company	11,140,610	2.8
Wuliangye Yibin Company Limited	10,375,956	2.6
Longi Green Energy Technology Company Limited	9,525,100	2.4
Midea Group Company Limited	8,657,913	2.2
Industrial Bank Company Limited	7,602,672	1.9

3. GLOBAL EXPOSURE

The global exposure relating to derivative instruments is calculated using the commitment approach by converting the derivative positions into equivalent positions in the underlying assets embedded in those derivatives.

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

4. COLLATERAL

Nil

5. SECURITIES LENDING OR PURCHASE TRANSACTIONS

Nil

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

Nil

7. BORROWINGS

Nil

8. SOFT DOLLAR COMMISSION RECEIVED BY THE MANAGERS

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

9. OTHER MATERIAL INFORMATION

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

10. SUPPLEMENTAL INFORMATION ON UNDERLYING SUB-FUNDS

Not applicable

REPORT OF THE TRUSTEE

For the financial year ended 31 December 2022

The Trustee is under a duty to take into custody and hold the assets of Lion-OCBC Securities China Leaders ETF (the “Fund”) in trust for the unitholders. In accordance with the Securities and Futures Act 2001, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting year and report thereon to unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Fund during the financial year covered by these financial statements, set out on pages 13 to 42, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee
HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED

Authorised signatory

28 March 2023

STATEMENT BY THE MANAGER

For the financial year ended 31 December 2022

In the opinion of Lion Global Investors Limited, the accompanying financial statements set out on pages 13 to 42, comprising the Statement of Total Return, Statement of Financial Position, Statement of Movements of Unitholders' Funds, Statement of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position and the portfolio holdings of Lion-OCBC Securities China Leaders ETF (the "Fund") as at 31 December 2022, and the financial performance and movements in unitholders' funds for the financial year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the Fund will be able to meet its financial obligations as and when they materialise.

For and on behalf of
LION GLOBAL INVESTORS LIMITED

TEO JOO WAH
CEO

28 March 2023

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF LION-OCBC SECURITIES CHINA LEADERS ETF

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

Our Opinion

In our opinion, the accompanying financial statements of Lion-OCBC Securities China Leaders ETF (the "Fund") are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants, so as to present fairly, in all material respects, the financial position and portfolio holdings of the Fund as at 31 December 2022, and the financial performance and movements of unitholders' funds for the financial year ended on that date.

What we have audited

The financial statements of the Fund comprise:

- the Statement of Total Return for the financial year ended 31 December 2022;
- the Statement of Financial Position as at 31 December 2022;
- the Statement of Movements of Unitholders' Funds for the financial year ended 31 December 2022;
- the Statement of Portfolio as at 31 December 2022; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

We are independent of the Fund in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

**INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF
LION-OCBC SECURITIES CHINA LEADERS ETF**

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

Our Audit Approach

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

Key Audit Matters

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

Other Information

The Fund's Manager (the "Manager") is responsible for the other information. The other information comprises all sections of the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the Financial Statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Fund or to cease the Fund's operations, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Fund's financial reporting process.

**INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF
LION-OCBC SECURITIES CHINA LEADERS ETF**

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF
LION-OCBC SECURITIES CHINA LEADERS ETF**

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

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

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Lim Kheng Wah.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 28 March 2023

STATEMENT OF TOTAL RETURN

For the financial year ended 31 December 2022

		For the financial period from 2 August 2021 (date of inception) to 31 December 2021
	2022	2021
	CNH	CNH
Income	Note	
Dividends		2,341,427
Interest on cash and bank balances		6,569
		<u>2,347,996</u>
		<u>13,944,584</u>
Less: Expenses		
Audit fee		80,606
Custodian fees	10	37,237
Management fee	10	818,865
Less: Management fee rebate	10	(437,713)
Professional fees		38,929
Registration fee	10	23,100
Trustee fee	10	36,394
Valuation and administration fees	10	36,394
Preliminary expenses		683,332
Transaction costs		565,803
Miscellaneous expenses		165,123
		<u>2,048,070</u>
		<u>2,699,947</u>
Net income		<u>299,926</u>
		<u>11,244,637</u>
Net gains or losses on value of investments and financial derivatives		
Net losses on investments		(1,054,513)
Net gains on foreign exchange spot contracts		151,700
Net (losses)/gains on foreign exchange forward contracts		4,239
Net foreign exchange (losses)/gains		321,236
		<u>(577,338)</u>
		<u>(58,880,728)</u>
Total deficit for the financial year/period before income tax		<u>(277,412)</u>
		<u>(47,636,091)</u>
Less: Income tax	3	(216,396)
		<u>(493,808)</u>
Total deficit for the financial year/period		<u>(493,808)</u>
		<u>(48,980,414)</u>

