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INVESTORS



Lion-Nomura Japan Active ETF (Powered by AI)

Unbox the best of Japan

Quarterly Newsletter
Q2 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 47.3 million as of 30 June 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

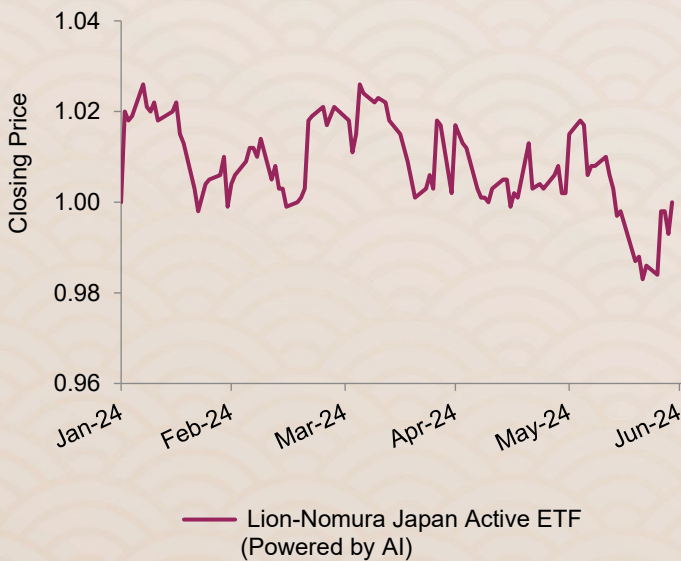
Our proprietary AI model is faster than humans and evaluates over hundreds of factors in the selection of securities



Dynamic

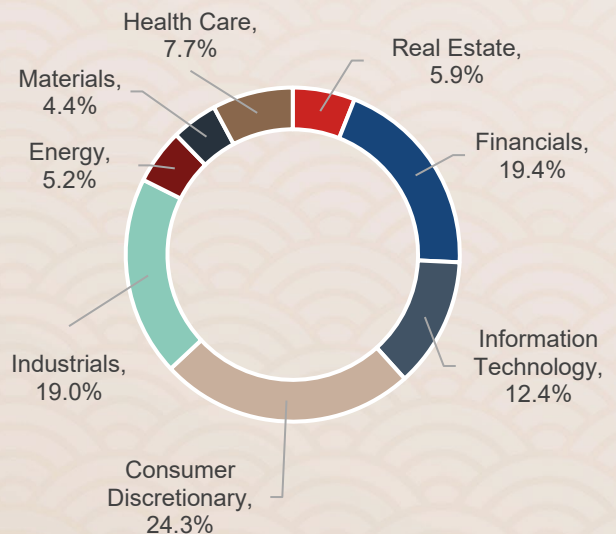
AI models are typically refreshed monthly and respond to trends dynamically

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



¹Source: Bloomberg, 30 June 2024

Sector Breakdown[^]



Source: Lion Global Investors, 30 June 2024

The above chart is based on historical closing prices of the Fund. Past performance is not necessarily indicative of future performance.

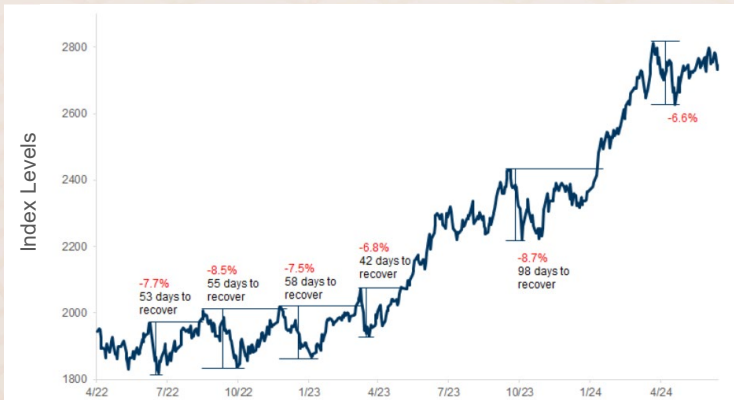
[^]Composition chart does not add up to 100%. Cash and cash equivalents as of 30 June 2024 was approximately 1.5%.

WHY INVEST IN JAPAN NOW?

