

In collaboration with:



# Lion-China Merchants CSI Dividend Index ETF

Serving up dividends\* as a staple



\*Distributions are not guaranteed. Distributions may be made up of income, capital gains, and/or capital.

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## 38 Years

Established in 1986, Lion Global Investors is headquartered in Singapore and specializes in managing Asian equities and fixed income for 38 years.

## \$70.0 Billion

One of the largest asset managers in Southeast Asia with group assets under management of S\$70.0 billion (US\$51.3 billion)\* as at 31 December 2024.

## 180 employees

A team of 59 dedicated investment professionals with portfolio managers averaging 27 years of industry experience.

## Lion Global Investors

Lion Global Investors is a homegrown and one of the leading asset management companies in Singapore dedicated to providing tailored investment solutions for the benefit of its investors.

Working as One Group across ASEAN and Greater China, we embrace the philosophy of managing our clients' assets for the long run and help investors grow their wealth through synergies with OCBC Group and Great Eastern. OCBC is the second largest financial services group in Southeast Asia by assets and Great Eastern is the oldest and most established life insurance group in Singapore and Malaysia.



\*Based on currency exchange rates from FactSet, as at 31 December 2024.

All data are sourced from Lion Global Investors as at 31 December 2024.

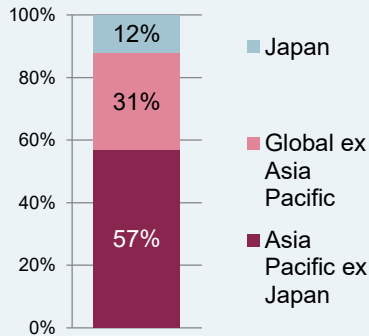
## ASSETS UNDER MANAGEMENT (AUM)

# S\$70.0\* BILLION

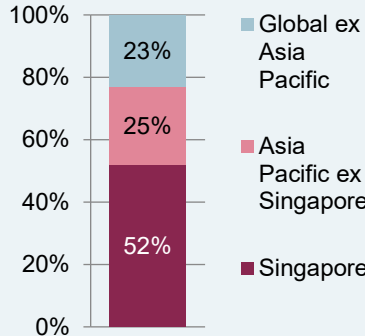
(US\$51.3 BILLION)



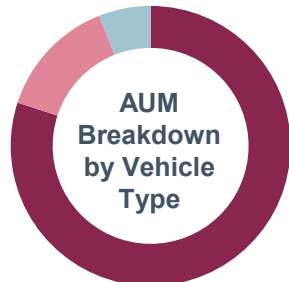
**Equities:** S\$11.7 billion  
(US\$8.6 billion)



**Fixed Income:** S\$53.7 billion  
(US\$39.4 billion)



- Fixed Income, 76%
- Equities, 17%
- Curated/Advisory, 6%
- Others, 1%



- Segregated, 80%
- Unit Trusts / ETFs, 14%
- Investment Linked Products, 6%

\*AUM by country of issue. Data as at 31 December 2024

# Lion Global Investors' ETFs

	Oct 2017	Dec 2020	Aug 2021	Apr 2022	Jan 2024	May 2024	Dec 2024
	Lion-Phillip S-REIT ETF	Lion-OCBC Securities Hang Seng TECH ETF	Lion-OCBC Securities China Leaders ETF	Lion-OCBC Securities Singapore Low Carbon ETF	Lion- Nomura Japan Active ETF (Powered by AI)	Lion-OCBC Securities APAC Financials Dividend Plus ETF	Lion-China Merchants Emerging Asia Select Index ETF
<b>Listing Date</b>	30 October 2017	10 December 2020	2 August 2021	28 April 2022	31 January 2024	13 May 2024	11 December 2024
<b>AUM</b>	S\$493 million	S\$394 million	S\$89 million	S\$70 million	S\$49 million	S\$56 million	S\$12 million
<b>Management Fees / Total Expense Ratio</b>	0.50% p.a. / 0.60%	0.45% p.a. / 0.58%	0.45% p.a. / 0.71%	0.40% p.a. / Capped at 0.45%	0.70% p.a. / No cap	0.50% p.a. / No cap	0.80% p.a. / No cap
	2nd best performing China equities ETF on SGX (2024)	Best performing China equities ETF on SGX (2024)	2nd best performing Singapore equities ETF on SGX (2024)	Innovative Product of the Year - Active ETF on SGX (2024)	Top New ETF by Asset Under Management on SGX (2024)		

Source: Lion Global Investors as of 31 January 2025 and SGX ETF market highlights Q4 2024 as of 31 December 2024. Past performance is not necessarily indicative of future performance.

# SGX top 10 ETFs by retail investors

No.	ETF name	Asset Class	SGD ticker	USD ticker
1	SPDR® Straits Times Index ETF	Equities	ES3	-
2	<b>Lion-OCBC Securities Hang Seng TECH ETF</b>	<b>Equities</b>	<b>HST</b>	<b>HSS</b>
3	<b>Lion-Phillip S-REIT ETF</b>	<b>REITs</b>	<b>CLR</b>	<b>-</b>
4	SPDR® Gold Shares	Gold	GSD	O87
5	NikkoAM StraitsTrading Asia ex Japan REIT ETF	REITs	CFA	COI
6	Nikko AM Singapore STI ETF	Equities	G3B	-
7	SPDR® S&P 500 ETF Trust	Equities	-	S27
8	Nikko AM SGD Investment Grade Corporate Bond ETF	Fixed Income	MBH	-
9	ABF Singapore Bond Index ETF	Fixed Income	A35	-
10	iShares Barclays Capital USD Asia High Yield Bond Index ETF	Fixed Income	QL3	O9P

The above is based on SGX data as of 31 January 2025, where SGX ranked the top 10 ETFs based on each ETF's AUM attributable to its SGX listing. Securities referenced are not intended as recommendations to buy or sell.

