

For the half year ended 30 June 2020 (Unaudited)

SEMI-ANNUAL REPORT LION-PHILLIP S-REIT ETF

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Mr Ching Wei Hong (Deputy Chairman)
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Mr Tan Siew Peng
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PERFORMANCE OF THE FUND

For the half year ended 30 June 2020 (Unaudited)

Past performance is not necessarily indicative of future performance. Cumulative returns for the Fund are calculated up to 30 June 2020 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	14.0	14.6
6 months	-8.8	-8.8
1 year	-5.6	-5.4
Since inception** (30 October 2017)	5.4	5.9

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 2020, the Fund returned -8.8% in SGD terms.

It was a volatile 6 months for the Fund. Along with the overall equity market, the Fund suffered a significant decline in March 2020. The global spread of the Covid-19 virus has forced the WHO to declare this as a pandemic. This caused a general sell-down in risk assets and the S-REITS were not spared.

To better combat this crisis, the Singapore government introduced a 2-month Circuit Breaker in April 2020. This limited the movement of people and more importantly, closed down all non-essential workplaces. The hospitality and retail REITS were sold down the most as investors are concerned on earnings decline and a fall in capital values.

Thankfully, the Fund recovered meaningfully in 2Q20. To mitigate the economic risks of the crisis, the Singapore government introduced 4 different Budgets worth about S\$100 billion to save jobs and lives. Similarly, many countries around the world have also launched aggressive fiscal policies to engineer a soft landing in the economy amidst the pandemic. At the same time, central banks have also introduced similarly aggressive monetary policies to contain the financial risks arising from the crisis.

STRATEGY AND OUTLOOK

Despite short term headwinds from the Covid-19 crisis, we remain positive on the S-REITS in the longer term. The economic disruption arising from Covid-19 and the Circuit Breaker is likely to put a dent on the sector's earnings in Financial Year (FY) 2020. This is especially the case for the hospitality and retail sectors, given the nature of this crisis.

That said, apart from the hospitality sector, we see scope for a gradual recovery in earnings in FY 2021. Real estate fundamentals remain positive for the S-REITS – while demand is likely to be affected due to weaker economic growth, supply conditions remain benign for the landlords. As such, portfolio occupancy and hence operating cashflow should remain at a stable and high level in the longer term.

Furthermore, with global central banks eager to keep cost of borrowing low, we believe that this 'lower for longer' interest rate environment will continue. This will provide a strong valuation support for the S-REITS.

As of 24 July 2020.

DISCLOSURES ON THE FUND¹*For the half year ended 30 June 2020 (Unaudited)***1. DISTRIBUTION OF INVESTMENTS AS AT 30 JUNE 2020**

	Fair Value	Percentage of
	\$	total net assets
		attributable to
		unitholders
		%
a) <i>By Asset Class</i>		
Real Estate Investment Trusts (REITs)	165,816,912	99.0
Cash and other net assets	1,622,764	1.0
Net assets attributable to unitholders	167,439,676	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 \$4,414.

¹ As required by Code on Collective Investment Schemes

2. TOP 10 HOLDINGS
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

As at 30 June 2019

	Fair Value	Percentage of
	\$	total net assets
		attributable to
		unitholders
		%
CapitaLand Commercial Trust	13,292,333	9.3
CapitaLand Mall Trust	13,155,491	9.2
Mapletree Commercial Trust	12,910,448	9.0
Mapletree North Asia Commercial Trust	12,559,034	8.8
Ascendas Real Estate Investment Trust	11,435,468	8.0
Mapletree Logistics Trust	10,250,779	7.2
Manulife US Real Estate Investment Trust	8,428,506	5.9
Mapletree Industrial Trust	7,984,959	5.6
Keppel REIT	7,119,645	5.0
Parkway Life Real Estate Investment Trust	6,920,578	4.8

3. RELATED PARTY TRANSACTIONS

For the period from 1 January 2020 to 30 June 2020

	\$
Interest expenses incurred with a bank which is a related company of the Trustee	214
Transaction fees charged by the Trustee	5,961
Registration fees charged by a related company of the Trustee	8,294
Valuation and administration fees charged by the Trustee	31,044
Custodian fees charged by a related company of the Trustee	15,128
Bank service fees charged by a bank which is a related company of the Trustee	<u>842</u>
Cash and bank balances placed with a financial institution related to the Trustee as at 30 June 2020 were \$1,286,608.	

4. FINANCIAL RATIOS

	30 June 2020 %	30 June 2019 %
Expense ratio ¹	0.60	0.58
Portfolio turnover ratio ²	<u>19</u>	<u>15</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 2020 was based on total operating expenses of \$925,270 (2019: \$801,309) divided by the average net asset value of \$152,954,118 (2019: \$139,058,932) 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 \$30,523,192 (2019: purchases of \$21,389,860) divided by the average daily net asset value of \$157,240,272 (2019: \$139,072,550).