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

STATEMENT OF FINANCIAL POSITION*As at 31 December 2022*

	Note	2022 CNH	2021 CNH
ASSETS			
Portfolio of investments		420,089,208	397,143,620
Receivables	5	519,453	586,055
Cash and cash equivalents	6	607,665	73,356
Total assets		421,216,326	397,803,031
LIABILITIES			
Payables	7	432,631	424,042
Total liabilities		432,631	424,042
EQUITY			
Net assets attributable to unitholders	8	420,783,695	397,378,989

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

STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS

For the financial year ended 31 December 2022

		For the financial period from 2 August 2021 (date of inception) to 31 December 2021	
	Note	2022 CNH	2021 CNH
Net assets attributable to unitholders at the beginning of financial year/period		397,378,989	-
Operations			
Change in net assets attributable to unitholders resulting from operations		(48,980,414)	(493,808)
Unitholders' contributions/(withdrawals)			
Creation of units		79,860,554	451,085,563
Cancellation of units		-	(53,212,766)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		79,860,554	397,872,797
Distributions	4	(7,475,434)	-
Total increase in net assets attributable to unitholders		23,404,706	397,378,989
Net assets attributable to unitholders at the end of financial year/period	8	420,783,695	397,378,989

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

STATEMENT OF PORTFOLIO*As at 31 December 2022*

	Holdings at 31 December 2022	Fair value at 31 December 2022 CNH	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Industry (Primary)			
QUOTED EQUITIES			
FINANCIAL			
China Construction Bank Corporation H Shares	2,901,150	12,675,662	3.0
China Merchants Bank Company Limited	331,951	12,368,494	2.9
Ping An Insurance Group Company	246,910	11,604,770	2.8
Ping An Insurance (Group) Company of China Limited H Shares	169,755	7,834,017	1.9
Industrial Bank Company Limited	417,788	7,348,891	1.8
Industrial and Commercial Bank of China H Shares	1,978,338	7,105,885	1.7
East Money Information Company Limited	301,175	5,842,795	1.4
Bank of China Limited H Shares	2,130,284	5,405,644	1.3
Citic Securities Company	245,383	4,885,575	1.2
Industrial and Commercial Bank of China	1,084,523	4,706,830	1.1
Bank of Ningbo Company Limited	132,787	4,308,938	1.0
China Merchants Bank Company Limited H Shares	104,642	4,081,144	1.0
Shanghai Pudong Development Bank	433,570	3,156,390	0.8
China Pacific Insurance Group	128,645	3,154,375	0.7
Ping An Bank Company Limited	234,368	3,084,283	0.7
Bank of Communications Company Limited	632,659	2,998,804	0.7
Postal Savings Bank of China Company Limited	654,714	2,949,491	0.7
Agricultural Bank of China Limited	859,482	2,501,093	0.6
China Life Insurance Company Limited H Shares	200,396	2,399,305	0.6

