BOS WEALTH MANAGEMENT

A subsidiary of Bank of Singapore

BOSWM EMERGING MARKET BOND FUND

ANNUAL REPORT

For the financial year ended 31 December 2023

CONTENTS

Fund Information	2
Financial Highlights	4
Fund Performance	6
Market And Fund Review	
Fund Returns	
Asset Allocation	
Income Distribution	
Net Asset Value (NAV) Per Unit	
Trustee's Report	20
Statement By The Manager	21
Independent Auditors' Report	22
Statement Of Financial Position	26
Statement Of Comprehensive Income	28
Statement Of Changes In Net Asset Value	30
Statement Of Cash Flows	31
Notes To The Financial Statements	32

FUND INFORMATION
As At 31 December 2023

Name Of Fund (Feeder)	:	BOSWM Emerging Market Bond Fund
Manager Of Fund	:	BOS Wealth Management Malaysia Berhad 199501006861 (336059-U)
Name Of Target Fund	:	Lion Capital Funds II – Lion-Bank of Singapore Emerging Market Bond 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 – 26 January 2016 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	:	Fixed income – feeder fund (wholesale)
Type Of Fund	:	Growth and income[□]
Investment Objective	:	BOSWM Emerging Market Bond Fund aims to provide capital growth and income[□] in the medium to long term by investing in the Target 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 - 10.60 million units Class MYR BOS - 12.68 million units Class USD BOS - 2,500 units

FINANCIAL HIGHLIGHTS

Category	As At 31.12.2023	As At 31.12.2022	As At 31.12.2021
	%	%	%
Collective Investment Scheme	94.86	94.07	97.23
Cash And Liquid Assets	5.14	5.93	2.77
Total	100.00	100.00	100.00
	Class MYR	**Class MYR**	**Class MYR**
Net Asset Value (RM'000)	9,182	11,241	13,973
Number Of Units In Circulation (Units '000)	10,600	12,281	13,115
Net Asset Value Per Unit (RM)	0.8663	0.9154	1.0654
Total Expense Ratio ("TER")	0.92%	0.98%	0.98%
Portfolio Turnover Ratio (times)	0.10	1.13	0.28
	Class MYR BOS	**Class MYR BOS**	**Class MYR BOS**
Net Asset Value (RM'000)	9,899	10,490	13,466
Number Of Units In Circulation (Units '000)	12,677	12,776	13,964
Net Asset Value Per Unit (RM)	0.7809	0.8211	0.9644
Total Expense Ratio ("TER")	0.55%	0.58%	0.55%
Portfolio Turnover Ratio (times)	0.10	1.13	0.28
	Class USD BOS	**Class USD BOS**	**Class USD BOS**
Net Asset Value (RM'000)	11	11	12
Number Of Units In Circulation (Units '000)	3	3	3
Net Asset Value Per Unit (RM)	4.3918	4.3392	4.7563
Net Asset Value Per Unit (USD)	0.9569	0.9859	1.1423
Total Expense Ratio ("TER")	0.54%	0.56%	0.55%
Portfolio Turnover Ratio (times)	0.10	1.13	0.28

The TER 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 Fund does not charge performance fee.

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	-	25	113
- Capital (distribution equalisation)	-	-	179
Total distributions	-	25	292
Class MYR BOS	**%**	**%**	**%**
- Net realised income	-	100.00	38.70
- Capital (distribution equalisation)	-	-	61.30
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 Emerging Market Bond Fund (Target Fund Of BOSWM Emerging Market Bond Fund)

January 2023
US Treasury yields ended January lower at 3.3% versus 3.9% at the end of 2022. Core US inflation seems to have peaked and we expect the Fed to slow its pace of interest rate hikes to 25 basis points (bps) this year, moderating from the 50bps and 75bps rapid moves last year. Global credit markets performed well in line with other risk assets as markets assessed likelihood of a soft landing with inflation under control. Monthly returns were +4.2% for JPM CEMBI HY (EM HY), +2.5% for JPM CEMBI IG (EM IG) and +4.8% for Bloomberg Barclays US (DM IG). Bank of Singapore's 12-month forecast for 10Y US Treasury yields is 3.5%. The US Federal Reserve (Fed) is likely to lift Fed Funds rate by 25bps in March and May to 5.00-5.25% and then keep interest rates unchanged in 2023.

Despite widespread expectations of an impending recession, risk assets rallied into 2023 on expectations of a Fed pivot as inflation showed signs of cooling. The start of the year saw broad based improvements in sentiment across credit markets with reasonably stronger technicals.

Performance across geographies were generally positive and longer duration credits outperformed for EM IG. Greater China greatly benefitted from the Covid-19 reopening theme alongside supportive macro policies targeting economic growth and the property sector. In EM HY, China property credits continue to rally in January following the targeted measures announced by the government last year. The landscape for the sector appears mixed going forward given that home sales have yet to improve materially. Other EM HY segments also saw broad-based rally at the start of 2023, given the stronger technicals and improved market sentiment around the Fed hiking cycle.

Fixed Income now offers more balanced risk-reward after the significant market re-pricing seen last year. Current yields look attractive relative to historical levels, especially for higher quality credits. Credit dispersion should remain a theme for 2023 given the feed through of higher rates and growth uncertainty. We look to position in fundamentally sound companies that could navigate this environment, with well managed capital structures and solid business positioning within their respective sectors. We are cautious on credit risks particularly in companies which rely on low borrowing costs for many years. As the Fed slows down its hiking cycle, we favour duration. Overall, we are sanguine on EM and remain weighted in HY as the current yield environment offers compelling total return opportunities for bond investors through active duration management and rigorous bottom up credit selection.

The Fund continued to stay invested into the new year, maintaining the prudent investment approach to selective rebalance into quality and diversity.

