LION GLOBAL INVESTORS

For the half year ended 30 June 2021 (Unaudited)

SEMI-ANNUAL REPORT
LION-PHILLIP S-REIT ETF

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PERFORMANCE OF THE FUND

For the half year ended 30 June 2021 (Unaudited)

Past performance is not necessarily indicative of future performance. Cumulative returns for the Fund are calculated up to 30 June 2021 in SGD terms, based on single pricing, with dividends reinvested net of all charges payable upon reinvestment.

Time Period	Fund Returns (%) Lion-Phillip S-REIT ETF	Benchmark/ Index* Returns (%)
3 months	1.5	1.6
6 months	2.8	3.1
1 year	10.7	11.1
3 years**	8.6	8.9
Since inception** (30 October 2017)	6.8	7.3

Source: Morningstar/Lion Global Investors Ltd

**Benchmark/Index: Morningstar® Singapore REIT Yield Focus Index℠*

*** Returns of more than 1 year are annualised.*

REVIEW

For the half year ended 30 June 2021, the Fund returned 2.8%, while the benchmark *Morningstar® Singapore REIT Yield Focus Index℠* returned 3.1 % in SGD terms.

The exchange traded fund (ETF) delivered flattish returns in the first 6 months of 2021. 2 key factors affected the share price movement of the ETF, namely interest rate and Covid-19.

On the interest rate front, the US 10year (y) Treasury saw yields spike from 0.91% at the beginning of the year to a high of 1.74% in end March and ended the half at about 1.47%. As Singapore real estate investment trusts (REITs) have a strong correlation to bond yields, it is not surprising to see the sector underperform the wider Straits Times Index, which was up about 10% over the same 6 months period.

Covid-19 continues to dominate the headlines in Singapore and around the world. Things were looking up at end-December 2020 when Singapore progressed to Phase 3 of its reopening. With the start of a national vaccination program and low community case count, Singapore gradually reopened its economy, thereby benefitting the retail and office REITs especially.

However, rising cases in May 2021 saw the government re-tightened restrictions as we entered into Phase 2 (Heightened Alert) in mid-May 2021. 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.

STRATEGY AND OUTLOOK

Despite the headwinds in the sector, we remain upbeat on the Singapore REITs. In terms of interest rates, we have seen a gradual decline in the US 10y Treasury yields from its March highs. Furthermore, the Federal Reserve (Fed) has also reiterated that it intends to keep benchmark rates low in the near term.

Indeed, the REITs have done well to capitalize on this low interest environment to make new, accretive acquisitions. This is particularly apparent in the industrial sector where a number of industrial REITs raised new debt and equity to fund new acquisitions in recent months; we believe this will help to provide a solid growth platform for them going forward.

We expect Covid-19 to continue to be on investors' minds over the next 6 months. However, we are confident that Singapore is on the right track in tackling this epidemic. The national vaccination program is well under way and the government is confident that we are on track to see two-thirds of its population fully vaccinated by National Day (9 August 2021). 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. This would be a welcome move for the S-REITs, especially those in the retail and hospitality sectors.

As at 30 July 2021.

DISCLOSURES ON THE FUND[1]

For the half year ended 30 June 2021 (Unaudited)

1. DISTRIBUTION OF INVESTMENTS AS AT 30 JUNE 2021

	Fair Value $	Percentage of total net assets attributable to unitholders %
a) *By Asset Class*		
Real Estate Investment Trusts (REITs)	220,102,717	98.6
Cash and other net assets	3,096,579	1.4
Net assets attributable to unitholders	223,199,296	100.0

b) *By Credit Rating of Debt Securities*

Not applicable

c) *By Derivative Type*

Total net realised losses from financial derivatives at the end of the period were $65.

[1] *As required by Code on Collective Investment Schemes*

2. TOP 10 HOLDINGS

As at 30 June 2021

	Fair Value $	Percentage of total net assets attributable to unitholders %
Mapletree Industrial Trust	22,240,305	10.0
Mapletree Logistics Trust	22,209,034	10.0
Mapletree Commercial Trust	22,199,970	9.9
Frasers Centrepoint Trust	21,725,136	9.7
Ascendas Real Estate Investment Trust	21,620,742	9.7
CapitaLand Integrated Commercial Trust	21,314,976	9.5
Keppel DC REIT	20,994,699	9.4
Parkway Life Real Estate Investment Trust	12,705,010	5.7
Frasers Logistics & Industrial Trust	6,494,237	2.9
Manulife US Real Estate Investment Trust	6,432,120	2.9

