BOS WEALTH MANAGEMENT
A subsidiary of Bank of Singapore

BOSWM ASIAN INCOME FUND

ANNUAL REPORT
For the financial year ended 31 December 2023

CONTENTS

FUND INFORMATION
As At 31 December 2023

Name Of Fund (Feeder)	: BOSWM Asian Income Fund
Manager Of Fund	: BOS Wealth Management Malaysia Berhad 199501006861 (336059-U)
Name Of Target Fund	: Lion Capital Funds II – Lion-Bank of Singapore Asian Income Fund
Investment Manager Of Target Fund	: Lion Global Investors Limited (198601745D) (formerly known as Lion Capital Management Limited)
Sub-Investment Manager Of Target Fund	: Bank of Singapore Limited (197700866R)
Launch Date	: Class MYR – 12 January 2017 Class MYR BOS – 12 September 2019 Class USD BOS – 12 September 2019 The Fund will continue its operations until terminated as provided under Part 11 of the Deed.
Category Of Fund	: Mixed assets – feeder fund (wholesale)
Type Of Fund	: Growth and income[□]
Investment Objective	: BOSWM Asian Income Fund aims to provide capital growth and income[□] in the medium to long term by investing in the Target Fund – Lion Capital Funds II – Lion-Bank of Singapore Asian Income Fund. [□] *Income is in reference to the Fund's distribution, which will be in the form of cash or units.*
Performance Benchmark	: Nil – The Fund does not have a performance benchmark assigned.
Distribution Policy	: Subject to the availability of income, distribution of income will be on a quarterly basis.
Fund Size	: Class MYR – 1.42 million units Class MYR BOS – 14.75 million units Class USD BOS – 1,000 units

FINANCIAL HIGHLIGHTS

Category	As At 31.12.2023	As At 31.12.2022	As At 31.12.2021
	%	%	%
Collective Investment Scheme	95.92	93.48	96.96
Cash And Liquid Assets	4.08	6.52	3.04
Total	100.00	100.00	100.00
	Class MYR	**Class MYR**	**Class MYR**
Net Asset Value (RM'000)	1,346	2,451	3,245
Number Of Units In Circulation (Units '000)	1,417	2,740	3,127
Net Asset Value Per Unit (RM)	0.9495	0.8946	1.0378
Total Expense Ratio ("TER")	1.00%	1.05%	1.45%
Portfolio Turnover Ratio (times)	0.10	1.09	0.67
	Class MYR BOS	**Class MYR BOS**	**Class MYR BOS**
Net Asset Value (RM'000)	12,550	12,612	15,586
Number Of Units In Circulation (Units '000)	14,748	14,846	14,677
Net Asset Value Per Unit (RM)	0.8510	0.8496	1.0620
Total Expense Ratio ("TER")	0.64%	0.65%	0.65%
Portfolio Turnover Ratio (times)	0.10	1.09	0.67
	Class USD BOS	**Class USD BOS**	**Class USD BOS**
Net Asset Value (RM'000)	5	5	5
Number Of Units In Circulation (Units '000)	1	1	1
Net Asset Value Per Unit (RM)	4.8480	4.5467	5.2550
Net Asset Value Per Unit (USD)	1.0562	1.0330	1.2620
Total Expense Ratio ("TER")	0.70%	0.69%	1.06%
Portfolio Turnover Ratio (times)	0.10	1.09	0.67

The TER of Class MYR for the current financial year is lower due to a higher percentage of decrease in expenses compared with the average NAV attributable to unitholders. The TER of Class MYR BOS and USD BOS for the current financial year remains consistent with that of the previous financial year. The Fund does not charge performance fee.

[1] *The TER does not include brokerage and other transaction fees.*

The Portfolio Turnover Ratio for the current financial year is lower due to decrease in investing activities.

Notes:
The net asset value per unit of the Fund is largely determined by market factors. Therefore past performance figures shown are only a guide and should not be taken as indicative of future performance. Net asset value per unit and investment returns may go up or down.

Source Of Distributions	1.1.2023 To 31.12.2023 RM'000	1.1.2022 To 31.12.2022 RM'000	1.1.2021 To 31.12.2021 RM'000
Class MYR BOS			
- Net realised income	-	164	15
- Capital (distribution equalisation)	-	-	297
Total distributions	-	164	312

Class MYR BOS	**%**	**%**	**%**
- Net realised income	-	100.00	4.81
- Capital (distribution equalisation)	-	-	95.19
Total distributions	-	100.00	100.00

FUND PERFORMANCE
For The Financial Year Ended 31 December 2023

Market And Fund Review
Review Of The Lion Capital Funds II – Lion-Bank Of Singapore Asian Income Fund (Target Fund Of BOSWM Asian Income Fund)

<u>January 2023</u>

Market overview:
Asia equities enjoyed one of its best starts to the new year. The MSCI AC Far East ex-Japan (MXFEJ +10.4%) and MSCI AC Asia Pacific (MXAP +7.9%) surged ahead in January 2023, buoyed by China's smoother-than-expected reopening and a rebound in North Asia's Information Technology (IT) sector. MSCI Taiwan Index (TAMSCI +12.6%) and MSCI Korea Index (MXKR +12.1%) spearheaded Asia's performance, driven by bellwether Taiwan Semiconductor Manufacturing Company Limited's (TSMC) guidance of a strong second half of 2023 recovery and expectations of neartrough earnings per share downgrades for the IT sector. In China, robust Purchasing Managers' Index data and the Covid-19 situation seemingly under control led to the market's continued recovery MSCI China Index (MXCN +11.7%). Meanwhile, outperforming markets in 2022 i.e. MSCI India Index (MXIN -2.8%) and MSCI Indonesia Index (+2.7%) were used as funding sources for North Asia. Specifically for India, the market was negatively impacted by substantial declines in the Utilities sector, dragged by Adani-related companies. The Fund has no exposure to any Adani equities. Sector-wise, IT, Communication Services and Materials were the top 3 performers, attributed to China's reopening. At the other spectrum, Utilities, Energy and Consumer Staples underperformed.

Within Equities, our preference lies in Asia over Europe and the U.S. due to more attractive growth-adjusted valuations. Asian Equities are trading at 12x forward price to earnings, below its 10-year historical average. Europe's economy is expected to suffer from a prolonged recession which will lead to further negative earnings cuts while the U.S. is expected to enter into a technical recession in the second half of 2023.

We think the semiconductor sector is nearing the end of its inventory destocking cycle such that the market is likely to look past the disappointing near-term earnings. As such, we look to position ahead of the inflection cycle via market leaders like TSMC which are able to hold margins.

For China, we are encouraged by the recent turn in policy signals and the progress made thus far. While short term headwinds are likely as infections rise, November's 2022 policy shift paves the way for a fuller economic recovery once China gets past the first major wave. Together with the ongoing support for the property sector and less intense regulatory scrutiny of technology companies, China remains a bright spot. Our strategy is to stay invested in quality names aligned with China's long-term push towards decarbonation, industrial automation and infrastructure buildout.

Cooler US inflation and employment data, coupled with continued trading of China re-opening theme led risk assets to have one of the best Januarys in history. Regardless of what Federal Reserve (Fed) participants say, investors continued to bet that the Fed will be pausing their rate hikes in the next few months.

J.P Morgan Asian Credit Index generated a total return of 2.98% in January 2023. Overall index spreads tightened, and Treasury yields were lower. Investment Grade spreads widened by 4 basis points (bps) while High Yield spreads tightened by 163bps. The Chinese complex continued to outperform as markets continued to bet on China re-opening. The risk rally also led to outperformance in high beta countries like Sri Lanka and Pakistan.

Portfolio asset allocation:
The Fund allocation is 51.8% in equities, 41.6% in fixed income and the balance 6.6% in cash.

Portfolio update:
We continue to favour Singapore. The Monetary Authority of Singapore's move to actively address rising inflation is positive in our view and the strong SGD should give investors' confidence around the asset values of their holdings. The government remains steadfast in its reopening plans as the country successfully rides through wave after wave. Given Singapore's open economy, we are cognisant of slowing external demand going forward and keep our focus on the labour markets as a leading indicator. We like Singapore banks as a beneficiary of higher interest rates and believe a mild economic slowdown is positive from a credit quality and cost of funding standpoint. There could also be dividend upside as the sector is more than adequately capitalized.

The Fund has begun to lengthen duration somewhat through the new issue pipeline. We will continue to focus on quality issuance given that base rates have risen by almost 450bps making absolute yield attractive. For the High Yield sector, we remain selective given that financing cost have risen overall and it's still unclear if the USD market is open to corporates with leveraged balance sheet.

February 2023

Market overview:
Asia equities gave back majority of its year-to-date gains in February 2023. The MSCI AC Far East ex-Japan (MXFEJ -7.2%) and MSCI AC Asia Pacific (MXAP -5.8%) declined in February 2023, triggered by a significant reversal in the U.S. disinflation theme which had buoyed markets in January 2023. Sticky inflation amidst a backdrop of solid consumption and a tight labour market led markets to move away from expectations of a soft-landing to a higher-for-longer rate environment. China (MSCI China Index -10.4%) and Hong Kong (MSCI Hong Kong Index -7.1%) led the decline, post the sharp rally which started in November 2022 last year. With the upcoming National People's Congress where China's 2023 Gross Domestic Product (GDP) growth target and potential economic stimulus are likely to be announced, investors have decided to step back and wait for further data corroboration of its post zero COVID-19 recovery. Indonesia (MSCI Indonesia Index -0.8%) was the relative outperformer, supported by higher-than-expected fourth quarter of 2022 GDP of 5% and the central bank keeping its policy rate unchanged at 5.75%. Taiwan (MSCI Taiwan Index -1.4%) also outperformed, driven by the technology sector which was boosted by the excitement around generative artificial intelligence. Sector-wise, Information Technology, Consumer Staples and Energy were the top 3 performers. At the other spectrum, Utilities, Consumer Discretionary and Communication Services underperformed.

Within Equities, our preference lies in Asia over Europe and the U.S. on more attractive growth-adjusted valuations. Europe's economy is expected to suffer from a prolonged recession which will lead to further negative earnings cuts while the U.S. is expected to enter into a technical recession in the second half of 2023.

