



**BOS WEALTH
MANAGEMENT**

A subsidiary of Bank of Singapore

BOSWM ASIAN INCOME FUND

ANNUAL REPORT

For the financial year ended 31 December 2025

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FUND INFORMATION
As at 31 December 2025

Name of Fund (Feeder)	:	BOSWM Asian Income Fund
Manager of Fund	:	BOS Wealth Management Malaysia Berhad 199501006861 (336059-U)
Name of Target Fund	:	Lion Capital Funds II – Lion-Bank of Singapore Asian Income Fund
Investment Manager of Target Fund	:	Lion Global Investors Limited (198601745D)
Sub-Investment Manager of Target Fund	:	Bank of Singapore Limited (197700866R)
Launch Date	:	Class MYR – 12 January 2017 Class MYR BOS – 12 September 2019 Class USD BOS – 12 September 2019
		The Fund will continue its operations until terminated as provided under Part 11 of the Deed.
Category of Fund	:	Mixed assets – feeder fund (wholesale)
Type of Fund	:	Growth and income [□]
Investment Objective	:	BOSWM Asian Income Fund aims to provide capital growth and income [□] in the medium* to long term* by investing in the Target Fund – Lion Capital Funds II – Lion- Bank of Singapore Asian Income Fund.
		[□] <i>Income is in reference to the Fund's distribution, which will be in the form of cash or units.</i>
		[*] <i>Medium term is defined as a period of one to three years, and long term is a period of more than three years.</i>
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 – 0.84 million units Class MYR BOS – 14.75 million units Class USD BOS – Nil

FUND PERFORMANCE**Financial Highlights**

Category	As at 31.12.2025	As at 31.12.2024	As at 31.12.2023
	%	%	%
Collective Investment Scheme	93.38	99.00	95.92
Cash and Liquid Assets	6.62	1.00	4.18
Total	100.00	100.00	100.10

	Class MYR	Class MYR	Class MYR
Net Asset Value (RM'000)	894	1,053	1,346
Number of Units in Circulation (Units '000)	837	1,071	1,417
Net Asset Value Per Unit (RM)	1.0684	0.9834	0.9495
Total Expense Ratio ("TER")	1.24%	1.17%	1.00%
Portfolio Turnover Ratio (times)	0.02	0.05	0.10

	Class MYR BOS	Class MYR BOS	Class MYR BOS
Net Asset Value (RM'000)	15,318	13,110	12,550
Number of Units in Circulation (Units '000)	14,748	14,748	14,748
Net Asset Value Per Unit (RM)	1.0387	0.8890	0.8510
Total Expense Ratio ("TER")	0.85%	0.76%	0.64%
Portfolio Turnover Ratio (times)	0.02	0.05	0.10

	Class USD BOS	Class USD BOS	Class USD BOS
Net Asset Value (RM'000)	-	-	5
Number of Units in Circulation (Units '000)	-	-	1
Net Asset Value Per Unit (RM)	-	-	4.8480
Net Asset Value Per Unit (USD)	-	-	1.0562
Total Expense Ratio ("TER")	-	-	0.70%
Portfolio Turnover Ratio (times)	-	-	0.10

TER is the ratio of expenses of the Fund expressed as a percentage of the average NAV attributable to unit holders of the Fund for the financial year calculated on a daily basis. The TER of Class MYR and Class MYR BOS for the current financial year is higher due to a higher percentage of increase in expenses compared with the average NAV attributable to unit holders. The Fund does not charge performance fee.

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

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

Notes:

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

FUND PERFORMANCE

For the Financial Year Ended 31 December 2025

Market and Fund Review

Review of the Lion Capital Funds II – Lion-Bank of Singapore Asian Income Fund (Target Fund of BOSWM Asian Income Fund)

January 2025

Market overview:

While the initial tariff announcements by the new Trump administration appeared less severe than initially feared, the likelihood that more measures lie just around the corner will continue to dog the market in the Investment Manager of Target Fund's view. Meanwhile, the release of a new Artificial Intelligence (AI) reasoning model by little known Chinese AI company Deepseek a few days ahead of the Lunar New Year caused seismic tremors in global equities. The knee-jerk reaction it created was unwarranted in their view. In the longer run, AI should benefit Asia considering its irreplaceable position as a key semiconductor supplier. Asian credits remained mostly unscathed from all the tariff talks in the opening month of 2025. Risk assets quickly recovered from the Deepseek reveal as well as Trump's trade negotiations involving tariffs on Columbia, Mexico, Canada and China.

The J.P. Morgan Asia Credit Index (JACI) generated a total return of 0.46% in January 2025. Index spreads were tighter while Treasury yields were lower. Investment Grade (IG) spreads tightened 1bps while High Yield (HY) spreads widened by 13bps. There was broad risk-on as the month ended, with high-beta countries like Sri Lanka and Pakistan outperforming while Hong Kong underperformed due to worries about corporates with real estate exposure in Hong Kong. The Investment Manager of Target Fund expect greater volatility in 2025 as Trump headlines and policy play out. With credit premium at historically tight levels, they expect rate volatility to drive total return for the IG segment of the Asian Credit market. The HY market does present some opportunities for attractive coupon accrual but they will have to be selective about the single name exposures as certain sectors like Chinese property still remains in distress.

Portfolio asset allocation:

The current target fund allocation as of end January 2025 is 51.4% in equities, 46.4% in fixed income, and the balance 2.2% in cash.

Portfolio update:

Year-to-Date (YTD) Contributors:

- Despite being marginally underweight in Taiwan, strong stock selection, in the semiconductor sector, led to this market contributing positively to overall portfolio relative performance.
- Underweights in certain ASEAN markets, notably Malaysia and Thailand, plus positive stock selection in Indonesia also contributed to relative performance.

Year-to-Date (YTD) Detractors:

- January 2025 was a strong month for equities, led by Korea and Singapore equities. The portfolio's underweight in Korean equities detracted. Meanwhile, Singapore equities' strong gains in the month was caused by the disproportionate return of one stock which was not held by the portfolio and this held back the portfolio's return.
- Chinese equities was another major detractor of performance in January 2025. This was due to unrelated, uncorrelated single stock factors that was not offset fully by positive contributors.

February 2025

Market overview:

The most important driver of asset prices in February was excitement around China's artificial intelligence (AI) industry, specifically the notion that China is on par or even ahead of the rest of the world in AI. A rare meeting between China's President and China's tech industry leader added to this narrative. This theme has more room to bloom, in Investment Manager of Target Fund view. Market corrections caused by trade tariff impacts may be an opportunity for the portfolio to optimise for this theme. February 2025 saw the global risk markets pulling back in a major way due to the uncertainty generated by the many headlines from the new Trump administration. Tariff threats have been issued to many countries and to many industries (automotives, pharmaceuticals, semiconductors). Elon Musk's Department of Government Efficiency (DOGE) also added to the uncertainty by creating job uncertainty for many government workers at a time when US economic data seems to be slowing. Worries about a slowdown in US growth could cause a rally in US rates.

The J.P. Morgan Asia Credit Index (JACI) generated a total return of 1.73% in February 2025. Index spreads were tighter while Treasury yields were lower. Investment Grade (IG) spreads widened 2 basis points (bps) while High Yield (HY) spreads tightened by 15 bps. Greater China credit outperformed as President Xi's handshake with Alibaba's Ma Yun led markets to forget that it had earlier thought China was 'uninvestable'. The rally in credit was fairly broad-based, with higher beta and longer duration countries both outperforming as well. Asian credit risk premium has remained fairly stable despite the volatile rates. The Investment Manager of Target Fund expect this resilience to remain in the short run as demand remains buoyant with the all-in yield level still attractive. The target fund will rebalance into HY but selectively into more stable credit which does not have short-run liquidity/refinancing needs.

Portfolio asset allocation:

The current target Fund allocation as of end February 2025 is 52.0% in equities, 45.5% in fixed income, and the balance 2.5% in cash.

