

LION-OCBC SECURITIES

SINGAPORE LOW CARBON ETF

Singapore's Top Green Leaders.
All in One ETF

Quarterly Newsletter
Q1 2025



Best performing
Singapore
equities ETF on
SGX
(2023)*

2nd best
performing
Singapore equities
ETF on SGX
(2024)#

Top dividend
paying Singapore
equities ETF on
SGX
(2024)#

Top performing
sustainability
linked ETF on
SGX
(2024)#

Source: *SGX ETF market highlights 4Q2023, as of January 2024. #ETF Market Highlights 2024, as of Dec 2024. Past performance is not necessarily indicative of future performance.

INTRODUCTION

- The Lion-OCBC Securities Singapore Low Carbon ETF was listed on the Singapore stock market on 28 April 2022.
- This ETF is Singapore's first low carbon ETF and pays semi-annual distributions¹.
- Based on SGX ETF market highlights for [Q4 2023](#) and [Q4 2024](#), this ETF achieved the **highest returns among Singapore equities ETFs on SGX in 2023** and the **second-highest returns among Singapore equities ETFs on SGX in 2024**. Additionally, the ETF was the **top dividend-paying Singapore equities ETF** and the **top-performing sustainability-linked ETF in 2024**.[#]
- The ETF is passively managed to fully replicate the iEdge-OCBC Singapore Low Carbon Select 40 Capped Index.[^]

KEY FACTS

- Trading currencies: SGD and USD
- Total Assets Under Management (AUM): SGD 71.6 million as of 31 March 2025
- Management fee: 0.40% p.a.
- SGX tickers: ESG (SGD), ESU (USD)
- On 24 September 2024, we announced a special distribution of S\$0.03 per unit (with payment on 14 October 2024) to help investors lock in capital gains. This is on top of the semi-annual distributions¹.

KEY FEATURES



40 Largest Singapore Companies
by
Free-Float Market Capitalisation²

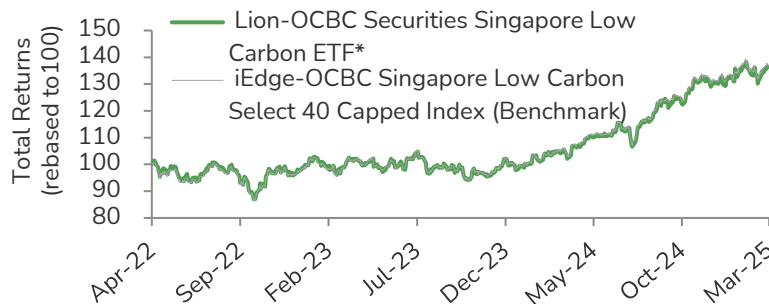


Capped at 8% if market capitalization <USD
200 billion & 10% if
market capitalization ≥USD 200 billion
during rebalancing³



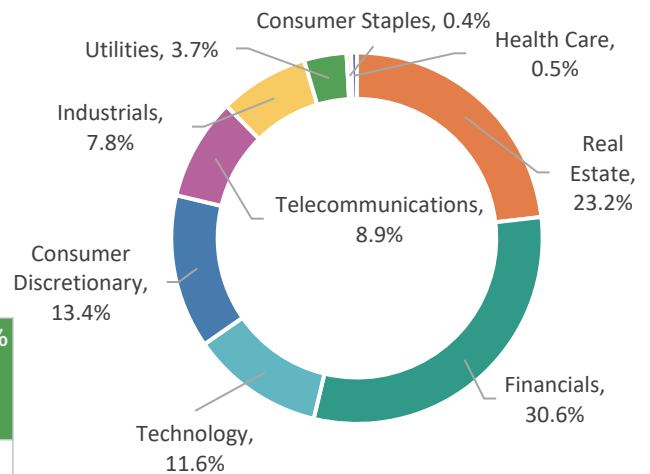
Rebalanced semi-annually (every
March and September)

Lion-OCBC Securities Singapore Low Carbon ETF Performance⁴



From Bloomberg as of 31 March 2025	2025 YTD return	2024 return	Annualized % return since Fund's inception*
Lion-OCBC Securities Singapore Low Carbon ETF	4.6%	27.8%	11.2%
Benchmark Index	4.4%	28.3%	11.3%

Sector Breakdown



Source: Lion Global Investors, 31 March 2025

[#]Past performance is not necessarily indicative of future performance.

[^]The Lion-OCBC Securities Singapore Low Carbon ETF tracks the iEdge-OCBC Singapore Low Carbon Select 40 Capped Index after 21 March 2025.