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

	Holdings at 31 December 2022	Fair value at 31 December 2022 CNH	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Industry (Primary) (continued)			
QUOTED EQUITIES (continued)			
FINANCIAL (continued)			
Agricultural Bank of China Limited H Shares	829,905	1,987,260	0.5
Bank of China Limited	569,629	1,800,028	0.4
China Everbright Bank Company Limited	559,681	1,718,221	0.4
China Life Insurance Company Limited	44,356	1,646,495	0.4
China Pacific Insurance (GR) Company Limited	70,928	1,101,435	0.3
CSC Financial Company Limited	43,484	1,032,745	0.2
China Construction Bank Corporation	177,489	999,263	0.2
Bank of Communications Company Limited H Shares	235,522	944,864	0.2
China Citic Bank Corporation Limited	180,436	898,571	0.2
China Citic Bank Corporation Limited H Shares	257,840	797,109	0.2
Citic Securities Company Limited H Shares	55,878	787,842	0.2
China International Capital Corporation Limited	19,400	739,722	0.2
China International Capital Corporation Limited H Shares	41,129	547,553	0.1
People's Insurance Company Group H Shares	218,245	505,051	0.1
People's Insurance Company Group of China Limited	85,600	446,832	0.1
China Everbright Bank Company Limited H Shares	81,647	173,624	*
CSC Financial Company Limited H Shares	25,215	153,876	*
		124,692,877	29.6

* denotes amount less than 0.1%

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

	Holdings at 31 December 2022	Fair value at 31 December 2022 CNH	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Industry (Primary) (continued)			
QUOTED EQUITIES (continued)			
CONSUMER, NON-CYCLICAL			
Kweichow Moutai Company Limited	15,141	26,148,507	6.2
Wuliangye Yibin Company Limited	52,043	9,403,650	2.2
Shenzhen Mindray Bio-Medical Electronics Company Limited	16,231	5,128,509	1.2
Inner Mongolia Yili Industrial Group Company Limited	154,453	4,788,043	1.1
Luzhou Laojiao Company Limited	19,854	4,452,855	1.1
Wuxi Apptec Company Limited	51,592	4,178,952	1.0
Muyuan Foodstuff Company Limited	85,571	4,171,586	1.0
Jiangsu Hengrui Medicine	102,643	3,954,835	0.9
Foshan Haitian Flavouring & Food Company Limited	43,555	3,466,978	0.8
Shanxi Xinghuacun Fen Wine Factory Co.	11,499	3,277,100	0.8
Aier Eye Hospital Group Company Limited	94,704	2,942,453	0.7
Tongwei Company Limited	72,672	2,803,686	0.7
Jiangsu Yanghe Brewery	16,327	2,620,484	0.6
Nongfu Spring Company Limited	54,385	2,142,937	0.5
Zhangzhou Pientzhuang Pharmaceutical Company Limited	7,200	2,076,912	0.5
JD Health International Inc.	30,135	1,921,130	0.5
Chongqing Zhifei Biological Products Company Limited	21,287	1,869,637	0.5
Yihai Kerry Arawana Holdings Company Limited	21,548	938,631	0.2
Wuxi Apptec Company Limited H Shares	9,414	693,516	0.2
		86,980,401	20.7

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

	Holdings at 31 December 2022	Fair value at 31 December 2022 CNH	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Industry (Primary) (continued)			
QUOTED EQUITIES (continued)			
CONSUMER, CYCLICAL			
Meituan	124,467	19,428,476	4.6
Midea Group Company Limited	131,399	6,806,468	1.6
BYD Company Limited	24,323	6,250,281	1.5
China Tourism Group Duty Free Corporation Limited	26,176	5,654,801	1.4
BYD Company Limited H Shares	25,026	4,306,647	1.0
Gree Electric Appliances, Inc. of Zhuhai	120,777	3,903,513	0.9
Anta Sports Products Limited	36,402	3,327,304	0.8
Haier Smart Home Company Limited	102,119	2,497,831	0.6
Shenzhen International Group	21,998	1,725,716	0.4
Haier Smart Home Company Limited H Shares	64,962	1,543,948	0.4
Saic Motor Corporation Limited	93,688	1,350,044	0.3
Great Wall Motor Company Limited	32,783	971,032	0.2
Great Wall Motor Company Limited H Shares	79,586	722,474	0.2
Xpeng Inc. H Shares	6,728	230,538	0.1
		58,719,073	14.0
COMMUNICATIONS			
Tencent Holdings Limited	123,010	36,709,501	8.7
China Mobile Limited	177,795	8,503,839	2.0
Kuaishou Technology Company Limited	69,134	4,388,816	1.1
China Telecom Corporation Limited	419,079	1,755,941	0.4
China Telecom Corporation Limited H Shares	332,327	911,582	0.2
		52,269,679	12.4

