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NOMURA ASSET MANAGEMENT

**LION**  
GLOBAL  
INVESTORS



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

Unbox the best of Japan

Quarterly Newsletter

Q3 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 46.8 million as of 30 September 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

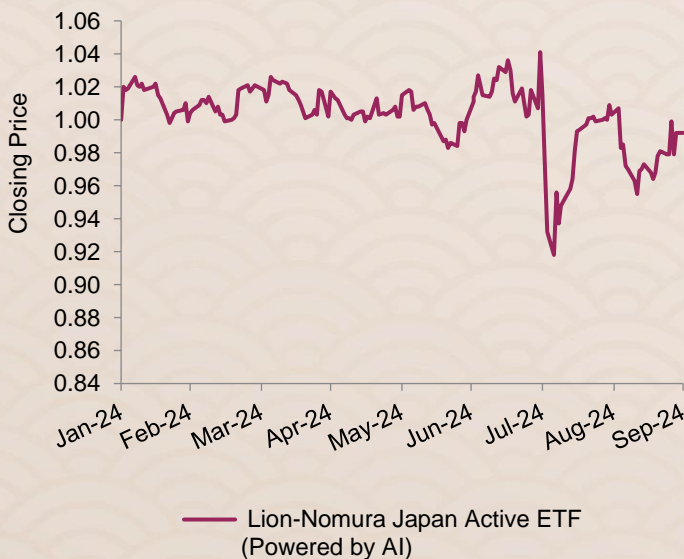
Our proprietary AI model is faster than humans and evaluates over hundreds of factors in the selection of securities



### Dynamic

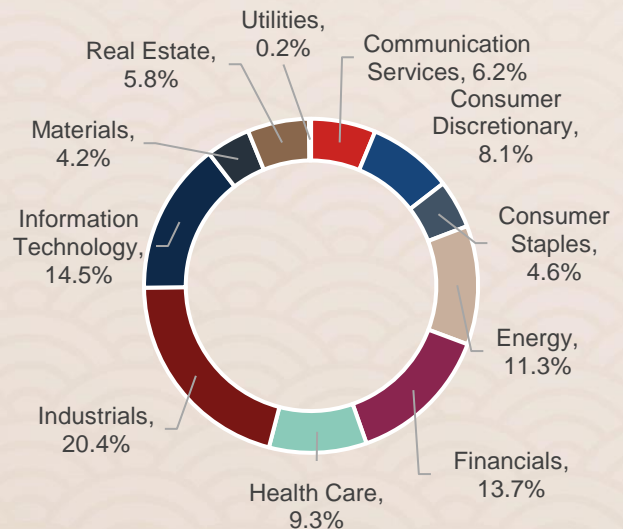
AI models are typically refreshed monthly and respond to trends dynamically

## Lion-Nomura Japan Active ETF (Powered by AI) Performance<sup>1</sup>



<sup>1</sup>Source: Bloomberg, 30 September 2024

## Sector Breakdown<sup>^</sup>



Source: Lion Global Investors, 30 September 2024

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

<sup>^</sup>Composition chart does not add up to 100%. Cash and cash equivalents as of 30 September 2024 was approximately 1.7%.

## WHY INVEST IN JAPAN NOW?

### Recent Market Performance

On 5 August 2024, Tokyo Stock Price Index (TOPIX) experienced its largest decline ever, dropping 24% from its 11 July 2024 high in JPY terms. This was primarily due to changes in the Bank of Japan (BoJ)/ Federal Open Market Committee (FOMC) outlook, which led to the unwinding of the yen carry trade, and growing fears of a US recession causing global contagion.

Since then, as of 26 September 2024, TOPIX has risen by approximately 21%, recovering more than half of its losses. This sharp rebound underscores the resilience of the Japanese stock market to future shocks, as long-only positions on Japanese equities have surged to buy the dip and yen short positions have decreased.

### Market Outlook

#### Dovish Bank of Japan

BoJ Governor Kazuo Ueda has toned down his hawkish rhetoric as the risk of an upward swing in inflation due to the yen's depreciation has somewhat decreased. The yen appreciated from a low of 162 against the U.S. dollar to 139 at one point.