As at 30 June 2020

	Fair Value $	Percentage of total net assets attributable to unitholders %
Mapletree Industrial Trust	16,854,437	10.1
Mapletree Logistics Trust	16,613,991	9.9
Ascendas Real Estate Investment Trust	16,125,574	9.6
CapitaLand Commercial Trust	15,006,593	9.0
Mapletree Commercial Trust	14,780,395	8.8
CapitaLand Mall Trust	14,641,361	8.7
Keppel DC REIT	13,634,121	8.1
Parkway Life Real Estate Investment Trust	9,936,199	5.9
Manulife US Real Estate Investment Trust	6,935,104	4.1
Keppel REIT	6,294,499	3.8

3. RELATED PARTY TRANSACTIONS

For the period from 1 January 2021 to 30 June 2021

	$
Transaction fees charged by the Trustee	2,958
Registration fees charged by a related company of the Trustee	4,518
Valuation and administration fees charged by the Trustee	20,593
Custodian fees charged by a related company of the Trustee	10,451
Bank service fees charged by a bank which is a related company of the Trustee	582
Brokerage on purchases and sales of investments charged by a related party of the Manager	1,918

Cash and bank balances placed with a financial institution related to the Trustee as at 30 June 2021 were $2,990,227.

4. FINANCIAL RATIOS

	30 June 2021 %	30 June 2020 %
Expense ratio[1]	0.60	0.60
Portfolio turnover ratio[2]	11	19

[1] The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the expense ratio at 30 June 2021 was based on total operating expenses of $1,167,942 (2020: $925,270) divided by the average net asset value of $192,875,698 (2020: $152,954,118) for the year. The total operating expenses do not include (where applicable) brokerage and other transactions costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fee. The average net asset value is based on the daily balances.

[2] The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the portfolio turnover ratio was based on the lower of the total value of purchases or sales of the underlying investments, being sales of $23,327,527 (2020: sales of $30,523,192) divided by the average daily net asset value of $207,899,536 (2020: $157,240,272).

5. GLOBAL EXPOSURE

The global exposure relating to derivative instruments is calculated using the commitment approach by converting the derivative positions into equivalent positions in the underlying assets embedded in those derivatives.

The global exposure of the Fund to financial derivative instruments or embedded financial derivative instruments will not exceed 100% of the net asset value of the Fund at any time.

6. COLLATERAL

Nil

7. SECURITIES LENDING OR REPURCHASE TRANSACTIONS

Nil

8. INVESTMENT IN OTHER UNIT TRUSTS, MUTUAL FUNDS AND COLLECTIVE INVESTMENT SCHEMES

Please refer to Statement of Portfolio.

9. BORROWINGS

Nil

10. SOFT DOLLAR COMMISSION RECEIVED BY THE MANAGERS

The soft dollar commissions from various brokers for the period were utilised on research and advisory services, economic and political analyses, portfolio analyses, market analyses, data and quotation analyses and computer hardware and software used for and in support of the investment process of fund managers. Goods and services received were for the benefit of the scheme and there was no churning of trades. These brokers also execute trades for other funds managed by the managers. The trades are conducted on best available terms and in accordance with best practices.

11. OTHER MATERIAL INFORMATION

There is no other material information that will adversely impact the valuation of the Fund.

12. SUPPLEMENTAL INFORMATION ON UNDERLYING SUB-FUNDS

Not applicable

STATEMENT OF TOTAL RETURN

For the half year ended 30 June 2021 (Unaudited)

	For the half year ended 30 June 2021 $	For the half year ended 30 June 2020 $
Income		
Dividends	4,466,285	2,781,065
	4,466,285	2,781,065
Less: Expenses		
Audit fee	8,429	8,453
Custodian fees	10,451	15,128
Management fee	514,835	391,056
Less: Management fee rebate	(120,000)	(220,000)
Professional fees	24,298	24,366
Registration fee	4,518	8,294
Trustee fee	19,526	31,044
Valuation and administration fees	20,593	31,044
Transaction costs	43,461	45,240
Miscellaneous expenses	65,915	66,684
	592,026	401,309
Net income	3,874,259	2,379,756
Net gains or losses on value of investments and financial derivatives		
Net gains/(losses) on investments	2,726,996	(11,268,838)
Net losses on foreign exchange spot contracts	(142)	(4,414)
Net gains on foreign exchange forward contracts	77	-
Net foreign exchange gains	3,130	5,635
	2,730,061	(11,267,617)
Total return/(deficit) for the financial period before income tax	6,604,320	(8,887,861)
Less: Income tax	-	-
Total return/(deficit) for the financial period	6,604,320	(8,887,861)

