

LION-OCBC SECURITIES
HANG SENG TECH ETF

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Quarterly Newsletter

Q3 2024

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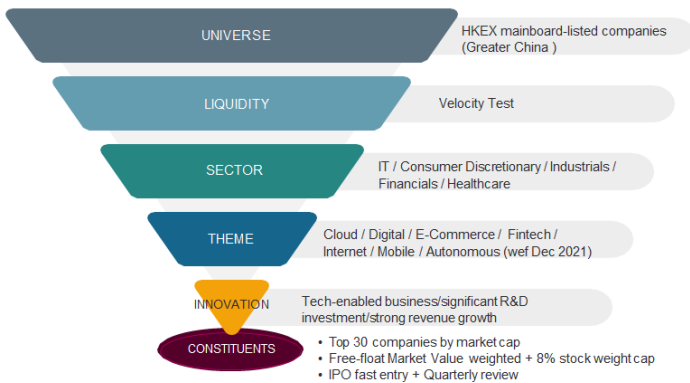
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INTRODUCTION

The Lion-OCBC Securities Hang Seng TECH ETF was launched in the Singapore stock market on 10 December 2020. Since listing, the ETF has grown rapidly to an AUM (assets under management) of S\$368.5 million as of 30 September 2024. Based on SGX ETF market highlights Q4 2023, this ETF achieved **top returns among China equities ETFs on SGX in 2023**.

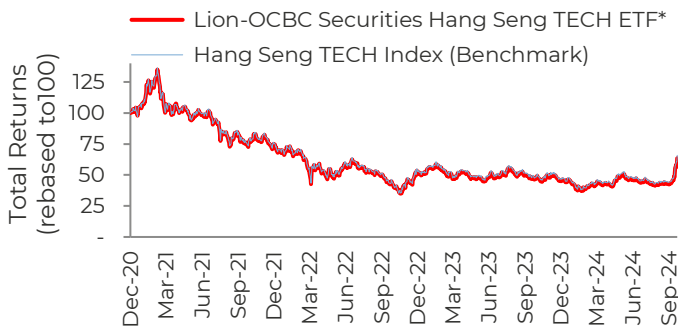
INDEX CONSTRUCTION METHODOLOGY²



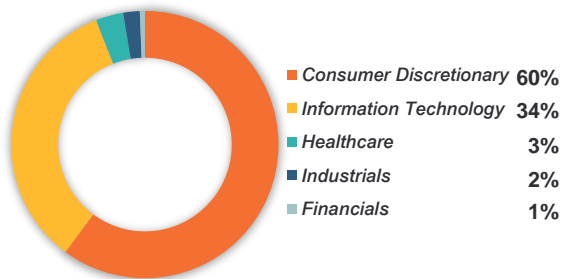
KEY FACTS

- 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)
- Trading Currencies: SGD and USD
- Total AUM: SGD 394.8 million as of 30 September 2024
- Management Fee: 0.45% p.a.
- SGX tickers: HST (SGD), HSS (USD)

LION-OCBC SECURITIES HANG SENG TECH ETF PERFORMANCE³



SECTOR BREAKDOWN



Source: Lion Global Investors, 30 September 2024

| As of 30 September 2024 | 2024 YTD return | Annualized % return since Fund's inception* |
|---|-----------------|---|
| Lion-OCBC Securities Hang Seng TECH ETF | 26.9% | -13.1% |
| Benchmark Index | 27.4% | -12.5% |

*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 30 September 2024

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

Q3 2024 REVIEW



CHINA TECH: LONG-AWAITED RALLY ARRIVES

Q3 2024 ended positively with a large slew of positive policy announcements to support the country. In a turn of events, China held a Politburo meeting in September 2024 to discuss the economy – the first ever during Xi’s presidency which highlighted the importance of unrolling countercyclical policies. Expectations were surpassed by much stronger and larger policies.

Here is a quick overview of the stimulus package so far:

- **Monetary:** The Reserve Requirement Ratio (RRR) will be cut by 0.5% with policymakers reviewing data in December 2024 that could lead to a further 0.25%-0.5% cut in RRR. In addition, the 7-day reverse repo rate will be reduced by 20 basis points from 1.7% to 1.5%
- **Property:** The housing mortgage rate will be reduced from around 3.45% at the end of June to 3% by end-2024 post policymakers’ calls for an average of 0.5% reduction. Furthermore, the downpayment ratio for 1st and 2nd time homebuyers will be reduced to 15% across the country.
- **Markets:** Two initiatives – a swap facility and stock buyback facility will have a combined quota of RMB 800 billion as the People’s Bank of China’s (PBOC) direct support for the stock market.

“ We should increase the intensity of countercyclical adjustment of fiscal and monetary policies, ensure necessary fiscal expenditures, and do a good job in the “three guarantees” at the grassroots level. ”

- China Politburo

In addition, Reuters reported on 27 September 2024 that the Ministry of Finance is planning to release RMB 2 trillion of stimulus divided equally between improving consumption and helping local governments tackle debt issues.

All these have combined to drive a buoyant quarter for the Chinese tech, sector with many of the ETF’s constituents surging in September, especially for companies exposed to consumer consumption: Between 16 and 30 September 2024, JD, Meituan and Alibaba surged 52%, 40% and 33% respectively. We believe the rollout of more countercyclical policy support will help further drive this long-awaited rally.

Sources: China Politburo as of September 2024, Reuters as of September 2024

Securities referenced are not intended as recommendations to buy to buy or sell. Opinions and estimates constitute our judgment and along with portfolio data, are subject to change without notice.

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