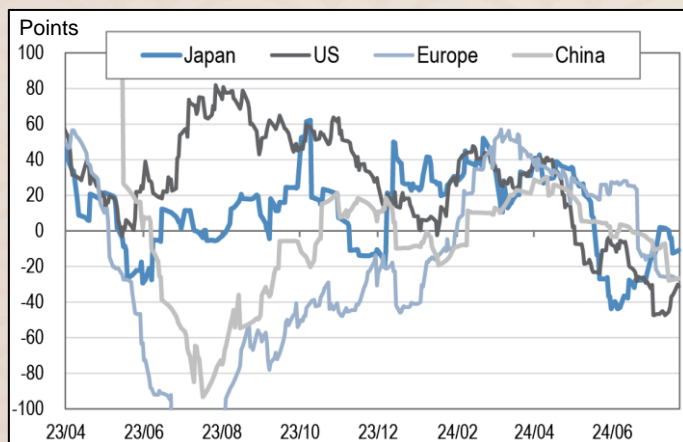
With the Federal Reserve (Fed) cutting rates by 50 basis points on 20 September 2024, the possibility of a BOJ rate increase in December now appears to have receded. The recent Fed cut also improves prospects of a soft landing in the US economy, which was a positive factor for the Japanese stock market. TOPIX rose 1.0% on 20 September 2024, and economically sensitive sectors outperformed.

#### Private Consumption Recovery

More than 70% of top business leaders in Japan say the economy is expanding, according to a new Nikkei survey, with respondents citing signs of a recovery in consumer spending fueled by pay raises. When asked about their sentiments on the economy compared with three months earlier, 71.7% said the economy is "expanding slightly" — roughly 20 percentage points more than in the previous poll.

This outlook from top corporate managers for a recovery in private consumption could provide major support for Japan's corporate earnings and stock market as the global economic cycle starts to decline. The Economic Surprise Index confirms an upturn in Japan's economic indicators compared with the US and Europe (Figure 1). Private consumption and domestic demand-related sectors have outperformed overseas demand-related sectors (Figure 2).

**Figure 1: Global Economics Surprise Index**



Note: Past performance is not necessarily indicative of future performance

Source: Bloomberg Finance L.P., J.P. Morgan, Nikkei Asia BOJ Ueda turns dovish; possibility of year-end rate rise fades 25 September 2024, Nikkei Asia Japan CEOs bullish on economy as consumer spending gears up 24 September 2024



## WHY INVEST IN JAPAN NOW?

**Figure 2: TOPIX Overseas/Domestic Demand Related Sector Performance**

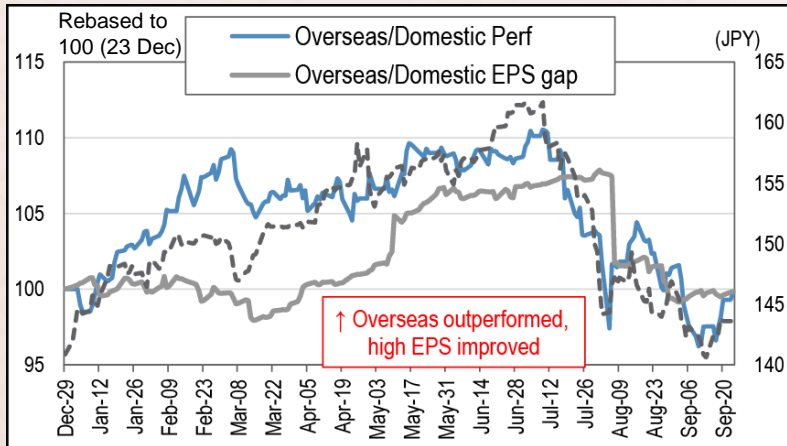


Figure 2 begins on 29 December 2023 and ends on 20 September 2024.  
 Note: Past performance is not necessarily indicative of future performance  
 Earnings Per Share (EPS) is 12 month forward Bloomberg consensus EPS  
 Source: Bloomberg Finance L.P., J.P. Morgan

### **New Prime Minister (PM) Unlikely to Affect Stock Market, but General Election Could Be Positive**

The main candidates for Liberal Democratic Party (LDP) leadership have similar stances on fiscal and monetary policy, making a change in the PM is unlikely to trigger a drastic policy shift as long as the LDP remains in power. Historically, Japanese stocks have shown little reaction to a new PM, except in the case of PM Abe, who proposed substantial shifts in fiscal and monetary policy. Generally, stocks are more influenced by prevailing economic conditions than by the appointment of a new PM.

