

In collaboration with
NOMURA
NOMURA ASSET MANAGEMENT

LION
GLOBAL
INVESTORS



Lion-Nomura Japan Active ETF (Powered by AI)

Unbox the best of Japan

Quarterly Newsletter
Q1 2024

INTRODUCTION

The Lion-Nomura Japan Active ETF (Powered by AI) is **Singapore's first actively managed ETF** and **Singapore's first AI-powered ETF**. With the expertise of Lion Global Investors and Nomura Asset Management, our proprietary AI models evaluate hundreds of factors to uncover hidden gems with strong growth potential.

KEY FACTS

- Trading currencies: SGD and USD
- Total AUM: SGD 48.6 million as of 31 March 2024
- Management fee: 0.70% p.a.
- SGX tickers: JJJ (SGD), JUS (USD)

KEY FEATURES



Active

Focus on 50 to 100 Japan companies with strong growth potential*

*Based on AI Model scores together with selection and weightage by the Manager and Investment Advisor



Intelligent

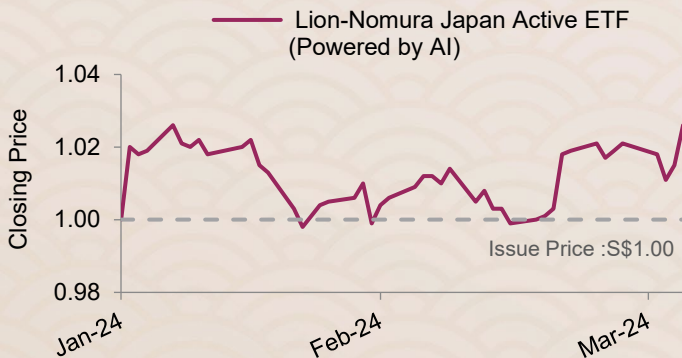
Our proprietary AI model is faster than humans and evaluates over hundreds of factors in the selection of securities



Dynamic

AI models are typically refreshed monthly and respond to trends dynamically

Lion-Nomura Japan Active ETF (Powered by AI) Performance¹



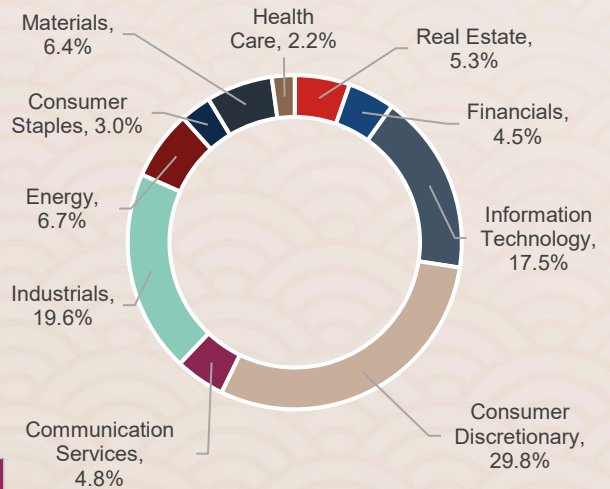
From Bloomberg as of 31 March 2024

% return since Fund's inception*

Lion-Nomura Japan Active ETF (Powered by AI)

3.8%

Sector Breakdown



Source: Lion Global Investors, 31 March 2024

* Returns are based on NAV-NAV basis in SGD and assuming all dividends are reinvested net of all charges payable upon reinvestment. Performance is calculated in SGD. The Lion-Nomura Japan Active ETF (Powered by AI) was listed on 31 January 2024. Opinions and estimates constitute our judgment and along with other portfolio data, are subject to change without notice. Past performance, as well as any prediction, projection, or forecast are not necessarily indicative of future or likely performance

¹Source: Bloomberg, Lion Global Investors, as of 31 March 2024. The above chart is based on historical closing prices of the Fund. Past performance is not necessarily indicative of future performance.

WHY INVEST IN JAPAN NOW?

