

# 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 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 fell 5.5% in local currency terms for the month of September 2022.

The month was dominated by inflation data and interest rate expectations in the US. Comments by Federal Reserve (Fed) vice chair was interpreted as dovish earlier in the month and this led to a global market rally. Towards mid-month, higher-than-expected inflation data in the US, followed by a hawkish Federal Open Market Committee (FOMC) rate hike decision and statement, led to widespread selling of risk assets. Japan's inflation also accelerated, but from a much lower base, and the Bank Of Japan (BOJ) kept its easy monetary policy unchanged. The continuously weakening Yen led to an intervention by the Ministry of Finance/BOJ but did not lead to a reversal of the weak Yen trend. The Japan government finally relaxed most of its Covid-19 restrictions on inbound tourists, to start on 11 October 2022.

Our stock picks in the auto, banks and F&B sectors did well.

Our stock picks in the pharmaceutical and material sectors underperformed. Our zero weight in telecoms also affected performance as the sector outperformed the market.

Inflation and interest rate expectations in the US continue to be the main focus of investors and drives investor sentiment. After reaching a new high for the year following the latest Fed rate in September, US bond yields have come back down in early October 2022 as expectations again shift towards a possible slowing of Fed rate hikes due to weaker economic data. We expect such fluctuations to continue for the foreseeable future. Europe remains vulnerable to an escalation in the war in Ukraine and an energy crisis, while we await potential changes to China's zero-Covid-19 policy as China tries to avert a property crisis and revive its economy. On the positive side, expectations of Japan's re-opening are finally being realized with the relaxation of inbound tourist Covid-19 restrictions. While Japan appears to be in a slightly better situation compared to its developed market peers, the investment backdrop remains difficult for the time being.

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 and digitalization that enhance productivity across all types of economies, as well as solutions and products that contribute to sustainability and environmental protection. Technology and healthcare are also areas of structural growth and advancement.

**All data are sourced from Lion Global Investors and Bloomberg as at 30 Sep 22 unless otherwise stated.**

## 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 0% for CPF Maximum 0% for CPF
Management Fee:	Currently: 1.4% p.a. Maximum 2% p.a.
Valuation Dealing:	Every dealing day
NAV Price:	S\$1.095/US\$0.763/ JPY193
NAV Price: (Hedged Class)	S\$2.009/ US\$1.923
Fund Size:	S\$183.4 million

## Codes

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



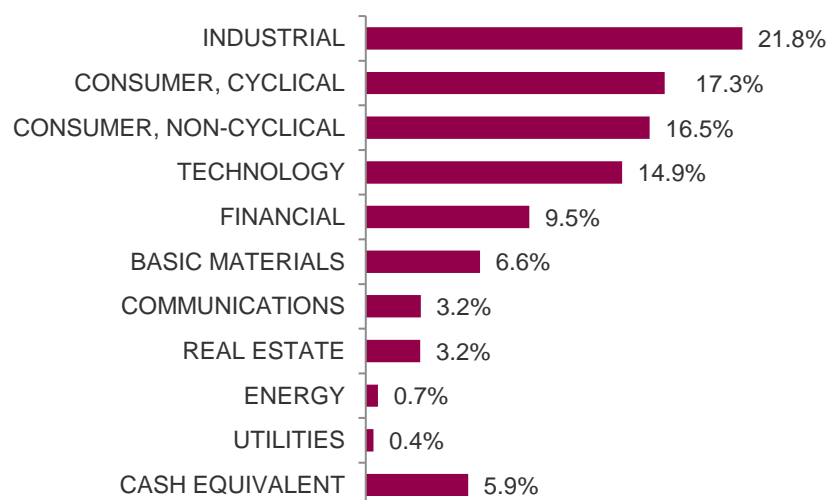
## Performance (%)

		1- year	3-years p.a.	5- years p.a.	10- years p.a.	Since Inception p.a.
SGD	NAV	-27.0	-1.3	0.5	7.3	0.6
Class <sup>1</sup>	NAV <sup>^</sup>	-30.7	-3.0	-0.5	6.8	0.4
	Benchmark <sup>#</sup>	-24.7	-1.6	-0.1	6.5	-1.3
USD	NAV	-31.0	-2.5	-0.6	5.7	3.4
Class <sup>1</sup>	NAV <sup>^</sup>	-34.4	-4.2	-1.6	5.1	3.1
	Benchmark <sup>#</sup>	-28.7	-2.8	-1.2	4.8	1.8
JPY	NAV	-10.2	7.6	4.5	N/A	8.2
Class <sup>1</sup>	NAV <sup>^</sup>	-14.7	5.8	3.4	N/A	7.5
	Benchmark <sup>#</sup>	-7.5	7.1	3.9	N/A	7.8
SGD- Hedged	NAV	-10.0	7.9	5.3	N/A	8.6
Class <sup>1</sup>	NAV <sup>^</sup>	-14.5	6.1	4.2	N/A	7.9
	Benchmark <sup>##</sup>	-6.4	7.7	4.8	N/A	8.4
USD- Hedged	NAV	-9.9	8.2	5.4	N/A	8.1
Class <sup>1</sup>	NAV <sup>^</sup>	-14.4	6.3	4.3	N/A	7.5
	Benchmark <sup>###</sup>	-6.1	8.1	5.4	N/A	8.6

Past performance is not necessarily indicative of future performance.

Source: Lion Global Investors Ltd / Morningstar

## Sector Allocation (% of NAV)



## Top 10 Holdings (% of NAV)

SONY GROUP CORP	2.7
DAIICHI SANKYO CO LTD	2.5
KEYENCE CORP	2.1
ORIENTAL LAND CO LTD	2.0
DENSO CORP	1.8
FUJI ELECTRIC CO LTD	1.7
DAIKIN INDUSTRIES LTD	1.6
CHIBA BANK LTD	1.5
MITSUBISHI CORP	1.5
HITACHI LTD	1.5

# 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

<sup>^</sup> NAV: Figures include Initial 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 September 2022, 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 explanation of additional technical terms, please visit [www.lionglobalinvestors.com](http://www.lionglobalinvestors.com)



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