Portfolio update:

Month-to-Date (MTD) Contributors:

- Positive contributors to relative performance from equities in February 2025 were all from allocation decisions, such as the overweight in the Philippines, as well as the underweight in Thailand and Malaysia.

Month-to-Date (MTD) Detractors:

- Indonesia was the worst performing Asian market in February 2025 by a wide margin and the portfolio's overweight there detracted significantly, accounting for half the underperformance for the month.
- Meanwhile, China and Hong Kong were the best performing markets by a significant margin but while the portfolio were in aggregate overweight these markets, weak stock selection contributed to the other half of the equity underperformance.

Year-to-Date (YTD) Contributors:

- The under allocation in Taiwan and Thailand equities were the key contributors to relative performance, though positive stock selection also added.
- Meanwhile, the omission of Malaysian equities and strong stock selection in Philippines also helped.

Year-to-Date (YTD) Detractors:

- Though the portfolio was overweight China, the best performing market year-to-date, its more diversified holdings kept it from matching the market's returns.
- The over-allocation of Indonesian equities, the worst performing market, was also a key detractor from relative performance, as was the under-allocation to Korean equities.

March 2025

Market overview:

The investment outlook has become more uncertain compared to three months ago due to the numerous tariffs US President Trump has unleashed on the world. The frequent changes in US trade policies compound the uncertainty. Simultaneously, China's decision to face up to President Trump has escalated tariffs to level that essentially cuts trade between the two countries. The portfolio remains overweight China and Singapore – which are key calls. The Chinese government is very likely to support its domestic economy in the face of trade disruptions while Singapore equities is expected to outperform due to the country's strong fundamentals that have led some to consider it a safe-haven. J.P. Morgan Asia Credit Index (JACI) generated a total return of 0.09% in March 2025. Index spreads were wider while Treasury yields were lower. Investment Grade (IG) spreads widened 18 bps while High Yield spreads widened by 15 bps. Greater China credit continued to outperform while higher beta countries like Sri Lanka and Pakistan sold off. Indonesian credits sold off as investors feared that President Prabowo's government had taken more steps towards authoritarianism and that the credible finance minister, Sri Mulyani Indrawati, would be replaced.

The broad-based global tariffs announced on Liberation Day came as a shock to risk markets in terms of its scale and breath. Markets have quickly gone into a risk-off mode as the street try to price the stagflationary outlook that is likely to unfold if there is no walk-back on the tariffs announced or if retaliatory measures announced by US trade partners unleash a full-fledged global trade war. The rates rally has not been enough to cushion the credit risk spread decompression. At the macro level, it appears that certain Asian economy such as Vietnam and Cambodia are the hardest hit in terms of the tariffs imposed. But there is limited direct exposure to trade in the credits the Investment Manager of Target Fund hold in the target fund. The target fund has been selective in the issuers they hold and will likely sit pat to ride out the volatility in the near term.

Portfolio asset allocation:

The current target fund allocation as of end March 2025 is 52.7% in equities, 47.1% in fixed income, and the balance 0.3% in cash.

Portfolio update:

Month-to-Date (MTD) Contributors:

- Both equities and fixed income achieved superior returns in the month, especially the former, where country allocation such as the overweight in China and Singapore especially contributed to relative performance.
- In other markets, such as Hong Kong, Thailand and Singapore, strong stock selection further contributed to overall equity outperformance.

Month-to-Date (MTD) Detractors:

- Only Korea (among equity markets) contributed to negative relative performance in the month, mostly due to stock selection.

Year-to-Date (YTD) Contributors:

- Through the first quarter of 2025, equities underperformed while fixed income outperformed.
- Within equities, Thailand and Taiwan contributed the most to relative performance as the portfolio was underallocated in these markets, which registered some of the worst performance across the region.
- On the other hand, strong stock selection in the Philippines and Thailand added to relative performance of the equity slice in the three months.

Year-to-Date (YTD) Detractors:

- While the portfolio was overweight China in the period, the narrow breadth of stocks with outsize returns meant that the more diversified holdings of the portfolio contributed to relative underperformance.

- Meanwhile, the overweight in Indonesia and the poor stock selection in Korea also lead to negative relative performance. Indonesia fell victim to domestic politics while the Korean market rebounded from last year's underperformance.

April 2025

Market overview:

While the economic outlook remained murky, the odds that trade tariffs had hit a peak have increased gradually since Liberation Day. Though there will still be difficult to quantify economic effects ahead, the odds of a United States (US) recession have begun receded by the beginning of May 2025 though uncertainty remains high. The portfolio remains overweight in China and Singapore. The Chinese government is very likely to support its domestic economy in the face of trade disruptions while Singapore equities is expected to outperform due to the country's strong fundamentals that have led some to consider it a safe-haven.

Markets did a rollercoaster ride of significant amplitude after the Liberation Day tariffs. Trading was chaotic, with volatility exploding and US assets getting hit hardest as markets believed tariffs would disadvantage the US more than the rest of the world. 'End of US Exceptionalism' trade entailed selling US dollars, US equities and US Treasuries (UST) and the market did the trade with such ferocity that President Donald Trump eventually held back on enacting reciprocal tariffs on its trading partners for 90 days (with the main exception of China). US equities and credit spreads tightened significantly, though US dollars continued to sell off and US long dated yields remain elevated.

J.P. Morgan Asia Credit Index (JACI) generated a total return of -0.03% in April 2025. Index spreads were wider while Treasury yields were lower. Investment Grade (IG) spreads widened 11 basis points (bps) while High Yield (HY) spreads tightened by 14 bps. Higher beta countries like Sri Lanka and Pakistan sold off while countries with longer duration issuances like Indonesia, Malaysia and Philippines outperformed.

Going into May 2025, credit risk premium has tightened back in significantly from the wide they reached in the immediate reaction to the tariff announcement as even the reciprocal tariffs on China have been put on hold. Certain HY issuers now present rather good value which have not been seen in a while. The target fund will continue to rebalance selectively into some of these.

Portfolio asset allocation:

The current target fund allocation as of end April 2025 is 52.0% in equities, 45.7% in fixed income, and the balance 2.3% in cash.

Portfolio update:

Month-to-Date (YTD) Contributors:

- Viz-a-viz the benchmark, the equity outperformance for MTD was concentrated in the China and Singapore markets, as the portfolio's aggregate holdings in these markets fell less than the market.

Month-to-Date (YTD) Detractors:

- Korea, Malaysia, Thailand, and Taiwan contributed broadly similarly to negative relative performance in April 2025.
- These were due to a combination of under-allocation (Korea and Malaysia), as well as weak stock selection (the rest).

Year-to-Date (YTD) Contributors:

- The top market contributors to relative performance for YTD are the Philippines and Singapore, followed by Thailand and Taiwan.

Year-to-Date (YTD) Detractors:

- The top detractors to relative performance YTD include Indonesia and Korea. Poor stock selection was a common reason for both; but Indonesia suffered from overallocation while Korea was impacted by under-allocation.
- China was one of the best performing equity markets in Asia year-to-date. While the target fund was Overweight there, stock selection posed a challenge due to the narrow breadth of outperforming stocks in the market vs the more diversified holdings of the target fund.

May 2025

Market overview:

By the end of May 2025, it appears that the peak of trade tariffs uncertainty may be behind the Investment Manager of Target Fund, largely due to accommodations agreed between the United States (US) and China. Though there will still be difficult to quantify economic effects ahead, odds of a US recession have begun to recede. However, geopolitical risks continue to flare with the latest Middle Eastern tensions. The effect will largely be through the energy sector. The portfolio remains overweight in China and Singapore. The Chinese government is very likely to support its domestic economy in the face of trade disruptions while Singapore equities is expected to outperform due to the country's strong fundamentals that have led some to consider it a safe-haven.