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

	Holdings at 31 December 2022	Fair value at 31 December 2022 CNH	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Industry (Primary) (continued)			
QUOTED EQUITIES (continued)			
INDUSTRIAL			
Contemporary Amperex Technology Company Limited	36,016	14,169,415	3.4
Luxshare Precision Industry Company Limited	123,678	3,926,777	0.9
S F Holding Company Limited	59,115	3,414,482	0.8
Beijing-Shanghai High Speed Railway Company Limited	653,341	3,214,438	0.8
China State Construction	506,628	2,750,990	0.7
Sany Heavy Industry Company Limited	160,299	2,532,724	0.6
COSCO Shipping Holdings Company Limited	155,454	1,599,622	0.4
Citic Limited	194,132	1,429,275	0.3
COSCO Shipping Holdings Company Limited H Shares	85,087	605,157	0.1
		33,642,880	8.0
TECHNOLOGY			
Longi Green Energy Technology Company Limited	172,780	7,301,683	1.7
Xiaomi Corporation - Class B	469,675	4,590,990	1.1
Hangzhou Hikvision Digital Tech	101,303	3,513,188	0.8
Boe Technology Group Company Limited	855,884	2,892,888	0.7
Will Semiconductor Company Limited	18,999	1,464,633	0.4
Foxconn Industrial Internet Company Limited	105,343	967,049	0.2
		20,730,431	4.9

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

	Holdings at 31 December 2022	Fair value at 31 December 2022 CNH	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Industry (Primary) (continued)			
QUOTED EQUITIES (continued)			
ENERGY			
CNOOC Limited	478,423	4,266,131	1.0
China Shenhua Energy Company	88,762	2,451,606	0.6
China Petroleum & Chemical Corporation H Shares	687,066	2,314,363	0.6
Petrochina Company Limited	392,274	1,949,602	0.5
China Shenhua Energy Company Limited H Shares	91,168	1,836,879	0.4
Petrochina Company Limited H Shares	570,203	1,818,818	0.4
China Petroleum & Chemical	387,906	1,691,270	0.4
		<u>16,328,669</u>	<u>3.9</u>
BASIC MATERIALS			
Wanhua Chemical Group Company	46,239	4,284,043	1.0
Zijin Mining Group Company Limited	386,562	3,865,620	0.9
Yunnan Energy New Material Company Limited	15,700	2,061,253	0.5
Anhui Conch Cement Company Limited	58,566	1,603,537	0.4
Zijin Mining Group Company Limited H Shares	145,877	1,378,999	0.3
Anhui Conch Cement Company Limited H Shares	32,528	793,436	0.2
		<u>13,986,888</u>	<u>3.3</u>
REAL ESTATE			
China Vanke Company Limited	169,689	3,088,340	0.7
China Resources Land Limited	86,383	2,759,281	0.7
Longfor Group Holdings Limited	50,139	1,088,613	0.2
China Vanke Company Limited H Shares	48,139	679,588	0.2
		<u>7,615,822</u>	<u>1.8</u>

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

	Holdings at 31 December 2022	Fair value at 31 December 2022 CNH	Percentage of total net assets attributable to unitholders at 31 December 2022 %
By Industry (Primary) (continued)			
QUOTED EQUITIES (continued)			
UTILITIES			
China Yangtze Power Company Limited	243,928	5,122,488	1.2
Portfolio of investments		420,089,208	99.8
Other net assets		694,487	0.2
Net assets attributable to unitholders		420,783,695	100.0

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

	Percentage of total net assets attributable to unitholders at	
	31 December 2022 %	31 December 2021 %
By Industry (Summary)		
Financial	29.6	28.1
Consumer, Non-cyclical	20.7	21.1
Consumer, Cyclical	14.0	14.3
Communications	12.4	9.3
Industrial	8.0	10.1
Technology	4.9	6.7
Energy	3.9	3.1
Basic Materials	3.3	2.8
Real Estate	1.8	3.1
Utilities	1.2	1.3
	<hr/>	<hr/>
Portfolio of investments	99.8	99.9
Other net assets	0.2	0.1
Net assets attributable to unitholders	<hr/> 100.0 <hr/>	<hr/> 100.0 <hr/>