February 2023

US Treasury (UST) yields ended February 2023 higher at 3.9% vs 3.5% at the end of January 2023. Recent key US data were surprisingly strong showing the economy has not cooled enough yet to return inflation to the Federal Reserve (Fed) 2% target despite last year's aggressive interest rate hikes. Global credit returns were broadly weaker with higher UST rates and softer sentiments for risk assets. Monthly returns were 2.0% for JPM CEMBI HY (EM HY), 1.5% for JPM CEMBI IG (EM IG) and 3.9% for Bloomberg Barclays US (DM IG). Bank of Singapore's 12-month forecast for 10-Year UST yields is 3.5% as the US Fed rate hikes slow the economy and push long term yields lower during 2023. The Fed will likely lift interest rates by 25 basis points (bps) in March 2023 and May 2023, and we now expect a 25bps hike in June 2023 too.

The overall investment grade market saw broad-based weakness from technicals and a reversal of January 2023 optimism on a Fed pivot. Latin America underperformed partly due to the relatively longer duration and idiosyncratic events. Volatility in the Brazil and Mexico corporate bond market has been on the rise while Asia witnessed generally better performance related to China's reopening. In high yield, performance was mixed and overall impacted by weak technicals as sentiment turned more negative during the month. The China property sector held up well as supportive news in terms of top down policies continue to dominate headlines. Idiosyncratic credit events such as those related to India credits and Brazil distressed situations weighed on sentiments.

The current macro environment remains potentially volatile in the near term and could encompass further credit dispersion. We advocate a diversified approach with a focus on bottoms up fundamentals and a quality tilt. Certain sectors and countries are more well-positioned to navigate the current cycle, volatile rates environment and growth uncertainty. Overall, we favour duration via EMIG bonds, which are recession hedges and maintain preference for quality credits in EMHY with good carry. We continue to watch key economic data that may shift the Fed's balancing act of managing inflation and growth. The Fund continues to maintain the prudent investment approach to selective rebalance into quality and diversity as we adapt to a slower economic backdrop and potentially less inflationary conditions.

March 2023

US Treasury (UST) yields dropped significantly in March 2023 with the UST 10-Year rate moving from 3.92% to 3.47%. Global markets became concerned with the possibility of a banking crisis and financial contagion as Silicon Valley Bank, First Republic Bank and Credit Suisse Group ran into troubles. Global credit markets had a mixed performance as markets assessed the increased likelihood of a recession with banks likely to tighten up lending after recent troubles. March 2023 returns were 0.4% for JPM CEMBI High Yield (EM HY), +1.4% for JPM CEMBI Investment Grade (EM IG) and +3.5% for Bloomberg Barclays US (DM IG). Bank of Singapore's 12-month forecast for 10-Year UST yields is 3.25%, down from the previous 3.5%. The US Federal Reserve (Fed) is likely to hike another 25 basis points in the May 2023 meeting, while pausing for the rest of 2023 to see how economic data pans out.

EM IG bonds registered positive returns across geographies as rates expectations were diminished by the possibility of a US bank crisis and financial contagion. Lower rates were partially offset by IG spreads widening as investors become concerned about the impact of a recession on EM countries. Sector-wise, Financials underperformed as Swiss authorities ruled that Credit Suisse's Additional Tier (AT) 1 debt would be fully written own before equity, in an unprecedented move to rescue the beleaguered Credit Suisse and forcing a marriage with UBS. On the other hand, EM HY performance was mixed and overall impacted by weak technical's as sentiments turned more negative during the month. Riskier AT1 and T2 bank debt sold off as markets repriced the risk of owning these bonds, while the China property sector retreated after a strong start this year. We are broadly neutral on EM IG bonds as valuations are moderately balanced against the backdrop of fairly healthy fundamentals, whilst preferring EM HY bonds with focus on stronger issuers.

Credit dispersion should remain a theme for 2023 given the feed through of higher rates and growth uncertainty. We look to position in fundamentally sound companies that could navigate this environment, with well-managed capital structures and solid business positioning within their respective sectors. We are cautious on credit risks particularly in companies which relied on low borrowing costs. Despite the volatile market conditions, we remain committed to our philosophy of focusing on long-term value. As the Fed rate hike cycle slows, we favour duration. 10-Year UST yields have likely reached a zone where value could emerge for long-term investors with patience. The Fund continues to maintain the prudent investment approach to selective rebalance into quality and diversity ahead of a slower economic backdrop and potentially less inflationary conditions.

April 2023

The 10-Year US Treasury (UST) bond yield ended April 2023 marginally unchanged vs prior month at around 3.4%, after rising to 3.6% intra month. Global credit markets broadly held up well during the month as sentiments stabilised after the recent news related to the banking sector volatility. April 2023 returns were +0.1% for JPM CEMBI High Yield (EMHY), +1.0% for JPM CEMBI Investment Grade (EMIG) and +0.8% for Bloomberg Barclays US (DMIG). Bank of Singapore's 12-month forecast for 10Y UST yields is 3.25%. The US Federal Reserve (Fed) hiked another 25 basis points (bps) in the May 2023 meeting, but may pause for the rest of 2023 subject to how economic data pans out.

EMIG bonds were supported by 11bps spread tightening for the asset class. Spreads were broadly tighter for IG across Asia, Latin America and CEEMEA. Fundamentals for the asset class remain healthy despite some idiosyncratic credit drivers. China dominated headlines during the month, with China Huarong downgrades and negative sentiment related to the China property sector. The asset class benefits from flight to quality given large composition in quasi-sovereigns and government-related entities in China and the Gulf region (GCC) as well as highly-rated sovereigns such as South Korea and Singapore. EMHY bonds, on the other hand, saw +12bps spread widening during the month. China HY credits underperformed due to lack of further policy support, weaker earnings and slower contracted sales improvement. Spreads remain wide for the sector until material fundamental recovery takes place. EM corporate HY default rates reached 1.9% Year-To-Date with EM Europe and Latin America leading the pack.

Going forward, the macro outlook remains uncertain as global markets adjust to a higher rate environment. Inflation remains sticky but we see the Fed closer to pausing its rate hike cycle going into the next few quarters. The cloudy economic backdrop continues to favour a defensive positioning with focus on fundamentally stronger issuers as credit bifurcation remains a main theme. The Fund maintains its prudent investment approach to selective rebalance into quality and diversity as we adapt to a slower economic environment and potentially less-inflationary conditions.