## SGX top 10 ETFs by SRS and CPF-IS investors

No.	ETF name	Asset Class	SGD ticker	USD ticker
1	SPDR® Straits Times Index ETF	Equities	ES3	-
2	Nikko AM Singapore STI ETF	Equities	G3B	-
3	SPDR® Gold Shares	Gold	GSD	O87
4	NikkoAM StraitsTrading Asia ex Japan REIT ETF	REITs	CFA	COI
<b>5</b>	<b>Lion-OCBC Securities Hang Seng TECH ETF</b>	<b>Equities</b>	<b>HST</b>	<b>HSS</b>
6	SPDR® S&P 500 ETF Trust	Equities	-	S27
<b>7</b>	<b>Lion-Phillip S-REIT ETF</b>	<b>REITs</b>	<b>CLR</b>	<b>-</b>
8	Nikko AM SGD Investment Grade Corporate Bond ETF	Fixed Income	MBH	-
9	ABF Singapore Bond Index ETF	Fixed Income	A35	-
<b>10</b>	<b>Lion-OCBC Securities China Leaders ETF</b>	<b>Equities</b>	<b>YYY</b>	<b>-</b>

The above is based on SGX data as of 31 January 2025, where SGX ranked the top 10 ETFs based on each ETF's AUM attributable to its SGX listing. Securities referenced are not intended as recommendations to buy or sell.

# SGX top 10 ETFs by Trading Volume in 2024

No.	ETF name	Asset Class	SGD ticker	USD ticker	Volume (SGD mil)
1	<b>Lion-OCBC Securities Hang Seng TECH ETF</b>	<b>Equities</b>	<b>HST</b>	<b>HSS</b>	<b>1,109</b>
2	NikkoAM StraitsTrading Asia ex Japan REIT ETF	REITs	CFA	COI	499
3	<b>Lion-Phillip S-REIT ETF</b>	<b>REITs</b>	<b>CLR</b>	<b>-</b>	<b>363</b>
4	CSOP iEdge S-REIT Leaders ETF	REITs	CFA	COI	149
5	SPDR® Straits Times Index ETF	Equities	ES3	-	144
6	Nikko AM SGD Investment Grade Corporate Bond ETF	Fixed Income	MBH	-	137
7	iShares MSCI India Climate Transition ETF	Equities	QK9	I98	135
8	ABF Singapore Bond Index ETF	Fixed Income	A35	-	128
9	Nikko AM Singapore STI ETF	Equities	G3B	-	49
10	<b>Lion-OCBC Securities APAC Financials Dividend Plus ETF</b>	<b>Equities</b>	<b>YLD</b>	<b>YLU</b>	<b>29</b>

Note: The above is based on SGX data as of 31 December 2024, where SGX ranked the top 10 ETFs based on each ETF’s trading volume. Securities referenced are not intended as recommendations to buy or sell. Opinions and estimates constitute our judgment and along with other portfolio data, are subject to change without notice.

# Why China?



# Discover China

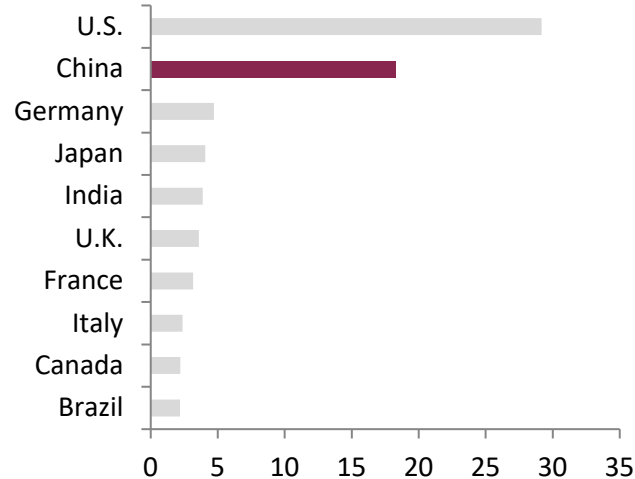


Past, Present, Future

# China is too big to ignore

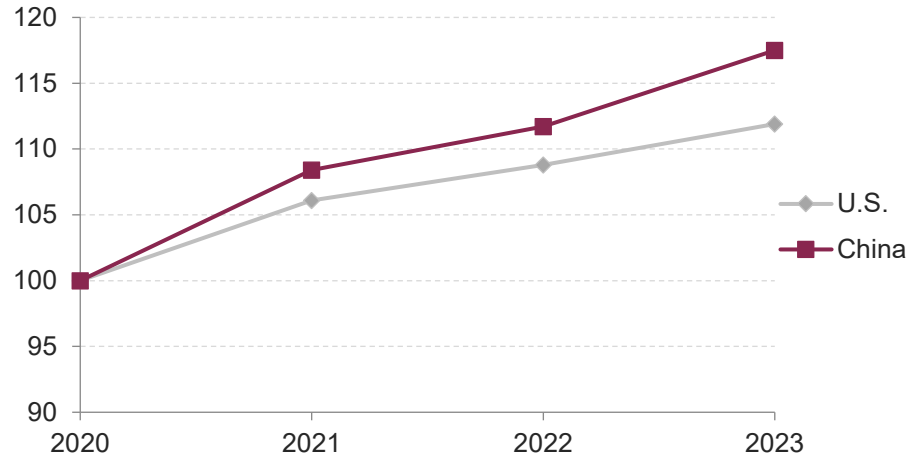
## World's 10 biggest economies in 2024<sup>1</sup>

Nominal GDP in U.S. dollars (Trillion)



- As of 2024, China is the world's second largest economy
- China is Asia Pacific's largest economy.