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

	Fair value at 31 December 2022 CNH	Percentage of total net assets attributable to unitholders at	
		31 December 2022 %	31 December 2021 %
By Geography (Secondary)			
China	412,954,991	98.2	98.2
Hong Kong	7,134,217	1.6	1.7
Portfolio of investments	420,089,208	99.8	99.9
Other net assets	694,487	0.2	0.1
Net assets attributable to unitholders	420,783,695	100.0	100.0

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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

1. GENERAL

Lion-OCBC Securities China Leaders ETF (the “Fund”) is a unit trust constituted by a Deed of Trust dated 2 July 2021 together with its Supplemental Deeds (hereafter referred to as “Trust Deed”). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee of the Fund is HSBC Institutional Trust Services (Singapore) Limited (the “Trustee”). The Manager of the Fund is Lion Global Investors Limited (the “Manager”).

The investment objective of the Fund is to replicate as closely as possible, before expenses, the performance of the Hang Seng Stock Connect China 80 Index (the “Index”) using a direct investment policy of investing in all, or substantially all, of the underlying Index Securities.

During the financial year/period, the Manager has at its own discretion, chosen to rebate to the Fund a management fee rebate.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 “Reporting Framework for Investment Funds” (“RAP 7”) issued by the Institute of Singapore Chartered Accountants.

(b) Recognition of income

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on a time proportion basis using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(c) Financial derivatives**

Financial derivatives are entered into for the purposes of efficient portfolio management, tactical asset allocation or specific hedging of financial assets held as determined by the Manager and in accordance with the provisions of the Trust Deed.

Financial derivatives outstanding at the end of the financial year are measured at their fair values using the marked-to-market method, and the resultant gains and losses are taken up in the Statement of Total Return.

(d) Distributions

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

(e) Investments

Investments are classified as financial assets at fair value through profit or loss.

(i) Initial recognition

Purchases of investments are recognised on the trade date. Investments are recorded at fair value on initial recognition.

(ii) Subsequent measurement

Investments are subsequently carried at fair value. Net change in the fair value of investments are included in the Statement of Total Return in the year in which they arise.

(iii) Derecognition

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sales of investments are computed on the basis of the difference between the weighted average cost and selling price gross of transaction costs, and are taken up in the Statement of Total Return.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(f) Basis of valuation of investments**

The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at the close of trading on the reporting date. The Fund utilises the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of fair value.

(g) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are initially recognised at their fair value and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

(h) Due from and due to brokers

Sales and purchases awaiting settlement represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the Statement of Financial Position date respectively. These amounts are recognised initially at fair value and subsequently measured at amortised cost.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand which are subject to an insignificant risk of changes in value.

(j) Payables

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(k) Foreign currencies****(i) Functional and presentation currency**

The Fund qualifies as an authorised scheme under the Securities and Futures Act ("SFA") of Singapore and is offered to retail investors in Singapore. The Fund invests substantially in China and Hong Kong securities, with subscriptions and redemptions of the units in the Fund denominated in Singapore Dollar ("SGD").

The performance of the Fund is measured and reported to the investors in both Singapore Dollar and offshore Chinese Renminbi ("CNH") and majority of the Fund's expenses are incurred in offshore Chinese Renminbi. The Manager considers the offshore Chinese Renminbi as the currency which most faithfully represents the economic effects of the underlying transactions, events and conditions. The Fund's functional and presentation currency is the offshore Chinese Renminbi.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in the Statement of Total Return. Translation differences on non-monetary financial assets and liabilities such as equities are also recognised in the Statement of Total Return within the net gain or loss on investments.

3. INCOME TAX

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

	2022	For the financial period from 2 August 2021 (date of inception) to 31 December 2021
	CNH	CNH
Overseas income tax	1,344,323	216,396

4. DISTRIBUTIONS

	2022	For the financial period from 2 August 2021 (date of inception) to 31 December 2021
	CNH	CNH
Distribution of SGD3.30 per 100 units on 25 July 2022 to unitholders as at 4 July 2022	7,475,434	-

5. RECEIVABLES

	2022	2021
	CNH	CNH
Management fee rebate receivable	260,000	437,713
Dividends receivable	15,446	20,416
Other receivables	244,007	127,926
	<u>519,453</u>	<u>586,055</u>

