

Why S-REITs: Protection against Inflation

Competitive Risk-adjusted Return

- The real estate investment trusts in Singapore (S-REITs) can provide real estate exposure in a liquid way in a portfolio to improve the risk-adjusted return.
- Over the last 10 years, S-REITs have averaged an annualized total return of **10.7%** and **90-day volatility of 10.5%**, which is competitive among major equity indexes.²

Stable Dividend Yield

- As of 30 September 2021, S-REITs offer **annual dividend yield of 5.1%**, with **yield spread of 350 bps** versus Singapore 10-year benchmark government bond yield.³
- The high and stable dividend income of S-REITs is **guaranteed by Singapore's regulation**, as **IRAS request at least 90% of taxable income should be paid out**.⁴

Good Hedge against Inflation

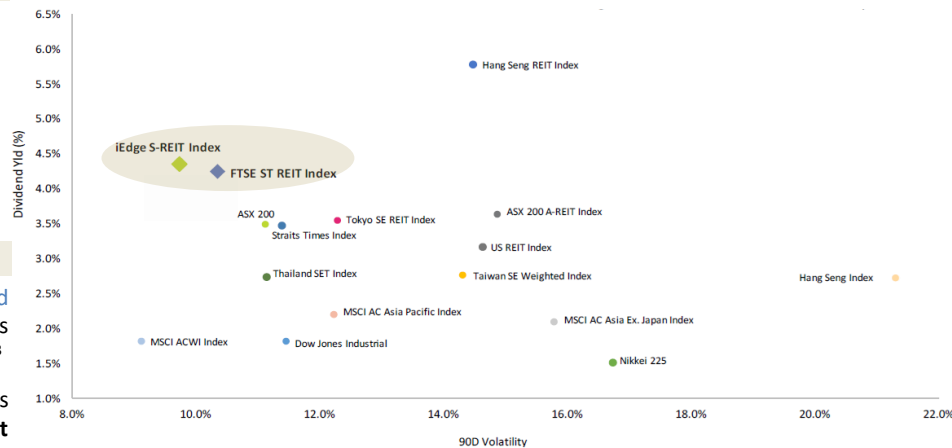
Inflation is expected to rise with the economic recovery and expanding, and **S-REITs can act as a good hedge against inflation risk:**

- Rent is a composition of consumer price index (CPI).
- Dividend yield is expected to rise in next two years, much higher than Singapore inflation rate.

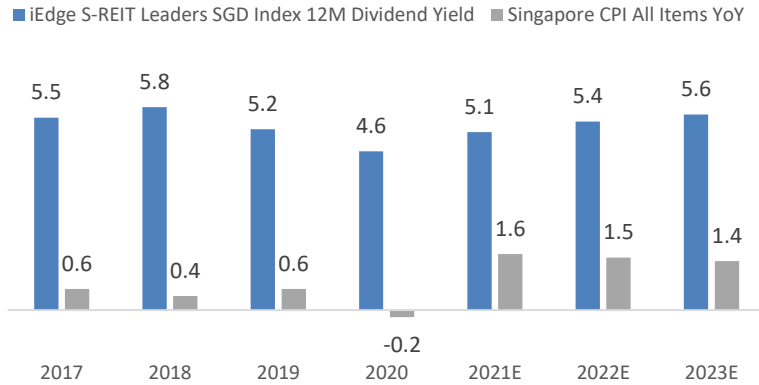
Growing Market

- With market capitalization growing at a CAGR of **11%**⁶ in the last 10 years, the S-REIT market is now **one of the largest REITs market in Asia**.

Competitive Dividend Yield & Volatility among Global Major REITs and Equity Indexes¹



Annual Dividend Yield of REITs vs. Singapore CPI YoY⁵



¹Source: SGX, Bloomberg, As of 30 September 2021

²Source: Bloomberg, 2011/10/14-2021/10/15

³Source: SGX, Bloomberg, As of 30 September 2021. Use iEdge S-REIT Leaders Index to calculate dividend yield here.

⁴Source: Inland Revenue Authority of Singapore (IRAS) "Income Tax Treatment of Real Estate Investment Trusts and Approved Sub-Trusts (Seventh Edition)"

⁵Source: Bloomberg, IMF, SGX, JLP. The historical numbers are calculated by JLP. The number 2021E-2023E are estimate from Bloomberg

⁶Source: Bloomberg, SGX, as of end of 2020

Why ETF of S-REITs: Easy Access to the Real Estate Market

Diversification Advantage

- S-REITs might exhibit higher return divergence and volatilities.
- A S-REIT ETF investing a basket of REITs securities has revenue exposure from various industries and regions, to further diversify the risk of single REIT security.

