

For the half year ended 30 June 2022 (Unaudited)

# **SEMI-ANNUAL REPORT LION-OCBC SECURITIES HANG SENG TECH ETF**

**Lion Global Investors Ltd**

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## **DIRECTORY**

### **Manager**

Lion Global Investors Limited  
65 Chulia Street #18-01  
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Singapore 049513

### **Directors of Lion Global Investors Limited**

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

### **Trustee/Registrar**

HSBC Institutional Trust Services (Singapore) Limited  
10 Marina Boulevard,  
Marina Bay Financial Centre, Tower 2,  
#48-01  
Singapore 018983

### **Custodian**

The Hongkong and Shanghai Banking Corporation Limited  
1 Queen's Road  
Central, Hong Kong

### **Independent Auditor**

PricewaterhouseCoopers LLP  
7 Straits View, Marina One  
East Tower, Level 12  
Singapore 018936

## 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 HKD terms, based on single pricing, with dividends reinvested net of all charges payable upon reinvestment.

<b>Time Period</b>	<b>Fund Returns (%) Lion-OCBC Securities Hang Seng TECH ETF</b>	<b>Benchmark/Index* Returns (%)</b>
3 months	7.0	7.2
6 months	-14.1	-13.8
1 year	-40.4	-39.9
Since Inception** (10 December 2020)	-27.8	-27.2

*Source: Morningstar/Lion Global Investors Ltd.*

*\*Benchmark/Index: Hang Seng TECH Index.*

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

## REVIEW

For the half year ended 30 June 2022, the Fund returned -14.1% in HKD terms.

The global stock market saw steep declines during the first half of 2022, on the back of the Russia-Ukraine conflict, rate hike fears, continued high inflation levels, and a weakening economic growth trajectory. After keeping market watchers on tenterhooks for the first two months, the US Federal Reserve (Fed) hiked interest rates by 25 basis points (bps) in March 2022, followed by 50bps in May 2022 and 75bps in June 2022. In addition, a new Covid-19 outbreak in China in April 2022 also raised fears of sustained supply chain disruptions due to locked-downs.

Over the period, we saw the Chinese government intensifying top-down actions to support the tech platform economy, after Vice Premier Liu He set the ball rolling by issuing a strong promise in the March 2022 Financial Stability and Development Committee (FSDC) meeting to ease regulatory crackdowns. Thereafter, during the April 2022 Politburo meeting chaired by President Xi Jinping, China's top decision-making body pledged to support the healthy development of tech platform companies.

In HKD terms, Consumer Discretionary (-5.3%) was the best performing sector, followed by Financials (-5.7%). On the other hand, Information Technology (-28.0%) and Communication Services (-5.7%) were the worst performing sectors.

Kuaishou Technology (+28.3%), Li Auto (+45.8%) and Alibaba Group (+1.8%) contributed positively to performance, while Sunny Optical (-47.6%), Xiaomi (-26.8%) and Tencent (-17.3%), detracted.

The Fund continues to replicate as closely as possible, before expenses, the performance of the Hang Seng TECH Index.

## STRATEGY AND OUTLOOK

In May 2022, Premier Li Keqiang held a nationwide video conference with more than 100,000 party cadres to reinforce China's focus to maintain economic stability and preserve growth.

Shortly after, Shanghai announced an end to its 2-month lockdown starting 1 June 2022. All these actions align closely with the Chinese Communist Party's top priority of continuing economic development and focusing on financial stability in 2022, as highlighted in the December 2021 Politburo meeting.

As of 7 July 2022.

**DISCLOSURES ON THE FUND<sup>1</sup>***For the half year ended 30 June 2022 (Unaudited)***1. DISTRIBUTION OF INVESTMENTS AS AT 30 JUNE 2022**

	<b>Fair Value HK\$</b>	<b>Percentage of total net assets attributable to unitholders %</b>
a) <i>By Asset Class</i>		
Equities	1,890,297,333	99.9
Cash and other net assets	994,161	0.1
<b>Net assets attributable to unitholders</b>	1,891,291,494	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 HK\$578.

<sup>1</sup> As required by the Code on Collective Investment Schemes.

2. TOP 10 HOLDINGS

As at 30 June 2022

	Fair Value HK\$	Percentage of total net assets attributable to unitholders %
Alibaba Group Holding Limited	161,644,809	8.5
Xiaomi Corporation - Class B	160,355,646	8.5
JD.Com Inc.	151,088,701	8.0
Kuaishou Technology Company Limited	146,751,068	7.8
Meituan	139,278,881	7.4
Tencent Holdings Limited	137,596,509	7.3
Sunny Optical Technology Group Company Limited	105,968,348	5.6
Netease Inc.	102,941,870	5.4
Semiconductor Manufacturing International Corporation	94,566,252	5.0
Haier Smart Home Company Limited	82,260,275	4.3