Recent Market Performance

Correction Phase: Following gains in early 2024, the Tokyo Stock Price Index (TOPIX) experienced a correction of -6.6% in JPY terms by 19 April 2024. The period was marked by heightened volatility among individual stocks, as financial results and future projections varied widely across and even within sectors. Due to rising Japanese government bond yields, insurance and banking stocks garnered attention, which increased expectations of further interest rate increments by the Bank of Japan (BOJ). Concurrently, there were expectations of accelerated unwinding of crossholdings within these sectors, which may in turn lead to improved shareholder returns. Historically, it takes about two months for Japan indices to recover and surpass previous highs, presenting an attractive entry point for accumulation.

Figure 1: TOPIX Index Performance



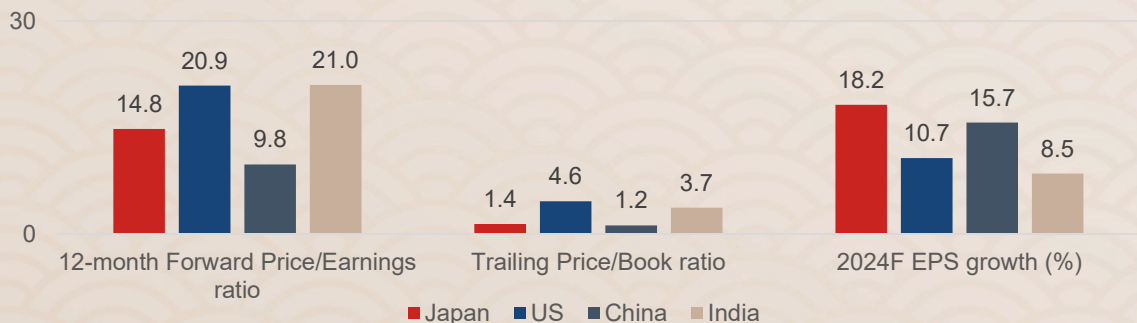
Note: Past performance is not necessarily indicative of future performance
Source: FactSet, Goldman Sachs as of 30 June 2024

Market Outlook

Market Trends: While we recently observe a rangebound market, Japan equities could start rising again in summer and that a year-to-date high is likely.

Comparison with U.S. Markets: Presently, the TOPIX Index is trailing behind the S&P 500 Index. With valuations around the midpoint of their historical range, the likelihood of a significant downturn appears limited.

Figure 2: Valuation and consensus earnings forecast



Source: Thomson Reuters as of 30 June 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 30 June 2024 unless otherwise stated.

WHY INVEST IN JAPAN NOW?

Recovery in Domestic Demand

The Shunto spring wage negotiations resulted in wage increases above at average of 5.58%, marking the sharpest increase since 1990 toward the end of Japan's asset price bubble. This also marks the third straight year of gains, which is expected to support consumer spending². An estimated JPY 40 trillion in excess savings from the pandemic period could further fuel a boost in individual consumption.

The Tokyo Stock Exchange (TSE) governance reform programs required companies use its excess cash to boost Enterprise Value. With an ongoing inflationary environment, this further encourages companies to invest in capital expenditure and growth instead of holding cash.

The Recovery in domestic demand, driven by both personal consumption and capital expenditures, could also drive Japanese equities independently of US market trends.

² Source: Nikkei Asia as of 20 May 2024

Corporate Governance Reforms and Greater Shareholder Returns

The shift toward stronger shareholder returns is being driven by the Tokyo Stock Exchange's (TSE) call for companies to disclose measures being taken to enhance corporate value. Share buybacks in Japan are running at a record pace in 2024 as listed companies respond to TSE's pressure to use capital more efficiently.

The period from January to May 2024 witnessed an all-time high in announced stock repurchase plans, amounting to approximately JPY 9 trillion (USD 57 billion), which represents a 60% increase³ from 2023 and is nearly equivalent to the full-year record set in 2023.

³ Source: Nikkei Asia as of 20 May 2024

Conclusion

Investing in Japan now offers a strategic opportunity due to a combination of near-term market corrections, potential for near term outperformance to US market, significant shareholder returns via dividend and buybacks, and supportive economic and policy conditions. With indicators pointing towards a recovery in domestic demand and corporate performance, Japanese equities are poised for renewed gains in the coming months.

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.

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 30 June 2024 can be found in Figures 3 and 4 respectively. As of 30 June 2024, the portfolio is overweight on consumer discretionary (24.3%), financials (19.4%) and industrials (19.0%).