We believe this is the decade for Japanese equities and we are still at the start of a multi-year bull cycle. Our positive stance is driven by key forces such as (1) Tokyo Stock Exchange (TSE) reforms which encourages companies to set clear capital allocation plans and improve their valuations; (2) Nippon Individual Savings Account (NISA) reforms which aims to boost retail investor participation in equities; (3) corporate governance reforms focused on enhancing shareholder returns.

While global investors started returning to Japan in 2023, overall positioning remains light at USD 29 billion* in 2023 compared to USD 150 billion in 2013. After the recent Japan rally, we understand investors might have concerns on (a) Japanese Yen (JPY) movements and (b) valuations.

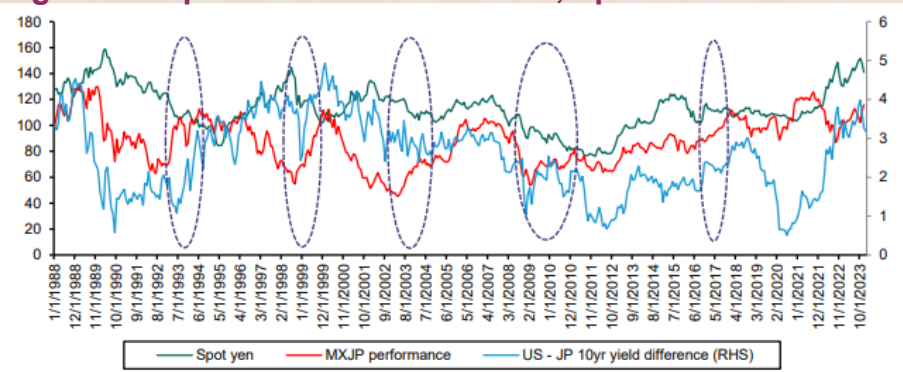
For (a), in a widely anticipated move, the Bank of Japan (BOJ) ended its Yield Curve Control and its 8-year negative interest rate policy on 19 March 2024. While the immediate reaction was a depreciation in JPY, we believe the US Fed’s recent hawkish repricing is temporarily overwhelming USD-JPY. Some investors believe a strong JPY might disadvantage export-oriented companies. However, during years where the JPY strengthened amidst a stable or weakening USD, Japan equities in fact rallied. This phenomenon happened in 1993-1994, 1999-2000, 2003-2004, 2009-2011, 2017-2018 (Figure 1). As such, we believe a gradual and controlled appreciation could work well to allow for a stable JPY and Japan equities growth.

Regarding (b), despite Japan’s recent rally, we believe valuations are still justifiable considering the structural changes and earnings improvement. After comparing Japan’s Price/Earnings, Price/Book and earnings per share growth relative to other economic giants, we believe Japan is still at an attractive entry point now.

With our proprietary AI models evaluating hundreds of factors for securities selection, this ETF is designed to uncover Japan’s hidden gems with strong growth potential. With an actively managed and focused portfolio of 50 to 100 Japanese stocks, the Lion-Nomura Japan Active ETF (Powered by AI) is well-positioned to ride on Japan’s long-term growth story.

*Source: Bernstein Research, January 2024

Figure 1: Japan Market Performance, Spot JPY and Yield Difference



MXJP stands for the MSCI Japan Index. Past performance is not necessarily indicative of future performance. Source: Bloomberg as of January 2024; Bernstein Research as of February 2024.

Figure 2: Valuation and consensus earnings forecast



Source: Thomson Reuters as of March 2024. The respective benchmark indices are TOPIX (Japan), S&P 500 (US), MSCI China Index (China) and NIFTY 50 Index (India). Price/Earnings ratio refers to the ratio of the market's share price divided by its earnings per share. Price/Book ratio refers to the ratio of the market's share price divided by its book value per share. EPS refers to earnings per share. F stands for Consensus Forecast. All data are sourced from Lion Global Investors and Bloomberg as of 31 March 2024 unless otherwise stated.

WHAT ARE THIS ETF'S LATEST PORTFOLIO CHARACTERISTICS?