6. CASH AND CASH EQUIVALENTS

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

7. PAYABLES

	2022	2021
	CNH	CNH
Amount due to the Manager	159,695	154,262
Amount due to the Trustee	14,195	13,712
Amount due to the Custodian	9,517	8,234
Amount due to the Registrar	5,907	21,612
Other payables	243,317	226,222
	<u>432,631</u>	<u>424,042</u>

8. UNITS IN ISSUE

	2022	For the financial period from 2 August 2021 (date of inception) to 31 December 2021
	Units	Units
Units at beginning of the financial year/period	41,851,010	-
Units created	9,800,000	47,251,010
Units cancelled	-	(5,400,000)
Units at end of the financial year/period	<u>51,651,010</u>	<u>41,851,010</u>

8. UNITS IN ISSUE (continued)

	2022	2021
	SGD	SGD
Net assets attributable to unitholders	81,106,597	84,200,689
Net assets attributable to unitholders (CNH equivalent)	420,783,695	397,378,989
Net asset value per unit	<u>1.570</u>	<u>2.011</u>
Net asset value per unit (CNH equivalent)	<u>8.146</u>	<u>9.495</u>

A reconciliation of the net assets attributable to unitholders per unit per the financial statements and the net assets attributable to unitholders per unit for issuing/redeeming units at the reporting date is presented below.

	2022	2021
	SGD	SGD
Net assets attributable to unitholders per unit per financial statements	1.570	2.011
Effect of preliminary expenses	-	0.002
Effect of movement in the net asset value between the last dealing date and the end of the reporting period	*	-
Effect of adjustments for management fee rebates	<u>-</u>	<u>0.001</u>
Net assets attributable to unitholders per unit for issuing/redeeming units	<u>1.570</u>	<u>2.014</u>

* denotes amount less than SGD0.001

9. FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Fund's overall risk management programme seeks to minimise potential adverse effects on the Fund's financial performance. The Manager is responsible for the implementation of overall risk management programme, which seeks to minimise potential adverse effects on the Fund's financial performance. Specific guidelines on exposures to individual securities and certain industries are in place for the Fund at any time as part of the overall financial risk management to reduce the Fund's risk exposures.

9. FINANCIAL RISK MANAGEMENT (continued)

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

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

(a) Market risk

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

The Fund's investments are substantially dependent on changes in market prices. The Manager monitors the Fund's investments closely so as to assess changes in fundamentals and valuation. However, events beyond reasonable control of the Manager could affect the prices of the underlying investments and hence the asset value of the Fund.

COVID-19 pandemic continues to evolve and develop. The situation is dynamic with various cities and countries around the world responding in different ways to address the pandemic. As a result of the COVID-19 pandemic, global financial markets have experienced significant volatility. Given the extent of the crisis, it is difficult to estimate the impact or duration of the volatility on the portfolio of the Fund. The Manager is closely monitoring the development of the COVID-19 pandemic and its related impact.

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

(i) Price risk

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

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(i) Price risk (continued)

The table below summarises the impact of increases/decreases from the Fund's underlying investments in equities on the Fund's net assets attributable to the unitholders as at 31 December 2022 and 2021. The analysis was based on the assumptions that the index components within the benchmark index increased/decreased by a reasonable possible shift, with all variables held constant and that the fair value of the Fund's investments moved according to the beta.

As at 31 December 2022

Fund	Benchmark	Beta	Reasonable possible change %	Impact of reasonable possible change on net asset attributable to unitholders CNH
Lion-OCBC Securities China Leaders ETF	Hang Seng Stock Connect China 80 Index	0.98	8	32,934,994

As at 31 December 2021

Fund	Benchmark	Beta	Reasonable possible change %	Impact of reasonable possible change on net asset attributable to unitholders CNH
Lion-OCBC Securities China Leaders ETF	Hang Seng Stock Connect China 80 Index	1.01	5	20,055,753

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Investment funds that invest in equity securities may be subject to interest rate risk as any interest rate change may affect the equity risk premium though at varying degrees. To manage this risk, the Manager analyses how interest rate changes may affect different industries and securities and then seeks to adjust the Fund's portfolio investments accordingly. However, the effects of changes in interest rates on the Fund's portfolio may not be quantified as the relationship between interest rates and the value of the equity securities is indirect. Hence, no separate sensitivity analysis has been presented.

