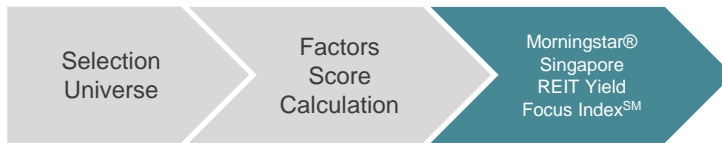


Lion-Phillip S-REIT ETF

Low cost, easy access to S-REITs¹

Lion-Phillip S-REIT ETF is designed to provide investors with a low-cost access to 27² high-quality S-REITs that offers a sustainable income stream. It is passively managed to fully replicate the Morningstar® Singapore REIT Yield Focus IndexSM (Index).

Index Construction Methodology



Morningstar
® Singapore
REIT Yield
Focus
IndexSM

Assign scores for the following factors:

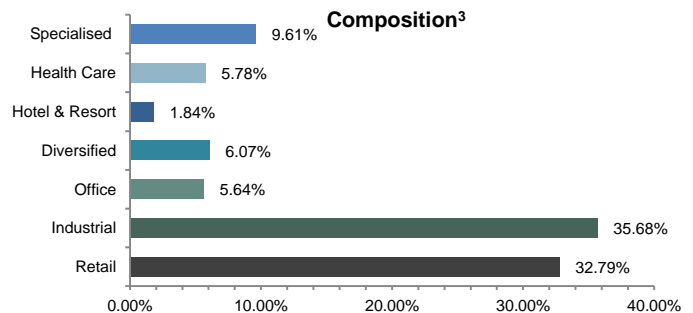
- Quality
- Financial Health
- Dividend Yield

Portfolio weights based on factors score:
Adjusted for liquidity of underlying REIT

The Index is designed to screen for high-yielding REITs with superior quality and financial health.

KEY FACTS

1. Full replication of the Morningstar® Singapore REIT Yield Focus IndexSM ("Index")
2. 27² high quality S-REITs
3. Latest distribution of S\$0.0240 per unit on ex-date 29 July 2021[^]
4. Gross current dividend yield of 4.36%⁴
5. Total AUM: S\$223.9 million
6. Management fee: 0.50% p.a.
7. SGX stock code: CLR
8. Bloomberg ticker: SREITS SP



Source: Bloomberg, Lion Global Investors, as at 30 September 2021. [^]Pay-date of 27 August 2021. Distribution is for the period from 1 January 2021 to 30 June 2021, and comprises of 89% distributable income⁵ and 11% capital component. Past payout yields and payment do not represent future payout yields and payments. Distribution payments shall, at the sole discretion of the Manager, be paid out of either (a) income; or (b) net capital gains; or (c) capital of the fund or a combination of (a) and/or (b) and/or (c). The declaration and/or payment of distributions (whether out of income and/or capital) may have the effect of lowering the net asset value of the fund. For further detailed income statistics, please visit www.lionglobalinvestors.com

Singapore REITs Outlook

Entering into the endemic era

The Covid-19 situation in Singapore continues to be top of mind for Singapore REIT investors. As Singapore started to reopen its economy following the National Day holidays, cases have been rising exponentially. 18 September 2021 saw the number of cases hit above the 1,000 mark, the first time since April 2020. However, unlike last year, Singapore is much better prepared for it this time around. As of 19 September 2021, more than 82% of the population has been fully vaccinated. In fact, the government has started its national vaccine booster program for seniors in order to better protect the most vulnerable.

The constant push for higher vaccination rates is part of the government's efforts to make Singapore Covid-19 resilient as we enter into the endemic era. Despite the higher community cases in recent weeks, retail malls and work spaces remain open. The government is also committed to further reopen its borders, following the initial success of the Vaccinated Travel Lane (VTL) scheme that allowed vaccinated travelers from Germany and Brunei to enter Singapore without a need for quarantine.

Indeed, Singapore REIT investors have been sanguine on the Covid-19 situation in Singapore, with the FTSE Straits Times REIT Index trading relatively flat quarter to date. With many investors believing that the worst of Covid-19 is behind, they are focusing on the sector's operating fundamentals.

Expect more activity in the capital markets

With operating metrics gradually returning to normal, Singapore REITs are looking to more acquisition opportunities in order to grow earnings. In early Sep 2021, Ascott REIT raised S\$150 million (m) in a private placement as it looks to fund its acquisition of a student housing asset in the US. We expect more Singapore REITs to take advantage of the low capital cost environment to raise funds and make more accretive acquisitions.

Separately, investors can also look forward to more Singapore REIT Listings in the horizon. In June 2021, City Developments has applied for an IPO of a Singapore REIT, comprising of commercial assets in the UK. According to Bloomberg, the REIT could potentially raise more than S\$900m⁶. Investors can also look forward to more listings of Singapore REITs by overseas property companies⁷; a testament that Singapore remains the most popular destination to REIT listings in Asia.

Small-mid cap Singapore REITs in the spotlight

On 2 September 2021⁸, it was announced that 11 small and mid cap Singapore REITs will be included in the FTSE EPRA NAREIT Global Real Estate Index. These 11 Singapore REITs join 17 other bigger names in one of the most popular indexes used by institutional real estate investors to monitor and manage their investment portfolios. We believe that this will help to improve their trading liquidity, thereby granting them better access to the capital markets.

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We expect more Singapore REITs to take advantage of the low capital cost environment to raise funds and make more accretive acquisitions.

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Photo Credit: iStock

Notes

¹S-REITs are securities constituting the Morningstar® Singapore REIT Yield Focus IndexSM.

²As at 30 September 2021. The number of S-REITs which constitutes the Index may be changed by Morningstar Research Pte Ltd from time to time.

³Composition chart does not add up to 100%. Cash and cash equivalents as at 30 September 2021 was approximately 2.59%.

⁴Based on the weighted average 12-month trailing dividend yield of the underlying S-REITs as at 30 September 2021. Past payout yields and payments of the underlying S-REITs do not represent future payout yields and payments.

⁵Distributable income refers to the interest and dividend income, taking into consideration the net realised gains, a collective investment scheme receives from its portfolio holdings and are payable to its investors.

⁶<https://www.straitstimes.com/business/companies-markets/cdl-said-to-have-filed-for-940-million-reit-ipo-on-sgx>

⁷<https://www.ifre.com/story/3017108/seazens-sgx-reit-plans-to-raise-us300m-from-ipo-p8jjtp5z9v>

⁸<https://www.straitstimes.com/business/companies-markets/11-smaller-singapore-reits-enter-ftse-epa-nareit-global-real-estate>

For more information on the Lion-Phillip S-REIT ETF, please visit:

<http://www.lionglobalinvestors.com/en/disclaimer-etf.html> or email us at contactus@lionglobalinvestors.com.

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Any extraordinary performance may be due to exceptional circumstances which may not be sustainable. Any dividend distributions, which may be either out of income and/or capital, are not guaranteed and subject to the Manager’s discretion. Any such dividend distributions will reduce the available capital for reinvestment and may result in an immediate decrease in the net asset value of the ETF.

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