

LION-OCBC SECURITIES
HANG SENG TECH ETF

The future of technology
Seize the opportunity.



Quarterly Newsletter

Q1 2021

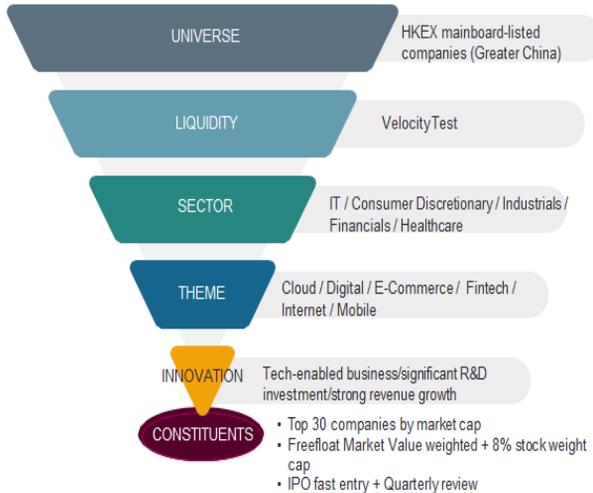
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INTRODUCTION

The Lion-OCBC Securities Hang Seng TECH ETF was listed on the Singapore stock market on the 10th of December 2020. Since listing, the ETF has crossed many milestones. The size of the ETF has grown rapidly to an AUM (assets under management) of ~S\$182 million as of 31st March 2021. On an annualized basis, the ETF is up 10.2% since listing.

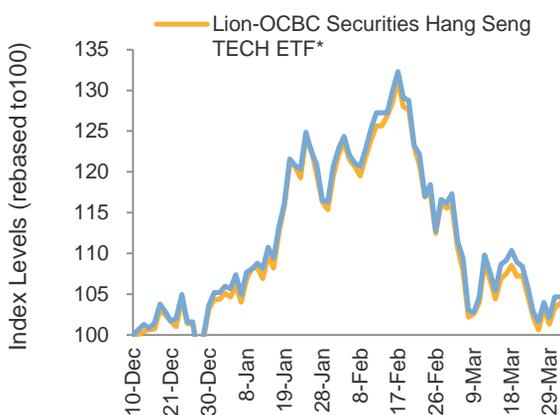
INDEX CONSTRUCTION METHODOLOGY³



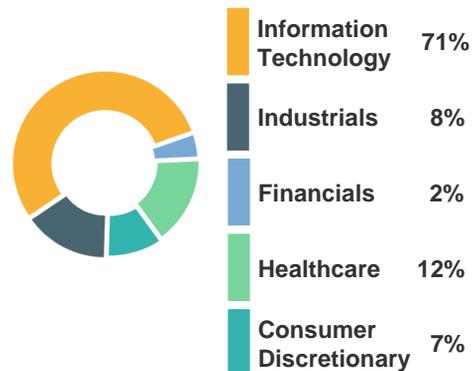
KEY FACTS

- 30 largest TECH-themed companies listed on HKEX¹
- Full replication of the Hang Seng TECH Index
- Each constituent capped at 8% weightage during rebalancing
- Rebalanced on a quarterly basis (Mar, Jun, Sept and Dec)
- Dual Trading Currencies: SGD and USD
- Total AUM: HKD 1.06 billion as of 31 Mar 2021
- Management Fee: 0.45% p.a.
- Bloomberg ticker: HST SP (S\$ counter), HSS SP (US\$ counter)

LION-OCBC SECURITIES HANG SENG TECH ETF PERFORMANCE²



COMPOSITION



Source: Lion Global Investors, 31st March 2021

*Returns are based on NAV-NAV basis in HKD and assuming all dividends are reinvested net of all charges payable upon reinvestment. Performance is calculated in the base currency of the Fund. The Lion-OCBC Securities Hang Seng TECH ETF was listed on 10 December 2020

Past performance, as well as any prediction, projection, or forecast are not necessarily indicative of future or likely performance.

¹ Refers to the underlying Index Securities of the Hang Seng TECH Index

^{2,3} Source: Bloomberg, Lion Global Investors, Hang Seng Indexes Company, 31 March 2021

Q1 2021 OUTLOOK



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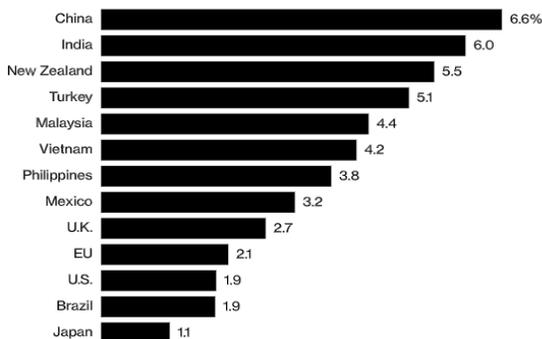
CHINA'S RECOVERY

While Covid-19 has upended the economies of most countries around the world, China stands out as one of the success stories in terms of the virus-economy race. As early as the second quarter of 2020, China's economy has shown signs of a rebound from a Covid-19 contraction. A successful vaccine roll-out and subsequent herd immunity will be key for the reopening of global economies and growth. China's external economy and private investments will benefit from global recovery.

“ China is winning the virus-economy recovery race, with the economy expanding for the 33rd consecutive year. ”

The Covid-19 pandemic could prove to be the latest inflection point, as China's faster recovery from the virus meant that it was one of the few countries to have positive GDP growth in 2020. Smaller countries that handled Covid-19 better than most of the major economies (eg. New Zealand, Taiwan) are not enjoying a similar economic benefit, mostly because both countries rely heavily on global trade and tourism, according to economic forecasts compiled by Bloomberg. The Lion-OCBC Securities Hang Seng TECH ETF is well positioned to capitalize on China's recovery from Covid-19 as it consists of the 30 largest TECH-themed companies that are listed in Hong Kong.

Average 2021 GDP Growth



Source: Institute of International Finance, Bloomberg, February 2021

CHINESE TECH COMPANIES SHOW PROMISE

The pandemic has acted as a catalyst and accelerated the global adoption rate for technology in all forms, from semiconductor chips to online shopping. Interest in high growth technology stocks have been high throughout 2020, and we continue to be bullish on the secular long term growth trends of technology stocks. With the recent tech selloff in February 2021, we believe that now is an opportune time for investors to tranche in and slowly increase their allocation to technology stocks at a relatively more attractive price point. In addition, China's economy is one of the rare few to experience growth in pandemic year 2020. China's economic trade data points to a global recovery that is slowly picking as well, as exports from the world's second largest economy soared in the first two months of the year, reflecting a recovery in global external demand.



Photo Credit: iStock

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The strong push for digitisation globally is irreversible and should be conducive for technology companies in the longer run – Carmen Lee, Head of OCBC Investment Research

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