

LION-OCBC SECURITIES  
HANG SENG TECH ETF

# The future of technology

Seize the opportunity.



## Quarterly Newsletter

Q4 2023

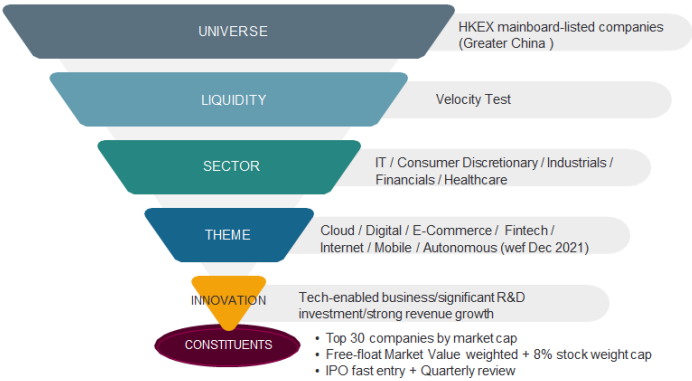
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INTRODUCTION

The Lion-OCBC Securities Hang Seng TECH ETF was launched in the Singapore stock market on 10 December 2020. Since listing, the ETF has crossed many milestones. The size of the ETF has grown rapidly to an AUM (assets under management) of S\$314 million as of 31 December 2023.

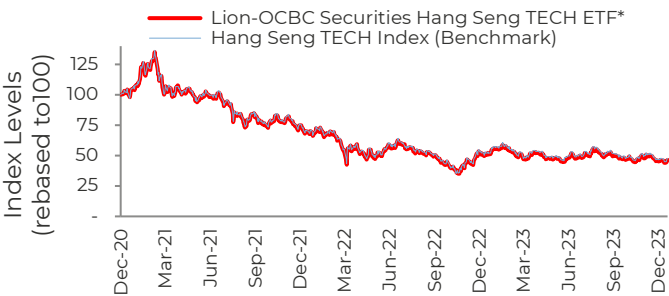
INDEX CONSTRUCTION METHODOLOGY<sup>2</sup>



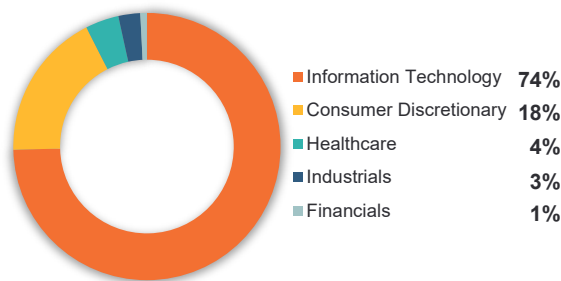
KEY FACTS

- 30 largest TECH-themed companies listed on HKEX<sup>1</sup>
- 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 314 million as of 31 December 2023
- Management Fee: 0.45% p.a.
- SGX tickers: HST (SGD), HSS (USD)

LION-OCBC SECURITIES HANG SENG TECH ETF PERFORMANCE<sup>3</sup>



SECTOR BREAKDOWN



Source: Lion Global Investors, 31 December 2023

As of 31 December 2023	2023 return	Annualized % return since Fund's inception*
Lion-OCBC Securities Hang Seng TECH ETF	-8.9%	-22.3%
Benchmark Index	-8.3%	-21.7%

\*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.

<sup>1</sup> Refers to the underlying Index Securities of the Hang Seng TECH Index  
<sup>2,3</sup> Source: Bloomberg, Lion Global Investors, Hang Seng Indexes Company, as at 31 December 2023  
For explanation of additional technical terms, please visit [www.lionglobalinvestors.com](http://www.lionglobalinvestors.com)

# Q4 2023 REVIEW



## CHINA TECH: INTERNATIONALIZATION AND HIGH- QUALITY DEVELOPMENT

Chinese tech firms are increasingly internationalizing their operations. Having thrived amidst tough competition and established a strong base in their native market, companies like BYD and Alibaba are increasingly looking to expand into the US, Europe and Southeast Asia.

BYD has ramped up its overseas operations, with international sales exceeding 242,000 new energy vehicles<sup>1</sup> in 2023 and it plans to ramp up its European presence with a new production facility in Hungary. This breakneck momentum continued through the last month of December, where BYD sold 36,095 vehicles overseas a 3x multiple from a year ago.

In the ecommerce space, Alibaba has expended effort in repivoting AliExpress towards Choice, a similar product and experience as PDD's Temu. Since launching in February 2023, AliExpress Choice has seen strong success in Korea where gross merchandise value grew +88% YoY in Q3 2023 and likely accelerated to +163% YoY in Q4 2023 according to WiseApp data<sup>2</sup>.

***“We will deepen reform and opening up across the board, further enhance people's confidence in development, promote vibrant development of the economy, and redouble efforts to boost education, advance science and technology and cultivate talents.”***

- *Xi Jinping, President of China*<sup>3</sup>

The Chinese government continues to make high-quality development a priority, with Xi Jinping emphasizing in his new year's speech that they will redouble efforts to boost technology. The government has also issued new guidelines to improve the way in which Chinese party officials interact with entrepreneurs and the private sector in order to improve confidence. Recent events indicate that the government is serious:

When regulators surprised the market in December 2023 with new caps on online gaming spend, the government quickly softened its tone with the National Press and Publication Administration approving 105 games and pledging to consider market feedback carefully. The resignation of top regulatory official Feng Shixin<sup>4</sup> further highlights that the Chinese government has increased its sensitivity to the needs of private investors.

(1) CNBC, January 2024

(2) WiseApp, December 2023

(3) Ministry of Foreign Affairs, December 2023

(4) Bloomberg, 2024

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