We think the semiconductor sector is nearing the end of its inventory destocking cycle such that the market is likely to look past the disappointing near-term earnings. As such, we look to position ahead of the inflection cycle via market leaders like Taiwan Semiconductor Manufacturing Company which are able to hold margins.

For China, we are encouraged by the recent turn in policy signals and refocus on economic growth. Together with the ongoing support for the property sector and less intense regulatory scrutiny of the technology sector, China remains a bright spot. Our strategy is to stay invested in quality names aligned with China's long-term push towards decarbonation, industrial automation and infrastructure buildout.

While January 2023 was the best January for many risk assets in a long while, February 2023 was a sharp reversal from January as stronger employment and inflation data from the US led investors to doubt that a pivot was coming soon. In fact, market terminal rates went higher than the Fed's median terminal rate and rate cuts were priced out for 2023.

J.P Morgan Asian Credit Index generated a total return of -1.33% in February 2023. Overall index spreads tightened, while Treasury yields were higher. Investment Grade spreads tightened by 15 basis points (bps) while High Yield spreads widened by 23bps. Renewed selloff in Treasuries led to Indonesia underperforming while India also underperformed due to negative sentiment from the Adani short-seller report.

Portfolio asset allocation:
The current Fund allocation as of end February 2023 is 51.7% in equities, 45.6% in fixed income and the balance 2.8% in cash.

Portfolio update:
We continue to favour Singapore. Monetary Authority of Singapore's move to actively address rising inflation is positive in our view and the strong SGD should give investors' confidence around the asset values of their holdings. The government remains steadfast in its reopening plans as the country successfully rides through wave after wave. Given Singapore's open economy, we are cognisant of slowing external demand going forward and keep our focus on the labour markets as a leading indicator. We like Singapore banks as a beneficiary of higher interest rates and believe a mild economic slowdown is positive from a credit quality and cost of funding standpoint.

The Fund continued to take a constructive view on unfairly beaten down quality credits while maintaining some cash buffer to deploy in the event valuations became cheaper.

March 2023

Market overview:
Asia equities delivered a solid all-round performance in March 2023. The MSCI AC Far East ex-Japan (MXFEJ +3.9%) and MSCI AC Asia Pacific (MXAP +3.2%) rose in March 2023, buoyed by the quick and decisive responses of global central banks as they sought to assuage market concerns of an immediate credit crunch against the backdrop of multiple bank failures. This led to a subsequent 45 basis points (bps) month-on-month decline in US 10-year yields. Singapore (MSCI Singapore +5.0%) and China (MSCI China +4.5%) led the recovery, which saw high growth sectors such as Communication Services and Consumer Discretionary rebound in light of looser financial conditions. Indonesia (MSCI Indonesia +4.3%) and Thailand (MSCI Thailand +4.2%) also outperformed, as Bank Indonesia kept policy rate unchanged at 5.75% while Thailand expressed confidence on its economic recovery, supported by the rebound in tourism and exports. Australia was the worst performing market (MSCI Australia -0.3%), dragged by concerns of potential developed markets banking contagion risk seeping into the local banking system and consequently affecting the Real Estate sector. Sector-wise, Communication Services, Information Technology and Materials were the top 3 performers. At the other spectrum, Utilities, Real Estate and Financials underperformed.

Within Equities, our preference lies in Asia ex-Japan over Europe and the U.S. on more attractive growth-adjusted valuations. Europe's economy is expected to suffer from a prolonged recession which will lead to further negative earnings cuts while the U.S. is expected to enter into a technical recession in the second half of 2023.

We think the Semiconductor sector is nearing the end of its inventory destocking cycle such that the market is likely to look past the disappointing near-term earnings. As such, we look to position ahead of the inflection cycle via market leaders like Taiwan Semiconductor Manufacturing Company which are able to hold margins.

For China, we are encouraged by the recent turn in policy signals and refocus on economic growth. Together with the ongoing support for the property sector and less intense regulatory scrutiny of the technology sector, China remains a bright spot. Our strategy is to stay invested in quality names aligned with China's long-term push towards decarbonation, industrial automation and infrastructure buildout.

March 2023 was an extremely volatile month with the mood swinging 180 degrees from February 2023. Expectations that terminal rates will have to be higher than 5.50% changed to expectations that Federal Reserve (Fed) funds will be cut by 100bps by the end of the year. In the short span of a few weeks, three banks in the US were wound down while Credit Suisse was taken over by UBS hastily over a weekend. Additional Tier 1 bond holders of Credit Suisse were wiped out before equity holders and the Fed created a new facility, Bank Term Funding Program, to provide liquidity to banks.

J.P Morgan Asia Credit Index generated a total return of 0.90% in March 2023. Overall index spreads widened, while Treasury yields were lower. Higher beta countries such as Pakistan and Sri Lanka underperformed significantly while Indonesia and Malaysia outperformed due to longer interest rate duration from issuers in those countries.

Portfolio asset allocation:
The current Fund allocation as of end March 2023 is 50.1% in equities, 45.5% in fixed income, 2.2% in fixed income and the balance 2.2% in cash.

Portfolio update:
We continue to favour Singapore. The Monetary Authority of Singapore's move to actively address rising inflation is positive in our view and the strong SGD should give investors' confidence around the asset values of their holdings. The government remains steadfast in its reopening plans as the country successfully rides through wave after wave. Given Singapore's open economy, we are cognisant of slowing external demand going forward and keep our focus on the labour markets as a leading indicator. We like Singapore banks as a beneficiary of elevated interest rates and believe a mild economic slowdown is positive from a credit quality and cost of funding standpoint.

We expect to trade within the current range until there is more clarity of the underlying strength of the U.S. economy and on inflationary pressures which will inform the next Fed meeting in May 2023. We still expect good quality credit to remain resilient while the more leveraged entities will continue to experience less friendly refinancing environment. No change in the strategy for the Fund.

April 2023

Market overview:
After the initial rebound post the stabilization of the banking crisis in the middle of March 2023, Asia equities retreated in the second half of April 2023. Both the MSCI AC Far East ex-Japan (MXFEJ -3.1%) and MSCI AC Asia Pacific (MXAP -1.0%) delivered negative returns during the month, dragged by renewed geopolitical tensions and worries over a sustainable demand recovery. China (MSCI China Index -5.2%) was the worst performing market on onerous news flow surrounding potential restrictions on US foreign direct investment into the country while IT heavy-weights Tencent and Alibaba saw their share prices under pressure, triggered by major shareholders selling down their stakes. Taiwan (MSCI Taiwan Index -4.1%) was another key drag due to weaker corporate guidance out of first quarter of 2023 earnings in the technology sector. At the other spectrum, Indonesia (MSCI Indonesia Index +6.5%) and India (MSCI India Index +4.2%) outperformed on attractive entry points and in the case of India – a surprise pause in the rate hike cycle. Sector-wise, Energy, Financials & Utilities were the top 3 performers. On the other hand, Communication Services, Information Technology and Consumer Discretionary underperformed.

Within Equities, our preference lies in Asia ex-Japan over Europe and the U.S. on more attractive growth-adjusted valuations. Europe's economy is expected to suffer from a prolonged recession which will lead to further negative earnings cuts while the U.S. is expected to enter into a technical recession in the second half of 2023.

We think the semiconductor sector is nearing the end of its inventory destocking cycle such that the market is likely to look past the disappointing near-term earnings. As such, we look to position ahead of the inflection cycle via market leaders like Taiwan Semiconductor Manufacturing Company which are able to hold margins.

For China, we are encouraged by the recent turn in policy signals and refocus on economic growth. Together with the ongoing support for the property sector and less intense regulatory scrutiny of the technology sector, China remains a bright spot. Our strategy is to stay invested in quality names aligned with China's long-term push towards decarbonation, industrial automation and infrastructure buildout.

April 2023 continued to be a volatile month for Treasuries as investors were whipsawed by economic data that blew hot and cold throughout the month. Investors were constantly looking for the next shoe to drop after the recent bank runs and were buying Treasuries before weekends in case another bank failed. In contrast to the jitteriness in Treasuries, risk assets were relatively well behaved as investors believed that the Federal Reserve (Fed) would be forced to pivot due to the fallout from the bank failures and therefore risk assets would reflate.

J.P Morgan Asia Credit Index generated a total return of 0.89% in April 2023. Index spreads tightened while Treasury yields were lower. Investment grade spreads tightened by 9bps while High Yield spreads widened by 42 basis points (bps). China underperformed as Dalian Wanda and other China property companies (eg. Sino-Ocean, Agile etc.) suffered renewed doubts about their ability to service their debts. Sri Lankan bonds fell significantly as investors grew sceptical Sri Lanka would be able to implement International Monetary Fund's ambitious fiscal consolidation program. Pakistan, Indonesia, India and Philippines outperformed as investors continued to chase carry and risk.

Portfolio asset allocation:
The current Fund allocation as of end April 2023 is 50.2% in equities, 46.6% in fixed income, and the balance 3.2% in cash.

Portfolio update:
We continue to favour Singapore. The Monetary Authority of Singapore's move to actively address rising inflation is positive in our view and the strong SGD should give investors' confidence around the asset values of their holdings. The government remains steadfast in its reopening plans as the country successfully rides through wave after wave. Given Singapore's open economy, we are cognisant of slowing external demand going forward and keep our focus on the labour markets as a leading indicator. We like Singapore banks as a beneficiary of elevated interest rates and believe a mild economic slowdown is positive from a credit quality and cost of funding standpoint.

We expect the US Fed to stay put for the time being after the 25bps in early May 2023 and rates to range trade as markets play out the tug of war between credit-tightening and recessionary fears on one side and concerns about inflationary pressures on the other. We also expect credit spread to stay within current range but high yield to continue to face headwinds for refinancing. Coupon accrual will play a more important role for total return for the rest of the year. We stay defensive.