Improved Liquidity

- The Index is the most liquid representation of the S-REIT Market in Singapore.
 - It needs only 1-2 days to liquidate the most thinly traded S-REITs in iEdge S-REIT Leaders Index.
 - A **liquidity enhancement** is performed in the index.
 - S-REIT ETF can provide **narrower bid-ask spread than a single REIT security**.

Low Investment Threshold

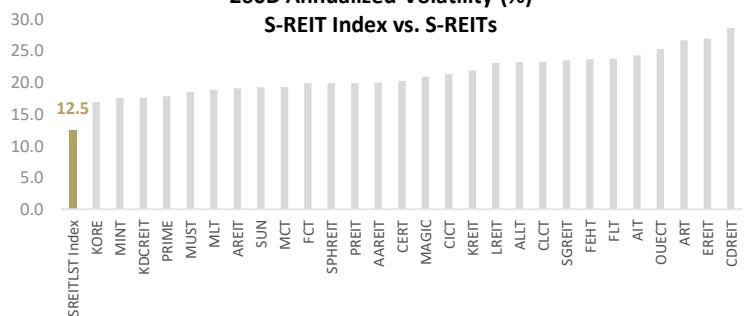
- The initial investment amount starts from about SGD\$ 1,000, much lower than buying all the underlying S-REITs in the Index.

	Invest 1 Lot of S-REIT ETF		Invest 1 Lot of All Underlying REITs
Cost	SGD 1,000*	<	SGD 4,220

Source: Bloomberg, SGX, on 30 September 2021

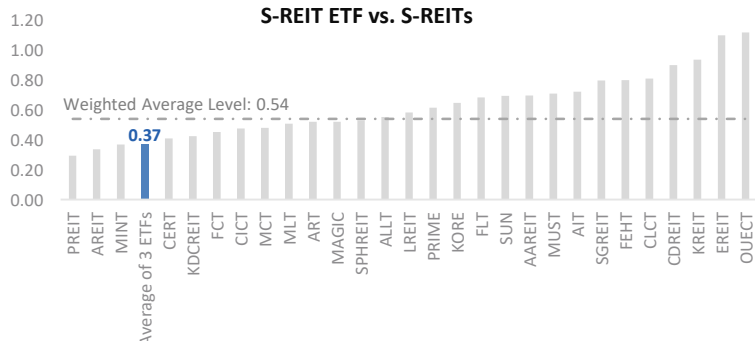
* This is an estimated number for reference only and subject to change.

260D Annualized Volatility (%) S-REIT Index vs. S-REITs



Source: Bloomberg, CSOP, as of 13 October 2021

Average Bid Ask Spread(%) S-REIT ETF vs. S-REITs



Source: Bloomberg, CSOP, as of 13 October 2021

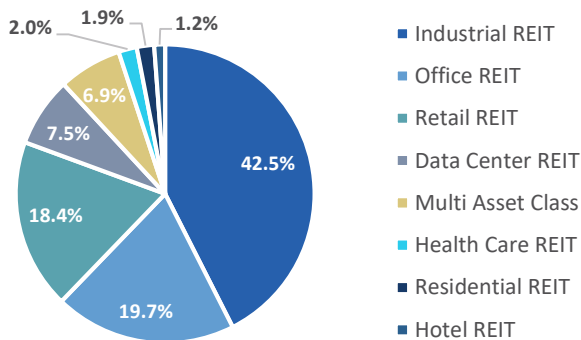
3 ETFs refer to the three existing REIT ETF in Singapore market.

Product Information	
Fund Manager	CSOP Asset Management Pte. Ltd.
Investment Objective	To replicate as closely as possible, before expenses, the performance of the Index using a direct investment policy of investing in all, or substantially all, of the underlying Index securities.
Short Name	CSOP IEDGE SRETF
Investment Strategy	Replication Strategy
Exchange Listing	SGX-ST – Main Board
SGX Counter Name/Code	Primary Currency: CSOP IEDGE SRL ETF S\$ /SRT Secondary Currency: CSOP IEDGE SRL ETF US\$ /SRU
SGX-ST Listing Date	18 November 2021
Base Currency	SGD
Trading Currencies	Primary Market Creation / Redemption: SG\$ Secondary Market Trading: SG\$ and US\$
Board Lot Size	10 Units
Creation / Redemption Size	Application Unit size of 50,000 Units (only applicable to Participating Dealers)
Distribution Policy	Semi Annually. Distributions in respect of each counter will be made in SGD only.
Benchmark	SGX iEdge S-REIT Leaders Index
Management Fee	Currently 0.50% per annum of the NAV
Custodian	The Hongkong and Shanghai Bank Corporation Limited
Investment Advisor	JLP Asset Management

Source: SGX, CSOP. 30 September 2021.

