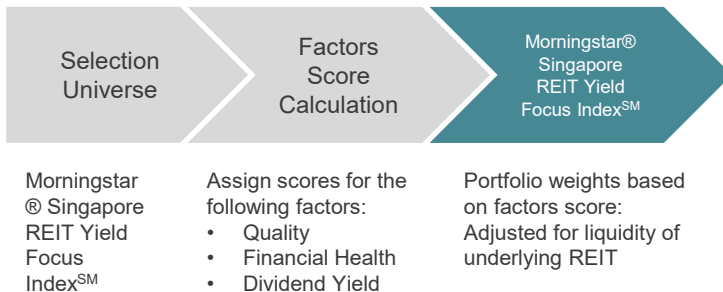


Lion-Phillip S-REIT ETF

Low cost, easy access to S-REITs¹

Lion-Phillip S-REIT ETF is designed to provide investors with a low-cost access to 28² 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).

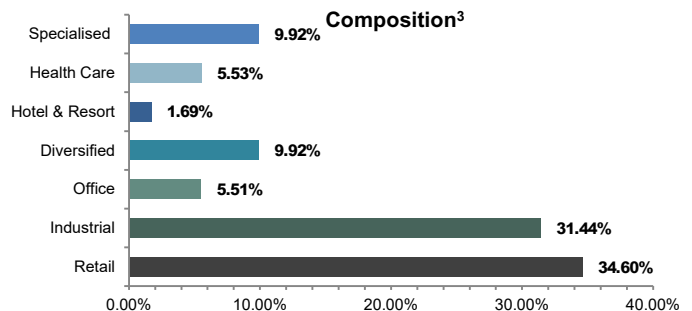
Index Construction Methodology



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. 28² high quality S-REITs
3. Latest distribution of S\$0.0240 per unit on ex-date 29 July 2021^A
4. Gross current dividend yield of 4.84%⁴
5. Total AUM: S\$241.0 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 31 December 2021. ^APay-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

Singapore REITs – Leaving 2021 behind


After a year of significant Covid-19 induced volatility and disruption in 2020, 2021 was a year of consolidation for the Singapore REITs sector. Given better understanding of the virus and higher vaccination rates, the Singapore economy was able to gradually open through the year, albeit with a few speed bumps along the way. Looking ahead, we are hopeful that 2022 would see more significant improvements to economic growth and hence operating metrics for Singapore REITs.

Given high vaccination rates⁶ (87% of total population as of 18 December 2021), the government has announced plans to allow up to 50% of the workforce to return back to office on 1 January 2022. We expect physical office occupancy to trend higher over the next few months, a positive for the office REITs. Furthermore, as community cases continue to fall over the past weeks, many shoppers are heading out to malls during this festive period, thereby providing much-needed reprieve to the retail sector⁷. We expect this positive momentum to provide a strong base for the Singapore-listed commercial REITs to build on as we enter the new year.

That said, the recovery is not without its risks. In late November 2021, the World Health Organization (WHO) classified the latest Covid-19 Omicron variant as a ‘variant of concern’. Preliminary studies have shown that the Omicron variant is more contagious than the current dominant Delta variant. This could derail Singapore’s road to recovery as a surge in cases could put pressure on our healthcare resources, potentially leading to another period of enhanced safe distancing measures. To combat this, eligible residents are encouraged to take their booster jabs to increase their immunity. To date, 33% of the population has received their booster shots⁸.

New entrants to the Singapore REITs family

After more than a year of relative inactivity, the Singapore REIT capital market is buzzing again. November 2021 saw the listing of Daiwa House Logistics Trust. Daiwa House Logistics Trust REIT invests in high quality logistics assets in Japan and raised more than US\$400 million (m) in its recent IPO process. The deal was well received by investors, receiving a subscription rate of 4.5 times for the international placement and 9.5 times for the Singapore public offering⁹. This was soon followed by the listing of Digital Core REIT, which raised more than US\$600m from investors to buy 10 high quality data center assets in North America. Digital Core REIT is sponsored by Digital Realty, one of the largest data center developers and managers in the world¹⁰. The successful listings of these 2 high quality overseas REITs on the SGX speaks volumes of investors’ confidence in Singapore’s corporate governance and listing standards. More importantly, it cements Singapore as the port of call for global asset managers who want to securitize their assets as REITs in Asia.



“ Looking ahead, we are hopeful that 2022 would see more significant improvements to economic growth and hence operating metrics for Singapore REITs. ”

Photo Credit: iStock

Notes

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

²As at 31 December 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 31 December 2021 was approximately 1.39%.

⁴Based on the weighted average 12-month trailing dividend yield of the underlying S-REITs as at 31 December 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.moh.gov.sg/covid-19/vaccination>

⁷<https://www.straitstimes.com/singapore/consumer/shoppers-throng-orchard-road-in-the-weekend-before-christmas>

⁸<https://www.moh.gov.sg/covid-19/vaccination>

⁹<https://www.mingtiandi.com/real-estate/finance-real-estate/daiwa-house-logistics-trusts-singapore-ipo-9-5-times-subscribed/>

¹⁰<https://investor.digitalrealty.com/news-and-events/news/press-release-details/2021/Digital-Realty-Announces-Successful-Listing-of-Digital-Core-REIT-on-Singapore-Stock-Exchange/default.aspx>

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

<https://www.lionglobalinvestors.com/en/fund-lion-phillip-s-reit-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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