

# LionGlobal Japan Growth Fund

The Fund aims to provide long-term capital growth of assets of the Fund by investing primarily in quoted or listed securities in any Recognised Stock Exchange or Over-the-Counter (OTC) market in Japan. The investment strategy is to invest the majority of the deposited property in mid to small market capitalisation companies. There is no target industry or sector for the investment of the Fund.

## Fund Manager's Commentary

The TOPIX Total Return Index rose 1.7% in local currency terms for the month of April 2019. The Japanese market rallied from the beginning of the month as investor sentiment improved with news of a potential trade deal between the US and China. Investors also became more positive on global growth when the latest Chinese Purchasing Managers' Index (PMI) and US Institute for Supply Management (ISM) numbers turned out better than expected. Buying was concentrated on sectors that were sensitive to global growth like the marine transportation and machinery sectors. The market then traded in a tight range from the middle of the month as there was little catalyst during that time. Trading was light as investors took a wait-and-see attitude going into results reporting season and ahead of a 10-day public holiday in Japan. Our stock picks in the semiconductors and pharmaceuticals sectors contributed to the Fund's performance. Our major holdings like Fuji Electric, Sony and Denso also rallied strongly and contributed positively. Our stock picks in the engineering & construction and home builders sectors underperformed. Our underweight in the telecommunications sector also detracted from the Fund's performance. While Japan continues to lag global markets so far this year, there was a shift from defensive towards cyclical stocks in April 2019, as investors saw signs of a global cyclical recovery from China's PMI numbers. That said, Japan's corporate reporting season that started in late-April 2019 delivered weak results and cautious outlooks. We await further signs of improvement in the global economy, as well as outcomes to on-going trade negotiations between US and China and US and Japan. Despite the current weakness, Japan remains a big beneficiary of global trade and economic growth. We prefer globally-competitive companies that can ride on structural growth trends and companies that can grow through value-added products and services. We like structural growth themes like factory automation where wage inflation and productivity needs drive demand for automation. The electronics sector is also gaining new momentum from new applications such as advanced driver assistance systems in cars, the expansion of cloud services, big data and the Internet of Things in many areas, as well as advancements in the use of artificial intelligence. In consumer-related areas, we like consumer brands with quality and value-added products that can benefit from rising consumerism in emerging markets. Finally, we expect conditions to remain favorable for the construction sector in light of the multiple large scale projects in the coming years.

## Performance (%)

		1-year	3-years p.a.	5-years p.a.	10-years p.a.	Since Inception p.a.
SGD Class <sup>1</sup>	NAV	-6.6	9.3	9.6	8.6	0.7
	NAV <sup>A</sup>	-11.3	7.4	8.5	8.0	0.4
	Benchmark <sup>#</sup>	-6.2	7.5	8.8	5.8	-1.5
USD Class <sup>1</sup>	NAV	-9.0	9.0	7.9	9.5	4.5
	NAV <sup>A</sup>	-13.6	7.2	6.8	9.0	4.2
	Benchmark <sup>#</sup>	-8.7	7.1	7.1	6.6	2.7
JPY Class <sup>1</sup>	NAV	-6.6	9.2	N.A.	N.A.	9.2
	NAV <sup>A</sup>	-11.3	7.4	N.A.	N.A.	8.1
	Benchmark <sup>#</sup>	-7.1	8.5	N.A.	N.A.	9.1
SGD- Hedged Class <sup>1</sup>	NAV	-5.5	10.7	9.7	N.A.	9.5
	NAV <sup>A</sup>	-10.3	8.8	8.6	N.A.	8.4
	Benchmark <sup>##</sup>	-5.9	9.6	9.6	N.A.	9.5
USD- Hedged Class <sup>1</sup>	NAV	-7.7	9.7	N.A.	N.A.	8.4
	NAV <sup>A</sup>	-12.3	7.8	N.A.	N.A.	7.3
	Benchmark <sup>###</sup>	-5.1	9.8	N.A.	N.A.	9.7

Past performance is not necessarily indicative of future performance.