<u>May 2023</u>

Market overview:
May 2023 proved to be yet another difficult month for Asia equities after the initial March 2023 rebound with the stabilisation of the banking crisis. Both the MSCI AC Far East ex-Japan (MXFEJ -2.7%) and MSCI AC Asia Pacific (MXAP -1.0%) delivered negative returns during the month, dragged by unresolved US debt ceiling talks, renewed geopolitical tensions and weaker-than-expected macroeconomic data coming out of China. Following disappointing April 2023 activity data across retail sales to fixed asset investment, China's Purchasing Managers' Index decelerated further (-0.4% month-on-month (m/m); April 2023 -2.7% m/m) in May 2023, suggesting moderation in the economy's recovery pace. Youth unemployment rate reached 20.4%, a record high since 2018. This resulted in Hong Kong (MSCI Hong Kong -8.7%) and China (MSCI China -8.4%) underperforming in May 2023. At the other spectrum, Taiwan (TAMSCI +7.2%) and Korea (MSCI Korea +4,8%) outperformed, boosted by Nvidia's exceptional quarterly guidance which reignited buzz surrounding Artificial Intelligence globally. Sector-wise, Information Technology, Industrials and Healthcare were the top 3 performers. On the other hand, Real Estate, Communication Services & Materials underperformed.

Within Equities, our preference lies in Asia ex-Japan over Europe and the U.S. on more attractive growth-adjusted valuations. Europe's economy is expected to suffer from a prolonged recession which will lead to further negative earnings cuts while the U.S. is expected to enter a technical recession in the second half of 2023.

We think the semiconductor sector is nearing the end of its inventory destocking cycle such that the market is likely to look past the disappointing near-term earnings. As such, we look to position ahead of the inflection cycle via market leaders like Taiwan Semiconductor Manufacturing Company which are able to hold margins.

For China, we continue to be encouraged by the recent turn in policy signals and refocus on economic growth. Together with the ongoing support for the property sector and less intense regulatory scrutiny of the technology sector, China remains a bright spot. Our strategy is to stay invested in quality names aligned with China's long-term push towards decarbonation, industrial automation and infrastructure buildout.

J.P Morgan Asia Credit Index generated a total return of -0.82% in May 2023. Index spreads widened while Treasury yields were higher. Investment Grade spreads tightened by 2 basis points (bps) while High Yield spreads widened by 72bps. China continued to underperform as KWG Group's default confirmed nascent fears of another default cycle in the Chinese property sector. Pakistan and Sri Lanka outperformed as confidence returned to those markets. Asian Development Bank approved $350 million for Sri Lanka's economic stabilisation program and International Monetary Fund maintained its willingness to engage in dialogue with Pakistan for another program after the current one expires at end June 2023.

The failure of China's 're-opening' trade augurs less badly for Asian credits than equities as the riskier Chinese credits have already defaulted. We continue to think Asian credits continue to offer attractive carry returns especially as the Federal Reserve could be looking to pause its hiking cycle soon.

Portfolio asset allocation:
The current Fund allocation as of end May 2023 is 50.4% in equities, 48.6% in fixed income, and the balance 1.0% in cash.

Portfolio update:
We continue to favour Singapore. The Monetary Authority of Singapore's move to actively address rising inflation is positive in our view and the strong SGD should give investors' confidence around the asset values of their holdings. The government remains steadfast in its reopening plans as the country successfully rides through wave after wave. Given Singapore's open economy, we are cognisant of slowing external demand going forward and keep our focus on the labour markets as a leading indicator. We like Singapore banks as a beneficiary of elevated interest rates and believe a mild economic slowdown is positive from a credit quality and cost of funding standpoint.

The Fund continued to remain defensive in May 2023 as economic data from China was not encouraging and new issues were not particularly attractive.

Going into June 2023 and following the resolution of the US debt ceiling, rates volatility seems to be returning to the markets with inflation remaining sticky and employment strong. Although the Chinese High Yield space is seeing some renewed interest with whispers of further growth stimulus coming from Beijing, we remain skeptical and would prefer to sell into any rally. The Investment Grade market is however well anchored with defensive carry still very much the dominant theme. No change to our strategy.

June 2023

Market overview:
Asia Equities saw volatile price action during the month but ended overall positive. Both the MSCI AC Far East ex-Japan (MXFEJ +2.4%) and MSCI AC Asia Pacific (MXAP +3.5%) delivered decent returns in June 2023, buoyed by a quick resolution to the US debt ceiling dilemma. Latest macroeconomic data out of the US also helped sustain global risk appetite. Australia (MXAU +5.4%) was the best performing market, driven by the strong performance of technology and material sectors. India (MXIN +4.7%) continued to attract foreign inflows for the second month running as macro data such as credit growth continue to remain supportive. Meanwhile, China's (MXCN +4.0%) May 2023 fixed asset investment and exports numbers were subdued but was perceived as a catalyst for stronger stimulus. However, market disappointment from China's piecemeal policy response drove Asia's pullback by the second half of June 2023. At the other spectrum, Malaysia (MXMY -1.9%) and Thailand (MXTH -1.7%) were the only Asian countries to deliver negative returns. Both countries continued to see outflows during the month, in part driven by depreciating currencies while Thailand, in particular saw a 25 basis points (bps) policy rate hike. Sector-wise, Consumer Discretionary, Industrials and Materials were the top 3 performers. On the other hand, Health Care, Real Estate and Consumer Staples performed poorly.

Within Equities, our preference lies in Asia over Europe & the U.S. on more attractive growth-adjusted valuations. Europe's economy is expected to suffer from a prolonged recession which will lead to further negative earnings cuts while the U.S. is expected to enter a technical recession in 2nd half of 2023.

We think the semiconductor sector is nearing the end of its inventory destocking cycle such that the market is likely to look past the disappointing near-term earnings. As such, we look to position ahead of the inflection cycle via market leaders like Taiwan Semiconductor Manufacturing Company which are able to hold margins.

For China, while we recently turned less positive given its incremental approach to policy support, we continue to see bright spots in certain sectors. Our strategy is to stay invested in quality names aligned with China's long-term push towards decarbonation, industrial automation and infrastructure buildout.

Risk markets rallied despite almost all central banks raising interest rates in June 2023. Terminal rates were ratcheted up higher for most economies and while the Federal Reserve was non-committal on whether June 2023 rate decision was a 'pause' or 'skip'.

J.P Morgan Asia Credit Index generated a total return of 0.32% in June 2023. Index spreads tightened while Treasury yields were higher. Investment Grade spreads tightened by 10bps while High Yield spreads tightened by 77bps. Macau credits performed well as casino earnings have been relatively resilient despite the slowdown in China's economy. Pakistan and Sri Lanka also better performed as markets bet that the worst is over for those economies.

Portfolio asset allocation:
The current Fund allocation as of end June 2023 is 49.7% in equities, 47.4% in fixed income, and the balance 2.9% in cash.

Portfolio update:
We continue to favor Singapore. MAS' move to actively address rising inflation is positive in our view & the strong SGD should give investors' confidence around the asset values of their holdings. The government remains steadfast in its reopening plans as the country successfully rides through wave after wave. Given Singapore's open economy, we are cognizant of slowing external demand going forward and keep our focus on the labor markets as a leading indicator. We believe Singapore banks will hold up in a mild economic slowdown. However, we look for more attractive bottom-up picks via defensive and quality plays.

There were relatively few issuances in the month of June 2023 and the Fund maintained its defensive posture. No change to strategy. Stay defensive and overweight coupon carry.

July 2023

Market overview:
All markets in Asia delivered positive returns during the month, driven by the continuation of the soft-landing narrative. Both the MSCI AC Far East ex-Japan (MXFEJ +6.8%) and MSCI AC Asia Pacific (MXAP +4.9%) also outperformed global equities on China's pro-growth messaging which came out of its July 2023 politburo meeting. China (MXCN +10.94%) was the best performing market as policymakers acknowledged a more challenging macro environment and vowed to put in countercyclical measures to meet this year's economic goals and boost domestic demand. The biggest surprise was the omission of the long-standing statement "Houses are for living, not for speculation" as well as the introduction of a new term "Activating the capital market". Singapore (MXSG +9.2%) finally reversed its Year-To-Date (YTD) underperformance as banks rallied on UOB's 2nd quarter of 2023 earnings and dividend beat. At the other spectrum, YTD outperforming markets like Taiwan (TAMSCI +0.9%), Indonesia (MXID +1.0%) and India (MXIN +3.0%) saw profit taking. The monsoon season is a crucial factor driving India's rural economy with the current drought raising concerns surrounding its crop production. Meanwhile, Indonesia is likely to hold the next presidential election in the 1st quarter of 2024, where current President Joko Widodo's term is set to end. Sector-wise, Consumer Discretionary, Energy and Communication Services were the top 3 performers. On the other hand, Information Technology, Consumer Staples and Healthcare underperformed.

Within Equities, our preference lies in Asia over Europe & the U.S. on more attractive growth-adjusted valuations. Europe's economy is expected to suffer from a prolonged recession which will lead to further negative earnings cuts while the U.S. is expected to enter a technical recession in the 2nd half of 2023.

For China, while we recently turned less positive given its incremental approach to policy support, we continue to see bright spots in certain sectors. Our strategy is to stay invested in quality names aligned with China's long-term push towards decarbonation, industrial automation and infrastructure buildout.

For most of July 2023, risk assets were mesmerized by the possibility that both Federal Reserve and European Central Bank have raised interest rates for the last time in the current interest rate hiking cycle and oblivious to the possibility that falling inflation could come with rising real yields (and hence rising term premiums). It was ironically 'sleepy' Bank of Japan that jolted markets at the end of July 2023 to the possibility that perhaps term premiums could start to rise as it changed its Yield Curve Control (YCC) to a 'softer' YCC by tolerating yields of up to 1% for 10-year Japan Government Bonds without explicitly changing its target rate. Despite the surprise change in policy, markets did not veer far off its price range established before the change in policy.

J.P Morgan Asia Credit Index generated a total return of 0.27% in July 2023. Index spreads tightened while Treasury yields were higher. Investment Grade spreads tightened by 9 basis points (bps) while High Yield spreads widened by 69bps. Investors continued to play the Chinese reflation story through gaming credits as that sector has so far not really experienced the severe clampdowns experienced by other sectors. Chinese real estate credit underperformed as sentiment remained weak for the sector even as the government continued to announce property easing measures.

Portfolio asset allocation:
The current Fund allocation as of end July 2023 is 50.7% in equities, 47.2% in fixed income, and the balance 2.1% in cash.