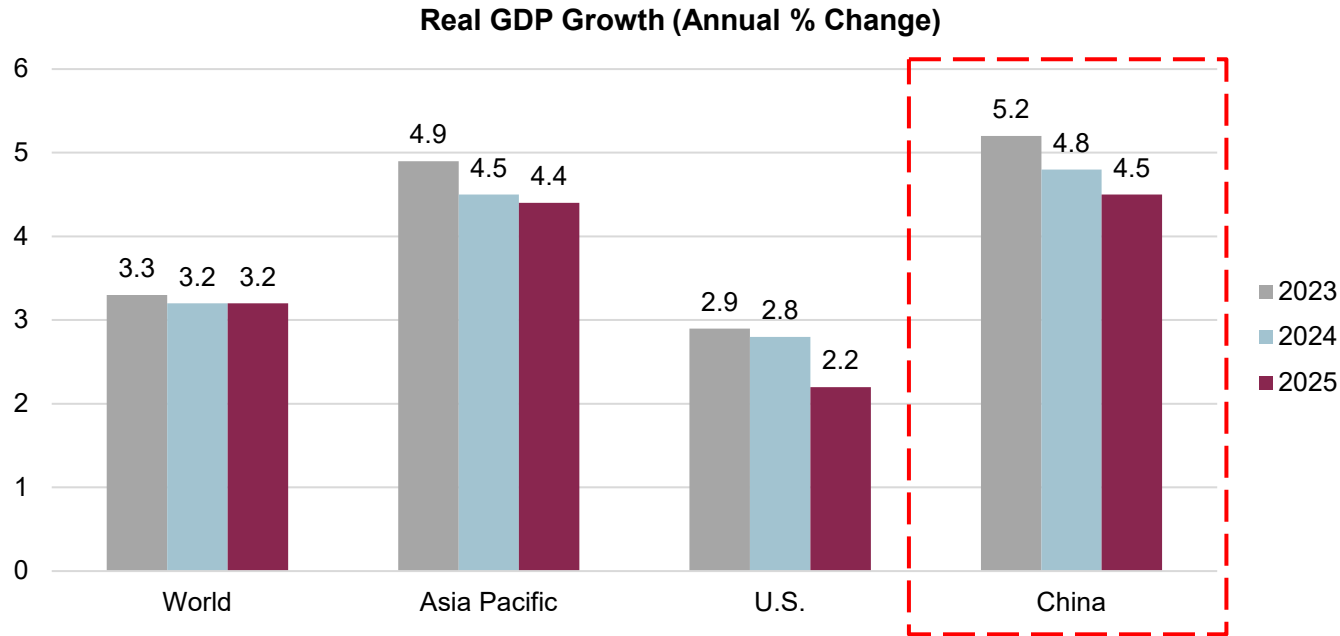
## Real growth of US and China Gross Domestic Product, indexed with 2020 levels as 100, 2021–23<sup>2</sup>



- China's real GDP continues to grow faster than the United States
- "China is set to overtake US as world's biggest economy by 2035" - Chinese economist Zhu Min, a former deputy chief of the International Monetary Fund (IMF)<sup>3</sup>

Source: <sup>1</sup>International Monetary Fund, 4 November 2024; <sup>2</sup>PIIE, 6 November 2024; <sup>3</sup>Straits Times, 21 November 2024

# High GDP growth potential



China's real GDP growth is projected to outpace the world, Asia Pacific and US

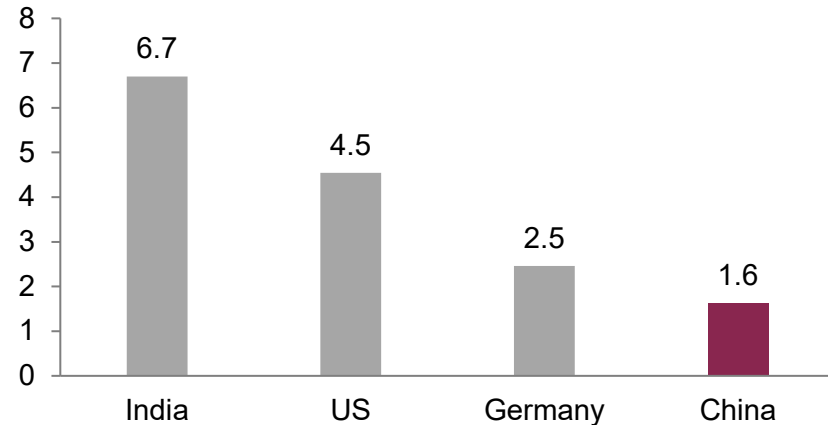
Source: International Monetary Fund, December 2024

