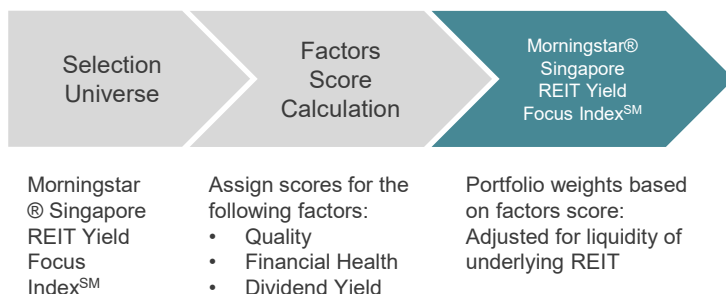


Lion-Phillip S-REIT ETF

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).

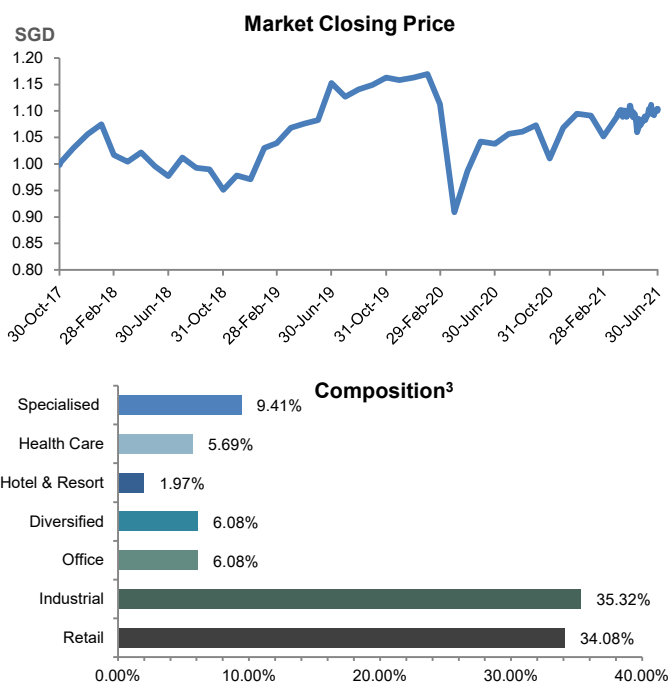
Index Construction Methodology



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 28 January 2021^A
4. Gross current dividend yield of 4.0%⁴
5. Total AUM: S\$223.1million
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 June 2021. ^APay-date of 26 February 2021. Distribution is for the period from 1 July 2020 to 31 December 2020, and comprises of 82% distributable income⁵ and 18% 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

Peering Through The Fog Of Covid-19

It was another turbulent quarter for the Singapore REITs as a surge in Covid-19 community cases forced the government to roll out stricter social distancing rules. Singapore went into Phase 2 (Heightened Alert) ["P2(HA)"] in mid-May 2021 to curb the rapid spread of the virus. Notable measures include a restriction of social interaction to just 2 people; dining-in was also prohibited. Unsurprisingly, the retail REITs underperformed during this period as concern on business and income disruption crept into investors' minds.

However, unlike the circuit breaker last year from April 7 to June 1 when all activities except essential ones were prohibited, P2(HA) was less restrictive. **Malls continued to operate as normal, albeit with stricter social distancing rules. As such, we believe that the disruptive impact of P2(HA) would be mild as compared to last year.**

As of 23 June 2021, Singapore has moved to Phase 3 (Heightened Alert), a gradual relaxation from P2(HA). Restaurants are allowed to welcome dine-ins and this has helped to improve foot traffic and retail sales from the lows during P2(HA).

Singapore – Well On-Track To Achieve Herd Immunity

While it is easy to be distracted and disheartened by these setbacks as Singapore tries to move on from the pandemic, it is important to highlight that we are actually on course towards recovery. According to health minister Ong Ye Kung, more than half of Singapore's population has received their first dose of the vaccine, while 36% have received the complete regimen of two doses⁶.

Singapore vaccine's rollout has also been expanded to everyone above the age of 12 and the government expects 75% of the population to be fully vaccinated by October 2021⁷. **This high vaccination rate will allow the government to further ease restrictions and potentially hasten the pace of border reopening.** Investors can look forward to the creation of travel bubbles with other 'safe' countries such as Hong Kong, Australia and New Zealand.

Singapore REITs – Solid Fundamentals

While Singapore combats another surge in Covid-19 cases, it is mostly business-as-usual for the Singapore REITs. Interestingly, a number of Singapore REITs took advantage of the low interest rate environment to make new, accretive acquisitions. During the quarter, Ascendas REIT (business park), Mapletree Industrial Trust (data centres) and Frasers Logistics and Commercial Trust (logistics facilities) made significant and high quality additions to their portfolio⁸ that will help to secure growth over the next 3-5 years.

Traditional Office Setting Sticks

More significantly, despite the growing threats from working-from-home as such arrangement becomes the new norm, **Singapore office rent enjoyed a 1.2% quarter-on-quarter growth in the second quarter of 2021**. This is the first quarter-on-quarter increase after 5 quarters of decline that could potentially signal a bottoming out of office rentals in Singapore. While demand from financial institutions has declined, the slack has been more than picked up by robust leasing needs of technology companies⁹ and flexible office providers as Singapore pivots towards its Smart Nation ambitions.

With steady progress and accelerated Vaccination Programme in Singapore , we are optimistic the pandemic's impact on the Singapore REITs sector will be controlled as Covid-19 becomes endemic.

Notes

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

²As at 30 June 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 June 2021 was approximately 1.37%.

⁴Based on the weighted average 12-month trailing dividend yield of the underlying S-REITs as at 30 June 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.bloomberg.com/news/articles/2021-06-16/singapore-nears-half-of-residents-getting-first-dose-of-vaccine>

⁷<https://www.straitstimes.com/singapore/target-for-three-in-four-to-be-fully-vaccinated-by-october-wong-0>

⁸<https://www.businesstimes.com.sg/companies-markets/s-reits-ytd-asset-acquisitions-exceed-s5-billion>

⁹<https://www.bloomberg.com/news/features/2021-05-27/amazon-leads-tech-invasion-of-singapore-offices-that-banks-ruled>

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

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

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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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