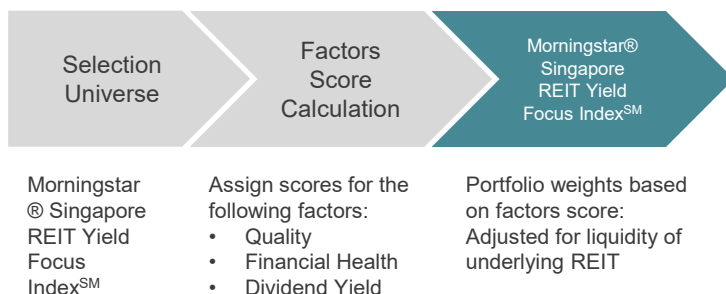


# Lion-Phillip S-REIT ETF

Low cost, easy access to S-REITs<sup>1</sup>

Lion-Phillip S-REIT ETF is designed to provide investors with a low-cost access to 22<sup>2</sup> high-quality S-REITs that offers a sustainable income stream. It is passively managed to fully replicate the Morningstar® Singapore REIT Yield Focus Index<sup>SM</sup> (Index).

## Index Construction Methodology



The Index is designed to screen for high-yielding REITs with superior quality and financial health.

## KEY FACTS

1. Full replication of the Morningstar® Singapore REIT Yield Focus Index<sup>SM</sup> ("Index")
2. 22<sup>2</sup> high quality S-REITs
3. Latest distribution of S\$0.0240 per unit on ex-date 31 Jan 2023<sup>A</sup> (Note: Distributions are not guaranteed and may fluctuate)
4. Net current dividend yield of 5.26%<sup>4</sup> (excluding 0.60% total expense ratio)
5. Total Assets Under Management (AUM): S\$325.4 million
6. Management fee: 0.50% per annum (p.a.)
7. SGX stock code: CLR
8. Bloomberg ticker: SREITS SP



Source: Bloomberg, Lion Global Investors, as at 30 June 2023. <sup>A</sup>Pay-date of 28 February 2023. Distribution is for the period from 1 July 2022 to 31 December 2022, and comprises of 81.3% distributable income<sup>5</sup> and 18.7% capital component. Distributions are not guaranteed and may fluctuate. Past distributions are not necessarily indicative of future payments. Distribution payouts and its frequency might be changed at the Manager's discretion and can be made out of income, capital or both. Any payment of distributions by the fund may result in an immediate reduction of the net asset value per share/unit. Please refer to LGI website for more information on the income disclosures

# Singapore REITs Outlook

## Singapore REITs – Q2 2023 Outlook: Pause in June FOMC with Fed Fund Rates Peaking

During the Federal Open Market Committee (FOMC) meeting in June 2023, Chairman Powell did not raise interest rates for the first time in over a year before signaling the possibility of 2 additional rate hikes in 2023. We believe that this is less hawkish than at first glance given that Chairman Powell acknowledged the fact that the underlying conditions to bring inflation back to target are being put in place, and that the decision would appear to be highly data-dependent on realized core inflation. Lower downside risk from reduced banking sector stress would also increase the possibility of a soft landing in the US with Singapore benefitting from a better global outlook.

Going forward, we should be nearer to the end of US interest rate hikes and interest costs have started stabilising. A more stable interest rate environment is more favorable for deal-making of Singapore REITs and would lower interest expenses. For example, in Q2 2023, many Singapore REITs such as CapitaLand Ascendas REIT, Mapletree Logistics Trust, Mapletree Industrial Trust have opportunistically raised capital in the market to fund acquisitions, and we expect more deal-making once there is further clarity on peak interest rates. The peaking and stabilization of interest rates have been historically a great buying point of Singapore REITs.

## Singapore REITs are defensive with resilient fundamentals

Singapore REITs' fundamentals continue to be resilient with strong Q1 2023 operational and earnings results across the various subsectors. The industrial subsector continues to see strong fundamentals driven by structural trends to build supply chain resilience and grow e-commerce penetration with strong positive rental reversion across the board reflecting tight supply and demand dynamics.

The retail subsector continues to be supported by strong local spending and tourist spending with single digit rental reversion across the board and improving occupancy costs from strong sales. The Singapore office subsector has a more subdued outlook since it is more sensitive to economic slowdown but is still much more resilient than the US office sector and many other parts of Asia.