May 2023

The 10-Year US Treasury yield ended May 2023 at 3.64% which was 22 basis points (bps) higher versus prior month, after rising to 3.85% intra month. Much of the volatility was attributed to US debt ceiling uncertainty. Despite credit spreads being broadly unchanged, global credit markets was down during the month mainly due to duration losses. May 2023 returns were -1.6% for JPM CEMBI High Yield (EMHY), -0.5% for JPM CEMBI Investment Grade (EMIG) and -1.7% for Bloomberg Barclays US (DMIG). Bank of Singapore's 12-month forecast for 10-year US Treasury yields is 3.25%. The US Federal Reserve (Fed) hiked another 25bps in the May 2023 meeting, but may pause for the rest of 2023 to see how economic data pans out.

Emerging Markets (EM) IG bond returns were down even though spreads were largely unchanged for the asset class, as moderate losses came from US interest rates rising during the month. Top underperformers were Metals and mining, Telecommunications and media, and Consumer sectors. In contrast, Infrastructure, Financials and Transport held up well with slight positive to flat returns. Fundamentals for the asset class remain healthy despite some idiosyncratic drivers. China continued to dominate headlines during the month, with Dalian Wanda and local debt blow ups causing a round of negative sentiments. EMHY bonds saw +30bps spread widening during the month with the Asian region and Real Estate sector being the key underperformers, down 2.5% and 8.3% respectively. Negative headlines surrounding Dalian Wanda, Sino Ocean, Huarong and LGFVs gave a lot of pressure to China HY credits. In contrast, the Latin American region, Transport and Oil & Gas sectors outperformed and gave positive returns against the pack.

The macro outlook remains uncertain as global markets adjust to a higher rates environment. Inflation remains sticky but we see the Fed closer to pausing its rate hike cycle going into the next few quarters. We see a strong case for investing in high quality bonds given higher all in yields. Global fixed income markets offer compelling opportunities although we believe in being highly selective given late cycle dynamics. The Fund trimmed some risks across Asia, Latin America and Middle East in May 2023, as we continue to favour a defensive positioning with a focus on fundamentally stronger issuers. Credit bifurcation remains a theme this year and we focus on an up in quality strategy, focusing on more resilient sectors.

June 2023

The 10-Year US Treasury (UST) yield ended June 2023 at 3.84%, which was 20 basis points (bps) higher vs prior month, after rising to 3.89% intra month. Much of the volatility was attributed to stronger than expected US data and hawkish US Federal Reserve (Fed) members who indicated that more hikes will be appropriate ahead. June 2023 returns were +1.8% for JPM CEMBI High Yield Index (EM HY), +0.3% for JPM CEMBI Investment Grade Index (EM IG) and +0.6% for Bloomberg Barclays US Index (DM IG). Despite duration losses, global credit markets were up during the month mainly due to spreads tightening in line with stronger US data and higher equity markets. Bank of Singapore's 12-month forecast for 10 year UST yield remains at 3.25%. The Fed was on hold in the June 2023 meeting, but may hike another 25bps in July 2023 and September 2023 depending on how economic data pans out.

In EM IG, spreads tightened by 19bps for the asset class with some gains offset by rising US interest rates during the month as this asset class tends to have longer duration. Fundamentals for the asset class remain healthy despite some idiosyncratic drivers. China continued to dominate headlines during the month, with state owned enterprises' property sales being down 27% Year-over-Year, while refinancing concerns on local government financing vehicles continue to build up. Likewise, EM HY bonds saw 47bps of spread tightening during the month, benefitting from better tone in general risk markets but with some gains offset by continued sell-offs in China property bond sector. We retain our positive view for IG credit amidst global macro uncertainty and the implicit support of a high percentage of quasi-sovereigns (around 35%) in the EM IG universe. In the same vein, we stay prudent towards EM HY bonds and favour a defensive positioning with focus on fundamentally stronger issuers. Credit bifurcation remains a theme this year and we focus on an up-in-quality strategy, preferring the more resilient sectors.

As markets continue to price out recessionary risks and Fed rate cuts, the macroeconomic outlook remains uncertain as stronger US data faces off with hawkish Fed members seeking further hikes. Inflation remains sticky, the Fed likely needs to see the strong labour market cool down before calling an end to the hiking cycle. In spite of the continued volatility, global fixed income markets continue to offer compelling opportunities although we believe in being highly-selective given late cycle dynamics. We lean defensive in our asset allocation, with the Fund modestly overweight cash, whilst maintaining its prudent investment approach to selective rebalance into quality and diversity as we adapt to a slower economic environment and potentially less-inflationary conditions.

July 2023

Strong economic data and the rally in risk assets led to steepening of the US Treasury (UST) yield curve in July 2023. The longer end of the yield curve underperformed with 30-Year UST yields increasing by 15 basis points (bps) to 4%. The 10-Year UST yield closed at 3.83%, up 12bps. Global fixed income markets performed admirably despite the higher UST yields. Emerging Markets (EM) Corporate bonds returned 0.56% in June 2023 with HY (JPM CEMBI High Yield) gaining 0.8%. EM IG bonds (JPM CEMBI Investment Grade) returned 0.45% in the month, while the US IG market (which has a relatively higher duration) returned 0.35%, as spread tightening in credit markets more than offset the impact of higher UST yields in July 2023. Bank of Singapore expects the 10-Year UST yield to be at 3.5% in 6-months. At its July 2023 meeting, the US Federal Reserve (Fed) hiked rates by 25bps, in line with market expectations.

