



LION-OCBC SECURITIES

APAC FINANCIALS DIVIDEND PLUS ETF

Earn stable dividends¹.
Invest in APAC's financial strengths.

Quarterly Newsletter
Q1 2025

¹Distributions are not guaranteed. Distributions may be made up of income, capital gains, and/or capital. Please refer to the fund prospectus for more information on this ETF. This advertisement has not been reviewed by the Monetary Authority of Singapore

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Introduction

The Lion-OCBC Securities APAC Financials Dividend Plus ETF is the *world's first APAC Financials ETF*, riding on APAC's financial strengths while providing investors with stable dividends².

Investment Objective

The investment objective of the Fund is to replicate as closely as possible, before expenses, the performance of the iEdge APAC Financials Dividend Plus Index using a direct investment policy of investing in all, or substantially all, of the underlying Index Securities.

The Index is compiled and calculated by Singapore Exchange Limited. The Index aims to track the 30 largest and most tradable companies listed in Asia Pacific and is designed to provide access to stable dividend payout attributes and growth in the financial sector.

Why invest in Lion-OCBC Securities APAC Financials Dividend Plus ETF?

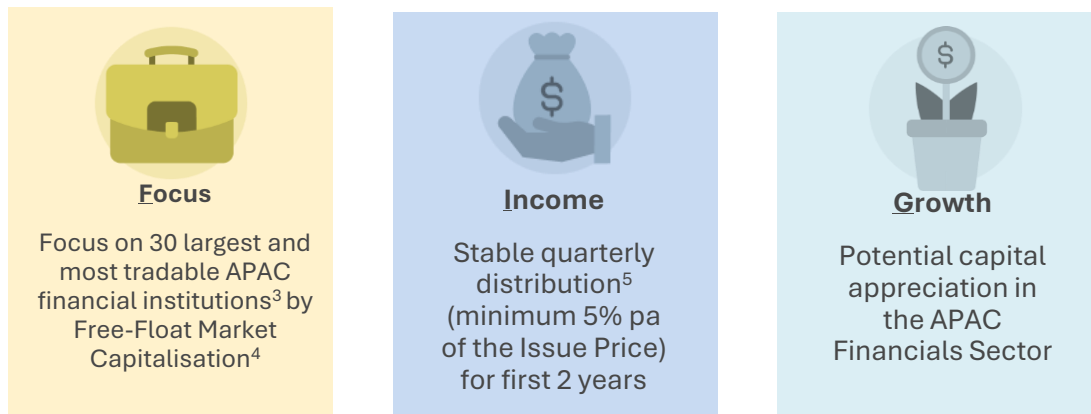
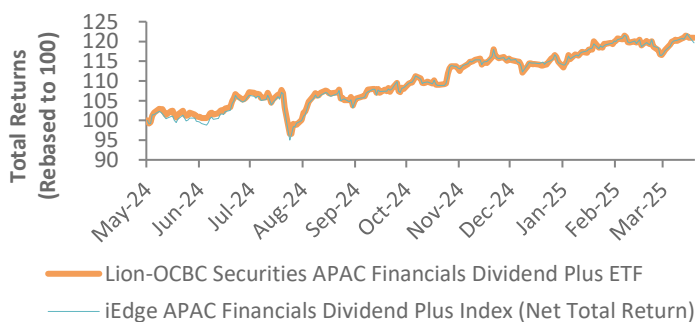


Figure 1: ETF's Performance⁶



From Bloomberg as of 31 Mar 2025	YTD 2025 Return ⁶	Total Return since ETF's inception ⁶
Lion-OCBC Securities APAC Financials Dividend Plus ETF	6.20%	20.97%
iEdge APAC Financials Dividend Plus Index (Net Total Return ⁷)	4.24%	19.64%

² Distributions are not guaranteed. Distributions may be made up of income, capital gains, and/or capital.

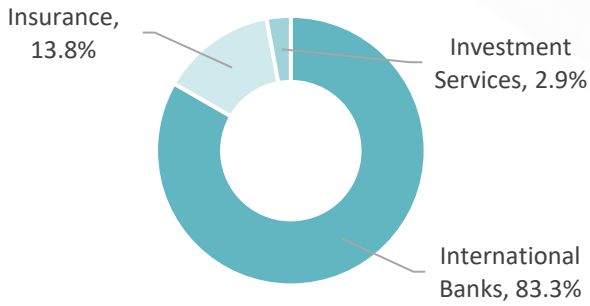
³ The company's business sector must be classified as "Banking, Insurance, Investment Services, or Specialty Finance & Services", as defined by FactSet's Revere Business Industry Classification System (RBICS). ⁴ Based on the underlying Index Securities of the iEdge APAC Financials Dividend Plus Index