'End of US Exceptionalism' trades continued to work in fixed income space as the US dollar continued to weaken together with rising Treasury yields. This is happening despite President Donald Trump suspending higher tariffs for China until August 2025. The market turned its focus on Trump's Big Beautiful Bill and markets begin worrying that deficits will continue to be at elevated levels for a long time. Moody's downgraded US to Aa' from AAA and though most portfolios will not need to sell Treasuries as Standard & Poor's and Fitch already had US at AA+ rating, the downgrade nonetheless captured the post-Covid zeitgeist of structurally higher government deficits.

J.P. Morgan Asia Credit Index (JACI) generated a total return of 0.36% in May 2025. Index spreads were tighter while Treasury yields were higher. Investment Grade spreads tightened by 15 basis points (bps) while High Yield (HY) spreads tightened by 32 bps. Higher beta countries like Sri Lanka, Pakistan and Vietnam outperformed while lower beta countries like Singapore, Malaysia and Taiwan underperformed.

Asian credit continued to be resilient and should remain resilient as long as the theme of 'End of US Exceptionalism' continues. However, if high tariffs remain after the suspension period, the Investment Manager of Target Fund believe a global slowdown is likely and that may lead to wider credit spreads. They think HY is in a sweet spot and will endeavor to find HY issuers with value.

Portfolio asset allocation:

The current target fund allocation as of end May 2025 is 52.4% in equities, 43.1% in fixed income, and the balance 4.5% in cash.

Portfolio update:

Month-to-Date (MTD) Contributors:

- The target fund remained overweight in equity and underweight in fixed income.
- In equities, the Philippines and China were the key positive contributors to relative performance in the month, due to both positive stock selection as well as market allocation.

Month-to-Date (MTD) Detractors:

- On the other hand, Taiwan was the only negative contributor to relative performance, as a result of stocks that lagged the local market.

Year-to-Date (YTD) Contributors:

- The majority of the target fund's year-to-date underperformance came from equities.
- Within equities, the Philippines, Singapore and Thailand were the greatest contributor to relative performance. In the case of Philippines, it was superior stock selection. For Singapore, it was appropriate over allocation.

Year-to-Date (YTD) Detractors:

- Indonesia, Korea and Hong Kong were the largest detractors year-to-date. For all three markets, inappropriate allocation selection was to blame.

June 2025

Market overview:

End of United States (US) 'Exceptionalism' trades misfired in June 2025 as S&P rose to all-time highs while Treasuries rallied. Only US dollars (USD) failed to get a bid with President Trump's threat to name a 'shadow' Federal Reserve (Fed) chair who will only cut rates likely weighing on the minds of USD investors. Waiting for inflation to show up in the short run seems to be like 'waiting for Gadot' and markets have turned their focus to the glacially slowing labour market for signs of weakness. Even though Germany's Dax index is not at all-time highs, the front-loaded fiscal spending plans for 2025 and 2026 means Germany's growth will likely be more exceptional than previously forecast and European Central Bank (ECB) will not be in a hurry to cut rates.

J.P. Morgan Asia Credit Index (JACI) generated a total return of 1.16% in June 2025. Index spreads were wider while Treasury yields were lower. Investment grade (IG) spreads widened 2 basis points (bps) while high yield (HY) spreads widened by 6bps. Higher beta countries like Sri Lanka and Pakistan outperformed while China and Hong Kong underperformed.

It has been risk-on for the Asian credit space since President Trump called a pause on tariff a week after Liberation Day. Credit spread has traded within narrow range while volatility is driven more by us interest rates movements. This is likely to continue unless President Trump throws another spanner in the works as new supply remains scarce. HY bonds appear fully valued but still offer attractive coupon carry.

Portfolio asset allocation:

The current Fund allocation as of end June 2025 is 55.0% in equities, 42.2% in fixed income, and the balance 2.8% in cash.

Portfolio update:

Asian markets continue to improve in the month of June 2025 with most markets performing well. Local currency strength remains one of the contributors as investors demand more local currencies. Taiwan and South Korea had one of the best performances with the Taiwan currency helping total performance as it appreciates against the US dollar (USD). The Fund's Taiwan exposure performed in line with the Taiwanese market in June 2025. Korea was the other star performer in Asia. Not all countries are equal and Emerging Asia were the weakest market as Indonesia, Philippines and Thailand came in negative for the month. China was steady in June, having been one of the best markets in 2025.

Overall, the Investment Manager of Target Fund are overweight Equities as Asian equities benefitted from US shifting policies and threats of Tariff resulting in investments moving to the region. China has also grown in importance as the second largest economy in the world, leading in innovation, especially in artificial intelligence (AI).

Equities underperformed the market as the Fund was underweight South Korea and their selection in Philippines did not do as well in the month. Selection effect in China was also slightly negative compared to the country's performance. They remain overweight in Singapore as investors continue to view the country as a safer investment, especially during global volatility and policy shift in the United States (US).

The Investment Manager of Target Fund are constructive in Asia and see the region positively. Interest rates have been dropping which bodes well for asset pricing. The strength of local currency has helped in translated performance in USD. Governments in Asia are still able to increase spending if needed to help the economy along.

July 2025

Market overview:

J.P. Morgan Asia Credit Index (JACI) generated a total return of 0.63% in July 2025. Index spreads were tighter while Treasury yields were higher. Investment Grade (IG) spreads tightened 10 basis points (bps) while High Yield (HY) spreads tightened by 11bps. Higher beta countries like Sri Lanka and Pakistan continued to outperform while China and Hong Kong continued to underperform.

August 2025 started with a shocking payrolls report (massive downward revisions to prior months' print) which pulls the next couple of Consumer Price Index (CPI) prints further into the spotlight if that was possible. If the feed through into price pressures intensifies from the current tepid level, it would add to the complexities of issues facing the US Federal Reserve (Fed). For the moment, the market is convinced of the downside risk to the United States (US) economy and has already priced in almost 100% certainty of easing in September 2025. Risk markets are, however, less convinced. Asian credit, in particular the HY sector, still seems to be riding a strong tailwind from very strong technical as supply has been lacking. No change in strategy for the target fund.

With many of the trade negotiations completed, uncertainty has diminished. In most instances, the final tariff rates were materially lower than those unveiled on 'Liberation Day'. It appears that markets will accept that the glass is 'half-full' instead of 'half-empty'. In such circumstances, the Investment Manager of Target Fund expect equity markets, including those in Asia, to remain well supported. While the all-important deal with China is yet finalised – the truce has in fact been extended into November 2025 – it remains the only country with leverage against the US. This is one reason the target fund remains over allocated there.

Portfolio asset allocation:

The current target fund allocation as of end July 2025 is 56.1% in equities, 42.0% in fixed income, and the balance 1.9% in cash.

Portfolio update:

Month-to-Date (MTD) Contributors:

- The Target Fund outperformed its benchmark in July 2025 with contributions from both equities and fixed income.
- China was a material contributor to this for both equities and fixed income. Taiwan also contributed for equities, as did Korea for fixed income.

Month-to-Date (MTD) Detractors:

- Thailand and Philippines were minor detractors for equities in the month. The Thailand market was as significant outperformer in the region and the target fund was under-allocated in that market.

Year-to-Date (YTD) Contributors:

- The target fund lags its benchmark year to July 2025, net of fees. The target funds' fixed income allocation has outperformed through this period.

- Within equities, which had underperformed overall, China, Singapore and Thailand had contributed on a relative basis, due to over-allocation in the former two and stock selection in the latter.

Year-to-Date (YTD) Detractors:

- Korean equities had been the highest detractor, due to both under-allocation as well as poor stock selection. This is followed by Indonesia with similar causes.

August 2025

Market overview:

J.P. Morgan Asia Credit Index (JACI) generated a total return of 1.22% in August 2025. Index spreads were wider while United States Treasury (UST) yields were lower. Investment Grade (IG) spreads widened 4 basis points (bps) while High Yield (HY) spreads tightened by 11bps. Hong Kong outperformed led by New World Development on rumours of equity injection by the Cheng family which was later denied.