^{*}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 Singapore Low Carbon ETF was listed on 28 April 2022. 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.

¹Semi-annual distributions are paid at the discretion of the Fund Manager. Distributions are not guaranteed and may fluctuate. Past distributions are not necessarily indicative of future payments. Distribution payouts and its frequency might be changed at the Manager's discretion and can be made out of income, capital or both. Any payment of distributions by the fund may result in an immediate reduction of the net asset value per share/unit. Please refer to LGI website for more information on the income disclosures..

² Based on the underlying Index Securities of the iEdge-OCBC Singapore Low Carbon Select 40 Capped Index.

³ Weightage of individual stocks within the index will be reviewed and rebalanced semi-annually by the index provider (Singapore Exchange Limited). The weights of each Index Security might fluctuate above 8% and 10% respectively due to market movements in between the rebalancing period.

⁴ Source: Bloomberg, Lion Global Investors, Singapore Exchange Limited, 31 March 2025

Lion Global Investors

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WHY INVEST IN SINGAPORE NOW?

The Federal Reserve left its federal funds rate at 4.25-4.50% as widely expected, but dovish changes to its statement, forecasts, and Chairman Jerome Powell's remarks reflected the risks of further US tariff rises. US equities have mostly struggled to regain momentum this year amid slowing economic growth, policy uncertainties, and the prospect of fewer Federal Reserve rate cuts. However, Powell's comments that the impact of tariffs on inflation was likely transitory soothed market concerns. He said that the alarming spike in long-term inflation expectations measured by the University of Michigan was an outlier. While Powell acknowledged the downshift in consumer sentiment, he reiterated that the "economy seems to be healthy." The Fed continues to forecast two 25 basis points rate cuts in 2025.

The Singapore market is a leading performer amongst Asian markets this year, and we expect this to continue in the next 2-3 years. The ability of Singapore-listed companies to increase dividends above pre-pandemic levels places the Singapore equity market in a stronger position amidst global uncertainty, especially in light of the Fed rate cuts. The Singapore market's growth can be underpinned by improving fund flows into the banking system, the deepening of technology into industrial applications, and relative performance as a safe haven within Asia.

In particular, we expect geopolitical tension and protectionism to be a characteristic of this decade, accelerating the need for energy and supply chain security. This would require higher levels of global capital expenditure. Industrial companies in Singapore, such as those in the aviation, marine, and utilities sectors, are well-positioned in the global supply chain to meet the demands of this increase in global capital expenditure, while Singapore's safe haven status can bear greater meaning amidst geopolitical uncertainty.

Figure 1: Valuation forecast

Market	12-month Forward P/E ratio		
	Current	10-year average	Premium
US	20.2	18.4	10%
Singapore	11.7	12.4	-6%
China	11.5	11.5	0%
Japan	13.2	13.9	-5%

Source: Thomson Reuters, as of March 2025. The respective benchmark indices are S&P 500 (US), Straits Times Index (Singapore), MSCI China Index (China), and TOPIX (Japan).

Note: P/E – Price to Earnings

All data are sourced from Lion Global Investors, The Federal Reserve, and Bloomberg as of 31 March 2025 unless otherwise stated

Greater volatility is expected to unfold in the coming months. Against the volatile macro backdrop, investors should stay defensive and diversified, while taking into consideration their risk appetite and time horizon.

The Lion-OCBC Securities Singapore Low Carbon ETF provides easy access to 40 leading Singapore companies with lower carbon footprint. It is suitable for investors who wish to stay defensive and diversified, while also supporting a lower carbon Singapore economy.

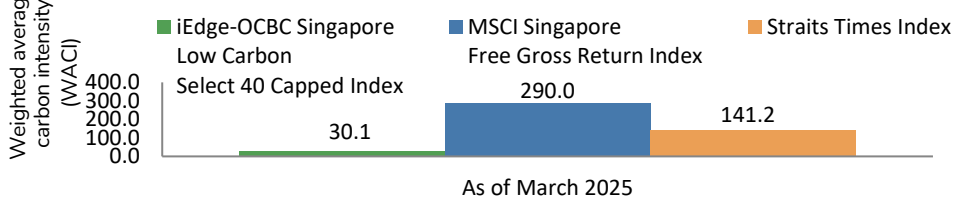
HOW DOES THIS ETF COMPARE WITH OTHER SINGAPORE-FOCUSED ETFs?