The Index Information											
Underlying Index	iEdge S-REIT Leaders Index ("The Index")										
Number of Securities	28, as of 30 September 2021										
Universe	Listed in SGX & classified as "Real Estate Investment Trust" as defined by the Factset Revere Business Industry Classification System (RBICs).										
Liquidity Criteria	Average Daily Traded Value: New Constituents ≥ USD 500K; Existing Constituent ≥ USD 400K Daily Traded Velocity: New ≥ 0.10%; Existing Constituent ≥ 0.08%										
Free Float Criteria	New Constituents: ≥ 20%; Existing Constituents: ≥ 15%										
Free Float Market Capitalization	New Constituents: ≥ SGD 500M; Existing Constituents: ≥ SGD 400M										
Weighting	Liquidity-Adjusted Free-Float Market Capitalization Weighted: Based on the daily traded velocity, constituents within each quartile are assigned an adjustment factor on their respective free-float market capitalization. <table border="1"> <thead> <tr> <th>Quartile</th> <th>Adjustment Factor</th> </tr> </thead> <tbody> <tr> <td>First (Bottom 25%)</td> <td>0.25</td> </tr> <tr> <td>Second</td> <td>0.50</td> </tr> <tr> <td>Third</td> <td>0.75</td> </tr> <tr> <td>Fourth (Top 25%)</td> <td>1.00</td> </tr> </tbody> </table>	Quartile	Adjustment Factor	First (Bottom 25%)	0.25	Second	0.50	Third	0.75	Fourth (Top 25%)	1.00
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Capping	10% for each securities										
Launch Date	24 March 2014										
Market Capitalization	US\$48.1 billion/S\$68.35 billion on 30 June 2021										
Currency	USD & SGD										
Rebalancing Frequency	Semi-annually (March & September)										

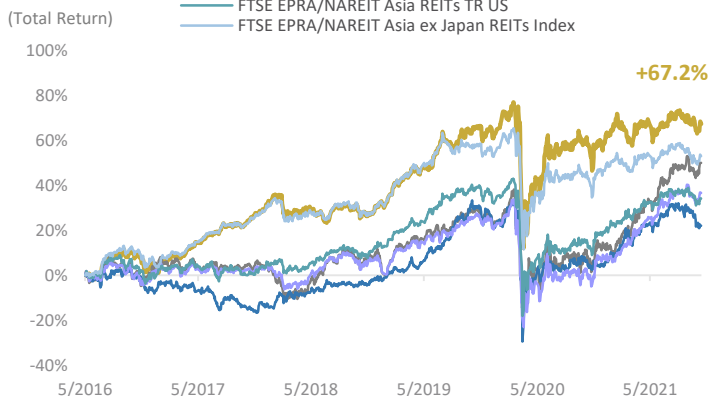
The Index Sector Allocation



Source: BICS4. As of 30 September 2021.

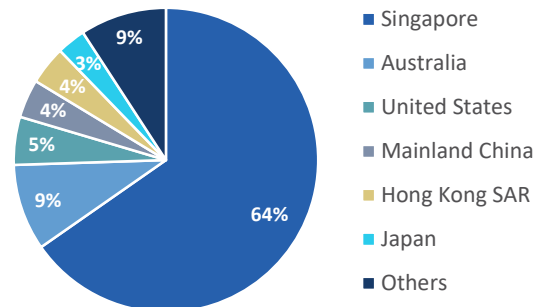
Historical Performance

— iEdge S-REIT Leaders SGD Index (Total Return)
— MSCI US REIT Gross TR
— Tokyo Stock Exchange REIT Net Total Return Index
— FTSE EPRA Nareit Global REITs TR Index
— FTSE EPRA/NAREIT Asia REITs TR US
— FTSE EPRA/NAREIT Asia ex Japan REITs Index



Source: Bloomberg, CSOP. 2016/5/6-2021/10/15. All SGD indexes.

The Index Geographical Allocation



Source: SGX. As of 30 September 2021. It is breakdown by the geographical revenue

Top 10 Holdings

Ticker	Name	BICS4 Sector	Weight (%)
MLT	Mapletree Logistics Trust	Industrial	10.16
AREIT	Ascendas Real Estate Investment Trust	Industrial	9.97
CICT	CapitaLand Integrated Commercial Trust	Retail	9.96
MINT	Mapletree Industrial Trust	Industrial	9.41
MCT	Mapletree Commercial Trust	Office	9.24
FLT	Frasers Logistics & Commercial Trust	Industrial	8.87
KDCREIT	Keppel DC REIT	Data Center	7.50
KREIT	Keppel REIT	Office	4.99
SUN	Suntec Real Estate Investment Trust	Multi Asset Class	4.10
FCT	Frasers Centrepoint Trust	Retail	3.76

Source: SGX, BICS4. As of 30 September 2021.

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