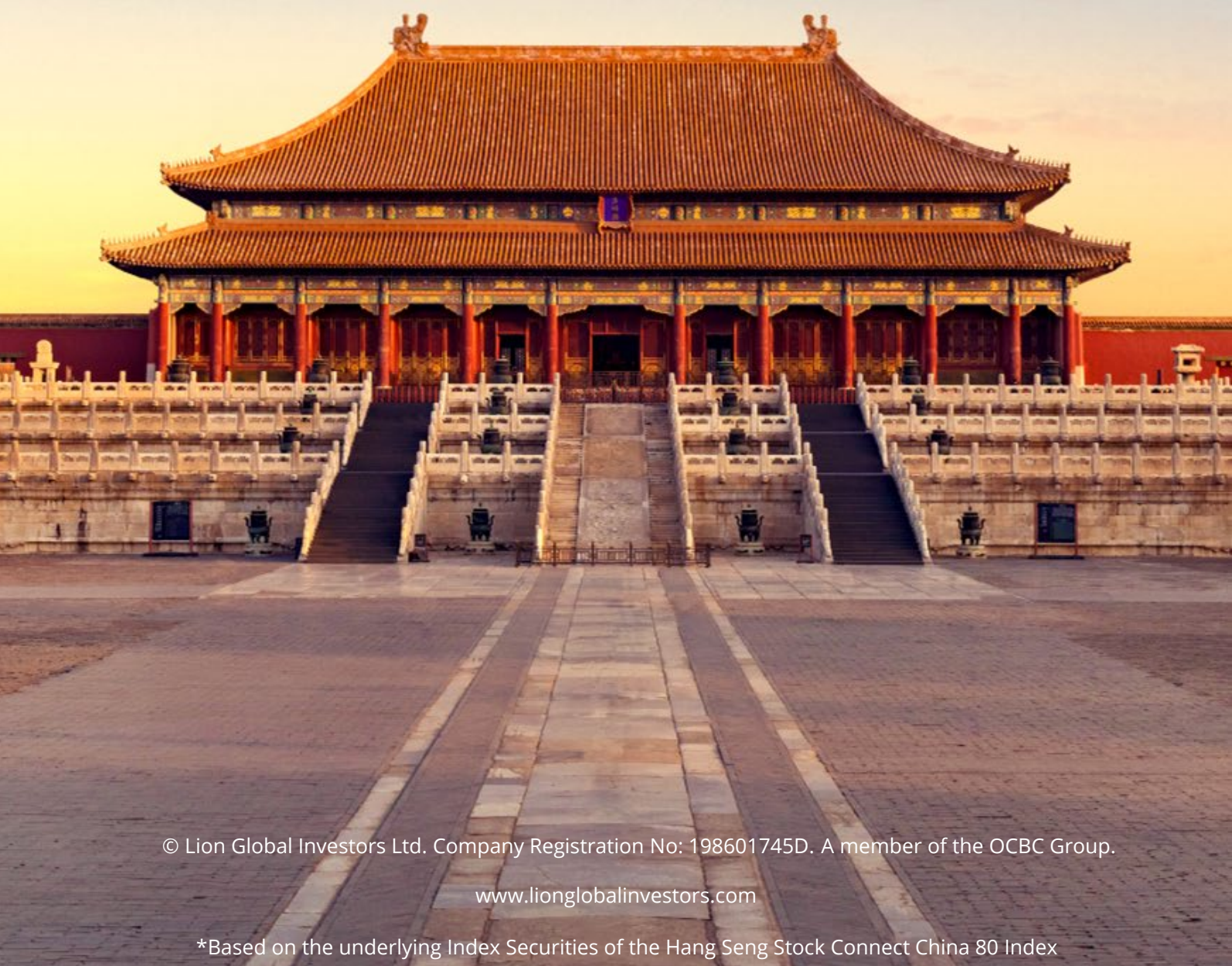


LION-OCBC SECURITIES
CHINA LEADERS ETF

Seize the opportunity with 80* China leaders.

Quarterly Newsletter

Q1 2024



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*Based on the underlying Index Securities of the Hang Seng Stock Connect China 80 Index

INTRODUCTION

- The Lion-OCBC Securities China Leaders ETF was listed on the Singapore stock market on 2 August 2021.
- This ETF is a well-diversified portfolio containing industry leaders across multiple sectors.
- It is passively managed to fully replicate the Hang Seng Stock Connect China 80 Index.