STATEMENT OF FINANCIAL POSITION

As at 30 June 2021 (Unaudited)

	30 June 2021 $	31 December 2020 $
ASSETS		
Portfolio of investments	220,102,717	189,935,222
Receivables	232,786	198,598
Due from brokers	37,319	-
Cash and bank balances	2,990,227	1,440,918
Total assets	223,363,049	191,574,738
LIABILITIES		
Payables	163,753	141,946
Total liabilities	163,753	141,946
EQUITY		
Net assets attributable to unitholders	223,199,296	191,432,792

STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS

For the half year ended 30 June 2021 (Unaudited)

	30 June 2021 $	31 December 2020 $
Net assets attributable to unitholders at the beginning of financial period/year	191,432,792	155,613,097
Operations		
Change in net assets attributable to unitholders resulting from operations	6,604,320	4,259,944
Unitholders' contributions/(withdrawals)		
Creation of units	29,364,800	45,783,200
Cancellation of units	-	(6,872,200)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	29,364,800	38,911,000
Distributions	(4,202,616)	(7,351,249)
Total increase in net assets attributable to unitholders	31,766,504	35,819,695
Net assets attributable to unitholders at the end of financial period/year	223,199,296	191,432,792

STATEMENT OF PORTFOLIO

As at 30 June 2021 (Unaudited)

	Holdings at 30 June 2021	Fair value at 30 June 2021 $	Percentage of total net assets attributable to unitholders at 30 June 2021 %
By Industry (Primary)			
QUOTED EQUITIES			
REAL ESTATE			
Mapletree Industrial Trust	7,858,765	22,240,305	10.0
Mapletree Logistics Trust	10,833,675	22,209,034	10.0
Mapletree Commercial Trust	10,277,764	22,199,970	9.9
Frasers Centrepoint Trust	8,940,385	21,725,136	9.7
Ascendas Real Estate Investment Trust	7,329,065	21,620,742	9.7
CapitaLand Integrated Commercial Trust	10,198,553	21,314,976	9.5
Keppel DC REIT	8,431,606	20,994,699	9.4
Parkway Life Real Estate Investment Trust	2,767,976	12,705,010	5.7
Frasers Logistics & Industrial Trust	4,509,887	6,494,237	2.9
Manulife US Real Estate Investment Trust	6,057,078	6,432,120	2.9
Keppel REIT	4,084,047	4,819,175	2.2
Suntec Real Estate Investment Trust	3,066,817	4,477,553	2.0
Sasseur Real Estate Investment Trust	4,729,665	4,469,533	2.0
Mapletree North Asia Commercial Trust	3,954,093	4,112,257	1.8
Cromwell European REIT	926,326	3,676,844	1.6
SPH REIT	4,045,875	3,519,911	1.6
AIMS APAC REIT	2,198,932	3,232,430	1.5
Keppel Pacific Oak US REIT	2,204,734	2,326,429	1.0
CapitaLand Retail China Trust	1,144,030	1,567,321	0.7
Ascott Residence Trust	1,553,424	1,553,424	0.7
ESR-REIT	3,756,863	1,540,314	0.7
ARA LOGOS Logistics Trust	1,797,500	1,500,913	0.7
OUE Commercial Real Estate Investment Trust	3,188,307	1,291,264	0.6

	Holdings at 30 June 2021	Fair value at 30 June 2021 $	Percentage of total net assets attributable to unitholders at 30 June 2021 %
By Industry (Primary) (continued)			
QUOTED EQUITIES (continued)			
REAL ESTATE (continued)			
Starhill Global Real Estate Investment Trust	2,219,061	1,242,674	0.6
CDL Hospitality Trusts	910,141	1,119,473	0.5
Far East Hospitality Trust	1,629,520	945,121	0.4
Frasers Hospitality Trust	1,498,741	771,852	0.3
		220,102,717	98.6
Portfolio of investments		220,102,717	98.6
Other net assets		3,096,579	1.4
Net assets attributable to unitholders		223,199,296	100.0

	Percentage of total net assets attributable to unitholders at	
	30 June 2021 %	31 December 2020 %
By Industry (Summary)		
Real Estate	98.6	99.2
Portfolio of investments	98.6	99.2
Other net assets	1.4	0.8
Net assets attributable to unitholders	100.0	100.0

Information on investment portfolio by geographical segments is not presented as the Fund invests only in Real Estate Investment Trusts, which are primarily listed in Singapore.

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