Portfolio update:
We continue to favour Singapore. Monetary Authority of Singapore's move to actively address rising inflation is positive in our view & the strong SGD should give investors' confidence around the asset values of their holdings. The government remains steadfast in its reopening plans as the country successfully rides through wave after wave. Given Singapore's open economy, we are cognisant of slowing external demand going forward and keep our focus on the labour markets as a leading indicator. We believe Singapore banks will hold up in a mild economic slowdown. However, we look for more attractive bottom-up picks via defensive and quality plays.

As markets become more convinced of the end of the rate hike cycle amidst a soft-landing scenario, we did see some tentative signs of risk-seeking in high-yield credits. However, performance remains greatly divergent between the "good" credit versus the distressed names.

So far, there are no signs that signals of support to the property sector by the Chinese authorities are translating into market performance. With base rates at current high levels, we remain cautious.

August 2023

Market overview:
Fears of further tightening in global financial conditions led to Asian markets experiencing a sharp sell-off before partially recovering towards the end of the month. Both the MSCI AC Far East ex-Japan (MXFEJ -7.3%) and MSCI AC Asia Pacific (MXAP -4.9%) underperformed global equities, mainly dragged by North Asia. China (MXCN -9.0%) and Hong Kong (MXHK -8.6%) were the worst performing markets on profit taking after July 2023 rally. China's latest manufacturing PMI - being the 5th consecutive month of contraction reignited growth concerns and exacerbated by muted policy delivery despite its real estate sector facing an implosion. Thankfully, multiple nationwide policy easing measures i.e., lower mortgage downpayment ratios, a market-friendly definition of 'first-time homebuyers' as well as a 50% reduction in A-shares trading stamp duty, were subsequently announced late into the month, helping to restore some market confidence.

India (MXIN -1.7%) & ASEAN (MXASEAN -4.9%) were relative outperformers during the month, as foreign inflows continue to be attracted by the region's relatively benign inflation and therefore policy stance. In particular, consensus earnings estimates in Philippines, Indonesia and India all saw upward revisions. We remain invested in this region for its attractive demographics and growth-adjusted valuations.

Sector-wise, Energy, Consumer Staples and Healthcare were the top 3 performers. On the other hand, Communication Services, Materials, and Consumer Discretionary underperformed.

For China, while we recently turned less positive given its incremental approach to policy support, we continue to see bright spots in certain sectors. Our strategy is to stay invested in quality names aligned with China’s long-term push towards decarbonation, industrial automation and infrastructure buildout.

August 2023 was marked by a sharp increase in the US long-end yields. Fitch’s US downgrade to AA+ from AAA coming not long after Bank of Japan changed to ‘softer’ version of Yield Curve Control led to a big rise in Treasury term premiums. Yields declined towards the end of August 2023 as Job Opening and Labor Turnover Survey openings showed a big decline with the openings to unemployed ratio finally coming down to about 1.6 from 2. In Europe, comments from European Central Bank (ECB) governors suggest the ECB is also close to its last rate hike and September 2023 may be its last hike.

J.P. Morgan Asia Credit Index generated a total return of -0.83% in August 2023 – with credit spread widening as base US Yields climbed higher. Fears of a prolonged China slow-down hit Asian credit markets with even previous favourite - Macau gaming credits, getting offered. Things eased off and towards the end of the month as the Chinese government stepped up momentum on its easing measures with announcements made almost daily.

Portfolio asset allocation:
The current Fund allocation as of end August 2023 is 49.0% in equities, 49.4% in fixed income, and the balance 1.6% in cash.

Portfolio update:
We continue to favour Singapore. MAS' move to actively address rising inflation is positive in our view & the strong SGD should give investors' confidence around the asset values of their holdings. Given Singapore's open economy, we are cognisant of slowing external demand going forward and keep our focus on the labour markets as a leading indicator. We believe Singapore banks will hold up in a mild economic slowdown. However, we look for more attractive bottom-up picks via defensive and quality plays.

While markets remain skeptical about China's efforts to reflate its economy, the breadth of stimulus measures announced so far does indicate a more concerted effort is being made. Given our view that both the US Federal Reserve and the European Central Bank are close to the end of their hiking cycle – we continue to see coupon carry as a good value proposition from Asian credit.

Volatility in the markets discouraged new issues from printing and secondary liquidity was also thin. The Fund continued to be positioned defensively.

September 2023

Market overview:
Asian markets retreated yet again in September 2023 in response to the sharp spike in global bond yields. Both the MSCI AC Far East ex-Japan (MXFEJ -3.6%) and MSCI AC Asia Pacific (MXAP -2.5%) delivered negative returns during the month, alongside global equities. Thailand (MXTH -9.5%) was the biggest underperformer on a weakening THB and a lack of stimulus delivery, followed by Korea (MXKR -5.6%) on profit taking amid concerns of weaker global exports. China's latest economic activity data - ranging from industrial production to retail sales, posted the first sign of turnaround in August 2023, implying that its recently-announced growth-stabilization policies i.e. 25 basis points cut in reserve requirement ratio and the various nationwide property relaxation schemes, have started to feed into the economy. India (MXIN +1.9%) and ASEAN (Philippines, Singapore & Malaysia) were relative outperformers during the month, as foreign inflows continue to be attracted by the region's relatively stable macro conditions and structural growth story. We remain invested in this region for its attractive demographics and growth-adjusted valuations.

Sector-wise, Energy, Financials and Utilities were the top three performers. On the other hand, Information Technology, Industrials, and Real Estate underperformed.

For China, while we recently turned less positive given its incremental approach to policy support, we continue to see bright spots in certain sectors. Our strategy is to stay invested in quality names aligned with China’s long-term push towards decarbonation, industrial automation and infrastructure buildout.

September 2023 was marked by another month of rising US interest rates as the US treasury curve continued to steepen with long term yield rising persistently throughout the month. The US Federal Open Market Committee did not tighten further at its September 2023 meeting but telegraphed a hawkish stance.

J.P. Morgan Asia Credit Index generated a total return of -0.96% in September 2023, mainly due to higher Treasury yields as index spreads tightened. China’s various stimulative measures seem to have slowed the downtrend and we are seeing stabilization in the spreads of Chinese credits which outperformed for the month. The main underperformers were Indonesian credits by virtue of them being longer duration.

Portfolio asset allocation:
The current Fund allocation as of end September 2023 is 48.1% in equities, 49.5% in fixed income, and the balance 2.4% in cash.

Portfolio update:
We continue to favour Singapore. MAS' move to actively address rising inflation is positive in our view & the strong SGD should give investors' confidence around the asset values of their holdings. Given Singapore's open economy, we are cognisant of slowing external demand going forward and keep our focus on the labour markets as a leading indicator. We believe Singapore banks will hold up in a mild economic slowdown. However, we look for more attractive bottom-up picks via defensive and quality plays.

Issuance volume was high in September 2023 as corporate treasurers seem to have capitulated on holding out for lower rates. The Fund was selective in the new issuances as rising Treasury yields made it often cheaper to buy the bonds on the secondary market.

Going forward, the rapid rise in Treasury yields is something to monitor and could lead to spread widening. We continue to overweight Investment Grade versus High Yield.

October 2023

Market overview:
Asian markets continued to weaken in the month of October 2023. With US rates remaining high, global allocation to USD continue to be strong as investors sold down Asian assets and drove the dollar stronger. Global inflationary fears continue as even Philippines and Indonesia raised benchmark rates to contain their respective currency.

China announced a slew of policies to support the economy including larger budget deficit targeted to revive a stumbling economy that did not recover as expected post pandemic. while 3rd quarter of 2023 Gross Domestic Product came in stronger than expected at 4.9% year on year, the country still faces challenges as the property crisis drags on. Equity markets remained weak as investors sentiment did not improve.

China is raising the fiscal deficit ratio with the sale of up to RMB 1trillion of sovereign debt for the rest of 2023 to jumpstart the stuttering economy. Reserve Requirement Ratios (RRR) by banks may be cut by the People's Bank of China's next policy move after it provided more short-term cash and one-year policy loans.

Both Philippines and Indonesia surprised with rates increases in the month of October 2023. The main reason for the hike is to protect the currency vs the dollar and to prevent imported inflation. Inflation Domestically for both countries have mostly come off for the year, but remains higher than its average over the past. Higher prices in energy and Food were the main contributors. Both countries still offer good economic growth. As the world slows down, a large domestic population can help to support the domestic economy.

Long-dated Treasury yields continued their ascent and the resultant tightening in financial conditions have garnered the attention of members of Federal Open Market Committee. Various Federal Reserve speakers noted that the tightening in financial conditions could lessen the need for further rate increases. J.P. Morgan Asia Credit Index generated a total return of -0.65% in October 2023. Credit spread tightening was not enough to offset the increase in base yields. Greater China complex continued to underperform as China's economic slowdown remained unabated while countries with longer duration issuances like Indonesia also underperformed due to the impact from higher treasury yields.

With the threat of a widening conflict in the Middle East, flight to safety favours Singapore. We continue to prefer Singapore and remain overweight in the country.

Portfolio asset allocation:
The current Fund allocation as of end October 2023 is 47.9% in equities, 50.3% in fixed income, and the balance 1.8% in cash.

Portfolio update:
We remain underweight in Chinese equities, as the country continues to battle the real estate debt. We are neutral to overweight Emerging Asia as the population based will drive domestic demand. We are overweight Singapore.

New issuance volume was muted in October 2023 as issuers balked at the high financing cost arising from the spike in treasury yields.

US rates volatility looks to be stabilizing into the year end and this should help with risk sentiment. The Fund will continue to redeploy cash into quality credit.

November 2023

Market overview:
Asian markets improved markedly during the month of November 2023. Globally speaking, Federal Reserve Rate pause had an immediate effect in pushing rates lower, weakening the dollar, and strengthening Asian currencies. We saw the reverse of fund flows as Asian attracted more investment and markets began to improve.

Perhaps one of the biggest news in Asia is the policy shift in aiding the overly indebted Chinese real estate sector. Chinese government announced a draft of 50 developers that will qualify for financial support, adding pressure on banks to help alleviate the issue. Real estate has been a big dragged on China's economy. Although it remains to be seen that shifting the burden to the banks will gain traction. In other news, as Indonesian growth continues to slow and inflation remains muted, the country's central bank kept rates unchanged. Indonesia currency strengthened in November 2023, helping the central bank to keep rates unchanged. Both Philippines and Thailand also held their key rates unchanged in November 2023 with similar expectations of economic headwinds and lower expected inflation.