EM IG bond returns were positive in July 2023 with year-to-date total returns of 3.6%. Credit spreads tightened during the month and this helped offset the rise in UST. The Federal Open Market Committee (FOMC) meeting did not lead to any major surprises as the market digested further data points and inflation prints were not aggressive. China continues to dominate headlines, with negative sentiment related to its real estate sector spilling over to the rest of Asia. Latin America (Latam) did well during the month, delivering 1.6% versus Asia at 0.3%. EM HY was also positive month in July 2023 driven by 11bps spread tightening, bringing the year-to-date total return to 2.8%. However, there was large dispersion in EM HY performance within the segment. China continued to underperform and lost 7.7% in July 2023 from renewed refinancing concerns in the property sector. The Oil & Gas was the best performing sector within EM HY aided by the rally in oil prices. Unsurprisingly, the Real Estate sector lost 4.6% due to the underperformance in China.

Our portfolio positioning remain defensive with focus on high quality names and strong balance sheets. We are broadly Neutral in EM, positioning for carry in HY, coupled with IG defensive positioning. Selectively, we think extending duration in longer dated bonds within EM IG could be in an interesting tactical play for investors. Country allocation and credit selection remains the key driver of returns within the segment. The Fund selectively rebalanced into quality and diversity across the Middle East/North Africa (MENA) region during the month, as we adapt to a slower economic environment and potentially less-inflationary conditions.

August 2023

The US Treasury (UST) 10-Year yield edged up higher in August 2023 to close the month at 4.1% versus 4.0% prior month. Overall focus had remained on inflation data and the US Federal Reserve's (Fed) annual Jackson Hole event. Chairman Powell kept a hawkish stance suggesting that investors should stay cautious as interest rates are set to remain elevated over the near term. Global fixed income markets delivered weaker returns during the month given overall macro uncertainties. Emerging Markets (EM) High Yield (JPM CEMBI HY) returns declined 1.1%, EM Investment Grade (JPM CEMBI IG) returns were down 0.6% and Developing Markets Investment Grade (DM IG) returns were 0.6% lower. Year-To-Date (YTD) absolute returns remains in positive territory despite giving back some performance in August 2023. Bank of Singapore's 10-Year UST forecast is 3.25% over a 12-month period, with expectation that the Fed would not cut rates until 2nd quarter of 2024 at the earliest as officials continue to focus on the 2% inflation target.

EM IG credit spreads widened during the month with weaker macro headlines such as that related to inflation and China, which remains in focus given credit events related to large private developers, suggesting continued fundamental challenges within the real estate sector. Despite recent widening, technicals remain well-supported with limited supply and spreads relatively tight versus recent historical levels. August 2023 was also particularly challenging for the higher beta segments of the credit market, led by higher UST yields and 35 basis points widening in the credit spreads. Within EM HY, there were large variations in the regional performance. The woes in the Chinese real estate sector and sharp equity sell-off resulted in underperformance in the Asian market. Asia lost 2.3% in August 2023 primarily due to 8.8% loss in China. Middle East was the best performer within EM HY with 0.9% return while Latin America posted 0.2% return. Sector-wise, Transport and Oil and Gas were the best performing sectors within EM HY. Once again, Real Estate was the worst performing sector owing to the weak performance in Chinese real estate segment.

Recent payroll numbers showed a deceleration in the labour market, potentially encouraging the Fed to maintain the policy rates. With the market nearer the tail-end of the rate hike cycle, we see compelling investment opportunities in the fixed income market. Meanwhile, we anticipate the US economy to enter a recession in 2024, giving way to potentially lower UST yields in the coming quarters. Sector allocation and credit selection remain key drivers of returns in the fixed income market We prefer defensive positioning with preference towards segments of the market that exhibit strong credit fundamentals. The Fund continued to rebalance into quality issuers across the Central Asia/Middle East/Latin America regions during the month, as we adapt to a slower economic environment amidst a “higher-for-longer’ rates backdrop.

September 2023
US Treasury (UST) 10-year yield shot higher in September 2023 from 4.11% to 4.54%, on investors' concerns about the "higher for longer" mantra and its implication for bond returns. Surging oil and food prices also pressured headline inflation data while US economic data continues to look sanguine.

Global fixed income markets delivered weaker returns during the month given the rise in interest rates, with higher duration sectors being affected more than others. Emerging Market (EM) High Yield (HY) returns were -0.2%, EM Investment Grade (IG) returns were - 1.2% and Developed Market (DM) IG returns were -3.3%. Year-To-Date (YTD) returns remains positive for EM HY and EM IG, but started turning negative for DM IG. UST yields are set to remain volatile over the next few months while the Federal Reserve (Fed) stays hawkish. While US is likely to avoid falling into recession in 2023, Bank of Singapore's 10-year UST forecast remains 3.25% over a 12-month period as we expect a downturn is still likely in 1st half of 2024.

EM IG bond returns were negative in September 2023 even as credit spreads tightened marginally by 4 basis points (bps) during the month but was offset by the UST yield moving higher. China remains weighed down by weak sentiments with headlines surrounding the property and local government financing vehicle (LGFV) sectors. Elsewhere in Asia, JPM announced the inclusion of India into its flagship GBI-EM index in June 2024. This could potentially boost the domestic capital markets especially for IG issuers. We stay defensive overall and favour high quality issuers with leading market positions or sectors that will benefit from structural growth in the region. Selectively, we like positioning in India, Indonesia and South Korea credits with strong balance sheets and liquidity profiles. EM HY market stayed resilient in September, driven by 30bps of spread tightening which partially offset the 30bps - 40bps increase in UST yields. Region wise, Asia HY recouped some of August 2023 losses and posted 0.6% thanks to positive performance in China and Hong Kong. Latin America (Latam) was the main detractor of performance owing to losses in Chile and Colombia. Diversified and Metals & Mining were the best performing industries while Pulp & Paper and Telecom were the worst performing sectors in September 2023. Regional and country allocation remain the key driver of returns in EM HY. Within EM HY, we are Underweight in Asia and Neutral on Latam and Central Europe, Middle East and Africa.