The Lion-Nomura Japan Active ETF (Powered by AI) is **Singapore's first actively managed ETF** and **Singapore's first AI-powered ETF**.

The investment objective of the Fund is to achieve long-term capital growth through investment in an actively managed portfolio of Japanese equity securities, diversified across sectors and market capitalisation. The portfolio's breakdown on market capitalization and its top 10 constituents as of 31 March 2024 can be found in Figures 3 and 4 respectively. Since inception, the ETF has mainly stayed above its S\$1.00 issue price. As of 31 March 2024, the portfolio is overweight on consumer discretionary (29.8%), industrials (19.6%) and information technology (17.5%). Since the Fund's inception, we observed the rally in Japan equities has largely been in the mega-caps. We expect the rally to broaden out to mid-small caps where we may find better investment ideas.

Among the mid-small caps, one of the ETF's top constituents is Mazda Motor Corporation. Our AI model picked this stock largely due to its relatively attractive valuations. Japan experienced a severe earthquake that temporarily impacted automobile production. In the longer term, we believe that production will stabilize and Japan's economy will recover as wage increases and tax cuts become reflected in economic activity. Furthermore, the new large SUV model (CX-90) was launched in 2023 and is expected to be popular in North America, potentially driving future sales.

Another highly weighted mid-small cap would be Mitsui O.S.K. Lines. Our AI model picked this stock largely based on its profitable business. Its revenues are expected to improve based on rising global vessel demand and structural reforms in its liquefied natural gas (LNG) business unit.

Through our proprietary AI models and monthly portfolio rebalancing, the ETF is designed to react dynamically to new market data and changes. Powered by AI and active management, the Lion-Nomura Japan Active ETF (Powered by AI) is the smarter way to invest in Japan.

Figure 3: The ETF's* breakdown by market capitalisation

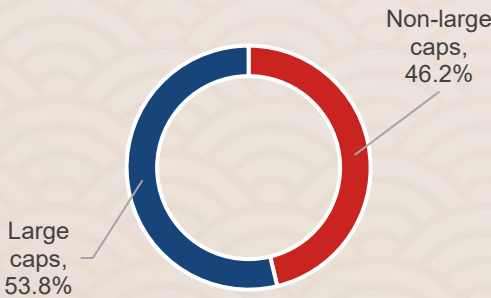
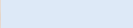


Figure 4: The ETF's* top 10 constituents

Constituent	Sector	Weightage
Tokyo Electron Limited	Information Technology	9.2%
Mazda Motor Corporation	Consumer Discretionary	8.8%
Itochu Corporation	Industrials	8.7%
Panasonic Holdings Corporation	Consumer Discretionary	8.0%
Mitsui O.S.K. Lines	Industrials	5.8%
Keyence Corporation	Information Technology	5.5%
KDDI Corporation	Communication Services	4.5%
Inpex Corporation	Energy	4.1%
Oriental Land Co Ltd	Consumer Discretionary	3.8%
Daito Trust Construction Co Ltd	Real Estate	3.8%

 Refers to non-large caps

Investors should note that the above is a portfolio representation at a point of time and is not indicative of any future performance of the ETF.

References to any particular company are intended for illustration purposes only and is not a recommendation to investors to invest in the securities of such company and its products or services.

*Note: The Lion-Nomura Japan Active ETF (Powered by AI) is an actively managed ETF.

Source: Lion Global Investors Limited as of March 2024.

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You should read the Prospectus and Product Highlights Sheet for the Lion-Nomura Japan Active ETF (Powered by AI) (“ETF”) which are available and may be obtained from Lion Global Investors Limited (“LGI”) or any of the appointed Participating Dealers (“PDs”), for further details including the risk factors and consider if the ETF is suitable for you and seek such advice from a financial adviser if necessary, before deciding whether to purchase units in the ETF. Investments in the ETF are not obligations of, deposits in, guaranteed or insured by LGI or any of its affiliates and are subject to investment risks including the possible loss of the principal amount invested. **The ETF is an actively managed exchange traded fund. Please refer to the Prospectus for further details, including a discussion of certain factors to be considered in connection with an investment in an actively managed exchange traded fund.**