# China equities currently look attractive over bonds and US equities

## 10-Year China Government Bond Yield



## World's Top 4 Economies: 10-Year Yield



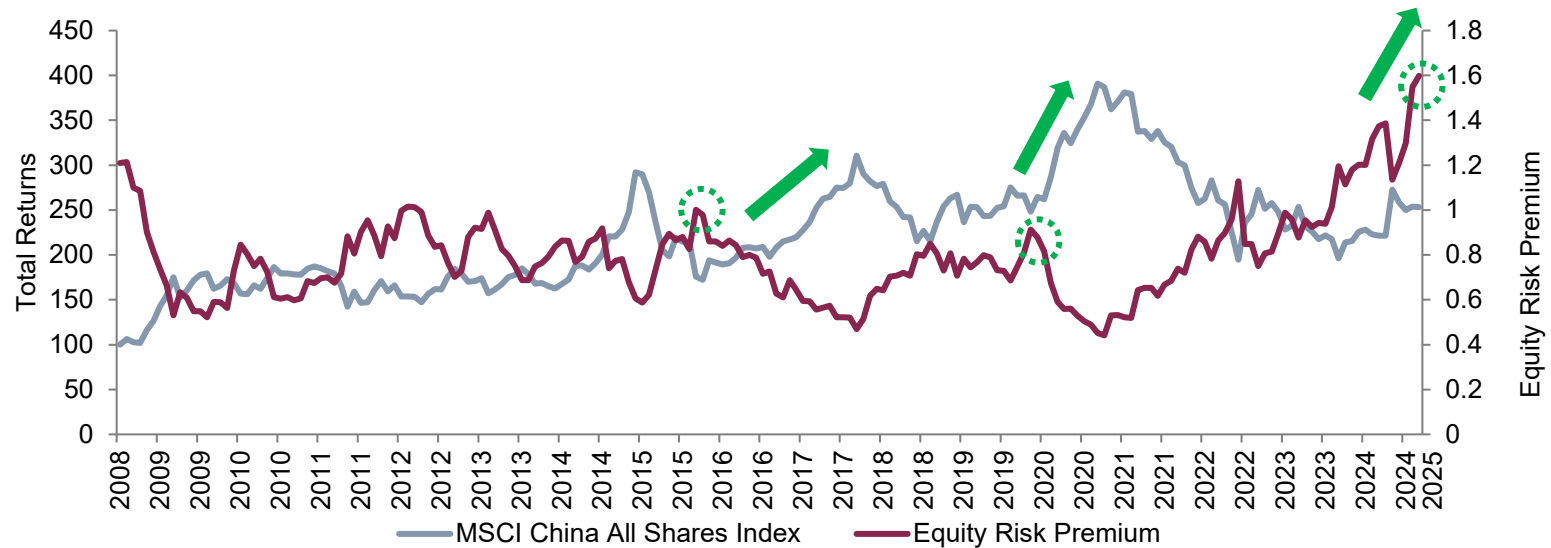
- China's monetary policy is the *most dovish* among major economies in 2025.
- The yield on the 10-year government bond dropped to an *all-time low* of 1.63% on 31 January 2025.
- China's 10-year yield is the *lowest* among the world's four largest economies.
- China's low risk-free rate is *increasing the equity risk premium*, enhancing its attractiveness over bonds and US equities.

Note: Equity risk premium (ERP) is the average dividend yield of the MSCI China All Shares Index divided by the 10-Year China government bond yield.

Source: Bloomberg, 31 January 2025

# Is a potential rally signal appearing in China?

Index Total Return Performance vs. Equity Risk Premium (ERP)



- Spikes in the ERP often precede equity rallies in China. This was recently observed in the September 2024 rally, following decade-high levels of the equity risk premium in August 2024.
- Historically, we observe that the equity risk premium shows a strong inverse correlation with China's equities market returns.

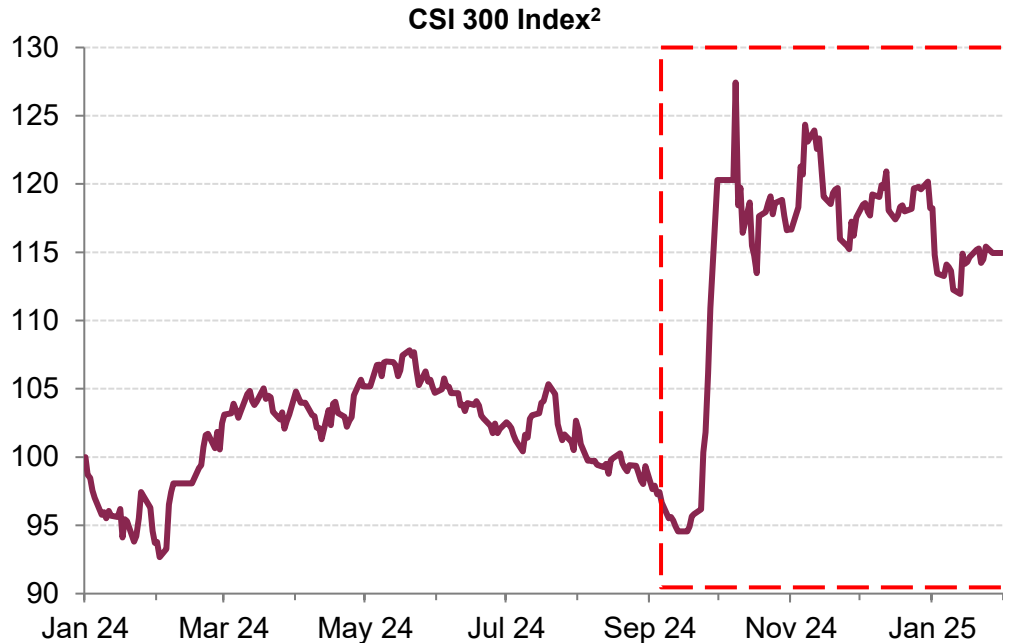
Note: Equity risk premium (ERP) is the average dividend yield of the MSCI China All Shares Index divided by the 10-Year China government bond yield.