Hawkish comments from the US Fed, resilient US economic data and the rebound in oil prices contributed to a sharp increase in UST yields in September 2023. The expectation of higher UST bond supply to fund the fiscal deficit also contributed to the volatility in UST yields. We do not expect the Fed to raise rates further but UST yields may remain elevated in the near term until the economic growth decelerates meaningfully. The resumption of student loan repayments, decline in budget deficit and falling excess consumer savings point towards growth slowdown in the coming months. Our recession expectations have been pushed towards middle of 2024, which will provide a backdrop for the Fed to cut rates and lower UST yields. The Fund continued to cull Asian HY exposures for cash as risk markets tanked in September 2023 on growing recessionary fears exacerbated by the 'higher-for-longer' rates backdrop.

October 2023

US Treasury (UST) 10-Year yields shot higher in October 2023 from 4.57% to 4.93%. Investors were concerned about the future supply of USTs amidst an unsustainable US deficit. The Israel-Hamas conflict and resulting higher oil prices also pressured concerns about the potential impact on growth and possibility of the conflict spreading across the wider Gulf Cooperative Council (GCC) region Global fixed income markets delivered weaker returns during the month, with higher duration sectors being affected more than others: Emerging Markets (EM) High Yield (HY) returns were -1.2%, EMIG returns were -1.2% and Developing Markets (DM) IG returns were -2.5%. Year-to-date (YTD) returns remain slightly positive for both EM HY and EM IG, while DM IG is down -3.1% YTD. UST yields are set to remain volatile over the next few months. While the US is likely to avoid recession in 2023, we expect that a downturn is still likely in 1st half of 2024.

EM IG bond returns were negative in October 2023 with credit spreads widening by 8 basis points (bps) during the month coupled with the UST yield move higher. In Asia, China property dominated headlines as the largest private developer, Country Garden, officially defaulted on a USD bond. We saw spread widening even among relatively higher quality developers. With 10-Year and 30-Year UST yields crossing 5% for the first time since 2007, longer duration credits were especially weighed down by rates. The Middle East conflict led to some repricing among GCC bonds as investors reassess risk premium and wider macro-economic implications. We see value in defensive issuers and countries across the curve. EM corporate fundamentals should hold up on average while we recognize there remains potential for further spread widening especially in weaker segments of the market.

The volatility in UST yields and credit spread widening also resulted in a difficult month for EM HY as credit spreads widened by 30 bps in October 2023. Region-wise, Asia HY outperformed on a relative basis thanks to strong performance in India and Indonesia. The Middle East underperformed due to geopolitical uncertainties. Chile and China were the worst performing countries in while Indonesia and Turkey posted positive returns despite the unfavourable move in UST yields. Metals and Mining and Real Estate were the worst performing industries. Real Estate was adversely impacted by the negative price action in China Real Estate sector. Financials and Industrial were the best performing sectors. We are Underweight in Asia HY due to valuations and see better value in Central & Eastern Europe, Middle East and Africa and Latin America regions.

The volatility in UST yields is likely to continue driving cautious investor sentiments and macro uncertainty. Geopolitical tensions also remain a focus with the recent Middle East conflict resurgence. Credit dispersion will likely persist as tighter monetary policy conditions impact borrowing costs and consumer spending. Our strategy is to be selective in credits we own with a focus on stronger balance sheet companies. The repricing in all-in yields could potentially mean good entry points for long term investors, particularly for fundamentally robust issuers. We remain cautious on lower quality segments of the market and highly levered credits given the potential for further spread widening. The Fund continued to cull HY exposures for cash on the continued weak sentiment as slowing growth concerns are exacerbated by heightened geopolitical risks.

November 2023

10-Year US Treasury (UST) yield fell in November 2023 from 4.93% to 4.33%. A combination of benign inflation figures and dovish Federal Reserve (Fed) speakers had investors excited about Fed rate pause and even pricing in rate cuts for 2024. Holistically so far, the data has goldilocks and soft landing written all over it, with inflation showing great progress and growth remaining positive. Global fixed income markets delivered weaker returns during the month, with higher duration sectors being affected more than others. Emerging Markets (EM) High Yield (HY) returns were 3.73%, EM Investment Grade (IG) returns were 3.58% and Developed Markets (DM) IG returns were 7.5%. Both duration gains and tightening in credit spreads contributed to returns. UST yields could continue to be well-bid over the next few months. Bank of Singapore's 10-Year UST forecast remains 3.25% over a 12-month period as our base case is for a mild US recession in mid-2024.

EM IG delivered strong positive returns in November 2023 bringing year to date (YTD) absolute returns to +4.4%. Spreads compressed alongside the decline in UST yields, contributing to one of the best months for the asset class in 2023. Asia sentiments were buoyed by policy support news from China such as stimulus for the property sector. There was also some news regarding a potential whitelist of China property developers who will receive funding support. Broadly most regions benefitted from soft landing expectations as economic data slowed and technical remained supportive. The rally in equities and favourable move in the UST provided a solid backdrop for EMHY market in November 2023. EMHY had one of the strongest months in 2023, driven mostly by the move in UST, while credit spreads tightened 14 basis points (bps). EM HY however, underperformed DM HY (4.5%). Region-wise, Asia and Latin America outperformed with 4% return. In Asia, the recovery in China property bonds underpinned 6.2% return in China HY. Turkey underperformed in November 2023 partly due to relatively heavy new issuances from the country. Nonetheless, Turkey remains the second-best performing country in EM HY in 2023. Real Estate was the best performing sector with 5.4% return, thanks to the recovery in China property bonds. Metals and Mining underperformed on a relative basis with 1% return.

Monetary policy and recessionary risk will be key to watch in driving credit spreads and total returns over the coming quarters. We believe there are still potential headwinds to a soft landing and would be strongly focused on credit selection. Given healthy yield levels, we see value in fixed income, particularly the higher quality segments of the market. Looking ahead, we continue to see heightened macro uncertainty. Global credit fundamentals have been resilient across leverage and balance sheet metrics. We prefer countries with good macro stories, defensive sectors or credits with structural tailwinds. Given late cycle dynamics, we maintain our cautious stance on going down the credit spectrum. The Fund stayed invested in quality EM exposures versus cash on the despite the weak sentiment from slowing growth concerns and recently heightened geopolitical risks.