However, if the new PM dissolves the Lower House and calls for a general election, this could be positive for Japanese stocks. Historically, Japanese stocks have rallied over the two to three months following a general election.

### **Conclusion**

While there may be some near-term volatility as we have seen over the past quarter, Japanese equities should remain constructive over the next 6 to 12 months due to favorable macro conditions and dovish central banks in both the US and Japan. Japan's economic recovery, driven by private consumption and domestic demand, will also lead to more robust shareholder returns in dollar terms for foreign investors.

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?

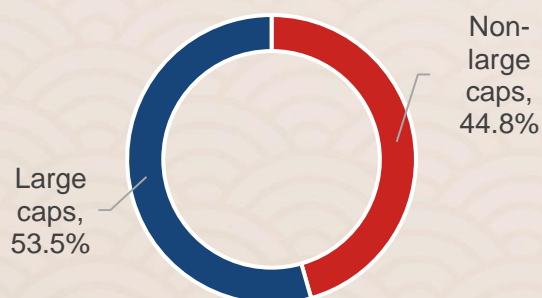
The Lion-Nomura Japan Active ETF (Powered by AI) is **Singapore's first actively managed ETF** and **Singapore's first AI-powered ETF**.

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 September 2024 can be found in Figures 3 and 4 respectively. As of 30 September 2024, the portfolio is overweight on Industrials (20.4%), Information Technology (14.5%) and Financials (13.7%).

In Q3 2024, our AI models aptly timed the position in Inpex Corp. The model recommended selling out of Inpex Corp in mid-July, just before its sharp decline in early August. It then suggested adding a small position in mid-August, followed by a much larger position when the stock was near recent lows again in mid-September. Our AI models selected this stock due to a combination of good value, positive analyst coverage, and technical indicators. Since our last addition in mid-September, the stock has risen approximately 8% as of 26 September 2024.

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
Inpex Corporation	Energy	7.9%
Mizuho Financial Group Inc	Financials	7.1%
Softbank Group Corp	Communication Services	5.7%
Ono Pharmaceutical Co Ltd	Health Care	5.7%
Daito Trust Construction Co Ltd	Real Estate	5.6%
Advantest Corporation	Information Technology	5.2%
Mazda Motor Corporation	Consumer Discretionary	4.8%
Kawasaki Kisen Kaisha Ltd	Industrials	4.8%
Hitachi Ltd	Industrials	4.7%
Japan Tobacco Inc	Consumer Staples	4.4%

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: Composition chart does not add up to 100%. Cash and cash equivalents as of 30 September 2024 was approximately 1.7%.

Source: Lion Global Investors Limited as of 30 September 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年第三季度

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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9月30日, 4,683万新元
- 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