Source: Bloomberg, 31 January 2025

# China's government is proactively stimulating the economy

*"China's latest surge in market stimulus potentially marks a **historic turning point** for the world's second-largest economy... if Chinese leaders continue with substantial stimulus, it could go down in the history books as a major market-economic moment."*

– Ray Dalio, founder of Bridgewater Associates<sup>1</sup>



China's President Xi Jinping reinforced that **support for the economy will continue into 2025.**

*"In 2025, we will fully complete the 14th Five-Year Plan, implement more proactive and effective policies"*

*"As always, we grow in wind and rain, and we get stronger through hard times. We must be full of confidence."*

– President Xi Jinping<sup>3</sup>

Source: <sup>1</sup>Nasdaq, October 2024, <sup>2</sup>Bloomberg, December 2024, <sup>3</sup>Straits Times, January 2025

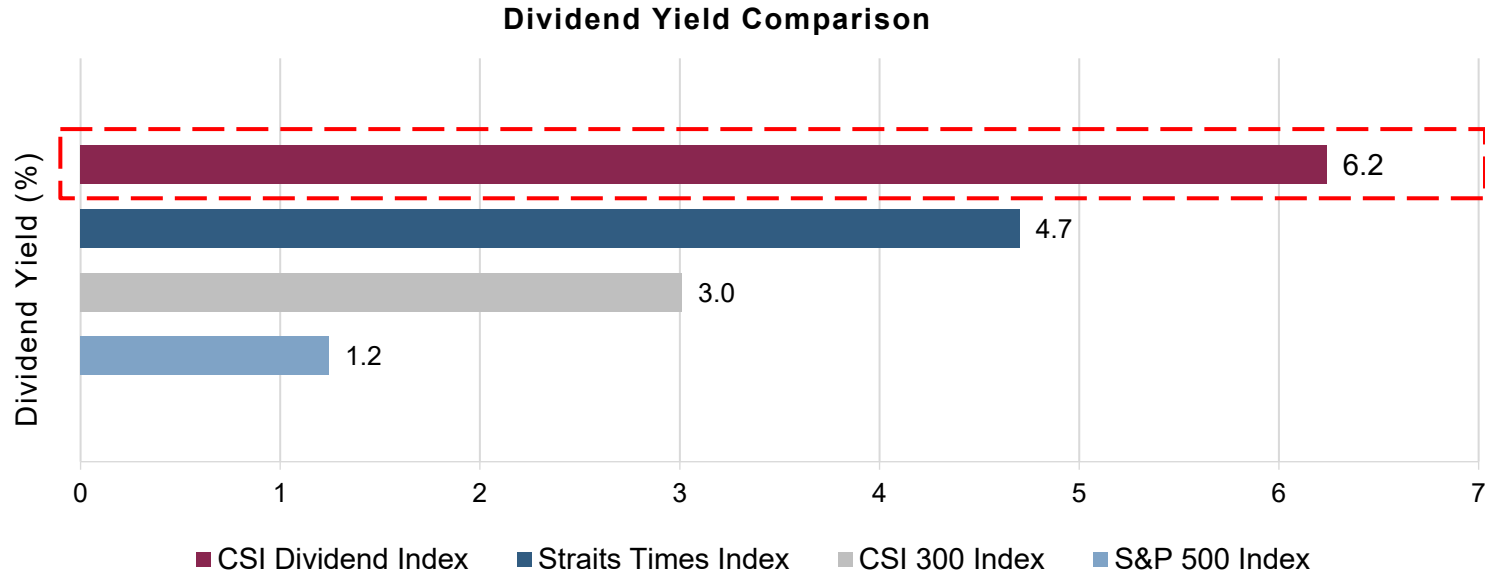
# China's government is doing whatever it takes

Monetary	<ul style="list-style-type: none"> <li>1-year MLF rate cut by 30bps, effective from September 25</li> <li>RRR cut by 50bps, 7-day reverse repo rate cut by 20bps, effective from September 27</li> <li>LPR and deposit rate cuts by 20-25bps</li> <li>PBOC 500bn yuan swap facility (can be increased if needed) allowing securities firms, funds and insurers to borrow for stock purchases</li> <li>PBOC 300bn yuan re-lending facility to fund buybacks at 2.25% annual interest rate for listed companies and their major shareholders PBOC launched the outright reverse repo with primary dealers to support market liquidity into the year end.</li> </ul>
Housing	<ul style="list-style-type: none"> <li>Increase PBOC's contribution from 60% to 100% for the Affordable Housing Relending Scheme</li> <li>PBOC announced two housing supportive measures that expire at end-2024 will be extended to end-2026</li> <li>Rate reduction for existing mortgages (average 50bp, 150bn yuan interest saving per annum)</li> <li>Minimum down payment requirement for second home mortgage lowered to 15%</li> <li>Politburo meeting: relax home purchase restrictions, increase lending to white-list projects, stop the decline of the housing market</li> <li>Tier-1 cities rolled out easing measures. Guangzhou announced full elimination of home purchase restrictions. Shanghai&amp; Shenzhen also partially eased HPR, lowered down payment ratios and relaxed tax exemption years, etc, while Beijing relaxed HPR within the 5th ring road.</li> <li>The MOHURD announced 1 million additional units compensated with cash in the renovation of urban villages and homes with safety risk, and "whitelist" will cover all qualified projects with expanded credit support to 4 trillion yuan before year-end.</li> </ul>
Fiscal	<ul style="list-style-type: none"> <li>The Finance Minister laid out four areas to formulate a comprehensive fiscal policy package: 1) additional fiscal support for local government debt resolution, 2) special CGB issuance to support big banks' core tier-1 capital injection, 3) expanding special LGB proceeds to support housing destocking and purchase of undeveloped land, and 4) targeted cash support for people in extreme poverty and students. But concrete numbers and direct consumption support are absent.</li> <li>NDRC pledged to further expand the use of special LGB proceeds and confirmed additional issuance of special CGBs in 2025.</li> </ul>