December 2023

US Treasury (UST) 10-year yield fell further in December 2023 from 4.33% to 3.88%, reaching 3.78% low at one point. The Federal Reserve (Fed) held rates as expected, with the dot plot indicating no more hikes and 75 basis points (bps) of cuts in 2024. Jerome Powell insisted tightening remained an option with inflation still too high, but admitted that the Federal Open Market Committee (FOMC) has begun discussing when to ease. Bank of Japan (BOJ) governor Ueda issued a dovish outlook that sent Japanese yields lower, which leaked into the US Treasuries.

Global fixed income markets continued to deliver strong returns during the month, with higher duration sectors gaining more than others. Emerging Market High Yield (EMHY) returns were 2.79%, Emerging Market Investment Grade (EMIG) returns were 2.93% and Developed Markets Investment Grade (DMIG) returns were 5%. Bank of Singapore's 10-year UST forecast remains 3.25% over a 12-month period as our base case is for a mild US recession in mid-2024.

EMIG delivered +2.9% returns in December 2023 bringing full year 2023 returns to +7.3%. The strong performance was driven by a combination of lower UST and spread tightening buoyed by continued expectations for a Fed pivot. Performance was broadly positive across geographies with the longer duration segments performing relatively better. Kazakhstan, Czech Republic and Mexico delivered the strongest performance while the laggards were Philippines, Jordan and Singapore. Fundamentals remain resilient across many issuers given strong balance sheets and well managed liquidity, away from idiosyncratic credit events. The lower rated segments performed relatively better with stronger technicals and investor risk appetite. We are Neutral EMIG given balanced risk-reward with a focus on higher quality credits. Regionally we are Overweight (OW) Latin America (Latam) and Neutral Asia and Central and Eastern Europe, the Middle East and Africa (CEEMEA). EM remains well positioned to benefit from positive tailwinds and a more constructive environment going into 2024.

EMHY ended 2023 on a positive note with 2.8% return in December 2023. The December 2023 gains were primarily driven by the strong rally in UST yields. Credit spreads in EMHY tightened 15bps. In 2023, EMHY generated 7% return and marginally underperformed EMIG (7.3%) and United States High Yield (USHY). Latin America outperformed (3.4%) return in December 2023 supported by strong returns in Chile and Colombia. In 2023, Indonesia was the best performing country in EMHY with 13.7% return. On the other hand China HY lost 23.6% owing to the stress in Real Estate sector. Pulp & Paper outperformed in December 2023 while Real Estate was the key underperformer among the sectors. Transport and Oil & Gas were the best performing sectors in 2023 with 17% return. We are Neutral in EMHY and within, we are OW Latam HY and Neutral on Asia and CEEMEA.

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	-0.88%	-0.02%	-0.88%	-0.02%	-0.54%	-0.18%
1.4.2023 To 30.6.2023	-3.24%	2.86%	-2.96%	2.86%	-2.72%	-2.76%
1.7.2023 To 30.9.2023	-4.98%	-3.79%	-4.90%	-3.79%	-4.42%	-4.36%
1.10.2023 To 31.12.2023	3.87%	2.90%	3.99%	2.90%	4.97%	5.15%
1 Year's Period (1.1.2023 To 31.12.2023)	-5.34%	1.82%	-4.87%	1.82%	-2.93%	-2.39%
3 Years' Period (1.1.2021 To 31.12.2023)	-22.33%	-7.46%	-22.28%	-7.46%	-20.55%	-18.99%
5 Years' Period (1.1.2019 To 31.12.2023)	-11.57%	4.78%	-	-	-	-
Financial Year-To-Date (1.1.2023 To 31.12.2023)	-5.34%	1.82%	-4.87%	1.82%	-2.93%	-2.39%
Since Investing Date To 31.12.2023	-3.55%	17.16%	-19.38%	-4.84%	-4.29%	-13.73%

Note:
- BOSWM Emerging Market Bond Fund Class MYR – Launch date: 26.1.2016; Investing date: 2.3.2016
- BOSWM Emerging Market Bond Fund Class MYR BOS – Launch date: 12.9.2019; Investing date: 12.9.2019
- BOSWM Emerging Market Bond Fund Class USD BOS – Launch date: 12.9.2019; Investing date: 12.9.2019
- Past performance figures shown are only a guide and should not be taken as indicative of future performance, and that unit prices and investment returns may go down, as well as up.

Source: Lipper, Bloomberg

Asset Allocation

	As At 31 December 2023
Collective Investment Scheme: Lion Capital Funds II – Lion-Bank of Singapore Emerging Market Bond Fund USD Class C (Distribution) and/or USD Class C (Accumulation)	94.86%
Cash And Liquid Assets	5.14%
	100.00%

Income Distribution
Nil

Net Asset Value (NAV) Per Unit
(as at 31 December 2023)

Class MYR	RM0.8663
Class MYR BOS	RM0.7809
Class USD BOS	USD0.9569

Significant Changes In The State Of Affairs Of The Fund
Nil

TRUSTEE'S REPORT

To the Unitholders of **BOSWM EMERGING MARKET BOND 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 26 to 53 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 EMERGING MARKET BOND** 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 EMERGING MARKET BOND FUND**

Report On The Audit Of The Financial Statements

Our Opinion
In our opinion, the financial statements of **BOSWM EMERGING MARKET BOND 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 26 to 53.