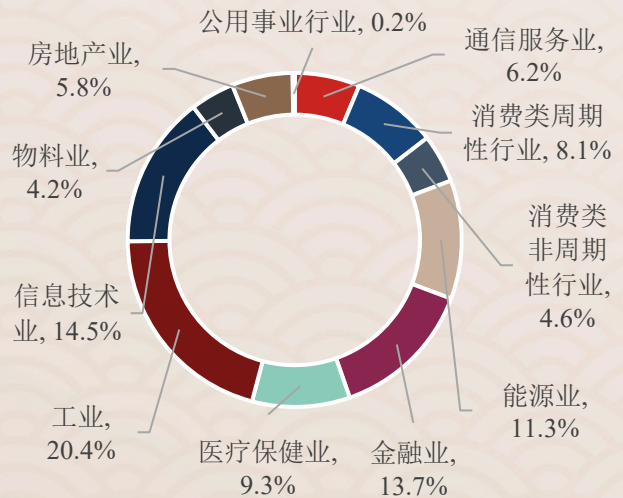
人工智能模型通常每月更新, 并且动态灵活地响应市场趋势

## 利安-野村日本主动型ETF (人工智能驱动) 表现<sup>1</sup>



<sup>1</sup>数据来源: 彭博社, 2024年9月30日

## 行业分布<sup>^</sup>



数据来源: 利安资金管理公司, 2024年9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。

<sup>^</sup>成分表加起来不等于100%。截至2024年9月30日的现金和现金等价物约为1.7%。



## 为什么是现在投资日本？

### 近期市场表现

2024年8月5日，东证股价指数（TOPIX）出现了有史以来的最大跌幅，以日元计算，指数从2024年7月11日的高点下跌了24%。这主要是由于日本央行（BoJ)/美国联邦公开市场委员会（FOMC）的预期发生了变化，导致日元套利交易平仓，以及对美国经济衰退可能引发全球连锁反应的担忧加剧。

此后，截至2024年9月26日，东证股价指数上涨了约21%，收复了一半以上的失地。这一大幅反弹凸显了日本股市对未来冲击的韧性，因为日本股票的多头仓位大幅增加，而日元空头仓位有所减少。

### 市场前景

#### 鸽派日本央行

日本央行行长植田和男（Kazuo Ueda）缓和了他的鹰派言论，因为日元贬值导致通胀上行的风险有所降低。日元兑美元汇率从162日元的低点一度升至139日元。

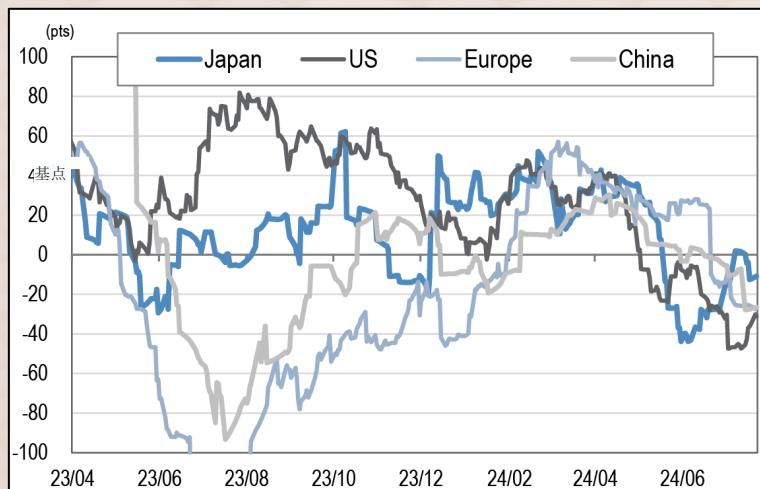
随着美联储（Fed）于2024年9月20日降息50个基点，日本央行12月加息的可能性似乎已经降低。美联储最近的降息也增强了美国经济软着陆的前景，这对日本股市来说是一个利好因素。2024年9月20日，东证股价指数上涨1.0%，经济敏感板块表现亮眼。

#### 私人消费复苏

《日经新闻》（Nikkei）的一项新调查显示，超过70%的日本商界领袖认为日本经济正在扩张，他们表示，加薪推动了消费者支出的复苏。与三个月前相比，当被问及对经济的看法时，71.7%的受访者表示经济“略有扩张”，这一比例比上次调查高出约20个百分点。

随着全球经济开始进入衰退周期，企业高管对私人消费复苏的这一展望可能为日本企业盈利和股市提供重要支撑。经济意外指数证实，与美国和欧洲相比，日本的经济指标有所好转（图1）。私人消费和内需相关板块的表现优于外需相关板块（图2）。

**图1：全球经济意外指数**



注：过往表现并不一定代表未来表现。

资料来源：彭博财经、摩根大通、日经亚洲 日本央行上田转为鸽派；年终加息的可能性逐渐消退 2024年9月25日，日经亚洲日本首席执行官因消费者支出加速看好经济 2024年9月24日。