The performance of the ETF, the value of its units and any accruing income are not guaranteed and may rise or fall. Past performance, payout yields and payments and any predictions, projections, or forecasts are not indicative of the future or likely performance, payout yields and payments of the ETF. Any extraordinary performance may be due to exceptional circumstances which may not be sustainable. Any dividend distributions, which may be either out of income and/or capital, are not guaranteed and subject to the manager of the ETF’s discretion. Any such dividend distributions will reduce the available capital for reinvestment and may result in an immediate decrease in the net asset value of the ETF. Any references to specific securities are for illustration purposes and are not to be considered as recommendations to buy or sell the securities. It should not be assumed that investment in such specific securities will be profitable. There can be no assurance that any of the allocations or holdings presented will remain in the ETF at the time this information is presented. Any information (which includes opinions, estimates, graphs, charts, formulae or devices) are subject to change or correction at any time without notice and are not to be relied on as advice.

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The units of the ETF are listed and traded on the Singapore Exchange Securities Trading Limited (“SGX-ST”), and may be traded at prices different from its net asset value, suspended from trading, or delisted. Such listing does not guarantee a liquid market for the units. You cannot purchase or redeem units in the ETF directly with the manager of the ETF, but you may, subject to specific conditions, do so on the SGX-ST or through the PDs.

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NOMURA
NOMURA ASSET MANAGEMENT

LION
GLOBAL
INVESTORS

发掘日本的优势

季度快讯

2024年第一季度

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公司注册号码：198601745D。
新加坡华侨银行集团旗下成员。


简介

利安-野村日本主动型 ETF (人工智能驱动) 是新加坡首支主动管理型ETF，亦是新加坡首支由人工智能驱动的ETF。我们专有的人工智能模型凭借利安资金管理 (Lion Global Investors) 以及野村资产管理 (Nomura Asset Management) 的专业知识对数百个因素进行评估，从而以发掘具有强劲增长潜力的宝藏。

关键事实


- 交易货币：新元和美元
- 管理资产总额 (AUM)：截至2024年3月31日，4,860万新元
- 管理费：每年0.70%
- 新交所代码：JJJ (新元)，JUS (美元)