On the macroeconomic front, US Federal Reserve (Fed) Chair Jerome Powell turned dovish at August 2025's Jackson Hole after a very weak non-farm payroll and possibly after much jawboning from President Donald Trump. Credit investors appeared to be convinced that the Fed cutting cycle will begin in earnest in September 2025 and long duration credits were sought after. While the Investment Manager of Target Fund expect yields on the short end of the US curve to be capped by rate cut expectations, the long end of the curve may become even more unsettled as market perceived the interference from the President Donald Trump's administration as undermining the Central Bank's independence and credibility. Risk sentiment meanwhile remains buoyant with almost no letting up in the buying interest. September 2025 has begun with a bonanza of new issuance which will assuage some of this demand. The target fund will participate wherever it makes sense.

With regional, if not global, central banks very likely to remain on an easing stance (with perhaps the exception of the European Central Bank), a potential downtick in global growth, caused by a slowdown in global trade, is likely to be limited. Arguably, the most important consequence of this is continuing strong liquidity inflows into Asia, considering the seemingly entrenched view of a structurally weak US dollar. China and Singapore remain the preferred markets within the portfolio. In both markets, government policies are seen to be market supportive.

Portfolio asset allocation:

The current target fund allocation as of end August 2025 is 56.0% in equities, 42.3% in fixed income, and the balance 1.7% in cash.

Portfolio update:

Month-to-Date (MTD) Contributors:

- Singapore and Korea contributed positively to relative performance in the month of August 2025.
- In the former, Singapore Telecommunications, Parkway Life REIT and Sea Ltd were key contributors. Samsung Life and NCSOFT were the stocks that added to relative performance of Korean equities.

Month-to-Date (MTD) Detractors:

- The relative underperformance of China was the most significant factor behind the underperformance of equities.
- The sources of underperformance were diverse; no single stock accounted for a meaningful share of the total.

Year-to-Date (YTD) Contributors:

- Singapore, Thailand and Malaysia have contributed to relative outperformance year-to-date (August 2025).

- The source of Singapore's outperformance is over-allocation, while those for Thailand are superior stock selection and under-allocation. The portfolio was not invested in Malaysia, which is the reason for its positive relative performance contribution.

Year-to-Date (YTD) Detractors:

- Korea is the equity market that most detracted against the benchmark. This is caused by both under-allocation, particularly going into this year's Presidential election, as well as poor stock selection.
- Indonesia is just behind Korea in underperformance contribution. This is due to over-allocation, as well as poor stock selection in the face of government policies that were perceived to be detrimental to the economy.

September 2025

Market overview:

September 2025's Federal Open Market Committee (FOMC) was a sell the fact event as it turned out to be a hawkish cut. Even though two more cuts for 2025 were reflected in the median dot plots for a total of three cuts in 2025 (including September's cut), the dots were fairly balanced at 10-9 for 3 cuts versus 2 cuts and with only 2 out of the 9 voting for 1 more cut in 2025. The European Central Bank (ECB) was also marginally more hawkish at their September meeting with ECB Chair Christine Lagarde signalling that ECB was in a wait-and-see mode. With the looming US government shutdown, official data releases will be delayed. Therefore, private sector data may prove more important than usual in the coming weeks.

J.P. Morgan Asia Credit Index (JACI) generated a total return of 1.05% in September 2025. Index spreads were tighter while Treasury yields were lower. Investment Grade (IG) spreads tightened 12 basis points (bps) while High Yield (HY) spreads tightened by 30 bps. Higher beta countries like Pakistan and Sri Lanka outperformed while Hong Kong continued to outperform led by optimism the worst may be over for Hong Kong real estate credits.

JACI spreads are now at the tightest since 2007 but the Fed's rate cut seemed to have catalysed another bout of credit buying. The Investment Manager of Target Fund will focus on relative value trades rather than chasing risk in the current environment.

Portfolio asset allocation:

The current target fund allocation as of end September 2025 is 58.05% in equities, 40.45% in fixed income, and the balance 1.50% in cash.

Portfolio update:

Asian equities outperformed global equities in the risk-on market conditions of September 2025 and contributed to the solid performance of the target fund, driven largely by surging anticipation of policy rate cuts by the United States (US) Federal Reserve (Fed), relatively calm on the trade tariff front and continued softness of the US dollar. Within the Asian region, the export heavy North Asian markets of China, Korea and Taiwan outperformed while Association of Southeast Asian Nations (ASEAN) markets severely lagged. Singapore, Indonesia and the Philippines all chalked up negative returns in the period. Sectorally, consumer discretionary, communications services and the information technology sectors outperformed. Bullishness around the Artificial Intelligence (AI) theme was a key factor.

The Investment Manager of Target Fund remain constructive on equities, and they see better risk-reward in Asia ex-Japan, where valuations remain relatively undemanding with resilient earnings fundamentals. This translates to a moderately overweight allocation to equities at the expense of a lower fixed income allocation. With the sharp move up in September 2025, which most likely reflects bullish expectations, they expect markets to remain volatile as the year progresses. Hence, they are looking to increase the overall defensiveness of the equity

portfolio by recycling proceeds into lower beta segments. They continue to keep a lookout to increase exposures to more attractively valued segments.

October 2025

Market overview:

The US Federal Reserve (Fed)'s surprise hawkish turn stole the limelight in October 2025. Treasuries sold off as Fed Chair Jerome Powell pushed back on the certainty of another rate cut in December. With the government shutdown likely to become the longest in history, the Fed may find themselves 'driving in a fog' for longer than expected.

J.P. Morgan Asia Credit Index (JACI) generated a total return of 0.73% in October. Index spreads were tighter while Treasury yields were lower. Investment Grade (IG) spreads tightened 4 basis points (bps) while High Yield (HY) spreads tightened by 11bps. Higher beta countries like Pakistan and Sri Lanka outperformed while Hong Kong continued to outperform led by New World, which denied it was looking to conduct a liability management exercise. Indonesia also outperformed with the sovereign's paper particularly well bid. With credit spreads at current tight level, we think much of the 'year-end effect' is already in the price. The target fund will focus on relative value in the current environment.

October was a difficult month to navigate through due to the wide dispersion in returns across regional markets. On one end, the Taiwan and Korea equity markets surged 9.8% and 22.3% over the previous month, while on the other end, the Chinese market fell 3.8%, which translates to a spread of more than 25% (between Korea and China). The relative performance impact to the portfolio from this unfavourable outcome was dampened by the positive relative contribution of the target fund's fixed income allocation, which underscores again the diversification advantages of a multi asset strategy. Yet looking ahead, the Investment Manager of Target Fund remain sanguine about the Asian ex-Japan equity market, which explains the unchanged overweight stance of equities over fixed income in the target fund.

Portfolio asset allocation:

The current target fund allocation as of end October 2025 is 59.78% in equities, 39.38% in fixed income, and the balance 0.84% in cash.

Portfolio update:

Month-to-Date (MTD) Detractors:

- Korean and Taiwanese equities were the largest contributors to returns in October 2025, thanks to a global rally in the Information Technology (IT) sector.
- On a relative basis, the target fund's Taiwanese equities outperformed the market by a large margin due to positive stock selection.

Month-to-Date (MTD) Detractors:

- Almost all the underperformance in equities was due to China as Chinese equities declined in the month, significantly underperforming the region.
- Singapore equities, where the target fund was also overweighted, also contributed to the detraction.

Year-to-Date (YTD) Contributors:

- In the equity allocation, China, Taiwan and Korea were the largest contributor to absolute performance, as investors warm up to investment opportunities in Artificial Intelligence.
- High allocation and solid stock selection caused Taiwanese equities to be the largest contributor to relative performance.

Year-to-Date (YTD) Detractors:

- On a gross basis, equities underperformed overall against its relevant benchmark, while fixed income outperformed.

- In equities, China, Hong Kong, Indonesia and Korea were the markets that detracted from relative performance, due to inferior stock selection.

