

For Immediate Release

## Lion Global Investors and Phillip Capital Management Jointly Launch Singapore's First ETF that Focuses on Singapore REITs

- The Lion-Phillip S-REIT ETF aims to provide investors with low-cost access to high-quality S-REITs<sup>1</sup> that offer a sustainable income stream and potential capital growth
- The exchange-traded fund seeks to track the performance of the Morningstar® Singapore REIT Yield Focus Index<sup>SM</sup>, before expenses
- The Initial Offer Period of the ETF is from 2<sup>nd</sup> October 2017 to 20<sup>th</sup> October 2017
- Units of the Lion-Phillip S-REIT ETF can be applied through the Participating Dealers during the Initial Offer Period or purchase or sell through the SGX-ST once the Units are listed

**Singapore, 2 October 2017** - One of the largest asset management companies in Southeast Asia, **Lion Global Investors Limited** ("Lion Global Investors"), and home-grown Asian fund management company, **Phillip Capital Management (S) Ltd.** ("Phillip Capital Management"), jointly announced today the launch of Singapore's first exchange-traded fund ("ETF") fully dedicated to Singapore Real Estate Investment Trusts ("Singapore REITs") – the **Lion-Phillip S-REIT ETF** (the "Fund") – that will be listed on the Singapore Exchange.

Singapore has grown into a regional hub for Real Estate Investment Trusts ("REITs") in Asia since the launch of the first Singapore REIT in 2002 on the back of favourable and conducive tax, regulatory and pro-business environment in Singapore<sup>2</sup>. Today, the island-state is also the second-largest REIT market in Asia, offering higher yield than most equities, according to Bloomberg. All these contributed to the impetus for Lion Global Investors and Phillip Capital Management to launch the new Lion-Phillip S-REIT ETF.

The Fund aims to provide investors with low-cost access to high-quality S-REITs that offer a sustainable stream of income and potential capital growth. Through the ETF, investors could also benefit from portfolio diversification as it invests in 23<sup>3</sup> S-REITs that own a wide array of real estate assets in Singapore and globally. Furthermore, REITs have exhibited lower correlation to other asset classes, thereby making it a good risk diversifier for most portfolios.

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

<sup>2</sup> S'pore Still Seen As Major Asia Reit Hub <http://www.businesstimes.com.sg/real-estate/spore-still-seen-as-major-asia-reit-hub>

<sup>3</sup> As at 31 August 2017. The number of S-REITs that constitutes the Index may be changed by Morningstar Research Pte Ltd from time to time.

The Lion-Phillip S-REIT ETF will replicate as closely as possible, before expenses, the performance of the Morningstar® Singapore REIT Yield Focus Index<sup>SM</sup> (the “Index”), using a direct investment approach that invests in all, or substantially all, of the underlying securities constituting the Index. Designed to screen for high-yielding S-REITs, the Index uses a proprietary three-factor rules-based investment methodology that emphasises business quality, financial health and dividend yield. It caps the maximum weighting of any Index Security at 10% at each Rebalancing Reference Date<sup>4</sup>.

The Fund intends to declare dividends<sup>5</sup> every February and August and will conduct rebalancing semi-annually in June and December.

On the launch of the Lion-Phillip S-REIT ETF, **Gerard Lee, Chief Executive Officer at Lion Global Investors**, opined, “There is a compelling investment story for Singapore REITs, which have thrived on the back of government support and a robust regulatory framework. Investors who are looking to ride on the potential of Singapore REITs to seek a sustainable income stream and potential capital growth should consider the Lion-Phillip S-REIT ETF. It provides low-cost access to 23 high-quality S-REITs screened by Morningstar using a strategic-beta investment process. We are happy to be collaborating with Phillip Capital Management and Morningstar to offer this new ETF to the investors.”

**Mr. Jeffrey Lee, Managing Director and Chief Investment Officer at Phillip Capital Management**, commented, “Phillip Capital Management is focused on bringing innovative products to investors. Singapore REITs have been one of the success stories of the region. We believe the new ETF will appeal to investors who wish to participate in the growth story of Singapore REITs through a diversified portfolio of quality Singapore REITs in a low cost and fuss-free manner. We have been strong advocates of Singapore REITs since 2002, and our investments in this sector have served our government pension, global institutional, and retail clients well. We are honoured to work with Lion Global Investors, and this collaboration marks a new era for two local fund management firms to introduce innovative products to serve better the investment needs of our clients.”