主要特征




主动型
重点关注50-100家具有强劲增长潜力的日本企业*

*基于人工智能模型的得分以及投资经理与投资顾问的选择及配置权重

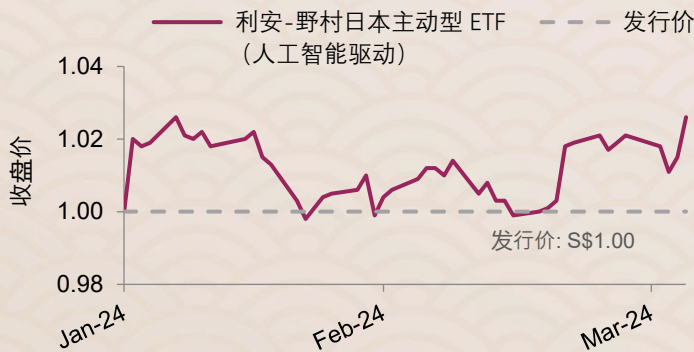


智能性
我们专有的人工智能模型比人类速度更快，并在证券选择中对数百个因素进行评估



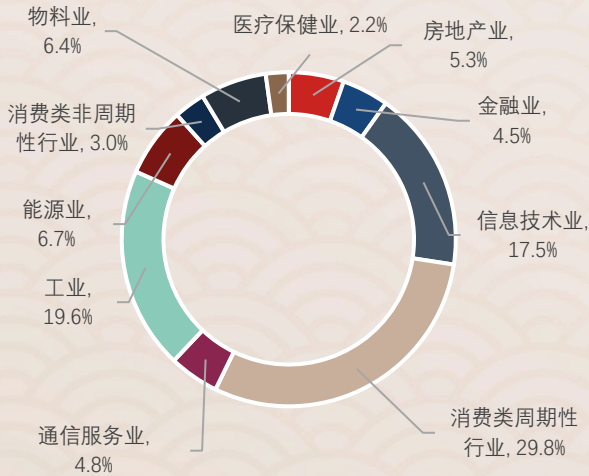
动态性
人工智能模型通常每月更新，并且动态灵活地响应市场趋势

利安-野村日本主动型ETF (人工智能驱动) 业绩¹



彭博 截至2024年3月31日	基金成立以来的年化收益率 (%) *
利安-野村日本主动型 ETF (人工智能驱动)	3.8%

行业分布



数据来源：利安资金管理公司，2024年3月31日

*收益基于新元资产净值，并假设所有股息扣除再投资时应付的所有费用后，均已用于再投资。利安-野村日本主动型 ETF (人工智能驱动) 于2024年1月31日挂牌上市。相关意见和估计构成我们的判断。这些意见和估计以及其他投资组合数据可能发生变化，恕不另行通知。过往业绩以及任何预测、推测或预报并不一定代表未来或可能的业绩

¹数据来源：彭博社，利安资金管理公司，截至2024年3月31日。上述图表基于基金的历史收盘价。过往业绩并不一定代表未来业绩。

为什么是现在投资日本？

我们认为，这是日本股市的黄金十年，我们仍处于一个持续多年的牛市周期的开端。我们的积极态度由关键力量驱动，例如：(1)东京证券交易所(TSE)改革，鼓励公司制定明确的资本配置计划，提高公司估值；(2)日本个人储蓄账户(NISA)改革，旨在提高散户投资者对股票的参与度；(3)公司治理改革，专注于提高股东回报。

虽然全球投资者在2023年开始重返日本，但整体持仓仍然很低，仅为290亿美元*，而2013年为1,500亿美元。最近日本股市回升后，我们理解投资者可能会担心(a)日元(JPY)走势和(b)估值。

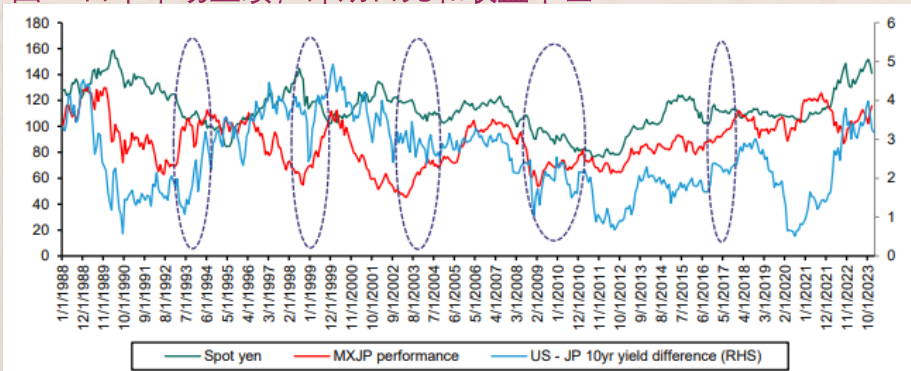
关于(a)，一个万众期待的举动是，日本银行(BOJ)于2024年3月19日结束了其收益率曲线控制和8年期的负利率政策。虽然直接反应是日元贬值，但我们认为美联储最近的鹰派重新定价暂时压倒了美元兑日元汇率。一些投资者认为，日元走强可能不利于出口导向型企业。然而，在美元稳定或疲软而日元走强的几年里，日本股市实际上是上涨的。这种现象发生在1993-1994年、1999-2000年、2003-2004年、2009-2011年、2017-2018年（图1）。因此，我们认为，受控制的逐步升值会很好地促进日元和日本股市的稳定增长。

关于(b)，尽管日本股市最近有所反弹，但考虑到结构性变化和盈利改善，我们认为估值仍然合理。在比较了日本相对于其他经济大国的市盈率、市净率和每股收益增长率后，我们认为日本目前仍比较有吸引力。

