

LION-OCBC SECURITIES
HANG SENG TECH ETF

The future of technology
Seize the opportunity.



Quarterly Newsletter

Q2 2024

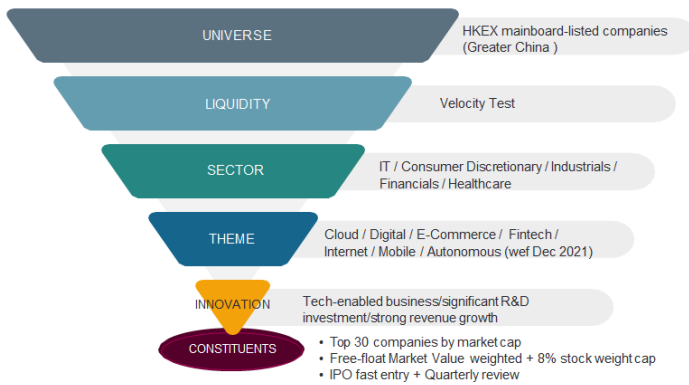




INTRODUCTION

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\$315 million as of 30 June 2024. Based on SGX ETF market highlights Q4 2023, this ETF achieved **top returns among China equities ETFs on SGX in 2023**.

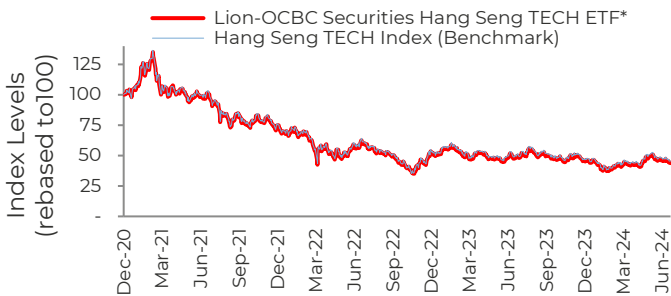
INDEX CONSTRUCTION METHODOLOGY²



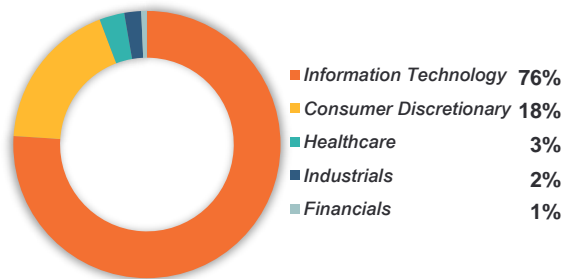
KEY FACTS

- 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 315 million as of 30 June 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 June 2024

As of 30 June 2024	2024 YTD return	Annualized % return since Fund's inception*
Lion-OCBC Securities Hang Seng TECH ETF	-5.2%	-20.7%
Benchmark Index	-5.0%	-20.2%

*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 June 2024

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

Q2 2024 REVIEW



Photo Credit: iStock

CHINA TECH: CONTINUED PROGRESS

Q2 2024 saw continued progress for Chinese technology companies with positives coming from improved shareholder remuneration, a continued benign regulatory environment, and recovering domestic demand.

The Chinese e-commerce 618 shopping festival ended with sales and Gross Merchandise Volume (GMV) outcomes in-line with expectations. E-commerce platforms have been pivoting towards an everyday low pricing model.

According to data from Analysys¹, major e-commerce players including Alibaba, JD.com and Kuaishou reported a 13.6% year-over-year increase in GMV. Alibaba has particularly witnessed a 65% growth in its 88 VIP membership compared to the previous year, while JD.com has seen 83 brands surpass the RMB 1 billion GMV threshold, highlighting continued growth within the sector.

Chinese technology firms are improving shareholder returns, with Meituan being the latest to announce a new share buyback policy. Meituan announced a USD 2 billion buyback policy, which is supported by its USD 4 billion cash reserves. This announcement follows Meituan's successful completion of a USD 1 billion share buyback program announced in end November 2023.²

“ We must step up innovation in order to occupy the commanding heights of the tech competition for future development. ”

- *Xi Jinping, President of China²*

Domestic game approvals: The regulatory landscape for domestic game approvals in China continues to show signs of a more accommodating environment. The National Press and Publication Administration (NPPA) granted monetization approvals for 104 games (Banhao) in the latest round, concluding H1 2024 with 697 new game approvals, marking a 22% increase year-over-year (yoy)¹. Among the ETF's constituents, Tencent received the Banhao for their simulation game Roco Kingdom World (洛克王国：世界). Additionally, Netease's Epic of Tia (泰亚史诗), a medieval warfare themed MMORPG, has received regulatory approval for a new mobile version, signaling a positive development for the gaming industry and its stakeholders.

(1) SCMP, 23 June 2024

(2) SCMP, 25 June 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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