

For the half year ended 30 June 2022 (Unaudited)

SEMI-ANNUAL REPORT LION-PHILLIP S-REIT ETF

Lion Global Investors Ltd

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Mr Khor Hock Seng (Chairman)
Mr Gerard Lee How Cheng (Chief Executive Officer)
Mr Tan Siew Peng
Mr Ronnie Tan Yew Chye
Ms Chong Chuan Neo

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Independent Auditor

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PERFORMANCE OF THE FUND

For the half year ended 30 June 2022 (Unaudited)

Past performance is not necessarily indicative of future performance. Cumulative returns for the Fund are calculated up to 30 June 2022 in SGD terms, based on single pricing, with dividends reinvested net of all charges payable upon reinvestment.

Time Period	Lion-Phillip S-REIT ETF	Benchmark/Index* Returns (%)
3 months	-4.7	-4.6
6 months	-3.9	-3.7
1 year	-3.7	-3.4
3 years**	0.2	0.5
Since inception** (30 October 2017)	4.5	4.9

Source: Morningstar/Lion Global Investors Ltd.

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

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

REVIEW

For the half year ended 30 June 2022, the Fund returned -3.9% in SGD terms.

Due to exceedingly high inflation rates, central banks globally have been hiking interest rates aggressively. This is especially so in the US where the Federal Reserve hiked its Fed Fund Target Rate by 1.5% this year.

Higher interest rates affect S-REITs in 2 ways. At the shorter end of the curve, rising rates increase the cost of borrowings for S-REITs and hence putting downward pressure on earnings growth. At the longer end of the curve, higher bond yields have caused the yield spread between bonds and S-REITs to compress to below historical average; hence we saw some selling pressure in the sector as investors look to maintain a normalized yield spread against the bonds.

STRATEGY AND OUTLOOK

While the yield spread suggests that Singapore REITs are not cheap relative to bond investments, we believe that Singapore REITs may not correct as significantly as feared. Apart from rising inflation and interest rates, the world is facing other challenges such as the pandemic, armed conflicts and other geopolitical and social tensions. Singapore is widely seen as a safe haven amidst the chaos and volatility around the world. Indeed, the strength of the Singapore dollars year to date is a strong testament of investors' confidence in our social stability and economic growth prospects. We believe that some investors are willing to accept a lower yield in Singapore REITs because of the sector's stable and visible earnings outlook over the next 2-3 years. This inflow from foreign investors will help to support the sector's valuation in our view.

Singapore is one of the first cities in the region to proactively reopen for business post the pandemic. As of 26 April 2022, Singapore has moved to Disease Outbreak Response System Condition yellow and has eased most of the safe management measures that were previously in place. With fewer restrictions, malls and offices are seeing a strong recovery in physical occupancy. With supply remaining tight, we believe that the commercial landlords are in a good position to raise rents. We believe that this will help mitigate the rise in borrowing costs on the back of the rate hikes.

Moreover, Singapore also has reopened its borders to international travellers. This will boost the hospitality and retail sectors as more tourists visit Singapore. As such, the reopening of Singapore will likely lead to healthy rental income growth. The Singapore REITs sector is currently trading at 1x price to book. We believe that a lot of the short-term headwinds discussed above have been factored in the sector's valuation. We remain positive on the sector in the longer-term prospects as we believe that the strong fundamentals of the Singapore economy will help the sector do well going forward.

As of 7 July 2022

DISCLOSURES ON THE FUND¹*For the half year ended 30 June 2022 (Unaudited)***1. DISTRIBUTION OF INVESTMENTS AS AT 30 JUNE 2022**

	Fair Value	Percentage of
	\$	total net assets
		attributable to
		unitholders
		%
a) <i>By Asset Class</i>		
Real Estate Investment Trusts (REITs)	276,108,652	95.1
Financial derivatives at fair value	(3)	*
Cash and other net assets	14,098,728	4.9
Net assets attributable to unitholders	<u>290,207,377</u>	<u>100.0</u>

b) *By Credit Rating of Debt Securities*

Not applicable

c) *By Derivative Type*

Total net realised losses and unrealised losses from financial derivatives at the end of the period were \$4,672 and \$3.