China is increasing government spending to reignite investor confidence

Source: China government announcements, media reports, J.P. Morgan China Economics Research, December 2024

# Dividends help investors lock in capital gains

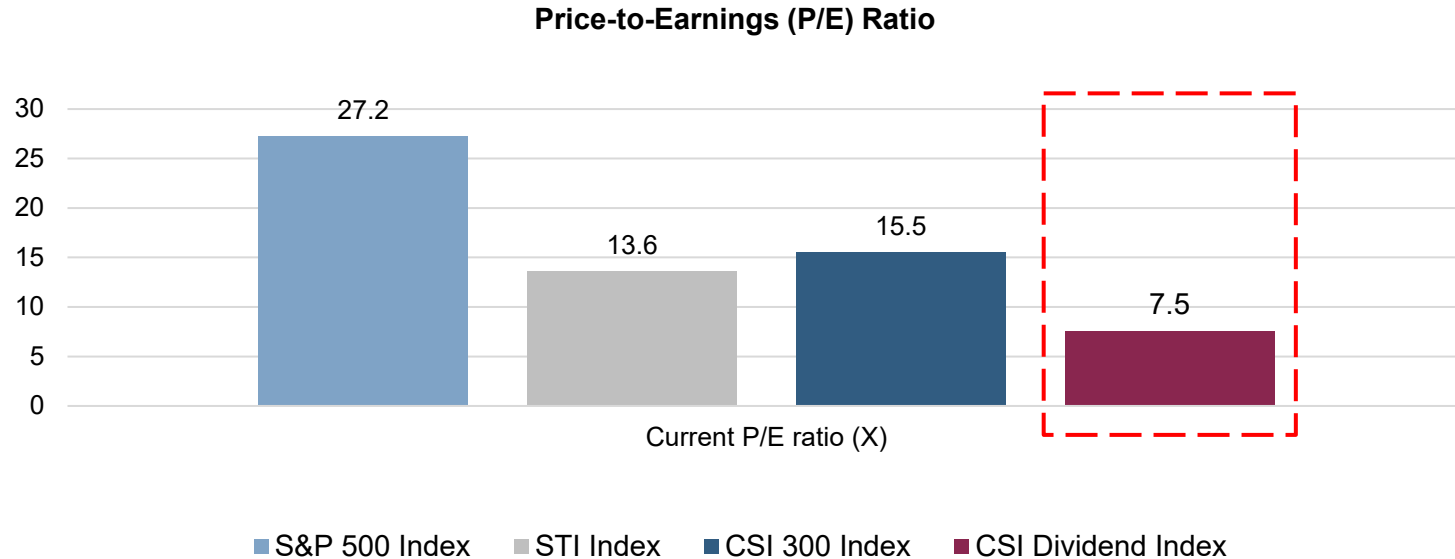


The CSI Dividend Index's dividend yield is 6.2%, *higher* than the market benchmarks of China, Singapore and the US

Source: Bloomberg, China Securities Index as of 31 January 2025



## The CSI Dividend Index sits at an attractive entry point now



The CSI Dividend Index's P/E ratio is trading at a *discount* relative to benchmarks of China, Singapore and the US

Source: Bloomberg, China Securities Index, as of 31 January 2025

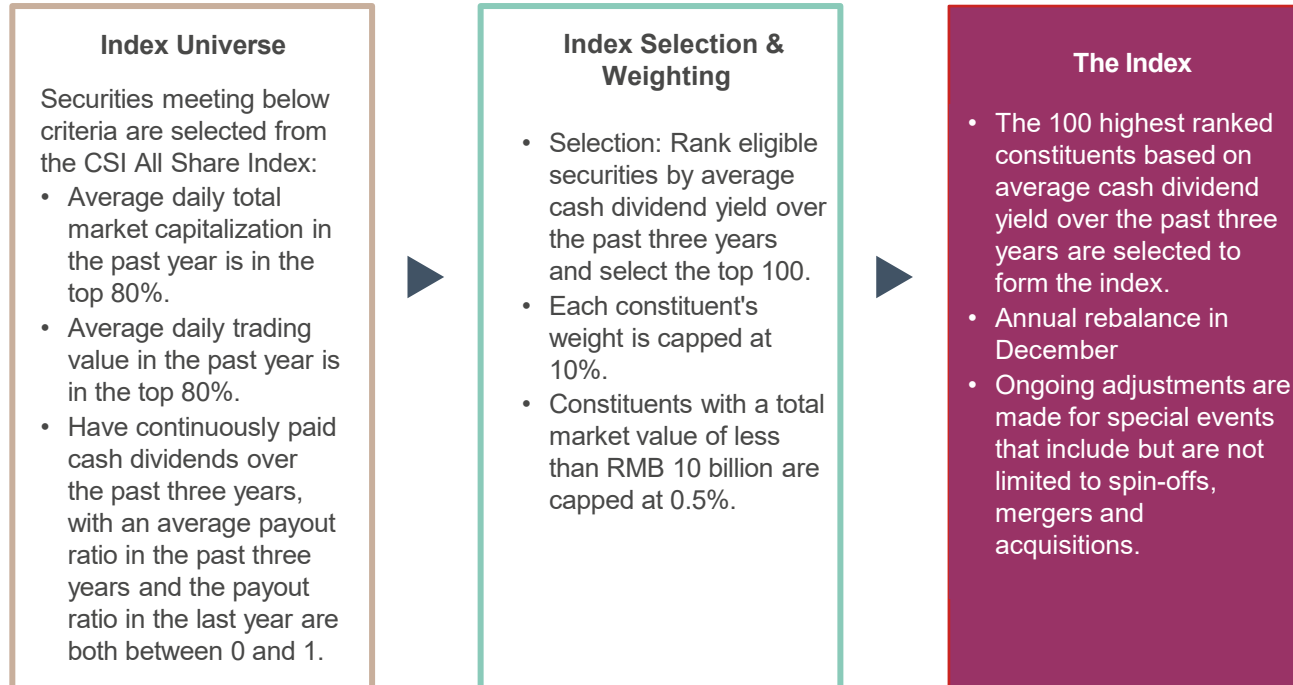
# Lion-China Merchants CSI Dividend Index ETF