One notable constituent in our portfolio is Dai-ichi Life Holdings Inc. Our AI model identified this stock at its lowest point in mid-April, before the company announced its FY2023 group adjusted profit of JPY 319.3 billion, which surpassed their own forecast. This result is not only a positive indicator for the FY2024 but also suggests a favorable outlook for the FY2025 dividends per share (DPS), as the management determines DPS based on 40% of the three-year average of group adjusted profit. Another interesting constituent is Disco Corp, chosen primarily for its strong positive momentum. Disco Corp has a high market share in the production of grinders and dicers for generative AI, and its earnings has grown at a high rate and company guidance expect the high level to continue in the future.

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

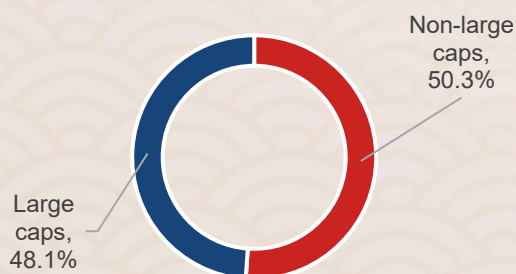


Figure 4: The ETF's* top 10 constituents

Constituent	Sector	Weightage
Mitsubishi Corp	Industrials	8.9%
Mizuho Financial Group Inc	Financials	7.7%
Honda Motor Co Ltd	Consumer Discretionary	7.2%
Mazda Motor Corp	Consumer Discretionary	6.9%
Ono Pharmaceutical Co Ltd	Health Care	6.8%
Disco Corp	Information Technology	6.5%
Daito Trust Construction Co Ltd	Real Estate	5.3%
Sony Group Corp	Consumer Discretionary	5.3%
Mitsui OSK Lines Ltd	Industrials	5.1%
Japan Post Holdings Co Ltd	Financials	4.9%

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. Composition chart does not add up to 100%. Cash and cash equivalents as of 30 June 2024 was approximately 1.5%.

Source: Lion Global Investors Limited as of 30 June 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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利安-野村日本主动型ETF

(人工智能驱动)

发掘日本的优势

季度快讯

2024年第二季度

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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6月30日，4,735万新元
- 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

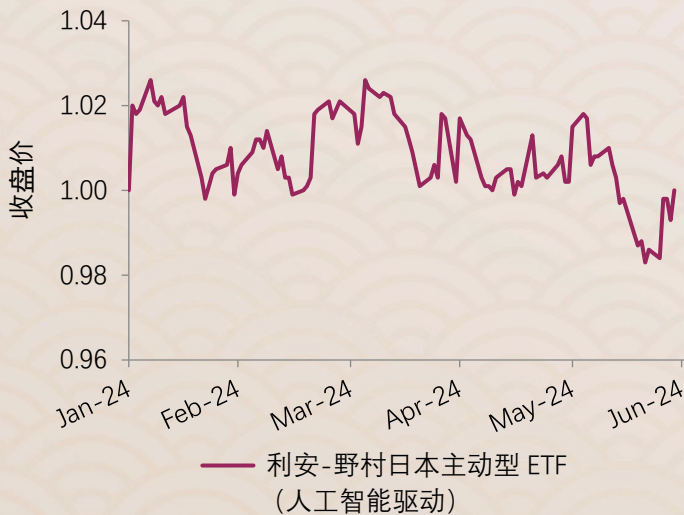
我们专有的人工智能模型比人类速度更快，并在证券选择中对数百个因素进行评估



动态性

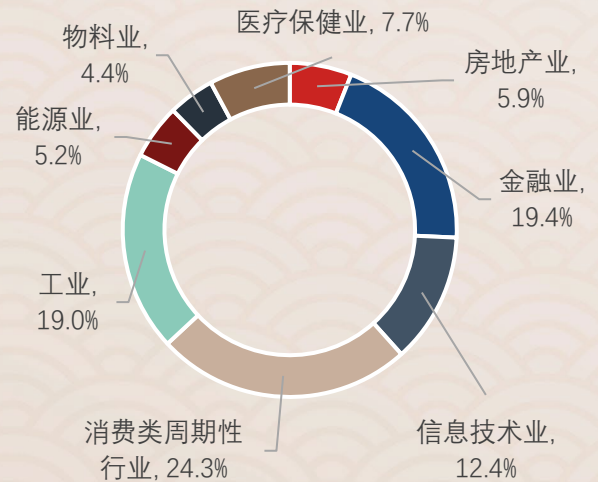
人工智能模型通常每月更新，并且动态灵活地响应市场趋势

利安-野村日本主动型ETF (人工智能驱动) 表现¹



¹数据来源：彭博社，2024年6月30日

行业分布[^]