Taiwan and South Korea are also experiencing a slowdown in exports as the rest of the world's growth moderates. Still, both countries remain beneficiary of the explosive growth in the development of Artificial Intelligence. There are headwinds as the US continues to curb China's technological advancement, locking out one of the largest markets. Nonetheless, we remain constructive if not with some caution going into 2024 for both countries. Singapore's economic growth fared better than expected as Gross Domestic Product grew 1.4% in 3rd quarter of 2023.

Geopolitical tension remains a factor to watch. While the meeting of China and US Presidents was cordial in San Francisco, during the Asia Pacific Economic Cooperation event. It was still the first-time both leaders have met in a while. Needed was to moderate relationships that have nosedived this year. A broad range of topics was discussed from Taiwan to curbing Fentanyl imports into US. In the end cooperation and conciliation was a key focus.

November 2023 marks the month when the lowering of US risk-free rates serve as a tail-wind for bond markets. J.P. Morgan Asia Credit Index generated a total return of 3.69% in November 2023 with index spreads tightening. Treasury's decision to issue slightly less long-dated coupons than markets anticipated was the catalyst which led to a huge rally as shorts scrambled to cover. Marginally dovish November 2023 Federal Open Market Committee and generally dovish Federal Reserve speak also helped the rally to continue as traders interpreted the dovishness and cooling inflation data on both sides of the Atlantic to mean interest rate cuts are coming earlier and heftier than early thought.

Portfolio asset allocation:
The current Fund allocation as of end November 2023 is 48.0% in equities, 48.8% in fixed income, and the balance 3.2% in cash.

Portfolio update:
Asian remains one of the fastest growing regions in the world into 2024. Valuation is low, and its large population can offer some form of buffer from a global slowdown that is expected in 2024.

Chinese names performed well as the Chinese government unleashed more measures to stop the housing fallout. Indonesia, Philippines, and Malaysia outperformed due to their higher exposure to duration.

November 2023 marks the month when the lowering of US risk-free rates serves as a tail-wind for bond markets. The US 10-year treasury yield ended the month lower by 60 basis points (bps) to 4.33%. The yield curve flattened with 2-year yields lower by 41bps. With the worst of the increase in Treasury yields likely behind us, we believe markets should continue to rally and hold on to its gains till the end of the year.

December 2023

Market overview:
While 2023 has been difficult for Asian markets, the last two months has helped in terms of performances. Led mainly by developed markets expectations of peak interest rate cycle, global capital markets had one of the best performances in the last quarter of 2023.

We continue to keep our eye on China's policies as it struggles to reignite its economy. Real Estate debt continue to plaque the country, a detriment to domestic consumption and growth. Some sectors did show resilience including the technology sector as the government pushes the development of digital economy and artificial technology. On that front, both Taiwan and South Korean has benefitted with demand in Dynamic Random Access Memory and Semiconductor increasing.

Singapore economic growth in the final quarter of 2023 was stronger than expected led by manufacturing and construction while global risk remains. Emerging Asia growth should be well supported by domestic demand as its population remains large and young. Looking into 2024, we remain constructive as Asian markets remains one of the cheapest in the world with better economic growth prospects.

Taiwan will head into election along with nearly a third of the world in 2024. Elections can add some volatility as strong rhetoric to gain votes can lead to cross straits tension. Expected US peak interest rates are good news to Asia. Most currencies have already appreciated against the USD, giving central banks leeway to concentrate on policies in domestic economy vs battling a weaker currency.

J.P. Morgan Asia Credit Index generated a total return of 2.60% in December 2023. Index spreads tightened while Treasury yields were lower. Indonesia, Philippines and Thailand outperformed due to their exposure to longer duration. The rally in Treasuries continued in December 2023 as the US Fed clearly pivoted on its monetary policy stance with indications that US base rates have reached their peaks this tightening cycle. The next move will be a rate cut with the question being only when and by how much.

Portfolio asset allocation:
The current Fund allocation as of end December 2023 is 48.8% in equities, 48.3% in fixed income, and the balance 2.9% in cash.

Portfolio update:
In the Fund, while remaining cautious, we have kept our Chinese exposure underweight. On the reverse, we have kept our over weights in Singapore and Emerging Asia of Indonesia and Philippines. China had a brief recovery before losing steam into 2024. Domestic consumption in Emerging Asia should bode well for the fund. As US interest peak, both central banks in Indonesia and Philippines can concentrate on domestic challenges and growth.

Markets welcomed the signal in a big way with US treasuries staging another massive rally. With decreasing base rates as the driver, bond market returns made a dramatic turn from negative into positive territory.

With spreads at considerably tight levels, we continue to think total returns going forward will be driven by carry returns than from further spread tightening. We will continue to rebalance to diversify for good carry.

Fund Returns

	Total Returns					
	Class MYR		Class MYR BOS		Class USD BOS	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
1.1.2023 To 31.3.2023	4.48%	5.11%	3.97%	5.11%	4.37%	4.93%
1.4.2023 To 30.6.2023	3.29%	3.59%	-2.31%	3.59%	-2.10%	-2.07%
1.7.2023 To 30.9.2023	-3.19%	-3.17%	-4.24%	-3.17%	-3.76%	-3.74%
1.10.2023 To 31.12.2023	1.59%	2.00%	3.01%	2.00%	3.98%	4.22%
1 Year's Period (1.1.2023 To 31.12.2023)	6.15%	7.54%	0.19%	7.54%	2.25%	3.09%
3 Years' Period (1.1.2021 To 31.12.2023)	-12.62%	-8.70%	-25.01%	-8.70%	-22.60%	-20.08%
5 Years' Period (1.1.2019 To 31.12.2023)	6.29%	16.28%	-	-	-	-
Financial Year-To-Date (1.1.2023 To 31.12.2023)	6.15%	7.54%	0.19%	7.54%	2.25%	3.09%
Since Investing Date To 31.12.2023	1.73%	14.69%	-11.42%	5.35%	5.67%	-4.49%

Note:
- BOSWM Asian Income Fund Class MYR – Launch/investing date: 12.1.2017
- BOSWM Asian Income Fund Class MYR BOS – Launch/investing date: 12.9.2019
- BOSWM Asian Income Fund Class USD BOS – Launch/investing date: 12.9.2019
- Past performance figures shown are only a guide and should not be taken as indicative of future performance.

Source: Lipper, Bloomberg

Asset Allocation

	As At 31 December 2023
Collective Investment Scheme:	
Lion Capital Funds II – Lion-Bank of Singapore Asian Income Fund USD Class C (Distribution) and/or USD Class C (Accumulation)	95.92%
Cash And Liquid Assets	4.08%
	100.00%

Income Distribution

Nil

Net Asset Value (NAV) Per Unit

(as at 31 December 2023)

Class MYR	RM0.9495
Class MYR BOS	RM0.8510
Class USD BOS	USD1.0562

Significant Changes In The State Of Affairs Of The Fund

Nil

TRUSTEE'S REPORT

To the Unitholders of **BOSWM ASIAN INCOME FUND ("Fund")**

We have acted as Trustee of the Fund for the financial year ended 31 December 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, **BOS WEALTH MANAGEMENT MALAYSIA BERHAD** has operated and managed the Fund during the year covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework;

2. Valuation and pricing is carried out in accordance with the deed; and

3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

For and on behalf of
CIMB COMMERCE TRUSTEE BERHAD

DATIN EZREEN ELIZA BINTI ZULKIPLEE
Chief Executive Officer

Kuala Lumpur, Malaysia
15 February 2024

STATEMENT BY THE MANAGER

We, **OH JO ANN** and **LIM HIAH ENG**, being two of the directors of **BOS WEALTH MANAGEMENT MALAYSIA BERHAD**, do hereby declare that, in the opinion of the Manager, the accompanying financial statements set out on pages 35 to 62 are prepared in accordance with the requirements of the Deeds, Malaysian Financial Reporting Standards, International Financial Reporting Standards and Securities Commission's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework in Malaysia so as to give a true and fair view of the financial position of **BOSWM ASIAN INCOME FUND** as at 31 December 2023 and of its results, changes in net asset value and cash flows for the financial year then ended.

Signed on behalf of the Manager in accordance with a resolution of the directors

OH JO ANN **LIM HIAH ENG**

Petaling Jaya, Malaysia
15 February 2024

INDEPENDENT AUDITORS' REPORT

To the Unitholders of **BOSWM ASIAN INCOME FUND**

Report On The Audit Of The Financial Statements

Our Opinion
In our opinion, the financial statements of **BOSWM ASIAN INCOME FUND** ("the Fund") give a true and fair view of the financial position of the Fund as at 31 December 2023, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What We Have Audited
We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in net asset value and statement of cash flows for the financial year then ended, and notes to the financial statements, comprising material accounting policy information and other explanatory information, as set out on pages 35 to 62.

Basis For Opinion
We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence And Other Ethical Responsibilities
We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other Than The Financial Statements And Auditors' Report Thereon
The Manager of the Fund is responsible for the other information. The other information comprises the Trustee's Report, but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities Of The Manager For The Financial Statements
The Manager of the Fund is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to terminate the Fund, or has no realistic alternative but to do so.

Auditors' Responsibilities For The Audit Of The Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards of auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

(d) Conclude on the appropriateness of Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matters

This report is made solely to the unitholders of the Fund, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
(LLP0014401-LCA & AF 1146)
Chartered Accountants

Kuala Lumpur
15 February 2024

STATEMENT OF FINANCIAL POSITION
As At 31 December 2023

	Note	2023 RM	2022 RM
Assets			
Investments	3	13,332,764	14,085,475
Interest receivable		69	53
Financial derivatives	7	269,804	635,108
Other receivables		26,469	26,117
Cash and cash equivalents	5	301,290	369,391
Total Assets		13,930,396	15,116,144
Liabilities			
Tax payable		-	2,668
Amount due to Manager	6	5,673	16,491
Other payables		24,642	29,221
Total Liabilities		30,315	48,380
Net Asset Value ("NAV") Of The Fund		13,900,081	15,067,764
Net Assets Attributable To Unitholders Of The Fund Comprise:	14		
Unitholders' capital		19,101,670	20,433,764
Accumulated losses		(5,201,589)	(5,366,000)
		13,900,081	15,067,764
Net Asset Value			
Class MYR		1,345,574	2,451,124
Class MYR BOS		12,549,659	12,612,093
Class USD BOS		4,848	4,547
		13,900,081	15,067,764
Number Of Units In Circulation (Units)	15		
Class MYR		1,417,175	2,739,927
Class MYR BOS		14,747,508	14,846,204
Class USD BOS		1,000	1,000

The accompanying notes form an integral part of the financial statements.

