

Lion-Phillip S-REIT ETF



Low cost, easy access to S-REITs¹

The Lion-Phillip S-REIT ETF is designed to provide investors with a low-cost access to 20² 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).

Based on [SGX ETF market highlights Q4 2023](#), this ETF achieved **top returns among REIT ETFs on SGX in 2023**.

Index Construction Methodology

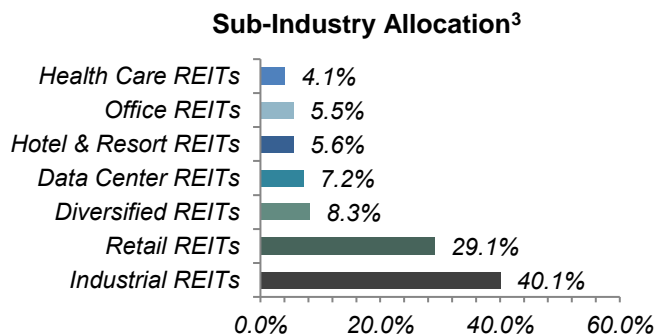


Morningstar® Singapore REIT Yield Focus Index SM	Assign scores for the following factors: <ul style="list-style-type: none"> • Quality • Financial Health • Dividend Yield 	Portfolio weights based on factors score: Adjusted for liquidity of underlying REIT
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The 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. 20² high quality S-REITs
3. Latest distribution of S\$0.0215 per unit on ex-date 30 Jan 2024[^] (Note: Distributions are not guaranteed and may fluctuate)
4. Net current dividend yield of 6.16%⁴ (excluding 0.60% total expense ratio)
5. Total Assets Under Management (AUM): S\$364.3 million
6. Management fee: 0.50% per annum (p.a.)
7. SGX stock code: CLR
8. Bloomberg ticker: SREITS SP



Source: Bloomberg, Lion Global Investors, as at 30 June 2024. [^]Pay-date of 28 February 2024. Distribution is for the period from 1 July 2023 to 31 December 2023, and comprises of 68.8% distributable income⁵ and 31.2% capital component. Distributions are not guaranteed and may fluctuate. Past distributions are not necessarily indicative of future payments. Distribution payouts and its frequency might be changed at the Manager's discretion and can be made out of 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. Past performance is not necessarily indicative of future performance. Please refer to LGI website for more information on the income disclosures

Singapore REITs Outlook

Singapore REITs – Q2 2024 Review

Despite delayed rate cuts since late 2023, there is broad consensus that interest rates have peaked. Despite persistent inflation with the backdrop of a greater than expected economic resilience, a global economic adjustment is underway with the European Central Bank (ECB) and Bank of Canada among the first major developed economies to implement rate cuts. If the global economic reset eventually spreads to the US, it increases the likelihood of a Fed rate cut in September. Besides macroeconomic conditions, it is projected that Singapore REITs with defensive cash flows are poised to perform more favorably compared to their Asia-Pacific counterparts, even in a prolonged environment of elevated interest rates. This is attributed to their inherently stable income streams, which are expected to provide a measure of insulation against the challenges posed by a higher interest rate climate.

Singapore REITs with structural growth story are preferred in a higher for longer interest rate environment

Singapore REITs are poised for stable growth over the long term and currently stand at attractive valuations after months of correction. We maintain a preference for REITs with structural demand and supply dynamics that are able to grow and withstand cyclical recessionary pressures. This includes data centre REITs, which are expected to see structural growth driven by the increasing demand for computing power led by generative AI. Logistics REITs are well-positioned to benefit from the rise in e-commerce penetration and the need for companies to strengthen supply chain resilience in Asia, amidst a backdrop of geopolitical uncertainty. Additionally, we are increasingly favorable towards Grade A office REITs as the high rental rates indicate strong demand for premium office spaces in Singapore, providing these REITs with the option to divest their Singapore assets and redeploy capital to other markets to make yield accretive acquisitions. Lastly, non-discretionary retail stands out for its operational resilience amidst a high inflationary environment.

We look out for strong fundamentals and reliable sponsors, which ensure these REITs continue to grow revenue efficiently, and we like REITs that engage in active asset recycling to redeploy capital into value-enhancing properties.

Through the Lion-Phillip S-REIT ETF, investors can gain low-cost access to a diversified portfolio of high-quality S-REITs that offer a sustainable income stream⁶. Investors who position their portfolios could benefit from lower rates when the next policy easing cycle starts.

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We believe our ETF's approach of investing in quality Singapore REITs with superior sound financial health will continue to help investors access sustainable income.

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Photo Credit: iStock

Notes

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

² As at 30 June 2024. The number of S-REITs which constitutes the Index may be changed by Morningstar Research Pte Ltd from time to time.

³ Composition chart does not add up to 100%. Cash and cash equivalents as at 30 June 2024 was approximately 1.0%.

⁴ Source: Bloomberg as at 30 June 2024. Based on the weighted average 12-month trailing dividend yield of the underlying S-REITs and excluding the ETF's 0.60% total expense ratio. Past payout yields and payments of the underlying S-REITs do not represent future payout yields and payments.

⁵ Distributable 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 Distributions are not guaranteed. Distributions may be made up of income, capital gains, and/or capital.

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.

All data are sourced from Lion Global Investors and Bloomberg as of 30 June 2024 unless otherwise stated.

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The units of the ETF are listed and traded on the Singapore Exchange Securities Trading Limited (“SGX-ST”), and may be traded at prices different from its net asset value, suspended from trading, or delisted. Such listing does not guarantee a liquid market for the units. You cannot purchase or redeem units in the ETF directly with the manager of the ETF, but you may, subject to specific conditions, do so on the SGX-ST or through the PDs.

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