* denotes amount less than 0.1%

¹ As required by Code on Collective Investment Schemes

2. TOP 10 HOLDINGS
As at 30 June 2022

	Fair Value	Percentage of
	\$	total net assets
		attributable to
		unitholders
		%
Mapletree Industrial Trust	28,814,495	9.9
Ascendas Real Estate Investment Trust	27,967,389	9.6
Mapletree Commercial Trust	27,821,144	9.6
Frasers Centrepoint Trust	27,399,642	9.4
CapitaLand Integrated Commercial Trust	27,002,588	9.3
Mapletree Logistics Trust	23,083,494	8.0
Parkway Life Real Estate Investment Trust	16,973,036	5.8
Keppel DC REIT	16,247,272	5.6
Frasers Logistics & Industrial Trust	15,223,653	5.2
Suntec Real Estate Investment Trust	13,571,375	4.7

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

3. RELATED PARTY TRANSACTIONS**For the period from 1 January 2022 to 30 June 2022**

	\$
Transaction fees charged by the Trustee	8,271
Registration fees charged by a related company of the Trustee	6,417
Valuation and administration fees charged by the Trustee	26,797
Custodian fees charged by a related company of the Trustee	14,610
Bank service fees charged by a bank which is a related company of the Trustee	1,252
Brokerage on purchases and sales of investments charged by a related party of the Manager	<u>2,867</u>
Cash and bank balances placed with a financial institution related to the Trustee as at 30 June 2022 were \$2,048,937.	

4. FINANCIAL RATIOS

	30 June 2022 %	30 June 2021 %
Expense ratio ¹	0.60	0.60
Portfolio turnover ratio ²	<u>17</u>	<u>11</u>

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 2022 was based on total operating expenses of \$815,823 (2021: \$1,167,942) divided by the average net asset value of \$270,475,288 (2021: \$192,875,698) for the period. 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 \$47,198,416 (2021: sales of \$23,327,527) divided by the average daily net asset value of \$270,475,288 (2021: \$207,899,536).

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 financial 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 2022 (Unaudited)

	For the half year ended 30 June 2022	For the half year ended 30 June 2021
	\$	\$
Income		
Dividends	4,817,759	4,466,285
	<u>4,817,759</u>	<u>4,466,285</u>
Less: Expenses		
Audit fee	8,431	8,429
Custodian fees	14,610	10,451
Management fee	669,916	514,835
Less: Management fee rebate	(65,000)	(120,000)
Professional fees	25,142	24,298
Registration fee	6,417	4,518
Trustee fee	25,109	19,526
Valuation and administration fees	26,797	20,593
Transaction costs	59,946	43,461
Miscellaneous expenses	77,283	65,915
	<u>848,651</u>	<u>592,026</u>
Net income	<u>3,969,108</u>	<u>3,874,259</u>
Net gains or losses on value of investments and financial derivatives		
Net (losses)/gains on investments	(13,403,100)	2,726,996
Net losses on foreign exchange spot contracts	(4,675)	(142)
Net gains on foreign exchange forward contracts	-	77
Net foreign exchange gains	5,368	3,130
	<u>(13,402,407)</u>	<u>2,730,061</u>
Total (deficit)/return for the financial period before income tax	<u>(9,433,299)</u>	<u>6,604,320</u>
Less: Income tax	-	-
Total (deficit)/return for the financial period	<u>(9,433,299)</u>	<u>6,604,320</u>

STATEMENT OF FINANCIAL POSITION*As at 30 June 2022 (Unaudited)*

	30 June 2022	31 December 2021
	\$	\$
ASSETS		
Portfolio of investments	276,108,652	237,825,185
Receivables	305,216	1,065,739
Due from brokers	12,922,322	46,007
Cash and cash equivalents	2,048,937	2,415,064
Financial derivatives at fair value	61	-
Total assets	<u>291,385,188</u>	<u>241,351,995</u>
LIABILITIES		
Payables	1,177,747	165,385
Financial derivatives at fair value	64	-
Total liabilities	<u>1,177,811</u>	<u>165,385</u>
EQUITY		
Net assets attributable to unitholders	<u>290,207,377</u>	<u>241,186,610</u>

STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS*For the half year ended 30 June 2022 (Unaudited)*

	30 June 2022	31 December 2021
	\$	\$
Net assets attributable to unitholders at the beginning of financial period/year	241,186,610	191,432,792
Operations		
Change in net assets attributable to unitholders resulting from operations	(9,433,299)	7,262,600
Unitholders' contributions/(withdrawals)		
Creation of units	65,640,800	52,674,850
Cancellation of units	(1,018,000)	(1,116,000)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	64,622,800	51,558,850
Distributions	(6,168,734)	(9,067,632)
Total increase in net assets attributable to unitholders	49,020,767	49,753,818
Net assets attributable to unitholders at the end of financial period/year	<u>290,207,377</u>	<u>241,186,610</u>

STATEMENT OF PORTFOLIO

As at 30 June 2022 (Unaudited)

	Holdings at 30 June 2022	Fair value at 30 June 2022 \$	Percentage of total net assets attributable to unitholders at 30 June 2022 %
By Industry (Primary)			
QUOTED EQUITIES			
REAL ESTATE			
Mapletree Industrial Trust	11,082,498	28,814,495	9.9
Ascendas Real Estate Investment Trust	9,813,119	27,967,389	9.6
Mapletree Commercial Trust	15,202,811	27,821,144	9.6
Frasers Centrepoint Trust	11,964,909	27,399,642	9.4
CapitaLand Integrated Commercial Trust	12,443,589	27,002,588	9.3
Mapletree Logistics Trust	13,740,175	23,083,494	8.0
Parkway Life Real Estate Investment Trust	3,485,223	16,973,036	5.8
Keppel DC REIT	8,247,346	16,247,272	5.6
Frasers Logistics & Industrial Trust	11,446,356	15,223,653	5.2
Suntec Real Estate Investment Trust	8,377,392	13,571,375	4.7
Lendlease Global Commercial REIT	10,231,860	8,134,329	2.8
Manulife US Real Estate Investment Trust	6,785,688	5,382,876	1.9
Starhill Global Real Estate Investment Trust	9,231,900	5,354,502	1.8
AIMS APAC REIT	3,612,075	4,876,301	1.7
Keppel REIT	4,272,388	4,656,903	1.6
Cromwell European REIT	1,438,391	4,080,942	1.4
Keppel Pacific Oak US REIT	3,893,663	3,793,168	1.3
Ascott Residence Trust	2,710,590	3,090,073	1.1
ESR Logos REIT	6,585,171	2,666,994	0.9
OUE Commercial Real Estate Investment Trust	6,757,800	2,601,753	0.9
Sasseur Real Estate Investment Trust	3,276,898	2,555,980	0.9
CapitaLand Retail China Trust	2,219,055	2,551,913	0.9
CDL Hospitality Trusts	815,444	1,035,614	0.4

	Holdings at 30 June 2022	Fair value at 30 June 2022 \$	Percentage of total net assets attributable to unitholders at 30 June 2022 %
By Industry (Primary) (continued)			
QUOTED EQUITIES (continued)			
REAL ESTATE (continued)			
Far East Hospitality Trust	1,251,903	801,218	0.3
Frasers Hospitality Trust	602,854	421,998	0.1
		<u>276,108,652</u>	<u>95.1</u>
Portfolio of investments		276,108,652	95.1
Other net assets		14,098,725	4.9
Net assets attributable to unitholders		<u>290,207,377</u>	<u>100.0</u>

	Percentage of total net assets attributable to unitholders at	
	30 June 2022 %	31 December 2021 %
By Industry (Summary)		
Real Estate	95.1	98.6
Portfolio of investments	95.1	98.6
Other net assets	4.9	1.4
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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