

# Lion-Phillip S-REIT ETF

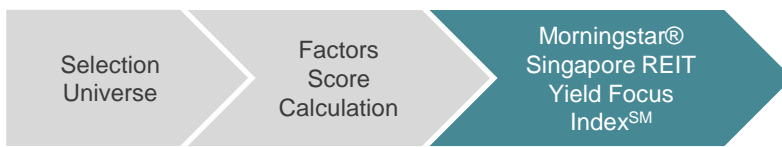


## Low cost, easy access to S-REITs<sup>1</sup>

The Lion-Phillip S-REIT ETF is designed to provide investors with a low-cost access to 20<sup>2</sup> high-quality S-REITs that offers a sustainable income stream. It is passively managed to fully replicate the Morningstar® Singapore REIT Yield Focus Index<sup>SM</sup> (Index).

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

## Index Construction Methodology

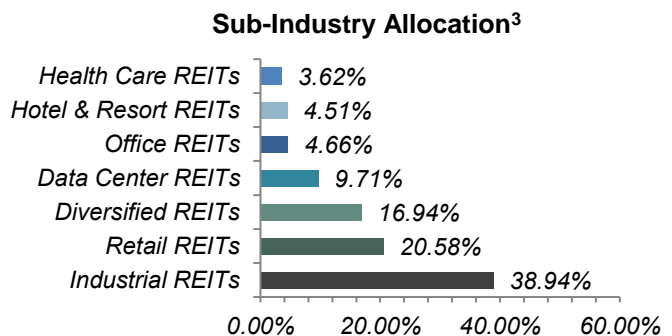


Morningstar® Singapore REIT Yield Focus Index <sup>SM</sup>	Assign scores for the following factors: <ul style="list-style-type: none"> <li>• Quality</li> <li>• Financial Health</li> <li>• Dividend Yield</li> </ul>	Portfolio weights based on factors score: Adjusted for liquidity of underlying REIT
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The 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 Index<sup>SM</sup> ("Index")
2. 20<sup>2</sup> high quality S-REITs
3. Latest distribution of S\$0.0215 per unit on ex-date 31 Jul 2024<sup>^</sup> (Note: Distributions are not guaranteed and may fluctuate)
4. Net current dividend yield of 5.35%<sup>4</sup> (excluding 0.60% total expense ratio)
5. Total Assets Under Management (AUM): S\$491.7 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 31 December 2024. <sup>^</sup>Pay-date of 28 August 2024. Distribution is for the period from 1 January 2024 to 30 June 2024, and comprises of 74.4% distributable income<sup>5</sup> and 25.6% 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 – Q4 2024 Review

The quarter closed with heightened market volatility, driven by hawkish commentary from the Federal Reserve (Fed) amidst a resilient US economy and growing concerns over inflationary pressures under a Trump “red sweep” administration. Despite 50 basis point interest rate cuts in November and December, the Fed’s updated guidance emphasized caution in further rate adjustments, forecasting two cuts next year – a reduction from the previously projected four. Hawkish market expectations were reinforced by robust US economic data, indicating persistent inflation and resilient labor markets, which have also contributed to rising long-term yields. While it remains premature to predict a definitive return toward a “higher-for-longer” interest rate environment, we maintain a stance of cautious optimism as we await further data points ahead of the Federal Open Market Committee meetings in January and March next year.

Meanwhile, Singapore demonstrated economic resilience, achieving real Gross Domestic Product growth of 5.4% in the quarter – a marked improvement from the 3% growth recorded in the previous quarter. Strong performance in manufacturing and wholesale trade, driven by the global electronics cycle, signals sustained demand for industrial properties such as factories and warehouses.

## **Q3 2024 results underscore the resilience of Singapore REITs, which continue to exhibit defensive characteristics and are poised to outperform their peers in the Asia-Pacific region**

Despite the Fed’s stance, we continue to believe that Singapore REITs supported by defensive cash flows and solid balance sheets are well-positioned for favorable performance relative to their Asia-Pacific counterparts, even in a prolonged environment of elevated interest rates. Although Singapore REITs experienced a correction during the quarter, their risk-reward profile has become more compelling, with yields of many quality REITs now exceeding 6%, surpassing that of Singapore banks (>5%) and T-Bills (~3%).

We favor value-driven opportunities in undervalued REITs that demonstrate strong fundamentals, such as robust rental reversions on lease renewals, effective backfilling of vacancies, and proactive asset recycling into value-accretive properties. Additionally, we continue to favor REITs that benefit from long-term structural growth trends – particularly for data center REITs supported by structural tailwinds in digitalization and increasing demand for generative AI, and industrial REITs driven by strong manufacturing demand, rising e-commerce penetration, and the growing emphasis on supply chain resilience.

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 stream<sup>6</sup>. 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

<sup>1</sup> S-REITs are securities constituting the Morningstar<sup>®</sup> Singapore REIT Yield Focus Index<sup>SM</sup>.

<sup>2</sup> As at 31 December 2024. The number of S-REITs which constitutes the Index may be changed by Morningstar Research Pte Ltd from time to time.

<sup>3</sup> Composition chart does not add up to 100%. Cash and cash equivalents as at 31 December 2024 was approximately 1.0%.

<sup>4</sup> Source: Bloomberg as at 31 December 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.

<sup>5</sup> 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.

<sup>6</sup> 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](mailto:contactus@lionglobalinvestors.com).

*All data are sourced from Lion Global Investors and Bloomberg as of 31 December 2024 unless otherwise stated.*

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