As at 30 June 2021

	Fair Value HK\$	Percentage of total net assets attributable to unitholders %
Meituan	114,160,763	8.4
Alibaba Group Holding Limited	112,421,760	8.2
Sunny Optical Technology Group Company Limited	109,107,049	8.0
Tencent Holdings Limited	103,678,104	7.6
Xiaomi Corporation - Class B	103,101,201	7.5
Kuaishou Technology Company Limited	102,252,078	7.5
JD.Com Inc.	88,335,118	6.5
JD Health International Inc.	77,357,952	5.7
Semiconductor Manufacturing International Corporation	66,631,216	4.9
Alibaba Health Information Technology Limited	50,666,595	3.7

### 3. RELATED PARTY TRANSACTIONS

For the period from 1 January 2022 to 30 June 2022

	HK\$
Transaction fee charged by a related company of the Trustee	57,529
Registration fees charged by a related company of the Trustee	32,488
Valuation and administration fees charged by the Trustee	166,006
Custodian fees charged by a related company of the Trustee	99,696
Bank service fees charged by a bank which is a related company of the Trustee	1,369
Cash transfer fees charged by a related company of the Trustee	1

Cash and bank balances placed with a financial institution related to the Trustee as at 30 June 2022 were HK\$1,127,078.

### 4. FINANCIAL RATIOS

	30 June 2022 %	30 June 2021 %
Expense ratio <sup>1</sup> (excluding preliminary expenses)	0.57	0.60
Expense ratio <sup>1</sup> (including preliminary expenses)	0.57	0.68
Portfolio turnover ratio <sup>2</sup>	16	36

<sup>1</sup> The expense ratios have been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the expense ratios at 30 June 2022 was based on total operating expenses divided by the average net asset value for the year. The total operating expenses do not include (where applicable) brokerage and other transaction 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.

Total operating expenses and average net asset value are as follows:

	<b>30 June 2022 HK\$</b>	<b>30 June 2021 HK\$</b>
Total operating expenses (excluding preliminary expenses) (annualised)	9,356,747	5,670,415
Total operating expenses (including preliminary expenses) (annualised)	9,356,747	6,370,149
Average net asset value	<u>1,635,417,206</u>	<u>943,449,646</u>

<sup>2</sup> 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 HK\$260,665,130 (2021: sales of HK\$339,484,723) divided by the daily net asset value of HK\$1,676,153,740 (2021: HK\$943,449,646).

## 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

Nil

## 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 HK\$	For the financial period from 10 December 2020 (date of inception) to 30 June 2021 HK\$
<b>Income</b>		
Dividends	6,520,285	1,626,738
Interest on cash and bank balances	32	46
	6,520,317	1,626,784
<b>Less: Expenses</b>		
Audit fee	48,353	49,098
Custodian fees	99,696	67,296
Management fee	3,735,137	2,380,417
Professional fees	62,290	79,603
Registration fee	32,488	36,308
Trustee fee	155,059	101,393
Valuation and administration fees	166,006	105,796
Preliminary expenses	-	699,734
Transaction costs	749,181	1,588,749
Miscellaneous expenses	444,650	405,652
	5,492,860	5,514,046
<b>Net income/(expense)</b>	1,027,457	(3,887,262)
<b>Net gains or losses on value of investments and financial derivatives</b>		
Net losses on investments	(198,050,293)	(24,172,683)
Net (losses)/gains on foreign exchange spot contracts	(578)	1,052
Net foreign exchange gains/(losses)	3,282	(8,081)
	(198,047,589)	(24,179,712)
<b>Total deficit for the financial period before income tax</b>	(197,020,132)	(28,066,974)
<b>Less: Income tax</b>	-	-
<b>Total deficit for the financial period</b>	(197,020,132)	(28,066,974)

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

	<b>30 June 2022 HK\$</b>	<b>31 December 2021 HK\$</b>
<b>ASSETS</b>		
Portfolio of investments	1,890,297,333	1,701,660,119
Receivables	882,246	16,940,039
Cash and cash equivalents	1,127,078	16,177,358
<b>Total assets</b>	<u>1,892,306,657</u>	<u>1,734,777,516</u>
<b>LIABILITIES</b>		
Payables	1,015,163	1,185,485
Due to brokers	-	32,429,005
<b>Total liabilities</b>	<u>1,015,163</u>	<u>33,614,490</u>
<b>EQUITY</b>		
Net assets attributable to unitholders	<u>1,891,291,494</u>	<u>1,701,163,026</u>

**STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS**

*For the half year ended 30 June 2022 (Unaudited)*

	<b>For the half year ended 30 June 2022 HK\$</b>	<b>For the financial period from 10 December 2020 (date of inception) to 31 December 2021 HK\$</b>
<b>Net assets attributable to unitholders at the beginning of financial period</b>	1,701,163,026	-
<b>Operations</b>		
Change in net assets attributable to unitholders resulting from operations	(197,020,132)	(552,993,384)
<b>Unitholders' contributions/(withdrawals)</b>		
Creation of units	441,790,000	2,254,156,410
Cancellation of units	(54,641,400)	-
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	387,148,600	2,254,156,410
Total increase in net assets attributable to unitholders	190,128,468	1,701,163,026
<b>Net assets attributable to unitholders at the end of financial period</b>	1,891,291,494	1,701,163,026