November 2025

Market overview:

Global equity markets (as represented by the Morgan Stanley Capital Index (MSCI) All Country (AC) World index) wobbled in November 2025 but ended the month largely unchanged. However, this may seem a surprise to some as the technology sector, where many investors are heavily invested corrected by almost 5%, driven by a souring of sentiment over Artificial Intelligence (AI)'s prospects. Asian markets (as represented by the MSCI Far East ex-Japan index) declined about 3.7%, led unsurprisingly by the tech-heavy Taiwan and Korea markets. In contrast, Philippines and Indonesia, markets which have underperformed so far this year, gained. Global rates mostly moved lower in November 2025, partly anticipating a Federal Reserve rate cut in December 2025 (which materialised).

While the market has perhaps toned-down expectations of further rate cuts in 2026, the Target Fund Portfolio Managers remained of the view that the rate path remains downwards and that this is ultimately the most consequential driver of performance in the coming year. Further, the Federal Reserve's decision to begin buying Treasury bills (T-bills) soon, ostensibly to manage market liquidity levels as reserves dwindle, arguably counts as monetary easing.

The yield curve steepened in November 2025 with 2-year yields lower by 8 basis points (bps) and 30-year yields higher by 1bps. Rates markets was preoccupied with pricing the probability of another rate cut in December 2025 by the United States (US) Federal Open Market Committee (FOMC). J.P Morgan Asia Credit Composite Total Return Index (JACI) generated a total return of 0.23% in November 2025. Index spreads decompressed as Treasury yields dipped lower towards the end of the month. Investment Grade (IG) spreads widened 14bps while High Yield (HY) spreads widened by 31bps. Pakistan bonds outperformed as Pakistan planned to return to the Eurobond market in 2026 and is contemplating issuing Panda bonds soon. Hong Kong bonds outperformed as New World's restructuring continues to have positive spillover effects on the market.

The direction of yields in 2026 will ultimately be decided by whether terminal rate can deviate significantly from the 3% level that the market has already been pricing. Though spreads have widened in November 2025, the Investment Manager of Target Fund think they remain fairly tight compared to history. While they are generally positive on global growth, they think potential supply from AI related capex could cause aggregate credit spreads to widen in the coming year.

For the short to medium term, the Investment Manager of Target Fund would be positioning to be short duration with a focus on coupon carry.

Portfolio asset allocation:

The current target fund allocation as of end November 2025 is 58.90% in equities, 39.65% in fixed income, and the balance 1.45% in cash.

Portfolio update:

Month-to-Date (MTD) Contributors:

- In equities, Singapore equities were a relative bright spot as the relative chunky holding in Singapore Telecoms paid off, as did holdings in the Development Bank of Singapore (DBS) Group.
- Besides Singapore, China – the other market where the target fund was overweight – also eke out relative gains as did Thailand where the target fund's single holding rose amid a falling market.

Month-to-Date (MTD) Detractors:

- The target fund underperformed its index in the month of November 2025.
- The drag in relative performance was roughly equally caused by equities as well as bonds.
- Within the former (equities), Korea accounted for a substantial share of the underperformance, due to weak stock selection as stock winners gave back gains.

Year-to-Date (YTD) Contributors:

- Despite under allocation for the entire year of 2025, the fixed income segment of the target fund led its benchmark in performance – representing solid selection.
- In equities, Taiwan, followed by Singapore, were the two largest contributors to relative outperformance. Taiwan achieved this through overallocation and strong stock selection, while a near doubling of benchmark allocation was why Singapore contributed positively to relative performance.

Year-to-Date (YTD) Detractors:

- The target fund has underperformed its benchmark year-to-date.
- While fixed income has outperformed its benchmark, equities have not. Among geographical markets, Korea accounted for nearly all the underperformance, due to insufficient allocation to the market earlier in the year of 2025.

December 2025

Market overview:

While many had already braced for surprises under a Trump second term, the events that unfolded in 2025 were still somewhat unprecedented. In the realm of geo-economics, Trump's Liberation Day tariffs caused significant confusion and upheavals. Though tariffs eventually settled at lower levels after intense negotiations, effective US tariffs spiked to levels last seen in the 1930s, adding an estimated US\$250-300 billion to US government coffers in 2025. Thankfully, the negative effect on Asia was minimal. China successfully negotiated a trade truce with the US and shifted exports to other markets; while many of the region's important technology exports to the US were tariff exempted. As a result, Artificial Intelligence (AI) demand helped Asian countries to export growth, particularly Taiwan's 35% rise in annual exports; meanwhile, China trade surplus hit \$1.19 trillion.

Unquestionably, AI made a significant impact on global markets in 2025. Besides the investments in semiconductors, data centers and power generation equipment, the year will be remembered for the "Deepseek moment", which refers to the unveiling of the Chinese AI company's R1 large language model (LLM) in January 2025, purportedly built at a cost of just \$6 million. It changed the world's perception of China's prowess in AI. The "Deepseek moment" pointed the spotlight on the strategic competition in this frontier field and may have even accelerated investments here. A special meeting held in February 2025, where China's President Xi met with executives from the country's major tech companies underscored the Chinese government's support, many believe. Not surprisingly, Chinese AI related stocks had a strong year.

These events occurred against a backdrop of easier monetary policy. Anticipation of (more) US Federal Reserve (Fed) rate cuts were market drivers for stretches of the year. The Fed eventually lowered the Fed Funds Rate three times. Meanwhile, the European Central Bank (ECB) lowered rates four times before pausing after June 2025. Asian central banks followed suit as inflation pressure lessened. For instance, both the Bank of Thailand and Bank Indonesia eased policy rates four times this year while the Bank of Korea cut twice.

As for the target fund, while equities contributed most of the fund's returns in 2025, they underperformed their benchmark, while the fixed income allocation outperformed. Chinese and Korean equities missed the mark owing to inferior security selection, and under allocation in the early part of the year in the case of the latter. On the other hand, Taiwan,

Singapore, and Thailand were markets that contributed positively to equity relative outperformance.

Even though December's Federal Open Market Committee (FOMC) was more dovish than expected, Treasury yields still ended the month higher as growth continued to remain strong in the US. US Q3 2025 Gross Domestic Product (GDP) at 4.3% handily beat estimates of 3.3% and US stock markets remained near all-time highs. Fed's initiation of Reserve Management Program added liquidity to the system and the yield curve continued to steepen.

J.P Morgan Asia Credit Index (JACI) generated a total return of 0.30% in December 2025. Index spreads were tighter while Treasury yields were higher. Investment Grade (IG) spreads tightened 11 basis points (bps) while High Yield (HY) spreads tightened by 44bps. Pakistan bonds continued to outperform while Indian bonds also did well after the Republic Bank of India (RBI) defended the Rupee aggressively.

2026 has started with a deluge of new issues in the first week amidst a full risk-on mode. The target fund will participate with a focus on yield. Though spreads tightened in 2025, the bulk of 2025's returns came from lower Treasury yields. While market is pricing in another two rate cuts by the Fed, at current tight valuation, we expect total return for 2026 to be more a function of coupon carry.

Portfolio asset allocation:

The current target fund allocation as of end December 2025 is 58.51% in equities, 39.09% in fixed income, and the balance 2.40% in cash.

Portfolio update:

In the view of the portfolio managers, the two most influential drivers of risk asset returns globally in 2026 are likely to be artificial intelligence capacity expenditure (AI capex) and geopolitics. While these are admittedly the same drivers that pushed asset prices around in the second half of 2025, the scale of investments being poured into AI has no comparison, even considering defence spending, clean energy and electric vehicles. According to US consulting firm McKinsey & Co, "data centers equipped to handle AI processing loads are projected to require \$5.2 trillion in capital expenditures" by 2030. The extremely high level of demand has caused unprecedented shortages of semiconductors, leading to backlogs and price hikes. This situation is expected to sustain for several quarters. Significant profits are being made by specific Asian companies, and the portfolio has been tooled for this cyclical trend.

