

LION-OCBC SECURITIES  
HANG SENG TECH ETF

The future of technology  
Seize the opportunity.



## Quarterly Newsletter

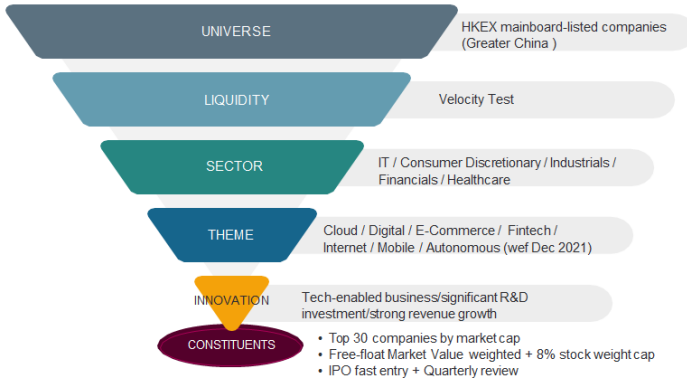
Q1 2022



## INTRODUCTION

The Lion-OCBC Securities Hang Seng TECH ETF was launched in the Singapore stock market on 10 December 2020. Since listing, the ETF has crossed many milestones. The size of the ETF has grown rapidly to an AUM (assets under management) of S\$283 million as of 31 March 2022.

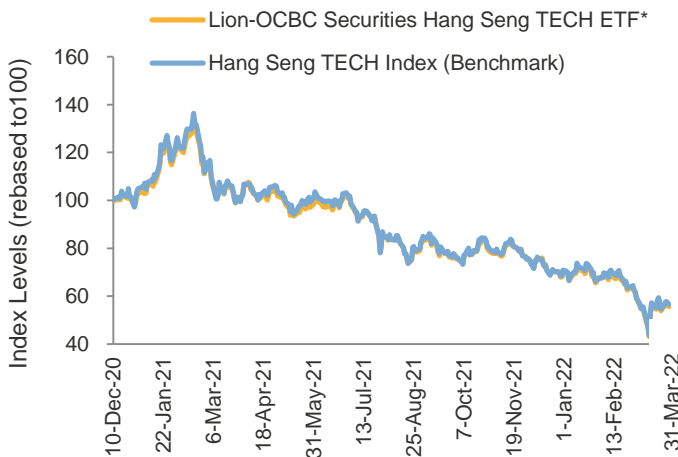
## INDEX CONSTRUCTION METHODOLOGY<sup>2</sup>



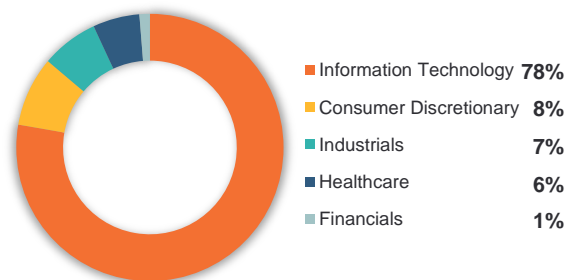
## KEY FACTS

- 30 largest TECH-themed companies listed on HKEX<sup>1</sup>
- Full replication of the Hang Seng TECH Index
- Each constituent capped at 8% weightage during rebalancing
- Rebalanced on a quarterly basis (Mar, Jun, Sep and Dec)
- Dual Trading Currencies: SGD and USD
- Total AUM: SGD 283 million as of 31 March 2022
- Management Fee: 0.45% p.a.
- Bloomberg ticker: HST SP (S\$ counter), HSS SP (US\$ counter)

## LION-OCBC SECURITIES HANG SENG TECH ETF PERFORMANCE<sup>3</sup>



## COMPOSITION



Source: Lion Global Investors, 31 March 2022

\*Returns are based on NAV-NAV basis in HKD and assuming all dividends are reinvested net of all charges payable upon reinvestment. Performance is calculated in the base currency of the Fund. The Lion-OCBC Securities Hang Seng TECH ETF was listed on 10 December 2020

Past performance, as well as any prediction, projection, or forecast are not necessarily indicative of future or likely performance.

<sup>1</sup> Refers to the underlying Index Securities of the Hang Seng TECH Index

<sup>2,3</sup> Source: Bloomberg, Lion Global Investors, Hang Seng Indexes Company, 31 March 2022

## Q1 2022 REVIEW



### RE-IGNITING CONFIDENCE

In Q1 2022, we saw huge volatility in the Hong Kong and China equity markets. Thereafter on 16 March 2022, China's Vice Premier Liu He issued a strong promise<sup>4</sup> in the Financial Stability and Development Committee (FSDC) meeting to ease regulatory crackdowns. This was a statement that came before the US Federal Reserve approved a 25 basis points (bps) rate hike<sup>5</sup> on the same day.

As a result, the Hang Seng TECH Index logged its biggest daily gain<sup>6</sup> of 22%. The FSDC meeting also concluded the need to ensure stability of financial markets in 2022. This aligns well with continuing economic development, which was designated as the Chinese Communist Party's top priority and also highlighted in our Q4 2021 newsletter.

Specifically, the FSDC urged relevant departments to make their supervision more transparent and predictable<sup>7</sup>, putting in place both "red lights" and "green lights" to promote healthy development of the platform economy and boost the industry's international competitiveness.

<sup>4</sup> Source: Bloomberg, March 2022

<sup>5</sup> Source: US Federal Reserve, March 2022

<sup>6</sup> Source: Asia Financial, March 2022

<sup>7</sup> Source: China Daily, March 2022

<sup>8</sup> Source: The Business Times, April 2022

<sup>9</sup> Source: The Business Times, April 2022

**“ China will keep the overseas listing channel open and support companies seeking to utilise both domestic and foreign markets in compliance with existing laws and regulations ”**  
**- Yi Huiman, CSRC Chairman**

While headlines about the Russia-Ukraine war and China's zero Covid-19 policy influenced recent price actions, the China Securities Regulatory Commission (CSRC) called for faster implementation of a new rule<sup>8</sup> surrounding overseas listings on 9 April 2022. This is expected to remove hurdles for US regulators such as the Public Company Accounting Oversight Board (PCAOB) to inspect the audit papers of Chinese firms listed in New York.

CSRC's chairman (Yi Huiman) particularly reinforced<sup>9</sup> that China will keep the overseas listing channel open and support companies seeking to utilise both domestic and foreign markets in compliance with existing laws and regulations.

This is a concrete step taken by China to stabilise financial markets. By providing exposure to the 30 largest TECH-themed companies listed in Hong Kong, the Lion-OCBC Securities Hang Seng TECH ETF is well positioned to capitalize on the long-term growth story of the Chinese tech sector.

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