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	18,110,365	20,452,762
Interest receivable		136	51
Financial derivatives	7	409,243	946,862
Other receivables		31,345	29,574
Cash and cash equivalents	5	573,167	367,713
Total Assets		19,124,256	21,796,962
Liabilities			
Amount due to Manager	6	10,004	24,538
Tax payable		-	4,075
Other payables		22,631	26,769
Total Liabilities		32,635	55,382
Net Asset Value (NAV) Of The Fund		19,091,621	21,741,580
Net Assets Attributable To Unitholders Of The Fund Comprise:	14		
Unitholders' capital		26,169,414	27,761,247
Accumulated losses		(7,077,793)	(6,019,667)
		19,091,621	21,741,580
Net Asset Value			
Class MYR		9,181,824	11,241,147
Class MYR BOS		9,898,818	10,489,585
Class USD BOS		10,979	10,848
		19,091,621	21,741,580
Number Of Units In Circulation (Units)	15		
Class MYR		10,599,700	12,281,175
Class MYR BOS		12,676,839	12,775,878
Class USD BOS		2,500	2,500

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

	Note	2023 RM	2022 RM
NAV Per Unit In Ringgit Malaysia			
Class MYR		0.8663	0.9154
Class MYR BOS		0.7809	0.8211
Class USD BOS		4.3918	4.3392
NAV Per Unit In Respective Currency			
Class MYR		0.8663	0.9154
Class MYR BOS		0.7809	0.8211
Class USD BOS		USD0.9569	USD0.9859

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 Loss			
Gross dividends from financial assets at fair value through profit or loss ("FVTPL")		-	543,619
Interest income		15,759	8,156
Net losses on investments			
- Financial assets at FVTPL		(245,938)	(5,376,198)
- Foreign exchange		140,728	248,516
- Financial derivatives		(745,539)	(2,164,856)
Net unrealised (loss)/gain on foreign exchange		(530,717)	659,886
Net unrealised gain on changes in the value of financial assets at FVTPL		458,426	2,452,742
		(907,281)	(3,628,135)
Expenses			
Audit fee		7,600	7,800
Tax agent's fee		2,800	2,600
Manager's fee	**8**	106,420	143,082
Trustee's fee	**9**	12,000	12,000
Administration expenses		17,390	13,554
		146,210	179,036
Net Losses Before Finance Cost And Taxation		(1,053,491)	(3,807,171)
Finance costs - distribution			
- Class MYR BOS	**13**	-	(24,661)
		-	(24,661)
Net Losses Before Taxation		(1,053,491)	(3,831,832)
Less: Taxation	**12**	(4,635)	(16,309)
Net Losses After Taxation, Representing Total Comprehensive Losses For The Financial Year		(1,058,126)	(3,848,141)
Total Comprehensive Losses Comprises The Following:			
Realised losses		(985,835)	(6,960,769)
Unrealised (Loss)/Income		(72,291)	3,112,628
		(1,058,126)	(3,848,141)

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**	-	24,661
Gross distributions per unit in sen			
- Class MYR BOS		-	0.20
Net distributions per unit in sen			
- Class MYR BOS		-	0.19

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		29,617,517	(2,166,796)	27,450,721
Net loss after taxation		-	(3,848,141)	(3,848,141)
Creation of units	**15**			
Class MYR BOS		23,353	-	23,353
Cancellation of units				
Class MYR		(761,898)	-	(761,898)
Class MYR BOS		(1,122,455)	-	(1,122,455)
Distribution equalisation		4,730	(4,730)	-
At 31 December 2022		27,761,247	(6,019,667)	21,741,580
At 1 January 2023		27,761,247	(6,019,667)	21,741,580
Net loss after taxation		-	(1,058,126)	(1,058,126)
Cancellation of units	**15**			
Class MYR		(1,518,039)	-	(1,518,039)
Class MYR BOS		(73,794)		(73,794)
At 31 December 2023		26,169,414	(7,077,793)	19,091,621

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	3,349,735	27,490,681
Purchase of investments	(609,322)	(23,913,432)
Settlement of forward contracts	(745,539)	(2,164,856)
Dividends received	-	546,645
Interest received	15,675	8,131
Manager's fee paid	(122,726)	(129,931)
Trustee's fee paid	(10,967)	(10,948)
Payment for other fees and expenses	(41,670)	(25,618)
Net cash generated from operating and investing activities	1,835,186	1,800,672
Cash Flows From Financing Activities		
Cash proceeds from units created	-	23,353
Cash paid on units cancelled	(1,591,833)	(2,012,061)
Finance costs - distributions paid	-	(24,662)
Net cash used in financing activities	(1,591,833)	(2,013,370)
Net Increase/(Decrease) In Cash And Cash Equivalents	243,353	(212,698)
Effect Of Exchange Rate Changes	(37,899)	(29,793)
Cash And Cash Equivalents At Beginning Of Financial Year	367,713	610,204
Cash And Cash Equivalents At End Of Financial Year	573,167	367,713
Cash And Cash Equivalents Comprise:		
Cash at banks	23,167	27,713
Deposits with financial institutions	550,000	340,000
	573,167	367,713

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 Emerging Market Bond 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, Fourth 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 of the Lion Capital Funds II – Lion-Bank of Singapore Emerging Market Bond Fund (Target Fund), or a Collective Investment Scheme having a similar objective, strategy and policy with the Fund, liquid assets, and any other form of investment as may be agreed by the Manager and the Trustee from time to time that are in line with the Fund's objective. The Fund was launched on 26 January 2016 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"), 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	18,110,365	20,452,762
Total Investments	18,110,365	20,452,762

(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			
3,768,494	Lion Capital Funds II – Lion-Bank of Singapore Emerging Market Bond Fund*	18,006,879	18,110,365	94.86
TOTAL QUOTED INVESTMENTS		18,006,879	18,110,365	94.86
UNREALISED GAIN FROM QUOTED INVESTMENTS			103,486	

2022 Quantity	Name Of Fund	Cost RM	Fair Value RM	Fair Value As A % Of NAV %
	Singapore			
4,354,987	Lion Capital Funds II – Lion-Bank of Singapore Emerging Market Bond Fund*	20,807,702	20,452,762	94.07
TOTAL QUOTED INVESTMENTS		20,807,702	20,452,762	94.07
UNREALISED LOSS FROM QUOTED INVESTMENTS			(354,940)	