⁵ As set out in the prospectus, distribution payments shall, at the sole discretion of the Manager, be made out of either (a) distributable income; or (b) capital gains; or (c) capital of the Deposited Property or a combination of (a) and/or (b) and/or (c). Distributions are not guaranteed and may fluctuate. Past performance, yields, and payments are not necessarily indicative of future or likely performance, yields, and payments. Distribution payouts and its frequency might be changed at the Manager's discretion and can be made out of distributable income, capital or both. Any payment of distributions by the fund may result in an immediate reduction of the net asset value per share/unit. The Fund seeks to invest all or substantially all of the Fund's assets in Index Securities in substantially the same weightings as reflected in the Index. Please refer to the fund prospectus for more information on the ETF's distribution policy. Please refer to LGI website for more information on the income disclosures.

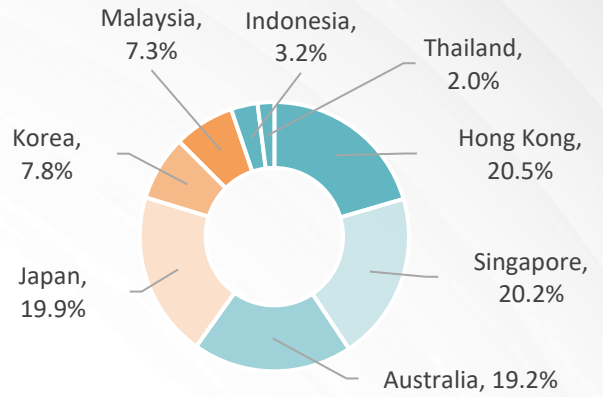
⁶ Source: Bloomberg, Lion Global Investors, Singapore Exchange Limited as of 31 March 2025. Returns are based on NAV-NAV basis in SGD and assuming all dividends are reinvested net of all charges payable upon reinvestment. The Lion-OCBC Securities APAC Financials Dividend Plus ETF was listed on 13 May 2024. Opinions and estimates constitute our judgment and along with other portfolio data, are subject to change without notice. Past performance, as well as any prediction, projection, or forecast are not necessarily indicative of future or likely performance.

⁷ Net Total Return (NTR) reflects the price performance, plus the net amount of all special and regular dividends after applying relevant foreign tax withholding rates.

Figure 2: ETF's Characteristics



Source: SGX Index Edge as of 31 March 2025.



Source: SGX Index Edge as of 31 March 2025.

Why invest in APAC Financials now?

Q1 2025 was a challenging quarter for equities markets across the region, primarily driven by heightened government policy risks.

Most impactful policy change during the quarter was the intensifying tariff announcements by the US government. Soon after President Donald Trump was sworn into office on 20 Jan 2025, he started imposing additional tariffs of 10%-25% on Mexico, Canada and China on 1 Feb 2025. Since then, he flip flopped on the new tariff policies on various major countries, cumulating with the “reciprocal” tariffs on 2 Apr 2025 — 10% baseline tax on imports from all countries as well as higher rates for dozens of nations that run trade surpluses with the US. The frequent policy changes drove significant volatility in global financial markets, with great uncertainty on the potential adverse impact on the global economy and interest rate outlook.

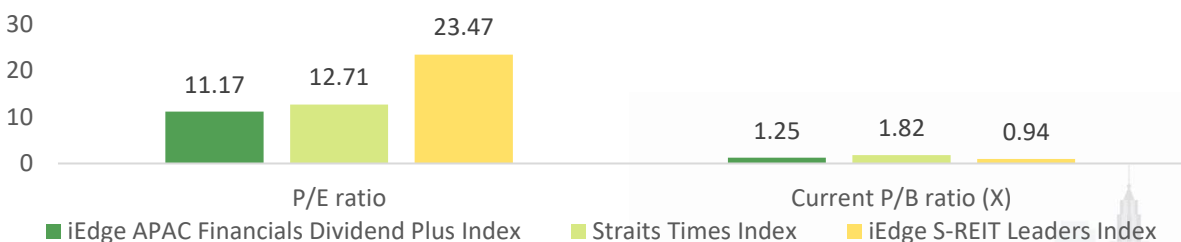
On the Asia front, we see notable capital management progress amongst major Singapore and Korea banks post their 4Q2024 results announcement. The Singapore banks increased dividend per share payouts as well as announced new share buyback programs, while their major Korean counterparts also notably increased their total shareholder return ratios and new share buyback and cancellation programs. This demonstrated their commitment to improving shareholder returns and optimizing their capital and return on equity, which is supportive on their valuation outlook.