我们专有的人工智能模型在证券选择中对数百个因素进行评估，该ETF旨在发掘日本具有强劲增长潜力的宝藏。利安-野村日本主动型ETF（人工智能驱动）主动管理且关注由50至100只日本股票组成的投资组合，已准备好从日本的长期增长中获益。

*资料来源：伯恩斯坦研究公司，2024年1月

图1: 日本市场业绩，即期日元和收益率差



MXJP代表MSCI日本指数。过往业绩并不一定代表未来业绩。
数据来源：彭博社，截至2024年1月；伯恩斯坦研究公司，截至2024年2月。

图2: 估值和一致盈利预测



资料来源：汤森路透，截至2024年3月。各自基准指数分为东证股价指数（日本）、标准普尔500指数（美国）、MSCI中国指数（中国）以及NIFTY50指数（印度）。市盈率是指市场股价除以每股收益的比率。市净率是指市场股价除以每股账面价值的比率。本益成长比率是指市盈率除以预期每股收益增长率
除非另有说明，否则所有数据均为来自利安资金管理和彭博的截至2024年3月31日的数据。

本ETF的最新投资组合特点是什么？

利安-野村日本主动型ETF（人工智能驱动）是**新加坡首支主动管理型ETF**，亦是**新加坡首支由人工智能驱动的ETF**。

本基金的投资目标是通过投资主动管理型日本股权证券组合，实现长期资本增长，并在各个行业和市值上实现多元化。截至2024年3月31日，该投资组合的市值和十大成份股细目分别见图3和图4。自成立以来，该ETF基本保持在1.00新元发行价以上。截至2024年3月31日，该投资组合中非必需消费品(29.8%)、工业(19.6%)和信息技术(17.5%)的比重过重。我们发现，自该基金成立以来，日本股市的上涨主要集中在大盘股。我们预计上涨将扩大到中小盘股，我们会从中找到更好的投资理念。

在中小盘股中，该ETF的主要成份股之一是马自达汽车公司 (Mazda Motor Corporation)。我们的人工智能模型之所以选择这只股票，主要是因为它的估值相对有吸引力。日本发生了大地震，暂时影响了汽车生产。我们认为，从长期来看，随着工资上涨和减税在经济活动中得到反映，生产将趋于稳定，日本经济将复苏。此外，新款大型SUV车型(CX-90)将于2023年上市，预计将在北美市场受到欢迎，并有可能推动未来的销售。

另一个权重较高的中小盘股是商船三井。我们的人工智能模型选择这只股票主要是基于它的盈利业务。由于全球船舶需求增长和液化天然气(LNG)业务部门的结构性改革，该公司的收入预计将有所改善。

通过我们专有的人工智能模型和月度投资组合再平衡，该ETF旨在对新的市场数据和变化做出动态反应。在人工智能和主动管理的推动下，利安-野村日本主动型ETF（人工智能驱动）是投资日本的更明智方式。

图3：本ETF*市值分布

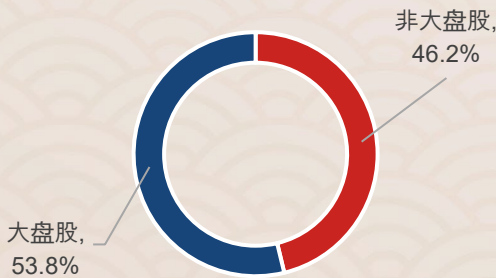


图4：本ETF*前十大成份股

成份股	行业	权重
东京电子株式会社	信息技术	9.2%
马自达汽车公司	非必需消费品	8.8%
伊藤忠商事株式会社	工业	8.7%
松下控股株式会社	非必需消费品	8.0%
商船三井	工业	5.8%
基恩士株式会社	信息技术	5.5%
KDDI株式会社	通信服务	4.5%
国际石油开发株式会社	能源	4.1%
东方乐园株式会社	非必需消费品	3.8%
大东建托株式会社	房地产	3.8%

指非大盘股

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