* *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 %
Turkiye Petrol Rafineri 4.5% Due 18/10/2024	2.80
DAR Al-Arkan Sukuk Company LT 6.75% Due 15/02/2025	2.40
JSW Steel Ltd 5.37% Due 04/04/2025	2.30
Cikarang Listrindo PT 4.95% Due 14/09/2026	2.30
Perusahaan Listrik Negara 5.25% Due 24/10/2042	2.30
Orbia Advance Corporation SAB 4% Due 04/10/2027	2.20
Orazul Energy Peru SA 5.62% Due 28/04/2027	2.10
Huarong Finance 2019 3.625% Due 30/09/2030	2.00
Mineral Luxembourg SA 4.375% Due 18/03/2031	2.00
Star Energy Co Issue 4.85% Due 14/10/2038	1.90
Total	22.30

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	18,110,365	-	-	18,110,365
Derivative assets	-	409,243	-	409,243
	18,110,365	409,243	-	18,519,608
2022				
Financial Assets At FVTPL				
Collective investment schemes	20,452,762	-	-	20,452,762
Derivative assets	-	946,862	-	946,862
	20,452,762	946,862	-	21,399,624

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	23,167	27,713
Deposits with licensed financial institutions:		
- Commercial bank	550,000	340,000
Cash and cash equivalents	573,167	367,713

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	8,084,860	7,891,837	193,023
	17.1.2024	8,601,915	8,396,547	205,368
	17.1.2024	325,927	321,179	4,748
	17.1.2024	419,049	412,945	6,104
		17,431,751	17,022,508	409,243
2022				
	17.1.2023	8,619,705	8,141,976	477,729
	17.1.2023	9,484,735	9,022,189	462,546
	17.1.2023	1,719,588	1,716,417	3,171
	17.1.2023	1,851,864	1,848,448	3,416
		21,675,892	20,729,030	946,862

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	1.50%
MYR BOS	1.10%
USD BOS	1.10%

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 Emerging Market Bond Fund	0.70%

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 ("PTR")

	2023	2022
Portfolio Turnover Ratio ("PTR")	0.1 times	1.13 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	0.92%	0.98%
MYR BOS	0.55%	0.58%
USD BOS	0.54%	0.56%

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 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 Fund does not charge performance fee.

12. Taxation

	2023 RM	2022 RM
Malaysian income tax:		
Current year's provision	4,635	16,309

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 losses 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 losses before taxation	(1,053,491)	(3,831,832)
Taxation at Malaysian statutory rate of 24%	(252,838)	(919,640)
Tax effects of:		
Income not subject to tax	(147,579)	(939,101)
Losses not subject to tax	365,327	1,809,853
Expenses not deductible for tax purpose	5,983	10,599
Restriction on tax deductible expenses for wholesale funds	29,107	38,289
Tax on repatriation of foreign income onshore	4,635	16,309
Tax expense for the financial year	4,635	16,309

13. Distribution

There is no proposed distribution for the current financial year.

Class MYR BOS

Payment Dates	Gross Distribution Per Unit (sen)	Net Distribution Per Unit (sen)	Distribution Amount (RM)
2022			
10 May 2022	0.20	0.19	24,661
	0.20	0.19	24,661

Class MYR BOS

	2023 RM	2022 RM
Distribution to unitholders was from the following sources:		
Dividend income	-	27,954
Distribution equalisation	-	-
	-	27,954
Less:		
Expenses	-	(2,454)
Taxation	-	(839)
	-	24,661
Gross distribution per unit (sen)	-	0.20
Net distribution per unit (sen)	-	0.19

14. Net Asset Value ("NAV") Attributable To Unitholders

	2023 RM	2022 RM
Unitholders' contribution		
- Class MYR	12,963,657	14,481,696
- Class MYR BOS	13,195,346	13,269,140
- Class USD BOS	10,411	10,411
	26,169,414	27,761,247
Accumulated losses		
- Realised deficit	(7,577,435)	(6,591,600)
- Unrealised (deficit)/reserve	499,642	571,933
NAV attributable to unitholders	19,091,621	21,741,580

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	1.50% of Class NAV	1.10% of Class NAV	1.10% of Class NAV
Sales charge	Up to 3.0% 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		2022	
	No. Of Units	**RM**	**No. Of Units**	**RM**
Class MYR				
1 January	12,281,175	14,481,696	13,115,368	15,243,594
Creation	-	-	-	-
Cancellation	(1,681,475)	(1,518,039)	(834,193)	(761,898)
31 December	10,599,700	12,963,657	12,281,175	14,481,696
Class MYR BOS				
1 January	12,775,878	13,269,140	13,963,905	14,368,242
Creation	-	-	27,047	23,353
Cancellation	(99,039)	(73,794)	(1,215,074)	(1,122,455)
31 December	12,676,839	13,195,346	12,775,878	13,269,140
Class USD BOS				
1 January/31 December	2,500	10,411	2,500	10,411

16. Units Held By The Manager And Its Related Parties

	2023		2022	
	No. Of Units^	**RM**	**No. Of Units^**	**RM**
Holding Company Of The Manager				
Class MYR BOS	11,603,374	9,061,075	12,775,878	10,489,585
Manager				
Class USD BOS	2,500	10,979	2,500	10,848

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*	3,950,295	100.00

** The Fund is a feeder fund into the Target Fund, Lion Capital Funds II – Lion-Bank of Singapore Emerging Market Bond 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	905,518	1,022,638
(5)	(905,518)	(1,022,638)

(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 does not have any deposits with licensed financial institutions as at 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	As A % Of NAV	Changes In Currency Rates	Effect On Net Losses Before Tax And NAV Attributable To Unitholders
	RM	%	%	RM
2023				
USD	18,121,464	94.92	+5	906,073
2022				
USD	20,463,449	94.12	+5	1,023,172

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	409,243	573,167	982,410
2022			
Credit rating			
AAA	946,862	367,713	1,314,575

(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	10,004	-	10,004
Other payables	22,631	-	22,631
Net asset value attributable to unitholders	19,091,621	-	19,091,621
	19,124,256	-	19,124,256
2022			
Amount due to manager	24,538	-	24,538
Tax payable	4,075	-	4,075
Other payables	26,769	-	26,769
Net asset value attributable to unitholders	21,741,580	-	21,741,580
	21,796,962		21,796,962

(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 Emerging Market Bond Fund. The target fund is 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.