数据来源：利安资金管理公司，2024年6月30日

上述图表基于基金的历史收盘价。过往表现并不一定代表未来表现。

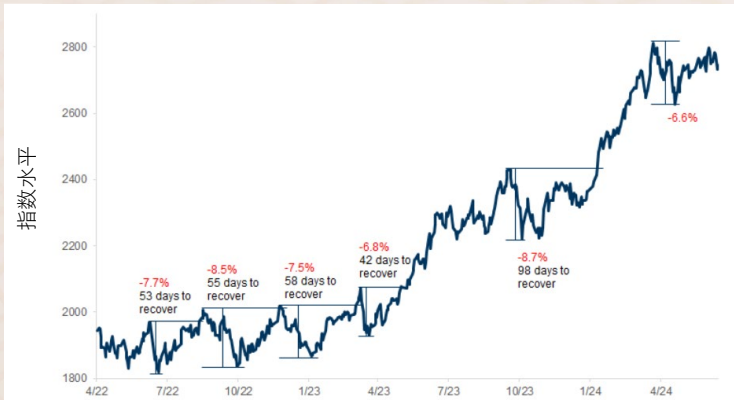
[^]成分表加起来不等于100%。截至2024年6月30日的现金和现金等价物约为1.5%。

为什么是现在投资日本？

近期市场表现

回调阶段：东京股价指数（TOPIX）在2024年初上涨后，到2024年4月19日，按日元计算出现了-6.6%的回调。在此期间，由于不同行业之间甚至同一行业内部的财务业绩和未来预测差异巨大，个股波动加剧。由于日本政府债券收益率不断攀升，保险股和银行股备受关注，而这增加了对日本央行（BOJ）进一步加息的预期。与此同时，投资者预期这些行业内部的交叉持股现象将加速减少，而这反过来可能会提高股东回报。从历史上看，日本股指从修复到突破前高大约需要两个月时间，这为希望增持的投资者提供了一个诱人的买入点。

图1：东证指数表现



过往表现并不一定代表未来表现。

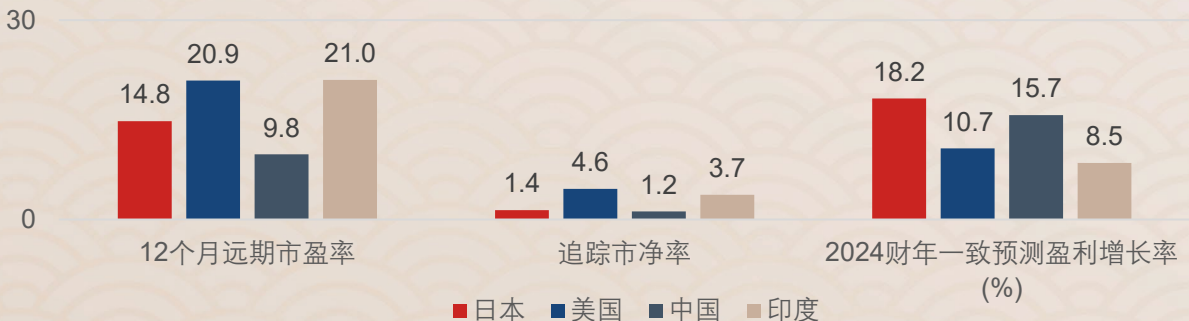
数据来源：FactSet、高盛，截至2024年6月30日。

市场前景

市场趋势：虽然我们最近观察到的是一个区间震荡的市场，但日本股市可能会在夏季开始回升，并有可能创下今年以来的新高。

与美国市场的比较：目前，东京股价指数落后于标准普尔500指数。由于估值处于历史区间的中间点附近，大幅下跌的可能性似乎不大。

图2：估值和一致盈利预测



资料来源：汤森路透，截至2024年6月30日。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公司和彭博的截至2024年6月30日的数据。