Meanwhile, geopolitics, caused chiefly by the Trump administration, is expected to remain a key source of economic uncertainty into 2026. While the global economy has weathered the tariff war far better than expected, with the US economy showing resilience against inflationary pressure and growth speed bumps (partly thanks to AI capex), the threat of more tariffs on countries that trade with Iran and on those that opposes the US takeover of Greenland makes it clear that there is likely to be no real end to the tariff threat. Uncertainty may cause paralysis in corporate decision making, leading to slower growth. On the other hand, there is growing sense among many countries of the need to "de-risk", not from China but the US. The European Union (EU)'s decision to move ahead with a trade deal with Mercosur, the recent Canada-China trade reset are just some growing evidence of this. This can potentially benefit Asia.

Lastly, tariffs may still raise inflation expectations in 2026 (even though their impact had been less than feared in 2025). This will have a bearing on the policy rate path, as will political pressure on the independence of the Fed. However, as we enter 2026, the fund's fixed income strategy reflects a sanguine view on events.

Fund Returns

	Total Returns	
	Class MYR	Class MYR BOS
1.1.2025 To 31.3.2025	2.09%	2.17%
1.4.2025 To 30.6.2025	-0.59%	3.82%
1.7.2025 To 30.9.2025	9.92%	9.80%
1.10.2025 To 31.12.2025	-2.62%	0.32%
1 Year's Period (1.1.2025 To 31.12.2025)	8.64%	16.84%
3 Years' Period (1.1.2023 To 31.12.2025)	19.37%	22.21%
5 Years' Period (1.1.2021 To 31.12.2025)	-1.73%	-8.53%
Financial Year-To-Date (1.1.2025 To 31.12.2025)	8.64%	16.84%
Since Investing Date To 31.12.2025	14.41%	8.05%

Note:

- BOSWM Asian Income Fund Class MYR – Launch/investing date: 12.1.2017
- BOSWM Asian Income Fund Class MYR BOS – Launch/investing date: 12.9.2019
- BOSWM Asian Income Fund Class USD BOS – Launch/investing date: 12.9.2019

Past performance figures shown are only a guide and should not be taken as indicative of future performance, and that unit prices and investment returns may go down, as well as up.

Source: BOS Wealth Management Malaysia Berhad

Asset Allocation

	<u>As at 31 December 2025</u>
Collective Investment Scheme: Lion Capital Funds II – Lion-Bank of Singapore Asian Income Fund USD Class C (Distribution) and/or USD Class C (Accumulation)	93.38%
Cash and Liquid Assets	<u>6.62%</u>
	<u>100.00%</u>

Income Distribution

Nil

Net Asset Value (NAV) Per Unit

(as at 31 December 2025)

Class MYR	RM1.0684
Class MYR BOS	RM1.0387
Class USD BOS	-

Significant Changes in the State of Affairs of the Fund

Nil

**REPORT OF THE TRUSTEE TO THE UNIT HOLDERS OF
BOSWM ASIAN INCOME FUND**

To the unit holders of BOSWM Asian Income Fund ("Fund")

We have acted as Trustee of the Fund for the financial year ended 31 December 2025 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

Tok Puan Datin Ezreen Eliza binti Zulkiplee
Chief Executive Officer

Kuala Lumpur, Malaysia
23 February 2026

BOSWM ASIAN INCOME FUND

STATEMENT BY THE MANAGER

We, **Najmuddin bin Mohd Lufi** and **Tong Hon Keong**, 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 7 to 30 are prepared in accordance with the requirements of the Deeds, Malaysian Financial Reporting Standards, International Financial Reporting Standards and Securities Commission's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework in Malaysia so as to give a true and fair view of the financial position of **BOSWM Asian Income Fund** as at 31 December 2025 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.

NAJMUDDIN BIN MOHD LUTFI

TONG HON KEONG

Petaling Jaya, Malaysia
23 February 2026

**INDEPENDENT AUDITORS' REPORT
TO THE UNIT HOLDERS OF BOSWM ASIAN INCOME FUND**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our Opinion

In our opinion, the financial statements of BOSWM ASIAN INCOME FUND ("the Fund") give a true and fair view of the financial position of the Fund as at 31 December 2025, 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 2025, 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, including a summary of material accounting policies, as set out on pages 7 to 30.

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 Manager'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.

**INDEPENDENT AUDITORS' REPORT
TO THE UNIT HOLDERS OF BOSWM ASIAN INCOME FUND (CONTINUED)**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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.

**INDEPENDENT AUDITORS' REPORT
TO THE UNIT HOLDERS OF BOSWM ASIAN INCOME FUND (CONTINUED)**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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.

**INDEPENDENT AUDITORS' REPORT
TO THE UNIT HOLDERS OF BOSWM ASIAN INCOME FUND (CONTINUED)**

OTHER MATTERS

This report is made solely to the unit holders 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
23 February 2026

BOSWM ASIAN INCOME FUND

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025**

	Note	2025 RM	2024 RM
ASSETS			
Investments	3	15,137,664	14,022,122
Tax recoverable		1,287	-
Financial derivatives	7	502,735	-
Other receivables		20,772	27,528
Cash and cash equivalents	5	591,459	683,265
TOTAL ASSETS		<u>16,253,917</u>	<u>14,732,915</u>
LIABILITIES			
Financial derivatives	7	-	544,811
Amount due to Manager	6	8,037	5,584
Other payables		34,306	18,808
TOTAL LIABILITIES		<u>42,343</u>	<u>569,203</u>
NET ASSET VALUE ("NAV") OF THE FUND		<u>16,211,574</u>	<u>14,163,712</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS OF THE FUND COMPRISE:			
	13		
Unit holders' capital		18,506,628	18,747,370
Accumulated losses		<u>(2,295,054)</u>	<u>(4,583,658)</u>
		<u>16,211,574</u>	<u>14,163,712</u>
NET ASSET VALUE			
Class MYR		893,664	1,053,312
Class MYR BOS		15,317,910	13,110,400
Class USD BOS		-	-
		<u>16,211,574</u>	<u>14,163,712</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)			
	14		
Class MYR		836,522	1,071,191
Class MYR BOS		14,747,508	14,747,508
Class USD BOS		-	-

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

BOSWM ASIAN INCOME FUND**STATEMENT OF FINANCIAL POSITION (CONT'D.)
AS AT 31 DECEMBER 2025**

	Note	2025 RM	2024 RM
NAV PER UNIT IN RINGGIT MALAYSIA			
Class MYR		1.0684	0.9834
Class MYR BOS		1.0387	0.8890
Class USD BOS		-	-
NAV PER UNIT IN RESPECTIVE CURRENCY			
Class MYR		1.0684	0.9834
Class MYR BOS		1.0387	0.8890
Class USD BOS		-	-

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

BOSWM ASIAN INCOME FUND**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

	Note	2025 RM	2024 RM
INVESTMENT INCOME			
Interest income		14,452	12,615
Net (loss)/gain on investments			
- Financial assets at FVTPL		8,824	(14,928)
- Foreign exchange		12,907	42,921
- Financial derivatives		(39,204)	836,606
Net unrealised gain/(loss) on foreign exchange		1,047,547	(811,445)
Net unrealised gains on changes in fair value of financial assets at FVTPL		<u>1,372,262</u>	<u>665,863</u>
		<u>2,416,788</u>	<u>731,632</u>
EXPENSES			
Audit fee		8,592	8,424
Tax agent's fee		5,700	6,050
Manager's fee	8	80,442	66,732
Trustee's fee	9	12,000	12,000
Administration expenses		<u>25,344</u>	<u>19,635</u>
		<u>132,078</u>	<u>112,841</u>
Net income before taxation		2,284,710	618,791
Less: Taxation	12	<u>3,894</u>	<u>(860)</u>
Net income after taxation, representing total comprehensive income for the financial year		<u>2,288,604</u>	<u>617,931</u>
Total comprehensive income comprises the following:			
Realised (loss)/income		(131,205)	763,513
Unrealised gain/(loss)		<u>2,419,809</u>	<u>(145,582)</u>
		<u>2,288,604</u>	<u>617,931</u>