	2023 RM	2022 RM
NAV Per Unit In Ringgit Malaysia		
Class MYR	0.9495	0.8946
Class MYR BOS	0.8510	0.8496
Class USD BOS	4.8480	4.5467
NAV Per Unit In Respective Currency		
Class MYR	0.9495	0.8946
Class MYR BOS	0.8510	0.8496
Class USD BOS	USD1.0562	USD1.0330

The accompanying notes form an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME
For The Financial Year Ended 31 December 2023

	Note	2023 RM	2022 RM
Investment Income/(Loss)			
Gross dividends from financial assets at fair value through profit or loss ("FVTPL")		-	355,921
Interest income		11,398	7,256
Net losses on investments			
- Financial assets at FVTPL		(151,622)	(3,674,936)
- Foreign exchange		103,643	846,379
- Financial derivatives		(456,486)	(1,410,470)
Net unrealised (loss)/gain on foreign exchange		(360,543)	473,298
Net unrealised gain on changes in fair value of financial assets at FVTPL		1,120,136	145,710
		266,566	(3,256,842)
Expenses			
Audit fee		7,600	7,800
Tax agent's fee		2,800	2,600
Manager's fee	**8**	57,561	77,103
Trustee's fee	**9**	12,000	12,000
Administration expenses		19,120	15,064
		99,121	114,567
Net Income/(Loss) Before Finance Cost And Taxation		167,445	(3,371,409)
Finance costs - distribution	**13**		
- Class MYR BOS		-	(163,764)
		-	(163,764)
Net Income/(Loss) Before Taxation		167,445	(3,535,173)
Less: Taxation	**12**	(3,034)	(10,678)
Net Income/(Loss) After Taxation, Representing Total Comprehensive Income/(Loss) For The Financial Year		164,411	(3,545,851)
Total Comprehensive Income/(Losses) Comprises The Following:			
Realised losses		(595,182)	(4,164,859)
Unrealised gains		759,593	619,008
		164,411	(3,545,851)

The accompanying notes form an integral part of the financial statements.

	Note	2023 RM	2022 RM
Distributions For The Financial Year			
Net distributions - Class MYR BOS	**13**	-	163,764
Gross distributions per unit in sen - Class MYR BOS		-	1.15
Net distributions per unit in sen - Class MYR BOS		-	1.11

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN NET ASSET VALUE
For The Financial Year Ended 31 December 2023

	Note	Unitholders' Capital RM	Accumulated Losses RM	NAV Attributable To Unitholders RM
At 1 January 2022		20,737,071	(1,900,306)	18,836,765
Net loss after taxation		-	(3,545,851)	(3,545,851)
Creation of units	**15**			
Class MYR BOS		166,701	-	166,701
Cancellation of units	**15**			
Class MYR		(386,883)	-	(386,883)
Class MYR BOS		(2,968)	-	(2,968)
Distribution equalisation		(80,157)	80,157	-
At 31 December 2022		20,433,764	(5,366,000)	15,067,764
At 1 January 2023		20,433,764	(5,366,000)	15,067,764
Net income after taxation		-	164,411	164,411
Cancellation of units	**15**			
Class MYR		(1,251,262)	-	(1,251,262)
Class MYR BOS		(80,832)	-	(80,832)
At 31 December 2023		19,101,670	(5,201,589)	13,900,081

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CASH FLOWS
For The Financial Year Ended 31 December 2023

	2023 RM	2022 RM
Cash Flows From Operating And Investing Activities		
Proceeds from sale of investments	2,434,605	18,226,678
Purchase of investments	(577,459)	(16,732,438)
Settlement of forward contracts	(456,486)	(1,410,470)
Dividends received	-	357,951
Interest received	11,381	7,189
Manager's fee paid	(68,730)	(68,984)
Trustee's fee paid	(11,410)	(13,207)
Custodian's fee paid	-	32
Payment for other fees and expenses	(40,393)	(22,903)
Net cash generated from operating and investing activities	1,291,508	343,848
Cash Flows From Financing Activities		
Cash proceeds from units created	-	166,700
Cash paid on units cancelled	(1,332,093)	(389,853)
Finance costs - distributions paid	-	(163,764)
Net cash used in financing activities	(1,332,093)	(386,917)
Net Decreases In Cash And Cash Equivalents	(40,585)	(43,069)
Effect Of Exchange Rate Changes	(27,516)	(7,478)
Cash And Cash Equivalents At Beginning Of Financial Year	369,391	419,938
Cash And Cash Equivalents At End Of Financial Year	301,290	369,391
Cash And Cash Equivalents Comprise:		
Cash at banks	21,290	19,391
Deposits with financial institutions	280,000	350,000
	301,290	369,391

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

1. The Fund, The Manager And Their Principal Activities

BOSWM Asian Income Fund (hereinafter referred to as "the Fund") was constituted pursuant to the execution of a Deed dated 20 November 2015 as amended by the First Supplemental Master Deed dated 18 April 2016, Second Supplemental Master Deed dated 22 December 2016, Third Supplemental Master Deed dated 12 January 2017, Forth Supplemental Master Deed dated 17 July 2019 and its Fifth Supplemental Master Deed dated 19 May 2020 (hereinafter referred to as "the Deeds") made between the Manager, BOS Wealth Management Malaysia Berhad and the Trustee, CIMB Commerce Trustee Berhad for the registered holders of the Fund.

The principal activity of the Fund is to invest in “Permitted Investments” as defined in the Deeds, which include the USD Class C (Distribution) of the Lion Capital Funds II – Lion-Bank of Singapore Asian Income Fund (Target Fund), or a Collective Investment Scheme having a similar investment objective and strategy, with the Fund, liquid assets, and any other form of investment as may be agreed upon by the Manager and the Trustee from time to time. The Fund was launched on 12 January 2017 and will continue its operations until terminated as provided in the Deeds.

The Fund previously offered one class of units i.e. Class MYR which was the sole and unnamed class of units established before 12 September 2019. On 12 September 2019, the Fund added two new classes of units i.e. Class MYR BOS and Class USD BOS.

The Manager is a wholly owned subsidiary of Bank of Singapore Limited, a private bank based in Singapore. The ultimate holding company is Oversea-Chinese Banking Corporation Limited, a public listed company incorporated in Singapore.

The principal activities of the Manager are the establishment and management of unit trust funds as well as the management of private investment mandates. The Manager received approval from the Securities Commission Malaysia to include the regulated activity of investment advice under the variation of its Capital Markets Services License on 25 October 2019. The Manager registered to be an Institutional Unit Trust Adviser with the Federation of Investment Managers Malaysia on 13 November 2019. The Manager has not commenced activities relating to investment advise and marketing and distribution of third party funds as of the end of the financial year.

The financial statements were authorised for issue by the Board of Directors of the Manager in accordance with a resolution of the directors on 15 February 2024.

2. Summary Of Material Accounting Policies

(a) Basis Of Preparation

The financial statements of the Fund have been prepared on a historical cost basis, except as otherwise stated in the accounting policies and comply with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS") and the Securities Commission Malaysia's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework in Malaysia.

The material accounting policies adopted are consistent with those applied in the previous financial year end except for the adoption of new MFRSs and Amendments to MFRSs which are effective for the financial year beginning on or after 1 January 2023. These new MFRSs and Amendments to MFRSs did not give rise to any significant effect on the financial statements.

The Fund will adopt the following Amendments to MFRSs when they become effective in the respective financial periods and these Amendments to MFRSs are not expected to have any material impact to the financial statements of the Fund upon initial application.

Standards issued but not yet effective:

	Effective for annual periods beginning on or after
Amendments to MFRS 101: Presentation of Financial Statements Classification of Liabilities as Current or Non-Current	1 January 2024
Amendments to MFRS 101: *Presentation of Financial Statements Non-Current Liabilities with Covenants*	1 January 2024
Amendments to MFRS 16: *Leases Lease liability in a Sale and Leaseback**	1 January 2024
Amendments to MFRS 107: *Statement of Cash Flows and MFRS 7 Financial Instruments: Supplier Finance Arrangements*	1 January 2024
Amendments to MFRS 121: *The Effects of Changes in Foreign Exchange Rates*	1 January 2025
Amendments to MFRS 10 and MFRS 128: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**	Deferred

** These Amendments to MFRSs are not relevant to the Fund.*

(b) Functional And Presentation Currency

The financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Fund's functional currency.

(c) Foreign Currency Translation

Assets and liabilities denominated in foreign currencies are translated into RM at rates of exchange prevailing at the reporting date.

Transactions in foreign currencies are translated into RM at the rates of exchange ruling on the dates of transactions. Exchange differences arising are included in profit or loss.

(d) Financial Instruments

The Fund recognises financial assets and financial liabilities in the statement of financial position on the date it becomes a party to the contractual provisions of the instruments.

Regular way purchase and sales of all categories of investments in financial instruments are recognised on trade dates i.e. dates on which the Fund commits to purchase or sell the financial instruments.

Financial Assets

The Fund classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss ("FVTPL") on the basis of both the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Subsequent to initial recognition, financial assets at FVTPL are measured at fair value with gain and loss recognised in profit or loss. Transaction costs are recognised in profit or loss as incurred. Exchange differences on financial assets at FVTPL are not recognised separately in profit or loss but are included in net gains or net losses on changes in fair value of financial assets at FVTPL.

The fair value of collective investment scheme is determined from last published repurchase price at the reporting date as reported by the management company of such funds and as agreed by the Trustee and the Manager so as to reflect its fair value.

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(i) *Financial Assets At Amortised Cost*
A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial asset in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Receivables are classified as financial assets at amortised cost. They are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These include cash and cash equivalents, amount due from Manager, brokers/dealers and other receivables.