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# Index overview

- The Index comprises 100 Shanghai-listed or Shenzhen-listed A shares with (i) high cash dividend yields, (ii) stable dividends and (iii) a certain scale and liquidity, weighted based on their dividend yields to reflect the overall performance of the high-dividend stocks in the A-share market.



## Key features (CSI Dividend Index)



### Consistent

The index focuses on companies with a proven track record of consistent dividend payments at least in the past 3 years.



### Steady

Companies are selected based on their robust financial health. These companies typically have strong cash flows and high free cash flow to dividend coverage ratios.



### Income

This ETF helps investors access a diversified portfolio of dividend-paying stocks, generating a passive income stream.

# The CSI Dividend Index has outperformed CSI 300 since 2022

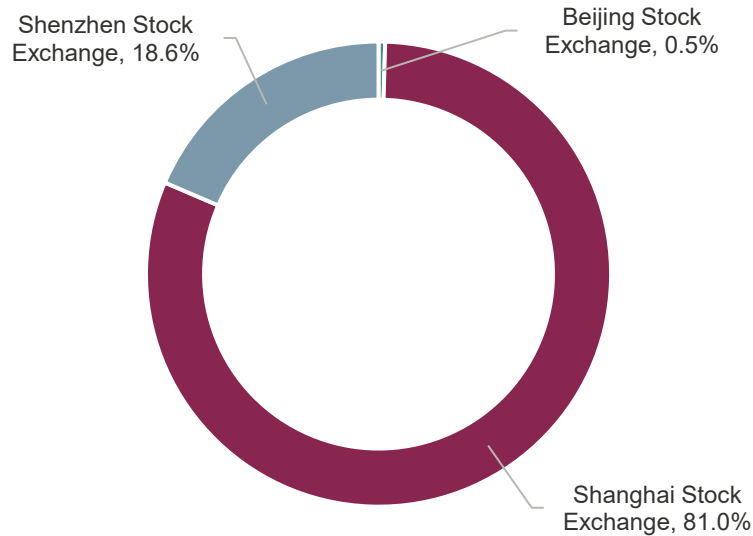


As of 31 Jan 2025 (CNY, Total Return)	2021 Return (%)	2022 Return (%)	2023 Return (%)	2024 Return (%)	2025 YTD Return (%)
CSI Dividend Index	13.4%	-5.5%	0.9%	12.3%	-3.3%
CSI 300 Index	-3.5%	-19.8%	-9.1%	18.2%	-2.8%
Excess Returns	16.9%	14.4%	10.0%	-5.9%	-0.5%

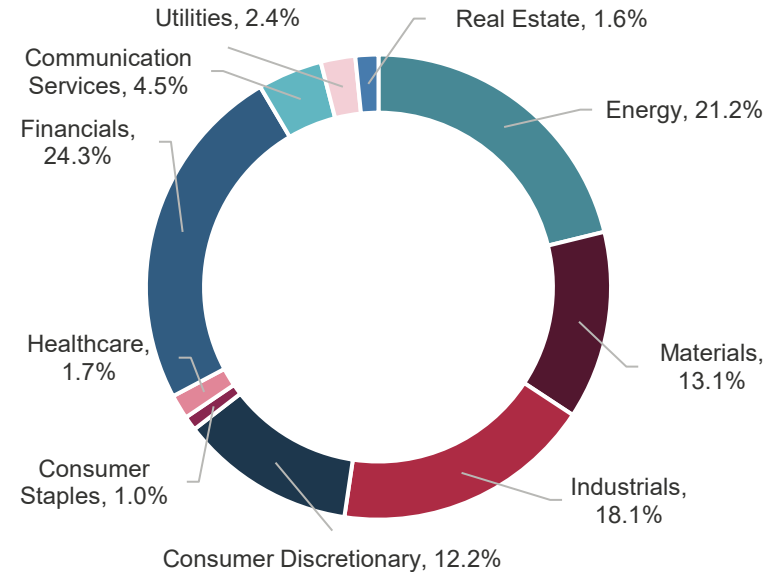
The CSI Dividend Index's high dividend yield *cushions* against market downturns and volatility, while outperforming China's national benchmark

