

LION-OCBC SECURITIES
HANG SENG TECH ETF

The future of technology
Seize the opportunity.



Quarterly Newsletter

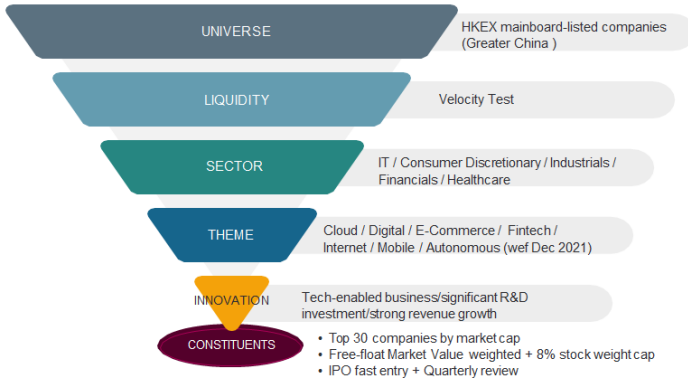
Q2 2022



INTRODUCTION

The Lion-OCBC Securities Hang Seng TECH ETF was launched in 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\$337 million as of 30 June 2022.

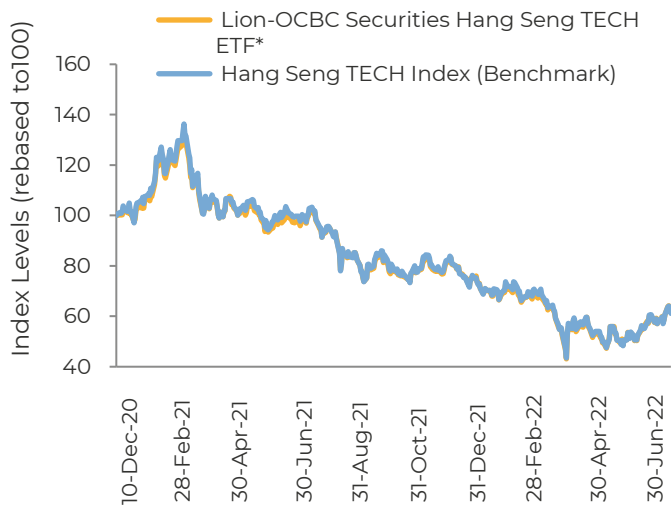
INDEX CONSTRUCTION METHODOLOGY²



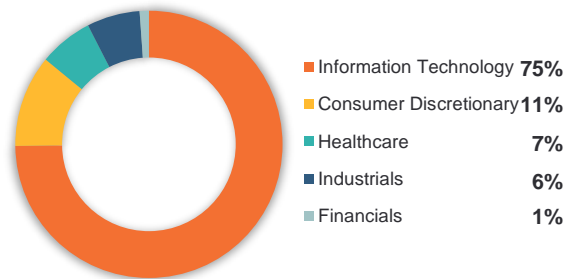
KEY FACTS

- 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 337 million as of 30 June 2022
- 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, 30 June 2022

*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, 30 June 2022

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Q2 2022 REVIEW



Photo Credit: iStock

STEPPING UP SUPPORT

In Q2 2022, we saw the Chinese government intensifying top-down actions to support the platform economy after Vice Premier Liu He set the ball rolling by issuing a strong promise⁴ in the Financial Stability and Development Committee (FSDC) meeting on 16 March 2022 to ease regulatory crackdowns.

During the Politburo meeting chaired by President Xi Jinping on 29 April 2022, China's top decision-making body pledged to support the healthy development of tech platform companies⁵, fueling a 10% surge in the Hang Seng TECH Index within the same day⁶.

Thereafter on 5 May 2022, the State Council Executive Meeting (chaired by Premier Li Keqiang) introduced measures to support healthy development⁷ of the platform economy as quickly as possible. Following the meeting, the People's Bank of China (PBOC) announced normalized supervision of the tech sector's financial activities. All these were actions that came one day after the US Federal Reserve approved a 50 basis points (bps) rate hike⁸ on 4 May 2022.

⁴ Source: Bloomberg, March 2022

⁵ Source: Bloomberg, April 2022

⁶ Source: Bloomberg, April 2022

⁷ Source: China Briefing, May 2022

⁸ Source: US Federal Reserve, May 2022

⁹ Source: Nikkei Asia, May 2022

¹⁰ Source: CNBC, May 2022

¹¹ Source: BBC, June 2022

¹² Source: CNBC, June 2022

“ *We will step up macroeconomic policy adjustment, and adopt more forceful measures to deliver the economic and social development goals for the whole year¹²* ”
- Xi Jinping, President of the People's Republic of China

During the Chinese People's Political Consultative Conference (CPPCC) meeting on 17 May 2022, Vice Premier Liu He stated⁹ that the government would back the development and public listings of digital economy and private enterprises. The CPPCC attendees included Baidu Inc's founder (Robin Li) and Qihoo 360's founder (Zhou Hongyi).

On 25 May 2022, Premier Li Keqiang held a nationwide video conference¹⁰ with more than 100,000 party cadres to reinforce China's focus to maintain economic stability and preserve growth. Shortly after, Shanghai announced on 30 May 2022 to end its 2-month lockdown¹¹ starting 1 June 2022. All these actions align closely with the Chinese Communist Party's top priority of continuing economic development, as highlighted in our Q4 2021 and Q1 2022 newsletters. These are concrete actions taken to stabilise financial markets.

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 long-term growth story of the Chinese tech sector.

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