

LION-OCBC SECURITIES
HANG SENG TECH ETF

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Quarterly Newsletter

Q4 2024

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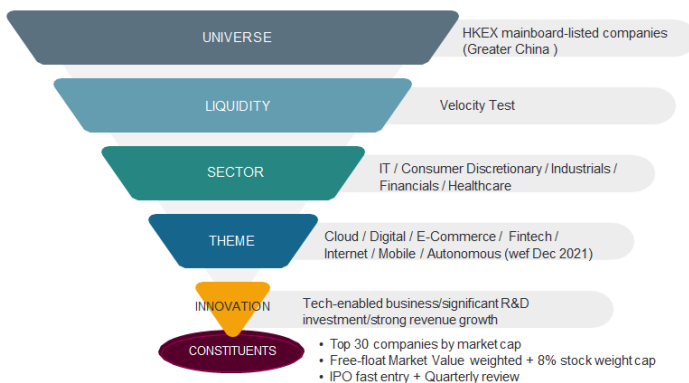
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INTRODUCTION

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\$381.4 million as of 31 December 2024. Based on [SGX's ETF market highlights Q4 2024](#), this ETF is the 2nd best performing China equities ETF on SGX in 2024.

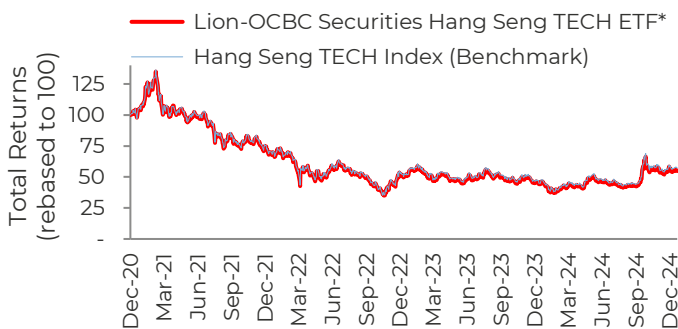
INDEX CONSTRUCTION METHODOLOGY²



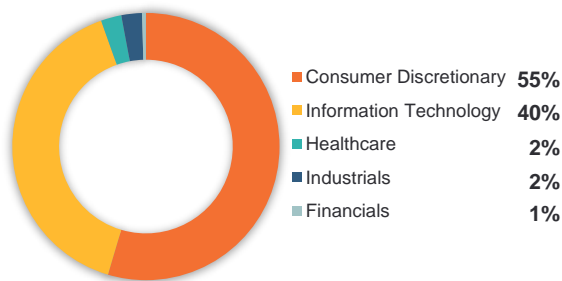
KEY FACTS

- 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 381.4 million as of 31 December 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, 31 December 2024

As of 31 December 2024	2024 YTD return	Annualized % return since Fund's inception*
Lion-OCBC Securities Hang Seng TECH ETF	19.2%	-13.7%
Benchmark Index	19.9%	-13.1%

*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 31 December 2024

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

Q4 2024 REVIEW



Photo Credit: iStock

THE YEAR OF CHINA AI

Q4 2024 saw significant improvements in the China generative AI space. Beijing has made AI a priority and has attempted to encourage private and public investments in the space.

According to Ray Wang, an independent analyst based in Washington who specializes in US-China tech and economic relations, China possesses a strong talent pool in science, technology, engineering, and mathematics, key factors which have fostered the growth of both AI start-ups and large tech companies, enabling them to progress in AI development.¹

We are beginning to see this play out. OpenAI's release of SORA in early 2024 was a defining moment which galvanized China's tech sector into action like a "barrel of cold water poured over China's head", according to Zhou Hongyi, the founder of Chinese internet firm 360 Security Technology.

With rapid execution, Kuaishou released their own text to video model KLING just 4 months later in June. As of October 2024, the model has 3.6 million users generating a total of 37 million videos.² Kuaishou also rolled out significant upgrades in December including the KLING 1.6 model which features improvements in text responsiveness, visual aesthetics, and motion coherence for a total 195% effect improvement over the 1.5 model.³

“ Generative AI, powered by foundational models, is being rapidly deployed across various industries and scenarios... the penetration ratio of AI is not low and we'll keep seeing exponential growth in 2025. ”

- Robin Li, Baidu's Founder⁴

Not to be outdone, Alibaba's Qwen team also launched its QWQ open-source visual reasoning model in December 2024. The team believes this model is "closing the gap" with OpenAI's o1 reasoning model. Alibaba's open-source models are accessible to the global AI community via platforms like Hugging Face and are gaining significant traction. Qwen, in particular, has become the most popular model, accounting for more than a quarter of total downloads.¹

(1) South China Morning Post, December 2024

(2) Pandaily, October 2024

(3) Pandaily, December 2024

(4) South China Morning Post, December 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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