Source: Lion Global Investors Ltd / Morningstar

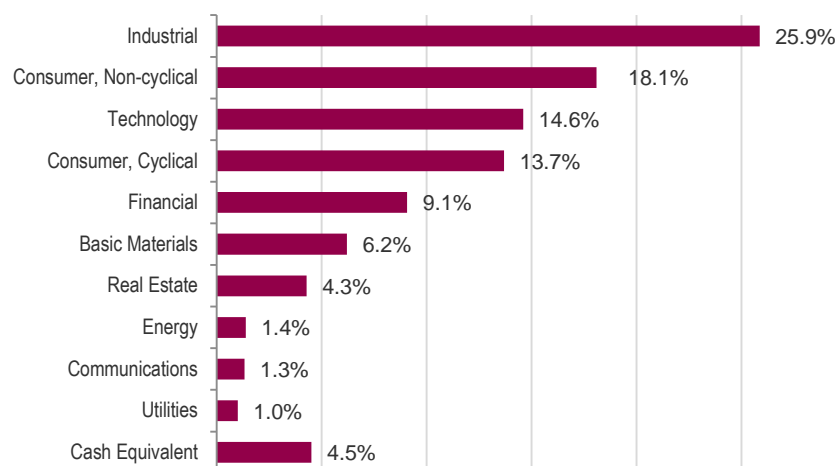
## Fund Facts

Fund Inception Date:	SGD Class: 03 Dec 1999
	USD Class: 25 Jun 2004
	JPY Class: 16 May 2014
	SGD-Hedged: 25 Mar 2014
	USD-Hedged: 16 May 2014
Subscription Mode:	Cash, CPFIS-OA <sup>2</sup> , SRS <sup>2</sup>
Minimum Investment:	S\$ / US\$ 1,000 JPY 100,000
Initial Charge:	Currently 5% for cash and SRS. Maximum 5% for cash and SRS. Currently 3% for CPF Maximum 3% for CPF
Management Fee:	Currently: 1.4% p.a. Maximum 2% p.a.
Valuation Frequency:	Every dealing day
NAV Price:	S\$1.081/US\$0.795/JPY155
NAV Price: (Hedged Class)	S\$1.584/ US\$1.494
Fund Size:	S\$242.4 million

## Codes

SGD Class:	SG9999002331 KEJAPAN
USD Class:	SG9999002349 OCBJGUS
JPY Class:	SG9999011399 LGJPGRY
SGD-Hedged Class:	SG9999011407 LGJPGSH
USD-Hedged Class:	SG9999011415 LGJPGUH

## Sector Allocation (% of NAV)



## Top 10 Holdings (% of NAV)

SONY CORP	2.3
KEYENCE CORP	2.2
ASAHI INTECC CO LTD	2.1
MURATA MANUFACTURING CO LTD	2.0
ORIX CORP	1.9
CHIBA BANK LTD	1.9
MARUI GROUPD CO LTD	1.8
DAIKIN INDUSTRIES LTD	1.8
KAJIMA CORP	1.7
MITSUI & CO LTD	1.6

### # Benchmark:

Inception to 30 June 2002: Nikkei 225.

From 1 July 2002: TOPIX.

From 1 March 2014: TOPIX Total Return

(In respective fund's currency)

## TOPIX Total Return SGD Hedged

### TOPIX Total Return USD Hedged

^ NAV: Figures include Preliminary Charge.

<sup>1</sup> Returns are based on a single pricing basis. Return periods longer than 1 year are annualised. Dividends are reinvested net of all charges payable upon reinvestment and in respective share class currency terms.

<sup>2</sup> CPFIS Ordinary Account ("CPFIS-OA") and Supplementary Retirement Scheme ("SRS") monies may be used to purchase the SGD Class Units and SGD-Hedged Class Units only.

The above is based on information available as of 30 April 2019, unless otherwise stated. Securities referenced are not intended as recommendations to buy or sell. Opinions and estimates constitute our judgment and along with other portfolio data, are subject to change without notice.

For further information or to obtain a copy of the prospectus:

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