Geopolitical concerns, weak economic growth, and social tensions continue to be predominant in many other Asian markets, driving higher volatility. With this backdrop, Singapore REITs continue to be a safe haven with resilient fundamentals in Asian markets. We believe our ETF's approach of investing in quality Singapore REITs with superior sound financial health will continue to help investors access sustainable income.

“

*We believe our ETF's approach of investing in quality Singapore REITs with superior sound financial health will continue to help investors access sustainable income.*

”

Photo Credit: iStock

# Notes

<sup>1</sup> S-REITs are securities constituting the Morningstar® Singapore REIT Yield Focus Index<sup>SM</sup>.

<sup>2</sup> As at 30 June 2023. The number of S-REITs which constitutes the Index may be changed by Morningstar Research Pte Ltd from time to time.

<sup>3</sup> Composition chart does not add up to 100%. Cash and cash equivalents as at 30 June 2023 was approximately 1.4%.

<sup>4</sup> Source: Bloomberg as at 30 June 2023. Based on the weighted average 12-month trailing dividend yield of the underlying S-REITs and excluding the ETF's 0.60% total expense ratio. Past payout yields and payments of the underlying S-REITs do not represent future payout yields and payments.

<sup>5</sup> Distributable income refers to the interest and dividend income, taking into consideration the net realised gains, a collective investment scheme receives from its portfolio holdings and are payable to its investors.

For more information on the Lion-Phillip S-REIT ETF, please visit:

<https://www.lionglobalinvestors.com/en/fund-lion-phillip-s-reit-etf.html> or email us at [contactus@lionglobalinvestors.com](mailto:contactus@lionglobalinvestors.com).

# Disclaimer

This advertisement or publication has not been reviewed by the Monetary Authority of Singapore. It is for information only, and is not a recommendation, offer or solicitation to deal in any capital markets products or investments and does not have regard to your specific investment objectives, financial situation or particular needs. You should read the prospectus and Product Highlights Sheet for the Lion-Phillip S-REIT ETF (“ETF”), which is available and may be obtained from Lion Global Investors Limited or any of the appointed Participating Dealers (“PDs”), before deciding whether to purchase units in the ETF. Investments are subject to investment risks including the possible loss of the principal amount invested.

The performance of the ETF, the value of its units and any accruing income are not guaranteed and may rise or fall. Past performance, payout yields and payments and any prediction, projection, or forecast are not indicative of the future performance, payout yields and payments of the ETF. Any extraordinary performance may be due to exceptional circumstances which may not be sustainable. You should independently assess any information, opinion or estimates, graphs, charts, formulae or devices provided and seek professional advice on them. Any information, opinions, estimates, graphs, charts, formulae or devices provided are subject to change without notice and are not to be relied on as advice. The ETF may invest in financial derivative instruments for hedging or for efficient portfolio management.

The units of the ETF are listed and traded on the Singapore Exchange (“SGX”), and may be traded at prices different from its net asset value, suspended from trading, or delisted. Such listing does not guarantee a liquid market for the units. You cannot purchase or redeem units in the ETF directly with the manager of the ETF, but you may, subject to specific conditions, do so on the SGX or through the PDs.

Any dividend distributions, which may be either out of income and/or capital, are not guaranteed and subject to the Manager’s discretion. Any such dividend distributions will reduce the available capital for reinvestment and may result in an immediate decrease in the net asset value of the ETF.

© Lion Global Investors Limited (UEN/ Registration No. 198601745D). All rights reserved. LGI is a Singapore incorporated company and is not related to any corporation or trading entity that is domiciled in Europe or the United States (other than entities owned by its holding companies).

Morningstar® Singapore REIT Yield Focus Index<sup>SM</sup> is a service mark of Morningstar Research Pte. Ltd. and its affiliated companies (collectively, “Morningstar”) and have been licensed for use for certain purposes to Lion Global Investors Limited. Lion-Phillip S-REIT ETF is not sponsored, endorsed, sold or promoted by Morningstar, and Morningstar makes no representation regarding the advisability of investing in Lion-Phillip S-REIT ETF.

The references to any particular company is intended for illustration purposes only and is not indicative of our intention to invest in such company or a recommendation to invest in the securities of such company.