## STATEMENT OF PORTFOLIO

As at 30 June 2022 (Unaudited)

	Holdings at 30 June 2022	Fair value at 30 June 2022 HK\$	Percentage of total net assets attributable to unitholders at 30 June 2022 %
<b>By Industry (Primary)</b>			
<b>QUOTED EQUITIES</b>			
<b>CONSUMER, CYCLICAL</b>			
Alibaba Group Holding Limited	1,444,547	161,644,809	8.5
JD.Com Inc.	597,661	151,088,701	8.0
Meituan	717,193	139,278,881	7.4
Haier Smart Home Company Limited	2,831,679	82,260,275	4.3
Li Auto Inc.	380,342	58,154,292	3.1
Xpeng Inc.	195,923	24,764,667	1.3
Trip.Com Group Limited	61,495	13,627,292	0.7
Nio Inc.	66,693	11,471,196	0.6
		<u>642,290,113</u>	<u>33.9</u>
<b>TECHNOLOGY</b>			
Xiaomi Corporation - Class B	11,756,279	160,355,646	8.5
Sunny Optical Technology Group Company Limited	828,525	105,968,348	5.6
Semiconductor Manufacturing International Corporation	5,201,664	94,566,252	5.0
Lenovo Group Limited	8,396,224	61,544,322	3.3
Kingdee International Software Group Company Limited	2,825,863	51,995,879	2.7
Kingsoft Corporation Limited	1,035,007	31,671,214	1.7
BYD Electronic International Company Limited	916,460	22,682,385	1.2
Hua Hong Semiconductor Limited	680,628	19,329,835	1.0
AAC Technologies Holdings Inc.	842,641	15,218,096	0.8
Ming Yuan Cloud Group Holdings Limited	1,143,855	14,366,819	0.8
GDS Holdings Limited	298,780	9,874,679	0.5
SenseTime Group Inc. - Class B	1,168,172	3,656,378	0.2
		<u>591,229,853</u>	<u>31.3</u>

	Holdings at 30 June 2022	Fair value at 30 June 2022 HK\$	Percentage of total net assets attributable to unitholders at 30 June 2022 %
<b>By Industry (Primary) (continued)</b>			
<b>QUOTED EQUITIES (continued)</b>			
<b>COMMUNICATIONS</b>			
Kuaishou Technology Company Limited	1,679,074	146,751,068	7.8
Tencent Holdings Limited	388,252	137,596,509	7.3
Netease Inc.	714,378	102,941,870	5.4
Baidu Inc.	543,797	80,753,854	4.2
Bilibili Inc.	119,414	24,002,214	1.3
China Literature Limited	534,466	20,256,261	1.1
		<u>512,301,776</u>	<u>27.1</u>
<b>CONSUMER, NON-CYCLICAL</b>			
JD Health International Inc.	1,299,367	79,976,039	4.2
Alibaba Health Information Technology Limited	5,498,181	29,690,177	1.6
Ping An Healthcare and Technology Company Limited	590,581	13,731,008	0.7
		<u>123,397,224</u>	<u>6.5</u>
<b>FINANCIAL</b>			
ZhongAn Online P&C Insurance Company Limited H Shares	824,985	21,078,367	1.1
<b>Portfolio of investments</b>		1,890,297,333	99.9
<b>Other net assets</b>		994,161	0.1
<b>Net assets attributable to unitholders</b>		<u>1,891,291,494</u>	<u>100.0</u>

	Percentage of total net assets attributable to unitholders at	
	30 June 2022	31 December 2021
	%	%
<b>By Industry (Summary)</b>		
Consumer, Cyclical	33.9	28.8
Technology	31.3	39.0
Communications	27.1	24.8
Consumer, Non-cyclical	6.5	6.3
Financial	1.1	1.1
<b>Portfolio of investments</b>	99.9	100.0
<b>Other net assets</b>	0.1	*
<b>Net assets attributable to unitholders</b>	100.0	100.0

\* denotes amount less than 0.1%

	Fair value at 30 June 2022 HK\$	Percentage of total net assets attributable to unitholders at	
		30 June 2022 %	31 December 2021 %
<b>By Geography (Secondary)</b>			
China	1,848,962,705	97.7	96.1
Hong Kong	41,334,628	2.2	3.9
<b>Portfolio of investments</b>	1,890,297,333	99.9	100.0
<b>Other net assets</b>	994,161	0.1	*
<b>Net assets attributable to unitholders</b>	1,891,291,494	100.0	100.0

\* denotes amount less than 0.1%



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