Lion Global Investors and Phillip Capital Management are the Manager and Sub-Manager of the Fund, respectively.

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<sup>4</sup> “Rebalancing Reference Dates” means the third Friday of June and December of each year. The rebalanced Index will be effective the following Monday. If the following Monday is a public holiday, the results will be implemented on the next Business Day. The Index Provider may determine such other dates for rebalancing and implementation (with prior written notice to the Manager).

<sup>5</sup> Distribution payments shall, at the sole discretion of the Manager, be made out of either (a) income; or (b) net capital gains; or (c) capital of the fund or a combination of (a) and/or (b) and/or (c). The declaration and/or payment of distributions (whether out of income and/or capital) may have the effect of lowering the net asset value of the fund.

### **Offer Details**

The Lion-Phillip S-REIT ETF (“Fund”) has applied to the Singapore Exchange Securities Trading Limited (“SGX-ST”) for permission to list and deal in units of the Fund. Units in the Fund are neither listed nor dealt on any other stock exchange and no application for such listing or permission to deal is being sought.

The Initial Offer Period will open at 9.00 a.m. on 2<sup>nd</sup> October 2017 and close at 11:00 a.m. on 20<sup>th</sup> October 2017. The Issue Price of each Unit during the Initial Offer Period is S\$1.000.

During the Initial Offer Period, investors may only purchase units through the Participating Dealers in application unit size of 50,000 units or such higher number of units in multiples of 1,000 units. All purchases or sales of units through the Participating Dealers are subject to such terms and conditions as may be imposed by the relevant Participating Dealer. A lower minimum amount may be set by the Participating Dealers for retail investors. The Participating Dealers currently include Phillip Securities Pte Ltd, DBS Vickers Securities (Singapore) Pte Ltd, Commerzbank AG and UOB Kay Hian Pte Ltd. Investors may contact the participating dealers for more information.

After the Initial Offer Period, investors may purchase or sell Units either through the Participating Dealers or through the SGX-ST at a minimum trading board lot size of 100 units, during the trading day through a broker or any Trading Member of the SGX-ST, as one would in the case of a share listed on the SGX-ST, at any time after dealings in the units commence and for so long as the units are listed on the SGX-ST. The trading price of units may differ from the Net Asset Value per unit and there can be no assurance that a liquid secondary market will exist for the units of the Fund.

Retail investors cannot create or redeem units directly in the Fund. However, retail investors may purchase or sell units either through the Participating Dealers or through the SGX-ST, in Singapore Dollars only.

**– End of Press Release –**

### **About Lion Global Investors Ltd**

Lion Global Investors Limited, a member of the Oversea-Chinese Banking Corporation Limited (OCBC) Group, is one of the largest asset management companies in Southeast Asia. Established since 1986, it is uniquely positioned to provide Asian equities and fixed income strategies and funds to both institutional and retail investors.

### **About Phillip Capital Management (S) Ltd**

Phillip Capital Management (S) Ltd is a home-grown Asian fund management company incorporated in 1999. It manages strategies in equities, fixed income, money market and private equity. It has affiliated offices in Malaysia, Thailand, Indonesia, Hong Kong, Australia and the UK. Phillip Capital Management (S) Ltd is a member of PhillipCapital.

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income and/or capital, are not guaranteed and subject to LGI'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. Any information (which includes opinions and estimates) is subject to change or correction at any time without notice and is not to be relied on as advice. You are advised to conduct your own independent assessment and investigation of the relevance, accuracy, adequacy and reliability of any information contained herein and no warranty is given and no liability is accepted for any loss arising directly or indirectly as a result of you acting on such information. The ETF may, where permitted by the prospectus, invest in financial derivative instruments for hedging purposes or for the purpose of efficient portfolio management. The managers of the ETF, their related companies, their directors and/or employees may hold units of a fund and be engaged in purchasing or selling units of a fund for themselves or their clients.

The units of the ETF are listed and traded on the Singapore Stock 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 managers of the ETF, but you may, subject to specific conditions, do so on the SGX or through the PDs.

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 LGI. The ETF is not sponsored, endorsed, sold or promoted by Morningstar, and Morningstar makes no representation regarding the advisability of investing in the ETF.

Lion Global Investors® Limited is a Singapore incorporated company, and is not related to any asset or fund management entity that is domiciled in Europe or the United States.

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