(ii) *Financial Assets At FVTPL*
A financial asset is measured at FVTPL if:

(a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest ("SPPI") on the principal amount outstanding; or

(b) It is held within a business model whose objective is to sell; or

(c) At initial recognition, it is irrevocably designated as measured at FVTPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Fund includes in this category its Permitted Investments and financial derivative assets. These include investments that are held under a business model to manage them on a fair value basis for investment income and fair value gains.

Financial Liabilities
Financial liabilities are recognised initially at fair value i.e. the consideration for goods and services received and subsequently stated at amortised cost. These include amounts due to Manager, brokers/dealers, Trustee and other payables. The difference between the proceeds and the amount payable is recognised over the period of the payable using the effective interest method.

(e) Derecognition Of Financial Assets And Liabilities

Financial Assets

A financial asset is derecognised when the asset is disposed and the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

Financial Liabilities

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liability is derecognised, and through the amortisation process.

(f) Impairment Of Financial Assets

Credit losses are recognised based on the expected credit loss ("ECL") model. The Fund recognises loss allowances for ECL on financial instruments that are not measured at FVTPL, either on a 12-month or lifetime basis based on the significant increase in credit risk since initial recognition. The impairment model does not apply to equity investments.

Given the limited exposure of the Fund to credit risk, there is no material impact on the Fund's financial statements. For balances which are short-term in nature and with no financing component (e.g. interest receivable, dividend receivable and amount due from brokers/dealers), full impairment will be recognised on uncollected balances after the grace period is exceeded.

(g) Income Recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured. Income is measured at the fair value of consideration received or receivable.

Dividend income is recognised when the Fund's right to receive payment is established.

Interest income, accretion of discount and amortisation of premium are recognised using the effective interest method on an accrual basis.

(h) Unrealised Reserves/(Deficits)

The unrealised reserves/(deficits) represent the net gain or loss arising from carrying quoted investments at their fair value and are recognised in the statement of comprehensive income.

(i) Cash And Cash Equivalents

Cash and cash equivalents comprise cash at banks and deposits with licensed financial institutions with original maturities of 3 months or less which have an insignificant risk of changes in value.

(j) Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rate and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

(k) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(l) Distribution

Distributions made by the Fund are accounted for as a deduction from realised reserves except where distributions are sourced out of distribution equalisation which are accounted for as a deduction from Unitholders' Capital. Distributions are recognised in the statement of comprehensive income, as the Unitholders' contribution are classified as financial liability as per Note 2 (m) when they are approved by the Manager and the Trustee. Distribution is either reinvested or paid in cash to the Unitholders' on the income payment date. Reinvestment of units is based on the NAV per unit on the income payment date, which is also the time of creation.

(m) Unitholders' Capital

Unitholders' Capital meets the conditions for the definition of puttable instruments classified as liability instruments under the requirements of MFRS 132 Financial Instruments: Presentation ("MFRS 132").

Under MFRS 132, a unit trust fund with one common class of unitholders is classified as Equity as it meets the requirement of having identical features. In a multi-unit class fund, if any one class (or a group of classes) can be differentiated in terms of their features, then all the classes will be classified as Liability.

The Fund issues cancellable units in three classes on which further details are disclosed in Notes 14 and 15.

Distribution equalisation is accounted for on the date of creation and cancellation of units. It represents the average distributable amount included in the creation and cancellation prices of units. This amount is either refunded to unitholders by way of distribution and/or adjusted accordingly when units are cancelled.

(n) Material Accounting Estimates And Judgments

The preparation of financial statements in accordance with MFRS and IFRS requires the use of certain accounting estimates and exercise of judgments. Estimates and judgments are continually evaluated and are based on past experience, reasonable expectations of future events and other factors.

No major estimates or judgments have been made by the Manager in applying the Fund's accounting policies. There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities at the reporting date.

3. Investments

	2023 RM	2022 RM
Financial Assets At FVTPL		
Quoted investments		
- Collective investment scheme	13,332,764	14,085,475

(a) Quoted investments at the reporting date is as detailed below.

COLLECTIVE INVESTMENT SCHEME

2023 Quantity	Name Of Fund	Cost RM	Fair Value RM	Fair Value As A % Of NAV %
	Singapore			
2,870,298	Lion Capital Funds II – Lion-Bank of Singapore Asian Income Fund*	13,277,449	13,332,764	95.92
	TOTAL QUOTED INVESTMENTS	13,277,449	13,332,764	95.92
	UNREALISED GAIN FROM QUOTED INVESTMENTS		55,315	

2022 Quantity	Name Of Fund	Cost RM	Fair Value RM	Fair Value As A % Of NAV %
	Singapore			
3,272,141	Lion Capital Funds II – Lion-Bank of Singapore Asian Income Fund*	15,150,297	14,085,475	93.48
	TOTAL QUOTED INVESTMENTS	15,150,297	14,085,475	93.48
	UNREALISED LOSS FROM QUOTED INVESTMENTS		(1,064,821)	

* *Managed by a related party of the Manager.*

(b) The Target Fund's top 10 holdings as at 31 December 2023 is as detailed below.

	Percentage Of Target Fund's NAV %
Taiwan Semi Conductor Manufacturing Co Ltd	4.80
Samsung Electronics Co Ltd	4.20
Tencent Holdings Ltd	2.90
Mediatek Incorporated	2.30
Alibaba Group Holding Ltd	2.00
Bank Mandiri Persero TBK Pt	1.80
Keppel Corporation Ltd	1.80
AIA Group Ltd	1.50
Samsung SDI Co Ltd	1.50
Petrochina Co Ltd	1.30
Total	24.10

4. Fair Value Hierarchy

The Fund uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation techniques:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2023				
Financial Assets At FVTPL				
Collective investment schemes	13,332,764	-	-	13,332,764
Derivative assets	-	269,804	-	269,804
	13,332,764	269,804	-	13,602,568
2022				
Financial Assets At FVTPL				
Collective investment schemes	14,085,475	-	-	14,085,475
Derivative assets	-	635,108	-	635,108
	14,085,475	635,108	-	14,720,583

The carrying amounts of other financial assets and financial liabilities, approximate fair values due to the relatively short term maturities of these financial instruments.

5. Cash And Cash Equivalents

Cash and cash equivalents include cash at banks and deposits with licensed financial institutions.

	2023 RM	2022 RM
Cash at banks	21,290	19,391
Deposits with licensed financial institutions:		
- Commercial bank	280,000	350,000
	280,000	350,000
Cash and cash equivalents	301,290	369,391

The weighted average effective interest rate and remaining maturity of deposits with licensed financial institutions at the reporting date were as follows:

	Weighted Average Effective Interest Rate (% Per Annum)		Weighted Average Remaining Maturity (Days)	
	2023	2022	2023	2022
Deposits with licensed financial institutions:				
- Commercial bank	3.00	2.75	3	4

6. Amount Due To Manager

The amount due to Manager represents amount payable for management fee.

Management fee is payable on a monthly basis.

7. Financial Derivatives

Financial derivatives contracts comprise forward foreign currency contracts due for settlement within 3 months from the reporting date. The forward foreign currency contracts entered into during the financial year were for hedging against the currency exposure arising from the investment in Target Fund which is denominated in US Dollar. The contract amounts and their corresponding gross fair values at the reporting date were as follows:

	Maturity Date	Contracts Or Underlying Principal Amounts RM	Contract Value At The Reporting Date RM	Unrealised Gains From Forward Foreign Currency Contracts RM
2023				
	17.1.2024	11,187,190	10,920,099	267,091
	17.1.2024	186,244	183,531	2,713
		11,373,434	11,103,630	269,804
2022				
	17.1.2023	11,415,285	10,782,617	632,668
	17.1.2023	1,322,760	1,320,320	2,440
		12,738,045	12,102,937	635,108

8. Manager's Fee

The Manager's fee provided in the financial statements is calculated on a daily basis based on NAV attributable to unitholders of the Fund for the respective class of units at the following rates:

Class	Rate p.a.
MYR	1.60%
MYR BOS	1.20%
USD BOS	1.20%

The Manager's fee provided in the financial statements is net of the Target Fund Manager's fee rebate on the collective investment scheme as agreed by the Trustee and the Manager as follows:

Name of Fund	Rate p.a.
Lion Capital Funds II – Lion-Bank of Singapore Asian Income Fund	0.80%

9. Trustee's Fee

The Trustee's fee provided in the financial statements is computed at 0.04% (2022: 0.04%) per annum of the NAV attributable to unitholders of the Fund, calculated on a daily basis, subject to a minimum fee of RM12,000 per annum.

10. Portfolio Turnover Ratio

	2023	2022
Portfolio Turnover Ratio ("PTR")	0.1 times	1.09 times

The PTR of the Fund is the ratio of average acquisitions and disposals of the Fund for the financial year over the average NAV attributable to unitholders of the Fund calculated on a daily basis. The PTR for the current financial year is lower due to decrease in investing activities.

11. Total Expense Ratio ("TER")

	2023	2022
Class		
MYR	1.00%	1.05%
MYR BOS	0.64%	0.65%
USD BOS	0.70%	0.69%

TER is the ratio of expenses of the Fund expressed as a percentage of the average NAV attributable to unitholders of the Fund for the financial year calculated on a daily basis. The TER of Class MYR for the current financial year is lower due to a higher percentage of decrease in expenses compared with the average NAV attributable to unitholders. The TER of Class MYR BOS and USD BOS for the current financial year remains consistent with that of the previous financial year. The Fund does not charge performance fee.

12. Taxation

	2023 RM	2022 RM
Malaysian income tax:		
Current year's provision	3,034	10,678

Income tax is calculated at the Malaysian statutory rate of taxation of 24% (2022: 24%) of the estimated assessable income for the financial year.

A reconciliation of income tax expense applicable to net income/(loss) before taxation at the statutory rate of taxation to income tax expense at the effective rate of taxation is as follows:

	2023 RM	2022 RM
Net income/(loss) before taxation and finance cost	167,445	(3,371,409)
Taxation at Malaysian statutory rate of 24%	40,187	(809,138)
Tax effects of:		
Income not subject to tax	(296,444)	(438,855)
Losses not subject to tax	232,477	1,220,497
Expenses not deductible for tax purpose	5,987	4,669
Restriction on tax deductible expenses for wholesale funds	17,793	22,827
Tax on repatriation of foreign income onshore	3,034	10,678
Tax expense for the financial year	3,034	10,678

13. Distribution

There was no distribution proposed for the current financial year.