## 为什么是现在投资日本？

图2：东证股价指数外需/内需相关板块表现

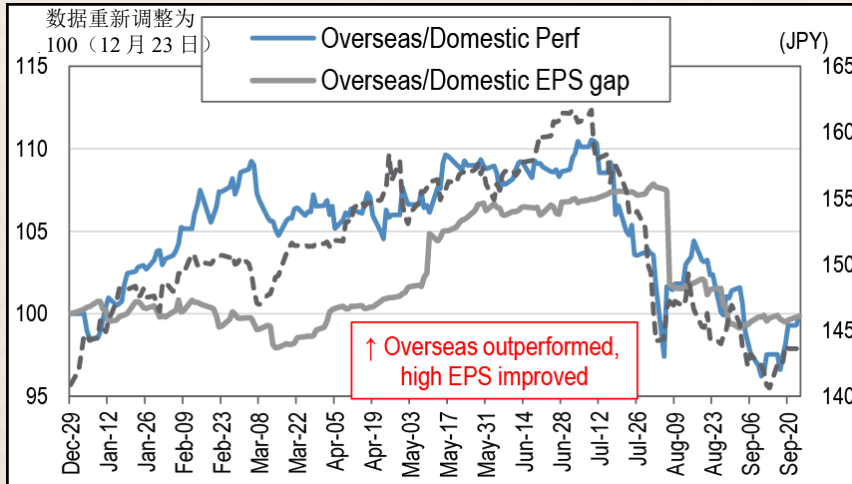


图2从2023年12月29日开始，到2024年9月20日结束。

注：过往表现并不一定代表未来表现。

每股收益 (EPS) 为 12 个月前彭博共识每股收益

资料来源：彭博财经、摩根大通

## 新首相 (PM) 不太可能影响股市，但大选可能是有利的

自民党 (LDP) 党魁主要候选人在财政和货币政策上立场相似，只要自民党继续执政，更换更迭就不太可能引发剧烈的政策转变。历史上，除了安倍首相提出财政和货币政策重大转变的情况外，日本股市对新首相的上任反应不大。一般来说，对股票影响更多的因素是当前经济状况，而不对新首相的任命。

然而，如果新首相解散众议院并要求举行大选，这可能对日本股市有利。从历史上看，日本股市在大选后的两到三个月内都会上涨。

## 结论

尽管如我们过去一个季度所见，可能会存在一些短期波动，但由于宏观环境有利以及美国和日本的央行均采取鸽派立场，日本股市在未来6到12个月内应仍然被看好。在私人消费和国内需求的推动下，日本经济复苏也将为外国投资者带来更稳健的以美元计算的股东回报。

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9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9月30日，该投资组合增持工业（20.4%）、信息技术（14.5%）和金融业（13.7%）。

在2024年第三季度，我们的人工智能模型恰当地把握了日本国际石油开发株式会社（Inpex Corp.）的投资时机。该模型建议在7月中旬卖出日本国际石油开发株式会社（Inpex Corp.）的股票，而这一时间就在该只股票在8月初大幅下跌之前。随后，该模型建议在8月中旬少量加仓，并在9月中旬该股再次接近近期低点时大幅加仓。我们的人工智能模型选中这只股票，是因为它兼具良好的投资价值、积极的分析师评价以及积极的技术指标。自我们9月中旬最后一次加仓以来，截至2024年9月26日，该股已上涨约8%。

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

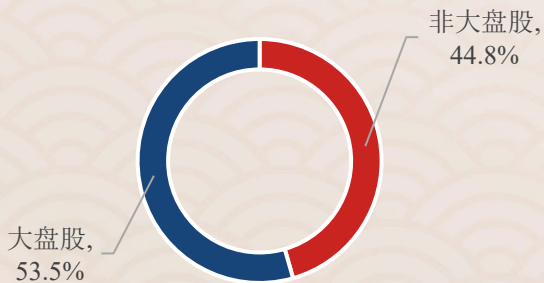


图4：本ETF前十大成份股

成份股	行业	权重
日本国际石油开发株式会社	能源业	7.9%
瑞穗金融集团公司	金融业	7.1%
软银集团	通信服务业	5.7%
小野制药有限公司	医疗保健业	5.7%
大东建托株式会社	房地产	5.6%
爱德万测试	信息技术业	5.2%
马自达汽车公司	非必需消费品	4.8%
川崎汽船株式会社	工业	4.8%
日立制作所	工业	4.7%
日本烟草产业株式会社	消费类非周期性行业	4.4%

指非大盘股

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\*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9月30日的现金和现金等价物约为1.7%。

资料来源：利安资金管理，截至2024年9月30日



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