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

BOSWM ASIAN INCOME FUND

**STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

	Note	Unit holders' capital RM	Accumulated losses RM	NAV attributable to unitholders RM
At 1 January 2024		19,101,670	(5,201,589)	13,900,081
Net income after taxation		-	617,931	617,931
Cancellation of units	14			
- Class MYR		(350,135)	-	(350,135)
- Class USD BOS		(4,165)	-	(4,165)
At 31 December 2024		<u>18,747,370</u>	<u>(4,583,658)</u>	<u>14,163,712</u>
At 1 January 2025		18,747,370	(4,583,658)	14,163,712
Net income after taxation		-	2,288,604	2,288,604
Cancellation of units	14			
- Class MYR		(240,742)	-	(240,742)
At 31 December 2025		<u>18,506,628</u>	<u>(2,295,054)</u>	<u>16,211,574</u>

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

BOSWM ASIAN INCOME FUND**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

	2025	2024
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of investments	450,550	665,070
Purchase of investments	(169,620)	(645,675)
Settlement of forward contracts	(39,204)	836,606
Interest received	14,452	12,684
Manager's fee paid	(71,234)	(67,896)
Trustee's fee paid	(11,667)	(11,386)
Payment for other fees and expenses	(24,470)	(41,420)
Tax refunded/(paid)	2,607	-
Net cash generated from operating and investing activities	<u>151,414</u>	<u>747,983</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash paid on units cancelled	<u>(240,742)</u>	<u>(354,300)</u>
Net cash used in financing activities	<u>(240,742)</u>	<u>(354,300)</u>
Net (decrease)/increase in cash and cash equivalents	(89,007)	393,362
Effect of exchange rate changes	(2,478)	(11,708)
Cash and cash equivalents at beginning of financial year	<u>683,265</u>	<u>301,290</u>
Cash and cash equivalents at end of financial year	<u>591,459</u>	<u>683,265</u>
Cash and cash equivalents comprise:		
Cash at banks	11,415	42,944
Deposits with financial institutions	<u>580,044</u>	<u>640,321</u>
	<u>591,459</u>	<u>683,265</u>

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

BOSWM ASIAN INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

BOSWM Asian Income Fund (hereinafter referred to as "the Fund") was constituted pursuant to the execution of a Deed dated 20 November 2015 as amended by the First Supplemental Master Deed dated 18 April 2016, Second Supplemental Master Deed dated 22 December 2016, Third Supplemental Master Deed dated 17 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 C (Distribution) of the Lion Capital Funds II- Lion-Bank of Singapore Asian Income Fund (Target Fund), or a Collective Investment Scheme having a similar investment objective and strategy, with the Fund, liquid assets, and any other form of investment as may be agreed upon by the Manager and the Trustee from time to time. The Fund was launched on 12 January 2017 and will continue its operations until terminated as provided in the Deeds.

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

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

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Fund have been prepared on a historical cost basis, except as otherwise stated in the accounting policies and comply with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

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 2025. These new MFRSs and Amendments to MFRSs did not give rise to any significant effect on the financial statements.

BOSWM ASIAN INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(a) Basis of preparation (cont'd.)

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:

- (i) Amendments to MFRS 9 and MFRS 7 'Amendments to the Classification and Measurement of Financial Instruments' (effective 1 January 2026)
 - The amendments clarify that financial assets are derecognised when the rights to the cash flows expire or when the asset is transferred, and financial liabilities are derecognised at the settlement date (i.e. when the liability is extinguished or qualifies for derecognition.).
 - There is an optional exception to derecognise a financial liability at a date earlier than the settlement date if the cash transfer takes place through an electronic payment system, provided that all the specified criteria are met;
 - The amendments also clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest ("SPPI") criterion;
 - There are additional new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
 - The amendments update the disclosures for equity instruments designated at fair value through other comprehensive income ("FVOCI").
- (ii) MFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027) replaces MFRS 101 'Presentation of Financial Statements'
 - The new MFRS introduces a new structure of profit or loss statement.
 - a) Income and expenses are classified into 3 new main categories:
 - Operating category which typically includes results from the main business activities;
 - Investing category that presents the results of investments in associates and joint ventures and other assets that generate a return largely independently of other resources; and
 - Financing category that presents income and expenses from financing liabilities.
 - b) Entities are required to present two new specified subtotals:
'Operating profit or loss' and 'Profit or loss before financing and income taxes'.

BOSWM ASIAN INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(a) Basis of preparation (cont'd.)

Standards issued but not yet effective: (cont'd.)

- (ii) MFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027) replaces MFRS 101 'Presentation of Financial Statements' (cont'd.)

b) Entities are required to present two new specified subtotals: (cont'd.)

- Management-defined performance measures are disclosed in a single note and reconciled to the most similar specified subtotal in MFRS Accounting Standards.
- Changes to the guidance on aggregation and disaggregation which focus on grouping items based on their shared characteristics.

(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.

BOSWM ASIAN INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(d) Financial instruments (cont'd.)

Financial assets (cont'd.)

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 contractual cash flows of the Fund's deposits with licensed financial institutions and debt securities are solely principal and interest. However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

BOSWM ASIAN INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(d) Financial instruments (cont'd.)

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.

BOSWM ASIAN INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(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 90 days 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 unit holders' capital. Distributions are recognised in the statement of comprehensive income, as the Unit holders' 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 Unit holders' 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) Unit holders' capital

Unit holders' 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 13 and 14.

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 unit holders by way of distribution and/or adjusted accordingly when units are cancelled.

BOSWM ASIAN INCOME FUND

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D.)

(n) Critical 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

	2025 RM	2024 RM
Financial assets at FVTPL		
Quoted investments		
- Collective investment scheme	<u>15,137,664</u>	<u>14,022,122</u>

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

COLLECTIVE INVESTMENT SCHEME

2025				Fair value as a % of NAV %
Quantity	Name of fund <u>Singapore</u>	Cost RM	Fair value RM	
<u>2,808,981</u>	Lion Capital Funds II - Lion - Bank of Singapore Asian Income Fund*	<u>13,044,223</u>	<u>15,137,664</u>	93.38
TOTAL QUOTED INVESTMENTS		<u>13,044,223</u>	<u>15,137,664</u>	93.38

**UNREALISED GAIN FROM QUOTED
INVESTMENTS**

2,093,440

2024				Fair value as a % of NAV %
Quantity	Name of fund <u>Singapore</u>	Cost RM	Fair value RM	
2,867,725	Lion Capital Funds II - Lion - Bank of Singapore Asian Income Fund*	<u>13,300,944</u>	<u>14,022,122</u>	99.00
TOTAL QUOTED INVESTMENTS		<u>13,300,944</u>	<u>14,022,122</u>	99.00

**UNREALISED GAIN FROM QUOTED
INVESTMENTS**

721,178

* Managed by a related party of the Manager.

BOSWM ASIAN INCOME FUND

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

3. INVESTMENT (CONT'D.)

(b) The Target Fund's top 10 holdings as at 31 December 2025 is as detailed below.