China finally implemented the much anticipated stimulus measures including boosting consumption through trade-in programs, increasing fiscal spending, and issuing ultra-long special treasury bonds to support the economy. It also started the recapitalization plan of the major state-owned enterprise banks, starting with RMB520 billion for China Construction Bank.

We believe that the earnings of APAC financial institutions are likely to remain resilient, even in the face of more interest rate reductions. While rate cuts could potentially impact banks' net interest margins, this is likely to be offset by possible recovery in wealth management and treasury income. Moreover, some proactive banks have already begun re-positioning their balance sheets to reduce their rate sensitivity. As such, we believe the valuations of APAC financial institutions are attractive, considering their sustainable medium-term ROE together with their high and sustainable dividend yields.

Source: All data are sourced from Lion Global Investors and Bloomberg as of 31 March 2025 unless otherwise stated.

Figure 3: Valuation and consensus earnings forecast



Source: Bloomberg as of 31 March 2025. Price/Earnings ratio refers to the ratio of the market's share price divided by its earnings per share. Price/Book ratio refers to the ratio of the market's share price divided by its book value per share. Past dividend is not indicative of future dividend. Past performance is not necessarily indicative of future performance. The iEdge APAC Financials Dividend Plus Index was launched on 2 February 2024.

What are the latest happenings in this ETF?

The Lion-OCBC Securities APAC Financials Dividend Plus ETF is the **world's first APAC Financials ETF**, riding on APAC's financial strengths while providing investors with stable dividends*.

In less than two months since the ETF's listing on 13 May 2024, the ETF rose approximately 9% to an intraday high of S\$1.094 on 5 July 2024**. Consequently, a special dividend payout^ of S\$0.03 per unit, consisting entirely of a capital gains component, was made on 30 July 2024. This move aims to help investors lock in some capital gains.

While countries brace themselves for upcoming rate cuts by the US Fed, there are countries at different stages of the interest rate cycle, with Japan being one example. Following the end of its 8-year negative interest rate policy in March 2024, the Bank of Japan (BOJ) raised interest rates in July 2024. The BOJ maintained this rate through the end of the year, with further hikes expected in 2025. Rate hikes are expected to be beneficial for Japanese financials, such as banks and insurance companies, which could see improved profit margins due to higher interest rates.

In the Summary of Financial Results for the Third Quarter of FY2024 released by Mizuho Financial Group on 3 February 2025, it was highlighted that each 0.25% rate increase is projected to generate an additional JPY 120 billion annually.#

All these reinforce the importance of geographical diversification to weather macroeconomic events. Compared to solely buying SG banks, the Lion-OCBC Securities APAC Financials Dividend Plus ETF offers greater geographical diversification by covering constituents in countries at different stages of the interest rate cycle. Earn stable dividends*. Invest in APAC's financial strengths.

Performance of the ETF's top holdings###

Holdings	In the Straits Times Index?	Country of listing	% weight in the ETF portfolio	Total return since ETF's inception##
Mizuho Financial Group Inc	No	Japan	7.0%	41.6%
DBS Group Holdings Ltd	Yes	Singapore	7.0%	35.1%
Oversea-Chinese Banking Corp Ltd	Yes	Singapore	6.9%	25.0%
MS&AD Insurance Group Holdings Inc	No	Japan	6.5%	21.3%
United Overseas Bank Ltd	Yes	Singapore	5.9%	29.9%
Commonwealth Bank of Australia	No	Australia	4.4%	24.4%
Westpac Banking Corp	No	Australia	4.2%	14.8%
HSBC Holdings PLC	No	Britain	4.2%	36.1%

* Distributions are not guaranteed. Distributions may be made up of income, capital gains, and/or capital.

** Past performance is not necessarily indicative of future performance

^ Distributions are not guaranteed. Please refer to our website for more information on the income disclosures.

Source: Mizuho Financial Group as of 3 February 2025.

###Source: Bloomberg as of 31 March 2025. Note: Securities referenced are not intended as recommendations to buy or sell.

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The distributions will be a minimum of 5% per annum of the issue price per unit during the ETF's initial offer period for the first 2 years. Thereafter, there will be a targeted dividend yield of around 5% per annum of the Net Asset Value per unit, less expenses. Distributions may be paid from distributable income, capital gains and/or capital. These distributions are not guaranteed and are subject to the fund's distribution policy. For full details, refer to the fund prospectus. Past performance, yields, and payments are not necessarily indicative of future or likely performance, yields, or payments.

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