The Lion-OCBC Securities Singapore Low Carbon ETF tracks the iEdge-OCBC Singapore Low Carbon Select 40 Capped Index ("the Index"), which aims to track performance of the top 40 companies (including REITs and Business Trusts) by Free-Float Market Capitalization, with a focus on index decarbonisation (as measured by the reduction of Weighted Average Carbon Intensity (WACI) of the Index) through the selection of companies with no involvement in fossil fuels, and through the implementation of a Carbon Performance Exclusion Criteria that ensures best-in-class selections based on Scope 1 and 2 GHG emissions per unit revenue. As shown in Figure 2, the Index has a much lower Weighted Average Carbon Intensity (WACI) compared with other Singapore benchmarks.

Between 28 April 2022 (ETF's listing date) and 31 March 2025, the Lion-OCBC Securities Singapore Low Carbon ETF cumulatively outperformed⁵ other Singapore-focused ETFs (Figure 3) such as the SPDR Straits Times Index ETF, Nikko AM Singapore STI ETF and the Xtrackers MSCI Singapore UCITS ETF.

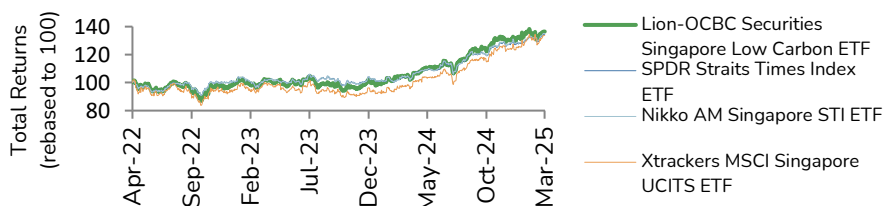
Based on [SGX ETF market highlights Q4 2024](#), this **ETF was the top dividend-paying Singapore equities ETF and the top-performing sustainability-linked ETF in 2024**. Between 1 January 2023 and 31 March 2025, the ETF's inclusion of US-listed constituents such as Sea Ltd helped boost its performance compared to Singapore-focused ETFs such as the SPDR STI ETF and Nikko AM Singapore STI ETF (Figure 4). Through diversification across sectors and countries of listing, the Lion-OCBC Securities Singapore Low Carbon ETF offers investors comparable performance but with a much lower carbon footprint. Invest in the Lion-OCBC Securities Singapore Low Carbon ETF – Singapore's Top Green Leaders. All in One ETF.

Figure 2: WACI comparisons among Singapore benchmarks⁶



Similarity	The mentioned ETFs provide broad-based exposure to the Singapore market
Difference	The Lion-OCBC Securities Singapore Low Carbon ETF has a stronger tilt towards low carbon

Figure 3: Performance relative to other Singapore-focused ETFs⁷



From Bloomberg as of 31 March 2025	2024 return	YTD 2025 return	Annualized % return since Fund's inception*
Lion-OCBC Securities Singapore Low Carbon ETF	27.8%	4.6%	11.2%
SPDR Straits Times Index ETF	22.1%	5.9%	10.7%
Nikko AM STI ETF	23.0%	5.2%	10.8%
Xtrackers MSCI Singapore UCITS ETF	29.3%	7.4%	10.4%

Figure 4: Performance of the ETF's top holdings⁸

Holdings	In the Straits Times Index?	Country of listing	% weight in ETF portfolio	2024 return	YTD 2025 return
Trip.com Group Ltd	No	Hong Kong	9.0%	102.7%	-9.7%
Sea Ltd	No	US	7.9%	171.5%	20.9%
DBS Group Holdings Ltd	Yes	Singapore	7.9%	52.6%	6.3%
Singapore Telecommunications Ltd	Yes	Singapore	7.8%	31.7%	11.4%
Oversea-Chinese Banking Corp Ltd	Yes	Singapore	7.8%	36.5%	3.7%
United Overseas Bank Ltd	Yes	Singapore	7.7%	35.2%	4.8%

⁵ Source: Bloomberg, as of 31 March 2025.

⁶ Source: SGX Index Edge, as of 31 March 2025.

⁷ Source: Bloomberg, as of 31 March 2025. Securities referenced are not intended as recommendations to buy or sell securities.

* 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 Singapore Low Carbon ETF was listed on 28 April 2022. 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. Each ETF currently adopts a direct replication strategy in tracking their respective indices. The SPDR Straits Times Index ETF and Nikko AM Singapore STI ETF track the Straits Times Index while the Xtrackers MSCI Singapore UCITS ETF tracks the MSCI Singapore Investable Market Total Return Net Index.

⁸ Source: Bloomberg, as of 31 March 2025. Securities referenced are not intended as recommendations to buy or sell securities. Opinions and estimates constitute our judgment and along with other portfolio data, are subject to change without notice.

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Singapore Exchange Limited

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