	Percentage of Target Fund's NAV %
Taiwan Semi Conductor Manufacturing Co Ltd	9.96
Tencent Holdings Ltd	4.83
Samsung Electronics Co Ltd	3.52
Alibaba Group Holding Ltd	2.69
Innovent Biologies Inc	1.53
Mediatek Incorporated	1.39
China Constrction Bank Corp H - SHR	1.28
KB Financial Group	1.26
Netease Inc	1.25
Hyundai Electric & Energy System Co Ltd	1.22
Total	<u>28.93</u>

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	Total RM
2025			
Financial assets at FVTPL			
Collective investment schemes	15,137,664	-	15,137,664
Financial derivatives	-	502,735	502,735
	<u>15,137,664</u>	<u>502,735</u>	<u>15,640,399</u>
2024			
Financial assets at FVTPL			
Collective investment schemes	14,022,122	-	14,022,122
	<u>14,022,122</u>	<u>-</u>	<u>14,022,122</u>
Financial liabilities at FVTPL			
Financial derivatives	-	(544,811)	(544,811)
	<u>-</u>	<u>(544,811)</u>	<u>(544,811)</u>

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

BOSWM ASIAN INCOME FUND**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025****5. CASH AND CASH EQUIVALENTS**

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

	2025 RM	2024 RM
Cash at banks	11,415	42,944
Deposits with licensed financial institutions:		
- Commercial bank	580,000	640,000
- Interest receivable	44	321
	<u>580,044</u>	<u>640,321</u>
Cash and cash equivalents	<u>591,459</u>	<u>683,265</u>

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:

	Contracts or underlying principal amounts RM	Contract value at the reporting date RM	Unrealised (loss)/gain from forward foreign currency contracts RM
2025			
20/01/2026	12,565,059	12,112,756	452,303
20/01/2026	1,389,531	1,339,099	50,432
	<u>13,954,590</u>	<u>13,451,855</u>	<u>502,735</u>

BOSWM ASIAN INCOME FUND

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

7. FINANCIAL DERIVATIVES (CONT'D.)

	Maturity date	Contracts or underlying principal amounts RM	Contract value at the reporting date RM	Unrealised (loss)/gain from forward foreign currency contracts RM
2024				
	17/01/2025	11,324,303	11,819,901	(495,598)
	17/01/2025	1,157,355	1,206,568	(49,213)
		<u>12,481,658</u>	<u>13,026,469</u>	<u>(544,811)</u>

8. MANAGER'S FEE

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

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

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

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

9. TRUSTEE'S FEE

The Trustee's fee provided in the financial statements is computed at 0.04% (2024: 0.04%) per annum of the NAV attributable to unit holders of the Fund, calculated on a daily basis, subject to a minimum fee of RM12,000 per annum.

10. PORTFOLIO TURNOVER RATIO

	2025	2024
Portfolio turnover ratio ("PTR")	<u>0.02 times</u>	<u>0.05 times</u>

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 unit holders of the Fund calculated on a daily basis. The PTR for the current financial year is lower due to decrease in investing activities.

BOSWM ASIAN INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

11. TOTAL EXPENSE RATIO ("TER")

	2025	2024
Class		
- MYR	1.24%	1.17%
- MYR BOS	0.85%	0.76%
- USD BOS	0.00%	0.00%

TER is the ratio of expenses of the Fund expressed as a percentage of the average NAV attributable to unit holders of the Fund for the financial year calculated on a daily basis. The TER of Class MYR and Class MYR BOS for the current financial year is higher due to a higher percentage of increase in expenses compared with the average NAV attributable to unit holders. The Fund does not charge performance fee.

12. TAXATION

	2025 RM	2024 RM
Malaysian income tax: Current year's provision	<u>(3,894)</u>	<u>860</u>

Income tax is calculated at the Malaysian statutory rate of taxation of 24% (2024: 24%) of the estimated assessable income for the financial year.

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

	2025 RM	2024 RM
Net income before taxation	<u>2,284,710</u>	<u>618,791</u>
Taxation at Malaysian statutory rate of 24%	548,330	148,510
Tax effects of:		
Income not subject to tax	(589,438)	(374,091)
Losses not subject to tax	9,409	198,500
Expenses not deductible for tax purpose	8,953	7,350
Restriction on tax deductible expenses for wholesale funds	22,746	19,731
Overprovision in prior years	<u>(3,894)</u>	<u>860</u>
Tax (credit)/expense for the financial year	<u>(3,894)</u>	<u>860</u>

BOSWM ASIAN INCOME FUND

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

13. NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS

	2025	2024
	RM	RM
Unit holders' contribution		
- Class MYR	1,297,923	1,538,665
- Class MYR BOS	17,208,705	17,208,705
	<u>18,506,628</u>	<u>18,747,370</u>
Accumulated losses		
- Realised deficits	(4,889,016)	(4,757,811)
- Unrealised reserves	2,593,962	174,153
NAV attributable to unit holders	<u>16,211,574</u>	<u>14,163,712</u>

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:

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

14. UNITS IN CIRCULATION

	2025		2024	
	No. of units	RM	No. of units	RM
Class MYR				
1 January	1,071,191	1,538,665	1,417,175	1,888,800
Cancellation	(234,669)	(240,742)	(345,984)	(350,135)
31 December	<u>836,522</u>	<u>1,297,923</u>	<u>1,071,191</u>	<u>1,538,665</u>
Class MYR BOS				
1 January	14,747,508	17,208,705	14,747,508	17,208,705
Cancellation	-	-	-	-
31 December	<u>14,747,508</u>	<u>17,208,705</u>	<u>14,747,508</u>	<u>17,208,705</u>
Class USD BOS				
1 January	-	-	1,000	4,165
Cancellation	-	-	(1,000)	(4,165)
31 December	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

BOSWM ASIAN INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

15. UNITS HELD BY THE MANAGER AND ITS RELATED PARTIES

The related parties and their relationships with the Fund are as follows:

Related parties	Relationships
BOS Wealth Management Malaysia Berhad	The Manager
Bank of Singapore Limited	Holding company of the Manager
Oversea-Chinese Banking Corporation Limited	Ultimate holding company of the Manager

	2025		2024	
	No. of units[^]	RM	No. of units[^]	RM
Holding Company of the Manager				
Class MYR BOS	14,747,508	15,317,910	14,747,508	13,110,400

There were no units held by other related parties.

[^] All units are held legally by the Manager as per the unit holders' register.

16. 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 %
2025		
Lion Global Investors Limited*	<u>619,680</u>	<u>100.00</u>
2024		
Lion Global Investors Limited*	<u>1,311,830</u>	<u>100.00</u>

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

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

BOSWM ASIAN INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

17. 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 income before tax and NAV attributable to the unit holders 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 income before tax and NAV attributable to unitholders	
	Increase/ (Decrease)	Increase/ (Decrease)
	2025 RM	2024 RM
+5	756,883	701,106
-5	<u>(756,883)</u>	<u>(701,106)</u>

(b) Interest rate risk

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

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

BOSWM ASIAN INCOME FUND**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025****17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**

(i) Market risk (cont'd.)

(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 unit holders due to fluctuations in currency rates against the functional currency, with all other variables held constant.

Changes in currency rate %	Currency risk concentration for USD		Effect on net income before tax and NAV attributable to unit holders	
			Increase/ (Decrease)	Increase/ (Decrease)
	2025 RM	2024 RM	2025 RM	2024 RM
+5	15,137,664	14,022,122	756,883	701,106
-5	15,137,664	14,022,122	(756,883)	(701,106)

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.

BOSWM ASIAN INCOME FUND**NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025****17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**

(ii) Credit risk (cont'd.)

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
2025			
Credit rating AAA	502,735	591,459	<u>1,094,194</u>
2024			
Credit rating AAA	<u>(544,811)</u>	683,265	<u>138,454</u>

(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 unit holders 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.

BOSWM ASIAN INCOME FUND

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(iii) Liquidity risk (cont'd.)

	2025 RM	2024 RM
Less than 1 month		
Amount due to manager	8,037	5,584
Financial derivatives	-	544,811
Net asset value attributable to unit holders	16,211,574	14,163,712
Total	<u>16,219,611</u>	<u>14,714,107</u>
1 month to 1 year		
Other payables	34,306	18,808
Total	<u>34,306</u>	<u>18,808</u>

(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.

18. OPERATING SEGMENT

The Fund is a feeder fund whose assets are primarily invested in the target fund, Lion Capital Funds II - Lion-Bank of Singapore Asian Income Fund. The target fund 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.

19. CAPITAL MANAGEMENT

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

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

20. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were authorised for issue by the Board of Directors of the Manager in accordance with a resolution of the directors on 23 February 2026.

BOS WEALTH MANAGEMENT MALAYSIA BERHAD 199501006861 (336059-U)
A subsidiary of Bank of Singapore

09-02, Level 9, Imazium
No. 8 Jalan SS 21/37
Damansara Uptown
47400 Petaling Jaya, Selangor
Tel: 03-7712 3000
ContactUs@boswm.com
www.boswm.com.my

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