为什么是现在投资日本？

国内需求复苏

春斗（即春季工资谈判）的结果是，平均工资涨幅超过5.58%，这是自1990年日本资产价格泡沫破灭以来的最大涨幅。这也标志着连续三年的工资增长，预计将推动消费支出²。据估计，疫情期间积累的40万亿日元超额储蓄有望进一步推动个人消费的增长。

东京证券交易所（TSE）的治理改革计划要求企业利用多余现金提升企业价值。在持续通胀的环境下，这进一步促使企业投资于资本支出和业务增长，而不是持有现金。

由个人消费和资本支出推动的国内需求复苏也会推动日本股市走出独立于美国市场趋势的行情。

²数据来源：截至2024年5月20日的《日经亚洲》

公司治理改革与更大的股东回报

东京证券交易所（TSE）要求企业披露为提高企业价值而采取的措施，推动了向更高股东回报的转变。在2024年，由于上市公司要应对东京证券交易所的压力，更有效地利用资本，日本的股票回购正在以创纪录的速度进行。

2024年1月至5月期间宣布的股票回购计划创下历史新高，金额达9万亿日元（570亿美元）左右，比2023年增加了60%³，几乎相当于2023年创下的全年记录。

³数据来源：截至2024年5月20日的《日经亚洲》

结论

由于以下种种原因，目前正处于投资日本的战略机遇期：近期市场回调、短期业绩可能优于美国市场、通过分红和回购获得可观的股东回报，以及有利的经济和政策条件。随着各项指标显示国内需求和企业业绩出现复苏，日本股市有望在未来几个月再次上涨。

通过用我们专有的人工智能模型评估数百个证券筛选因子，本ETF旨在发掘具有强劲增长潜力的日本宝藏。利安-野村日本主动型ETF（人工智能驱动）属于主动管理型ETF，重仓投资组合由50至100只日本股票组成，是把握日本长期增长机遇的最佳选择。

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权益证券组合，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6月30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。截至2024年3月31日，该投资组合中非必需消费品(24.3%)、金融业(19.4%)和工业(19.0%)。

第一生命保险株式会社 (Dai-ichi Life Holdings, Inc.) 是我们投资组合中一只值得关注的成份股。我们的人工智能模型在4月中旬发现该股处于最低点，在此之前，该公司发布公告称，其2023财年集团调整后利润为3,193亿日元，超过了该公司自己的预测。这一业绩不仅是2024财年的一个积极指标，也表明2025财年的每股股息 (DPS) 前景看好，因为管理层是根据集团调整后利润三年平均值的40%来确定每股股息的。另一个值得关注的成份股是迪思科公司 (Disco Corp)，选中该股主要是因为其强劲的上漲势头。迪思科公司在生产用于生成式人工智能的研磨机和切割机方面占有很高的市场份额，其盈利一直保持高速增长，公司对未来业绩的预测是预计公司业绩未来将继续保持高水平。

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

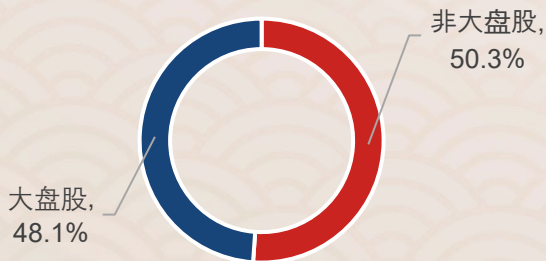


图4：本ETF*前十大成份股

成份股	行业	权重
三菱公司	工业	8.9%
瑞穗金融集团公司	金融业	7.7%
本田汽车有限公司	非必需消费品	7.2%
马自达汽车公司	非必需消费品	6.9%
小野制药有限公司	医疗保健业	6.8%
迪思科公司	信息技术	6.5%
大东建托株式会社	房地产	5.3%
索尼集团公司	非必需消费品	5.3%
商船三井	工业	5.1%
日本邮政控股公司	金融业	4.9%

指非大盘股

投资者应注意，上述数据仅代表某个时间点的投资组合，并不代表该ETF的任何未来表现。对任何特定公司的引用仅用于说明目的，而非建议投资者投资该公司的证券及其产品或服务。

*注：利安-野村日本主动管理型ETF (人工智能驱动型) 是主动管理型ETF。成分表加起来不等于 100%。截至2024年6月30日的现金和现金等价物约为1.5%。资料来源：利安资金管理，截至2024年6月30日

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