

LION-OCBC SECURITIES
HANG SENG TECH ETF

The future of technology
Seize the opportunity.



Quarterly Newsletter

Q1 2023

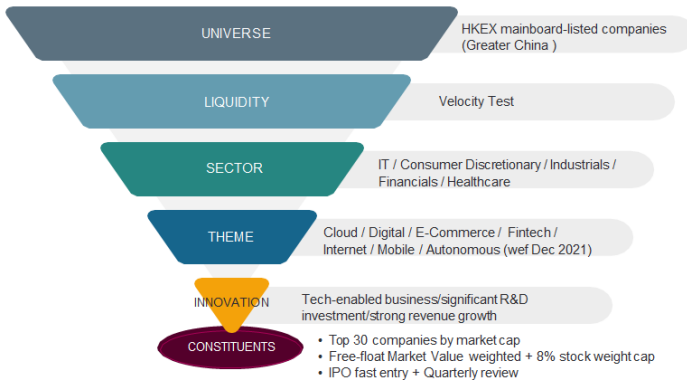
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INTRODUCTION

The Lion-OCBC Securities Hang Seng TECH ETF was listed on the Singapore stock market on 10 December 2020. Since listing, the ETF has crossed many milestones. The size of the ETF has grown rapidly to an AUM (assets under management) of S\$341 million as of 31 March 2023.

INDEX CONSTRUCTION METHODOLOGY²



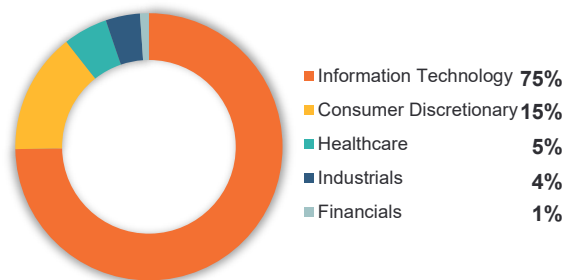
KEY FACTS

- 30 largest TECH-themed companies listed on HKEX¹
- Full replication of the Hang Seng TECH Index
- Each constituent capped at 8% weightage during rebalancing
- Rebalanced on a quarterly basis (Mar, Jun, Sep and Dec)
- Dual Trading Currencies: SGD and USD
- Total AUM: SGD 341 million as of 31 March 2023
- Management Fee: 0.45% p.a.
- Bloomberg ticker: HST SP (S\$ counter), HSS SP (US\$ counter)

LION-OCBC SECURITIES HANG SENG TECH ETF PERFORMANCE³



COMPOSITION



Source: Lion Global Investors, 31 March 2023

From Morningstar as of 31 Mar 2023	2023 YTD return	Annualized % return since Fund's inception*
Lion-OCBC Securities Hang Seng TECH ETF	4.1%	-24.2%
Benchmark Index	4.3%	-23.6%

*Returns are based on NAV-NAV basis in HKD and assuming all dividends are reinvested net of all charges payable upon reinvestment. Performance is calculated in the base currency of the Fund. The Lion-OCBC Securities Hang Seng TECH ETF was listed on 10 December 2020.

Past performance, as well as any prediction, projection, or forecast are not necessarily indicative of future or likely performance.

¹ Refers to the underlying Index Securities of the Hang Seng TECH Index

^{2,3} Source: Bloomberg, Lion Global Investors, Hang Seng Indexes Company, as at 31 March 2023

For explanation of additional technical terms, please visit www.lionglobalinvestors.com

Q1 2023 REVIEW



Photo Credit: iStock

BRIGHT SPARKS APPEARING

Q1 2023 was an eventful quarter for China. We saw China concluding its Two Sessions (两会) in March 2023, officially electing President Xi Jinping for his third term and appointing Li Qiang as its new premier. Within President Xi Jinping's inner circle, Premier Li has been regarded as highly pro-business and this presents numerous market-friendly signals for China in overall. This uncovers numerous bright sparks for the Chinese tech sector.

In his first press conference⁴, Premier Li Qiang specifically highlighted the importance of technology and innovation in promoting a modern industrial system. This increases likelihood of more pro-business policies on the Chinese tech sector, where crackdown has already eased.

Since Q4 2022, China has been easing its regulatory crackdown on its tech sector. Specifically for its video gaming sector, China's online gaming regulator (National Press and Publication Administration) started approving 70 games for release⁵ back in Nov 2022. Notably, Tencent's Metal Slug: Awakening was its first commercial game license since April 2021. In Mar 2023, China's online gaming regulator further approved⁶ a new batch of 27 games (including titles by Tencent, NetEase and Bilibili). Furthermore, Alibaba founder (Jack Ma) returned to China⁷ on 27 March 2023 after being overseas for more than 1 year.

⁴ Source: Ministry of Foreign Affairs of the People's Republic of China, March 2023

⁵ Source: CNBC, November 2022

⁶ Source: Channel New Asia, March 2023

⁷ Source: The Business Times, March 2023

⁸ Source: Al Jazeera, March 2023

“Going forward, the focus will be shifted toward delivering a life of better quality for the people. Particularly, we will enhance our capacity for scientific and technological innovation and build a modern industrial system.”

- Premier Li Qiang⁴, Press Conference for the First Session of the 14th National People's Congress, 13 March 2023

The public re-emergence of China's best-known entrepreneur may help support the government's softening tone towards the private sector as its leaders try to reinvigorate an economy after three years of Covid restrictions.

A day after Jack Ma's homecoming, Alibaba announced the biggest revamp in its 24-year history, seeing it split into six units - Cloud Intelligence Group, Taobao Tmall Commerce Group, Local Services Group, Cainiao Smart Logistics Group, Global Digital Commerce Group and Digital Media and Entertainment Group. Each of the six businesses will have its own CEO and board of directors, with the flexibility⁸ to raise external capital and seek their own stock exchange listings.

All these happened within Premier Li Qiang's first month and more pro-market initiatives are expected to be rolled out to boost China's economy. These actions align closely with the Chinese Communist Party's top priority of economic stability for 2023, as highlighted in our previous newsletters. These are concrete actions taken to support growth.

By providing exposure to the 30 largest tech-themed companies listed in Hong Kong, the Lion-OCBC Securities Hang Seng TECH ETF is well positioned to capitalize on the upcoming recovery and long-term growth story of the Chinese tech sector.

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