(iii) Currency risk

The Fund has monetary financial assets/liabilities denominated in currencies other than offshore Chinese Renminbi and the Fund may be affected favourably or unfavourably by exchange rate regulations or changes in the exchange rates between the offshore Chinese Renminbi and such other currencies. The Fund may enter into foreign currency contracts designed to either hedge some or all of this exposure, or alternatively increase exposure to preferred foreign currencies.

9. FINANCIAL RISK MANAGEMENT (continued)

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

The tables below summarise the Fund's exposure to key currencies at the end of the financial year/period. Monetary and non-monetary items have been taken into account for the analysis.

As at 31 December 2022

	CNH	USD	SGD	HKD	Total
	CNH	CNH	CNH	CNH	CNH
Assets					
Portfolio of					
investments	263,225,684	-	-	156,863,524	420,089,208
Receivables	293,737	-	210,269	15,447	519,453
Cash and cash					
equivalents	601,015	184	5,106	1,360	607,665
Total assets	<u>264,120,436</u>	<u>184</u>	<u>215,375</u>	<u>156,880,331</u>	<u>421,216,326</u>
Liabilities					
Payables	258,461	14,117	160,053	-	432,631
Total liabilities	<u>258,461</u>	<u>14,117</u>	<u>160,053</u>	<u>-</u>	<u>432,631</u>
Net financial					
assets/(liabilities)	<u>263,861,975</u>	<u>(13,933)</u>	<u>55,322</u>	<u>156,880,331</u>	
Net currency					
exposure	<u>263,861,975</u>	<u>(13,933)</u>	<u>55,322</u>	<u>156,880,331</u>	

9. FINANCIAL RISK MANAGEMENT (continued)

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

As at 31 December 2021

	CNH	USD	SGD	HKD	Total
	CNH	CNH	CNH	CNH	CNH
Assets					
Portfolio of investments	256,478,964	-	-	140,664,656	397,143,620
Receivables	488,446	-	77,193	20,416	586,055
Cash and cash equivalents	72,366	-	990	-	73,356
Total assets	<u>257,039,776</u>	<u>-</u>	<u>78,183</u>	<u>140,685,072</u>	<u>397,803,031</u>
Liabilities					
Payables	261,444	10,435	152,163	-	424,042
Total liabilities	<u>261,444</u>	<u>10,435</u>	<u>152,163</u>	<u>-</u>	<u>424,042</u>
Net financial assets/(liabilities)	<u>256,778,332</u>	<u>(10,435)</u>	<u>(73,980)</u>	<u>140,685,072</u>	
Net currency exposure	<u>256,778,332</u>	<u>(10,435)</u>	<u>(73,980)</u>	<u>140,685,072</u>	

Equity investments are non-monetary financial assets and are exposed to both currency risk and price risk. As these financial assets are non-monetary, no separate sensitivity analysis has been performed to analyse currency risk. The impact of currency risk arising from these financial assets on the Fund's net asset value has been included in the above price risk sensitivity analysis.

The Fund's monetary assets/liabilities are measured for their sensitivity to exchange rate movements based on the balance of the monetary assets/liabilities, forecasted exchange rate movements and the net asset value of the Fund.

As of 31 December 2022 and 2021, the Fund's exposure to foreign currency fluctuations with respect to the monetary assets/liabilities is not considered to be significant and hence no sensitivity analysis on foreign currency risk has been presented.

9. FINANCIAL RISK MANAGEMENT (continued)

(b) Liquidity risk

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

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

The tables below analyse the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

As at 31 December 2022	Less than 3 months CNH	3 months- 1 year CNH	1-5 years CNH	Above 5 years CNH
Payables	432,631	-	-	-

As at 31 December 2021	Less than 3 months CNH	3 months- 1 year CNH	1-5 years CNH	Above 5 years CNH
Payables	424,042	-	-	-

(c) Credit risk

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

Concentrations of credit risk are minimised primarily by:

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

9. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

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

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

The Fund may also enter into derivatives to manage its exposures to currency risk and price risk, including foreign exchange forward contracts and options. Hence, the Fund is also exposed to the risk that its derivatives held with counterparties may not be recoverable in the event of any default by the parties concerned. The Manager minimises the Fund's credit risk by undertaking transactions with banks that are part of banking groups with good credit ratings assigned by Standard and Poor's ("S&P") or Moody's.

