

LionGlobal Korea Fund

The LionGlobal Korea Fund aims for medium to long-term capital appreciation by investing in Korean equities and equity-related instruments.

Fund Manager's Commentary

In March 2024, the Korea Composite Stock Price Index (KOSPI) had a strong rally of 3.9% in local currency terms, reaching its 2-year high level at 2746. The strong market performance was largely led by Technology sector including Samsung Electronics and SK Hynix, where investment sentiments were boosted post Jerome Powell's dovish statements for rate cuts during the Federal Open Market Committee (FOMC) meeting. Value-Up names from financials, automobiles, and conglomerates continued to perform well on the back of discussions on supportive tax reforms and policy initiatives, for which investors' sentiment was dampened towards the end of the month as preliminary survey data for upcoming general elections (on 10 April 2024) turned unfavourable for President Yoon's ruling party.

On a sector basis, Technology and Healthcare outperformed, while Consumer Staples, Financials, Energy, Internet, Industrials, Materials, Consumer Discretionary, and Utilities underperformed.

The Korean Won depreciated 1.2% for the month, as the dollar index strengthened globally despite Korea's improving export data.

In terms of individual stocks, top contributors included SK Square, Hanwha Aerospace, Hansol Chemical, SM Entertainment, and SK Hynix. On the other hand, Samsung Electronics, DearU, IntekPlus, Duk San Neolux, and Hanmi Semiconductor were among bottom contributors.

We keep our positive market view on Corporate Korea's fundamental, based on cyclical recovery as well as structural growth. For the cyclical recovery front, semiconductors' earnings upturn should continue not only by leading growth drivers like Artificial Intelligence (AI) / High Bandwidth Memory (HBM) but also by turn-around in legacy areas including smartphones and computer servers. Other deep cyclical sectors such as shipbuilding and power equipment are expected to extend upturns. For the structural growth pillar, there is a good number of attractive growth sectors that should benefit from global market penetrations, which include, defence, electric vehicle (EV) batteries, entertainment, aesthetic equipment, contents, and food & beverage. However, we take a tactically positive approach on selective value stocks given significant re-rating opportunities from Corporate Value-Up program driven by President Yoon. Regardless of the result of general election, Korean government has been confirming that Value-Up policy initiatives will be implemented for the ultimate goals of resolving Korea's valuation discount.

We keep our strategy of optimizing positions of individual stocks in disequilibrium, which stems from exogenous noise and intra-sectoral bifurcation. Candidate areas include value stocks with shareholder returns enhancement, defence globalization, shipbuilding super-cycle, e-commerce platforms, AI / Software as a Service (SaaS) leaders, entertainment globalization, technology materials localization, financial technology & zero carbon enablers, industrial automation, innovative healthcare leaders, and EV battery value chain.

All data are sourced from Lion Global Investors and Bloomberg as of 31 March 2024 unless otherwise stated.

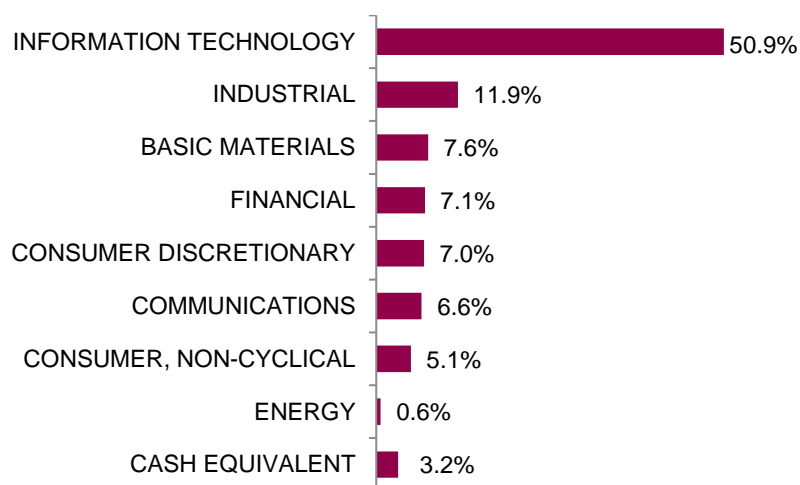
Performance (%)

		1- year	3- years p.a.	5- years p.a.	10- years p.a.	Since Inception p.a.
SGD Class ¹	NAV	9.1	-5.1	4.8	3.9	8.5
	NAV [^]	3.7	-6.7	3.7	3.4	8.3
	Benchmark [#]	15.9	-7.1	4.6	4.3	11.3
USD Class ¹	NAV	7.5	-5.2	4.9	3.2	6.5
	NAV [^]	2.1	-6.8	3.8	2.7	6.2
	Benchmark [#]	14.2	-7.3	4.7	3.5	7.5

Past performance is not necessarily indicative of future performance

Source: Lion Global Investors Ltd / Morningstar

Sector Allocation (% of NAV)



Benchmark:

Inception to 29 February 2004: MSCI Korea Index.

1 March 2004 to 30 April 2011: Korea Stock Exchange (SE)

Composite (Kospi Index).

From 1 May 2011: MSCI Korea Index. (in respective fund's Currency)

[^] NAV: Figures include Initial Charge.

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

² Supplementary Retirement Scheme ("SRS") monies may be used to purchase SGD Class Units only.

³ Price reflects 2 for 1 subdivision of units on 1 October 1999 and 3 for 1 subdivision of units on 1 June 2006.

The above is based on information available as of 31 March 2024, unless otherwise stated. Securities referenced are not intended as recommendations to buy or sell. Opinions and estimates constitute our judgment and along with other portfolio data, are subject to change without notice. For explanation of additional technical terms, please visit www.lionglobalinvestors.com

Fund Facts

Fund Inception Date:	SGD Class: 03 Jul 1998
	USD Class: 16 Aug 2004
Subscription Mode:	Cash, SRS ²
Minimum Investment:	S\$ / US\$ 1,000
Initial Charge:	Currently 5% Maximum 5%
Management Fee:	Currently 1.25% p.a. Maximum 2.0% p.a.
Valuation Dealing:	Every dealing day
NAV Price ³ :	S\$1.275/US\$0.944
Fund Size:	S\$14.9 million

Codes

SGD Class:	SG9999002356 OCBSKFI
USD Class:	SG9999002364 OCBKRUS

Top 10 Holdings (% of NAV)

SAMSUNG ELECTRONICS CO LTD	10.3
SK HYNIX INC	9.9
SAMSUNG ELECTRONICS CO LTD PREF	9.4
SK SQUARE CO LTD	6.9
HANWHA AEROSPACE CO LTD	4.8
SAMSUNG ELECTRO MECHANICS CO LTD	3.6
SAMSUNG SDI CO LTD	3.3
POSCO HOLDINGS INC	3.1
S M ENTERTAINMENT CO	3.0
KB FINANCIAL GROUP	2.9

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