KEY FACTS

- Trading currencies: SGD and RMB
- Total AUM: SGD 77.9 million as of 31 March 2024
- Management fee: 0.45% p.a.
- SGX tickers: YYY (SGD), YYR (RMB)

KEY FEATURES



80 largest Chinese companies listed on HKEX, SZSE and SSE¹



Capped at 8% and 40% weightage for individual stocks and sectors respectively during rebalancing²



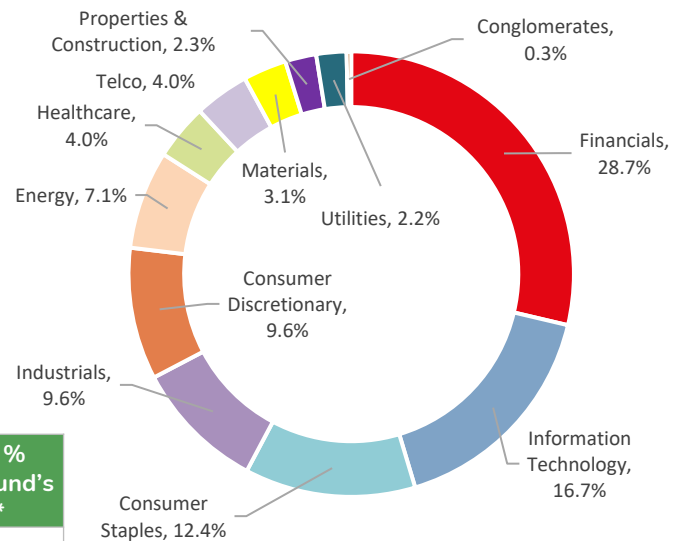
Rebalanced quarterly (every March, June, September and December)

Lion-OCBC Securities China Leaders ETF Performance³



From Bloomberg as of 31 March 2024	2024 YTD return	2023 return	Annualized % return since Fund's inception*
Lion-OCBC Securities China Leaders ETF	3.7%	-12.8%	-10.9%
Benchmark Index	5.3%	-13.0%	-10.2%

Composition



Source: Lion Global Investors, 31 March 2024

* Returns are based on NAV-NAV basis in SGD and assuming all dividends are reinvested net of all charges payable upon reinvestment. Performance is calculated in SGD. The Lion-OCBC Securities China Leaders ETF was listed on 2 August 2021. Opinions and estimates constitute our judgment and along with other portfolio data, are subject to change without notice. Past performance, as well as any prediction, projection, or forecast are not necessarily indicative of future or likely performance

¹ Based on the underlying Index Securities of the Hang Seng Stock Connect China 80 Index.

² Weightage of individual stocks within the index will be reviewed semi-annually and rebalanced quarterly by the index provider (Hang Seng Indexes Co Ltd). The weights of each Index Security and industry might fluctuate above 8% and 40% respectively due to market movements in between the rebalancing period

³ Source: Bloomberg, Lion Global Investors, Hang Seng Indexes Company, as of 31 March 2024

CHINA – Q1 2024 OVERVIEW

In Q1 2024, there have been more measures taken by various parties to support the market: (1) regulators have introduced trading restrictions on quantitative funds and domestic funds, (2) government funds have been buying ETFs, and (3) listed companies have stepped up buyback and shareholder return plans. We believe these should help to put a floor on the market, and the worst of the outflows should be behind us.

Aside from the stock market measures, investors are looking for more support for the economy. The annual policy meeting “Two Sessions” was in March 2024, with a growth target of “around 5%” widely expected. In our view, this is not an easy target to achieve, and policymakers will need to roll out more measures to support the economy. We believe their focus will be on industrial and technological upgrading, as well as investment, and these will be supported by fiscal policies. While the “Two Sessions” will only set broad targets, more details will be announced by various government agencies over the coming weeks, and these could provide catalysts for the sectors that will be emphasized.

We expect more policy focus to steer China’s economy towards its 5% growth target in 2024. By providing exposure to 80 industry leaders across 12 sectors, the Lion-OCBC Securities China Leaders ETF is well-positioned to ride on China’s long-term growth story.

Figure 1: Valuation and consensus earnings forecast

Market	12-month Forward P/E ratio			Earnings growth (%)	
	Current	10-year average	Premium	2023 Actual	2024F
US	21.0	17.9	18%	2.2	10.0
Singapore	10.3	12.7	-18%	16.0	3.0
China	9.0	11.4	-21%	12.8	13.2
Japan	15.2	13.9	9%	2.9	15.2

Source: Thomson Reuters, as of March 2024. The respective benchmark indices are S&P 500 (US), Straits Times Index (Singapore), MSCI China Index (China), and TOPIX (Japan).

Note: F – Consensus Forecast, ex – excluding, P/E – Price to Earnings

All data are sourced from Lion Global Investors and Bloomberg as of 31 March 2024 unless otherwise stated

We expect more policy focus to steer China’s economy towards its 5% growth target in 2024. By providing exposure to 80 industry leaders, the Lion-OCBC Securities China Leaders ETF is well-positioned to ride on China’s long-term growth story.