For purposes of impairment assessment, the Fund's assets which are measured at amortised cost are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses ("ECL"). The ECL for these assets as at the end of the reporting period is not significant.

The tables below summarise the credit rating of bank and custodian in which the Fund's assets are held as at 31 December 2022 and 2021.

	Credit rating ##	Source of credit rating
As at 31 December 2022		
<u>Custodian</u>		
The Hongkong and Shanghai Banking Corporation Limited	AA-	S&P
<u>Bank</u>		
The Hongkong and Shanghai Banking Corporation Limited	AA-	S&P

9. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

	Credit rating ##	Source of credit rating
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As at 31 December 2021**Custodian**

The Hongkong and Shanghai Banking Corporation Limited	AA-	S&P
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Bank

The Hongkong and Shanghai Banking Corporation Limited	AA-	S&P
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The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

The credit ratings are based on the Long-Term Issuer Ratings published by the rating agency.

Group credit ratings are presented for unrated subsidiaries.

(d) Capital management

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

(e) Fair value estimation

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

9. FINANCIAL RISK MANAGEMENT (continued)

(e) Fair value estimation (continued)

The following tables analyse within the fair value hierarchy the Fund's financial assets and liabilities (by class) measured at fair value at 31 December 2022 and 2021:

As at 31 December 2022	Level 1 CNH	Level 2 CNH	Level 3 CNH	Total CNH
Assets				
Portfolio of investments				
- Quoted equities	420,089,208	-	-	420,089,208

As at 31 December 2021	Level 1 CNH	Level 2 CNH	Level 3 CNH	Total CNH
Assets				
Portfolio of investments				
- Quoted equities	397,143,620	-	-	397,143,620

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

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

10. RELATED PARTY TRANSACTIONS

Management fee is paid to the Manager and management fee rebate is received from the Manager, while trustee fee is paid to the Trustee. These fees paid or payable by the Fund shown in the Statement of Total Return and in the respective notes to the financial statements are on terms set out in the Trust Deed.

In addition to the related party information shown elsewhere in the financial statements, the following significant transactions took place during the financial year/period between the Fund and related parties at terms agreed between the parties and within the provisions of the Trust Deed:

	2022 CNH	For the financial period from 2 August 2021 (date of inception) to 31 December 2021 CNH
Transaction fees charged by the Trustee	116,665	90,598
Registration fee charged by a related company of the Trustee	64,814	23,100
Valuation and administration fees charged by the Trustee	78,457	36,394
Custodian fees charged by a related company of the Trustee	83,477	37,237
Bank service fees charged by a bank which is a related company of the Trustee	5,180	1,054
Cash transfer fees charged by a related company of the Trustee	-	46

11. FINANCIAL RATIOS

	2022 %	For the financial period from 2 August 2021 (date of inception) to 31 December 2021 %
Expense ratio ¹ (excluding preliminary expenses) (annualised)	0.62	0.46
Expense ratio ¹ (including preliminary expenses) (annualised)	0.62	0.62
Portfolio turnover ratio ²	15	21

¹ The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the expense ratio at 31 December 2022 was based on total operating expenses of CNH2,434,764 (2021: CNH1,493,894) divided by the average net asset value of CNH392,479,929 (2021: CNH425,568,095) for the year/period. The total operating expenses do not include (where applicable) brokerage and other transactions costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fee. The average net asset value is based on the daily balances.

² The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the portfolio turnover ratio was based on the lower of the total value of purchases or sales of the underlying investments, being sales of CNH59,378,547 (2021: sales of CNH91,346,563) divided by the average daily net asset value of CNH392,479,929 (2021: CNH425,568,095).

12. COMPARATIVES

The prior period comparative figures are not comparable as the prior period's financial statements are prepared for the financial period from 2 August 2021 (date of inception) to 31 December 2021.

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