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 2020 (Unaudited)*

	For the half year ended 30 June 2020	For the half year ended 30 June 2019
	\$	\$
Income		
Dividends	2,781,065	3,558,602
Interest on cash and bank balances	-	45
	<u>2,781,065</u>	<u>3,558,647</u>
Less: Expenses		
Audit fee	8,453	8,431
Custodian fees	15,128	17,656
Management fee	391,056	345,018
Less: Management fee rebate	(220,000)	(196,000)
Professional fees	24,366	22,490
Registration fee	8,294	7,440
Trustee fee	31,044	27,601
Valuation and administration fees	31,044	27,601
Transaction costs	45,240	27,983
Miscellaneous expenses	66,684	71,744
	<u>401,309</u>	<u>359,964</u>
Net income	<u>2,379,756</u>	<u>3,198,683</u>
Net gains or losses on value of investments and financial derivatives		
Net (losses)/gains on investments	(11,268,838)	23,721,600
Net losses on foreign exchange spot contracts	(4,414)	(3,231)
Net foreign exchange gains	5,635	1,087
	<u>(11,267,617)</u>	<u>23,719,456</u>
Total (deficit)/return for the financial period	<u>(8,887,861)</u>	<u>26,918,139</u>

STATEMENT OF FINANCIAL POSITION*As at 30 June 2020 (Unaudited)*

	30 June 2020	31 December 2019
	\$	\$
ASSETS		
Portfolio of investments	165,816,912	153,453,542
Receivables	448,671	311,139
Cash and bank balances	1,286,608	2,005,435
Total assets	<u>167,552,191</u>	<u>155,770,116</u>
LIABILITIES		
Payables	112,515	157,019
Total liabilities	<u>112,515</u>	<u>157,019</u>
EQUITY		
Net assets attributable to unitholders	<u>167,439,676</u>	<u>155,613,097</u>

STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS*For the half year ended 30 June 2020 (Unaudited)*

	30 June 2020 \$	31 December 2019 \$
Net assets attributable to unitholders at the beginning of financial period/year	155,613,097	137,499,022
Operations		
Change in net assets attributable to unitholders resulting from operations	(8,887,861)	31,912,818
Unitholders' contributions/(withdrawals)		
Creation of units	27,196,100	19,266,900
Cancellation of units	(2,522,100)	(26,704,200)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	24,674,000	(7,437,300)
Distributions	(3,959,560)	(6,361,443)
Total increase in net assets attributable to unitholders	11,826,579	18,114,075
Net assets attributable to unitholders at the end of financial period/year	<u>167,439,676</u>	<u>155,613,097</u>

STATEMENT OF PORTFOLIO

As at 30 June 2020 (Unaudited)

	Holdings at 30 June 2020	Fair value at 30 June 2020 \$	Percentage of total net assets attributable to unitholders at 30 June 2020 %
By Industry (Primary)			
QUOTED EQUITIES			
REAL ESTATE			
Mapletree Industrial Trust	5,872,626	16,854,437	10.1
Mapletree Logistics Trust	8,563,913	16,613,991	9.9
Ascendas Real Estate Investment Trust	5,086,932	16,125,574	9.6
CapitaLand Commercial Trust	8,879,641	15,006,593	9.0
Mapletree Commercial Trust	7,658,236	14,780,395	8.8
CapitaLand Mall Trust	7,470,082	14,641,361	8.7
Keppel DC REIT	5,367,764	13,634,121	8.1
Parkway Life Real Estate Investment Trust	2,974,910	9,936,199	5.9
Manulife US Real Estate Investment Trust	6,584,401	6,935,104	4.1
Keppel REIT	5,722,272	6,294,499	3.8
Mapletree North Asia Commercial Trust	5,144,151	4,758,340	2.8
Frasers Logistics & Industrial Trust	3,173,234	3,776,149	2.3
Suntec Real Estate Investment Trust	2,418,343	3,409,864	2.0
SPH REIT	3,649,328	3,193,162	1.9
Frasers Centrepoint Trust	1,338,498	3,091,930	1.9
Ascott Residence Trust	2,819,399	2,819,399	1.7
AIMS APAC REIT	1,799,438	2,195,314	1.3
Sasseur Real Estate Investment Trust	2,235,478	1,654,254	1.0
OUE Commercial Real Estate Investment Trust	4,040,433	1,535,365	0.9
Far East Hospitality Trust	2,945,765	1,458,154	0.9
CapitaLand Retail China Trust	972,625	1,225,508	0.7
CDL Hospitality Trusts	1,095,178	1,117,082	0.7
Starhill Global Real Estate Investment Trust	2,055,983	1,048,551	0.6

	Holdings at 30 June 2020	Fair value at 30 June 2020 \$	Percentage of total net assets attributable to unitholders at 30 June 2020 %
By Industry (Primary) (continued)			
QUOTED EQUITIES (continued)			
REAL ESTATE (continued)			
Cromwell European REIT	1,386,800	912,621	0.6
Frasers Hospitality Trust	1,817,916	845,331	0.5
Keppel Pacific Oak US REIT	734,873	717,629	0.4
Lendlease Global Commercial REIT	928,206	631,180	0.4
ESR-REIT	1,531,152	604,805	0.4
		<u>165,816,912</u>	<u>99.0</u>
Portfolio of investments		165,816,912	99.0
Other net assets		1,622,764	1.0
Net assets attributable to unitholders		<u>167,439,676</u>	<u>100.0</u>

	Percentage of total net assets attributable to unitholders at	
	30 June 2020 %	31 December 2019 %
By Industry (Summary)		
Real Estate	99.0	98.6
Portfolio of investments	99.0	98.6
Other net assets	1.0	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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