HOW DOES THE BENCHMARK INDEX AND ETF COMPARE WITH OTHER CHINA-FOCUSED INDICES AND ETFs SINCE INCEPTION?

Despite the overall Chinese market volatility in Q1 2024, the Hang Seng Stock Connect China 80 Index (the Benchmark Index) had stable performance relative to other China-focused indices. Between 2 August 2021 (ETF's listing date) and 31 March 2024, the Index cumulatively outperformed⁴ other China-focused indices (Figure 2) such as the MSCI China Index and the Shanghai Shenzhen CSI 300 Index as of 31 March 2024.

Between 2 August 2021 and 31 March 2024, the Lion-OCBC Securities China Leaders ETF also cumulatively outperformed⁵ other China-focused ETFs listed in SGX (Figure 3), such as the Xtrackers MSCI China UCITS ETF and United SSE 50 China ETF as of 31 March 2024. The cumulative outperformance (as of 31 March 2024) can be attributed to the Index's exclusion of American Depositary Receipts (ADRs).

The exclusion of ADRs is thus expected to reduce the Index's exposure to foreign regulatory risks, that can adversely affect US-listed Chinese firms. By providing diversified exposure to industry leaders listed only in HKSE, SSE and SZSE⁶, the Lion-OCBC Securities China Leaders ETF is less vulnerable to foreign regulatory risks and better cushioned against the broader market volatility.

Figure 2: Benchmark Index performance relative to other China-focused indices

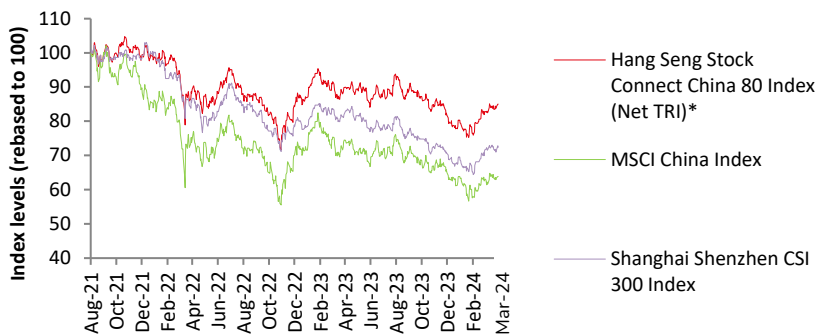
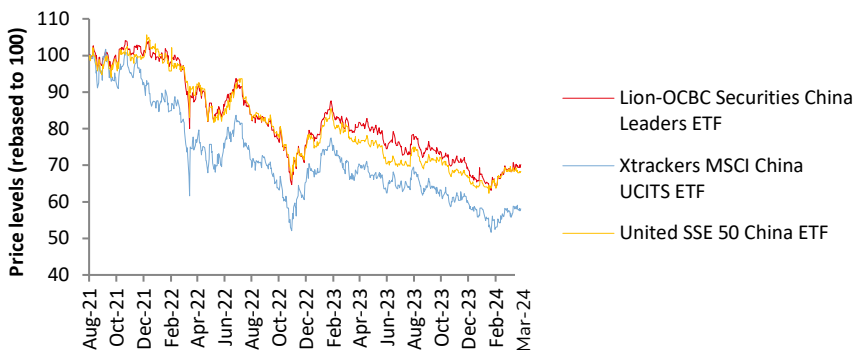


Figure 3: ETF performance* relative to other China-focused ETFs



Similarity	The mentioned ETFs provide broad-based exposure to the China equities market
Difference	The Lion-OCBC Securities China Leaders ETF excludes ADRs

From Bloomberg as of 31 March 2024	2024 YTD return	2023 return	Annualized % return since Fund's inception*
Lion-OCBC Securities China Leaders ETF	3.7%	-12.8%	-10.9%
Xtrackers MSCI China UCITS ETF	-0.5%	-16.4%	-18.5%
United SSE 50 China ETF	3.7%	-15.5%	-13.4%

Note: Each ETF currently adopts a direct replication strategy in tracking their respective indices. The Xtrackers MSCI China UCITS ETF tracks the MSCI China Index while the United SSE 50 China ETF tracks the SSE 50 Index.

** Returns are based on NAV-NAV basis in SGD and assuming all dividends are reinvested net of all charges payable upon reinvestment. The Lion-OCBC Securities China Leaders ETF was listed on 2 August 2021*

Past performance, as well as any prediction, projection, or forecast are not necessarily indicative of future or likely performance. Opinions and estimates constitute our judgment and along with other portfolio data, are subject to change without notice.

^{4, 5} Source: Bloomberg, March 2024

⁶ HKSE, SSE and SZSE refer to Hong Kong Stock Exchange, Shanghai Stock Exchange and Shenzhen Stock Exchange respectively.

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