Class MYR BOS

2022 Payment Dates	**Gross Distribution Per Unit (sen)**	**Net Distribution Per Unit (sen)**	**Distribution Amount (RM)**
8 February 2022	0.55	0.53	78,185
10 May 2022	0.60	0.58	85,579
	1.15	1.11	163,764

	2023 RM	**2022 RM**
Distribution to unitholders was from the following sources:		
Dividend income	-	182,625
Interest income	-	3,396
Distribution equalisation	-	146
	-	186,167
Less:		
Expenses	-	(16,924)
Taxation	-	(5,479)
	-	163,764
Gross distribution per unit (sen)	-	1.15
Net distribution per unit (sen)	-	1.11

14. Net Asset Attributable To Unitholders

	2023 RM	2022 RM
Unitholders' contribution		
- Class MYR	1,888,800	3,140,062
- Class MYR BOS	17,208,705	17,289,537
- Class USD BOS	4,165	4,165
	19,101,670	20,433,764
Accumulated losses		
- Realised deficits	(5,521,324)	(4,926,142)
- Unrealised deficits	319,735	(439,858)
NAV attributable to unitholders	13,900,081	15,067,764

The NAV per unit is rounded up to four decimal places.

The Fund issues cancellable units in three classes. The following are the features of each class:

Features	Class MYR	Class MYR BOS	Class USD BOS
Management fee rate	1.6% of Class NAV	1.2% of Class NAV	1.2% of Class NAV
Sales charge	Up to 5.0% of Class NAV	Up to 1.0% of Class NAV	Up to 1.0% of Class NAV
Distribution policy	Subject to the availability of income and distibution is on a quarterly basis.		

15. Number Of Units In Circulation

	2023 No. Of Units	RM	2022 No. Of Units	RM
Class MYR				
1 January	2,739,927	3,140,062	3,126,921	3,526,945
Cancellation	(1,322,752)	(1,251,262)	(386,994)	(386,883)
31 December	1,417,175	1,888,800	2,739,927	3,140,062
Class MYR BOS				
1 January	14,846,204	17,289,537	14,677,462	17,125,804
Creation	-	-	171,950	166,701
Cancellation	(98,696)	(80,832)	(3,208)	(2,968)
31 December	14,747,508	17,208,705	14,846,204	17,289,537
Class USD BOS				
1 January/31 December	1,000	4,165	1,000	4,165

16. Units Held By The Manager And Its Related Parties

	2023 No. Of Units^	RM	2022 No. Of Units^	RM
Holding Company Of The Manager				
Class MYR BOS	14,747,508	12,549,659	14,846,204	12,612,093
Manager				
Class USD BOS	1,000	4,848	1,000	4,547

There were no units held by other related parties.

^ *All units are held legally by the Manager as per the unitholders' register.*

17. Transactions With Brokers/Dealers

Details of transactions with the brokers/dealers for the financial year are as follows:

Brokers/Dealers	**Value Of Trade RM**	**% Of Total Trades %**
Lion Global Investors Limited*	3,007,670	100.00

* *The Fund is a feeder fund into the Target Fund, Lion Capital Funds II – Lion-Bank of Singapore Asian Income Fund, hence transactions were made wholly with the foreign fund manager of the target fund, Lion Global Investors Limited (formerly known as Lion Capital Management Limited), a subsidiary of Oversea-Chinese Banking Corporation Limited, the ultimate holding company of the Manager.*

The directors of the Manager are of the opinion that the transactions with the related party have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.

18. Financial Risk Management Objectives And Policies

The Fund is exposed to a variety of risks which include market risk, credit risk, liquidity risk and target fund risk.

Financial risk management is carried out through policy reviews, internal control systems and adherence to the investment restrictions as stipulated in the Securities Commission Malaysia's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework in Malaysia.

(i) Market Risk

The Fund's principal exposure to market risk arises primarily due to changes in the market environment, global economic and geo-political developments. The Fund seeks to diversify some of these risks by investing into different sectors to mitigate risk exposure to any single asset class.

The Fund’s market risk is affected primarily by the following risks:

(a) Price Risk

The Manager manages this risk by monitoring the performance of the investment portfolio. The price risk exposure arises from the Fund's investment in collective investment scheme.

The table below summarises the effect on the net losses before tax and NAV attributable to the unitholders of the Fund at the reporting date due to possible changes in prices, with all other variables held constant:

Change In Price (%)	Effect On Net Losses Before Tax And NAV Attributable To Unitholders Decrease/(Increase) 2023 RM	Increase/(Decrease) 2022 RM
+5	666,638	704,274
(5)	(666,638)	(704,274)

(b) Interest Rate Risk

This risk refers to the effect of interest rate changes on the returns of deposits with licensed financial institutions. In the event of reduction in interest rates, the returns on deposits with licensed financial institutions will decrease, thus affecting the NAV of the Fund. This risk will be minimised via the management of the duration structure of the deposits with licensed financial institutions.

The Fund's exposure to interest rate risk with respect to deposits with licensed financial institutions is not considered to be significant at the reporting date and consequently no sensitivity analysis on interest rate risk has been presented.

(c) Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Fund invests in securities and other investments that are denominated in currencies other than the functional currency. Accordingly, the value of the Fund's assets may be affected favourably or unfavourably by fluctuations in currency rates and therefore subject to foreign exchange risks.

The Fund Manager employs forward foreign currency contracts to reduce the Fund's exposure to foreign exchange fluctuations of the Target Fund as part of its currency risk management.

The table below indicates the currency to which the Fund had significant exposure at the reporting date on its NAV. The analysis shows the currency risk concentration and calculates the effect on net income before tax and NAV attributable to unitholders due to fluctuations in currency rates against the functional currency, with all other variables held constant.

	Currency Risk Concentration		Changes In Currency Rates	Effect On Net (Loss)/Income Before Tax And NAV Attributable To Unitholders
		As A % Of NAV		
	RM	%	%	RM
2023				
USD	13,336,977	95.95	+5	666,849
2022				
USD	14,089,560	93.51	+5	704,478

An equivalent decrease in the currency rate shown above would have resulted in an equivalent, but opposite impact.

(ii) Credit Risk

The Fund's principal exposure to credit risk arises primarily due to changes in the financial conditions of an issuer or a counterparty to make payment of principals, interest and proceeds from realisation of investments. Such events can lead to loss of capital or delayed or reduced income for the Fund resulting in a reduction in the Fund's asset value and thus, unit price. This risk is mitigated by setting counterparty limits and vigorous credit analyses.

Credit risk generally arises from investments, financial derivatives, cash and cash equivalents and other receivables. The maximum exposure to credit risk is presented in the Statement of Financial Position. None of these balances are impaired. Financial derivatives and cash and cash equivalents are placed in licensed financial institutions with strong credit ratings.

The following table sets of the credit risk concentration of the Fund at the end of each reporting year:

	Financial Derivatives RM	Cash And Cash Equivalents RM	Total RM
2023			
Credit rating			
AAA	269,804	301,290	571,094
2022			
Credit rating			
AAA	635,108	369,391	1,004,499

(iii) Liquidity Risk

This risk occurs in thinly traded or illiquid securities. Should the Fund need to sell a relatively large amount of such securities, the act itself may significantly depress the selling price. The risk is minimised by maintaining a prudent level of liquid assets that allows the Fund to meet daily redemption of units without jeopardising potential returns.

The maturity of the Fund's financial liabilities fall due within three months while the NAV attributable to unitholders are repayable on demand.

The table below summarises the Fund's financial liabilities into the relevant maturity groupings based on remaining period as at end of each reporting period to the contractual maturity date. The amounts in the table below are the contractual undiscounted cash flows.

	Within 1 Month RM	Between 1 Month To 1 Year RM	Total RM
2023			
Amount due to manager	5,673	-	5,673
Other payables	24,642	-	24,642
Net asset value attributable to unitholders	13,900,081	-	13,900,081
	13,930,396	-	13,930,396
2022			
Amount due to manager	16,491	-	16,491
Tax payable	2,668	-	2,668
Other payables	29,221	-	29,221
Net asset value attributable to unitholders	15,067,764	-	15,067,764
	15,116,144	-	15,116,144

(iv) Target Fund Risk

The Fund is exposed to target fund risk as it feeds into a single target fund. This risk may occur when there is an underperformance or non-performance due to less optimal investment management at the target fund level in terms of securities selection and market, sector and economic analysis. This risk is mitigated by selecting a target fund which has a long track record and managed by a reputable investment manager.

19. Operating Segment

The Fund is a feeder fund whose assets are primarily invested in the target fund, Lion Capital Funds II – Lion-Bank of Singapore Asian Income Fund. The target fund qis domiciled in Singapore and managed by Lion Global Investors Limited (formerly known as Lion Capital Management Limited), a subsidiary of Oversea-Chinese Banking Corporation Limited, the ultimate holding company of the Manager.

As the Fund is a feeder fund it only has one business segment.

20. Capital Management

The Fund's capital comprises unitholders' subscription to the Fund. The unitholders' capital fluctuates according to the daily subscription and redemption of units at the discretion of unitholders.

The Fund aims to achieve its investment objective and at the same time maintain sufficient liquidity to meet unitholders' redemptions.

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INSTITUTIONAL UNIT TRUST ADVISERS (IUTA)
For more details on the list of appointed IUTA (if any), please contact the Manager. Our IUTA may not carry the complete set of our funds. Investments made via our IUTA may be subject to different terms and conditions.

IMPORTANT NOTICES

Beware of phishing scams
Kindly be alert of any email or SMS that requires you to provide your personal information and/or to login to your account via an unsolicited link. Do not click on email links or URLs without verifying the sender of the email. Please ensure the actual internet address is displayed i.e. www.boswealthmanagement.com.my

If you suspect your account may be compromised and/or would like to seek clarification, please contact us as above.

Update of particulars
Investors are advised to furnish us with updated personal details on a timely basis. You may do so by downloading and completing the Update of Particulars Form available at www.boswealthmanagement.com.my , and e-mail to ContactUs@boswm.com. Alternatively, you may call us as above.