# Index characteristics

**Breakdown of listing venue**

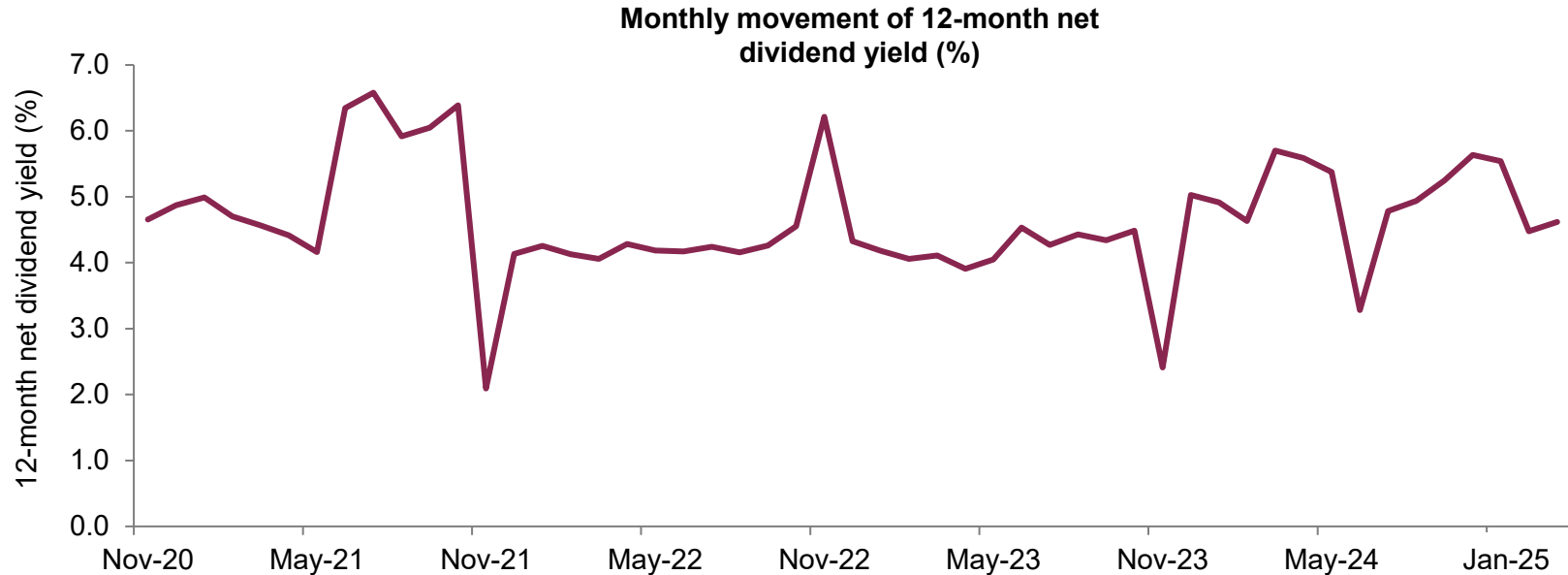


**Sector Breakdown**



A dividend-paying portfolio diversified across sectors

## Underlying ETF's dividend yield history



In the past 4 years, the China-Merchants CSI Dividend ETF has maintained an average net dividend yield above 4.6%

Note: Past performance is not necessarily indicative of future performance.

Source: China Merchants Fund, Bloomberg as of 31 January 2025.

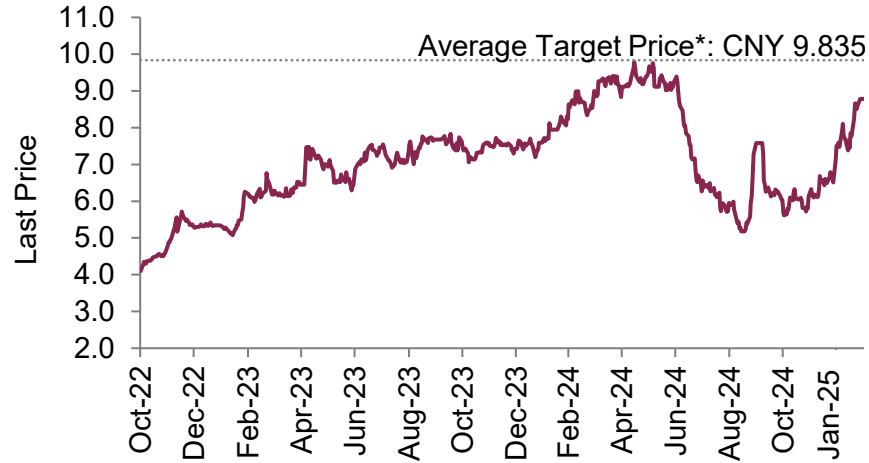


# Top 10 index constituents

CSI Dividend Index	
Constituent	Weight (%)
Cosco Shipping Holdings Co., Ltd.	2.5
Jizhong Energy Resources Co Ltd	2.0
Heilan Home Co.,Ltd	1.9
Shanxi Coal International Energy Group Co., Ltd	1.4
Shanxi Coking Coal Energy Group Co.,Ltd.	1.4
Anhui Hengyuan Coal Industry And Electricity Power Co Ltd	1.4
Shanxi Lu'An Environmental Energy Development Co Ltd	1.3
Tangshan Port Group Co Ltd	1.3
Chongqing Department Store Co Ltd	1.3
Shanghai Zhonggu Logistics Co., Ltd.	1.3

Source: China Securities Index, as of 31 January 2025.  
 Securities referenced are not intended as recommendations to buy or sell.

# Heilan Home Co Ltd (HLA)



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\*Average target price refers to the average of target prices from Huatai Research as of 3 January 2025 and Guotai Junan Securities Co. Ltd as of 9 January 2025.

Source: Bloomberg as of 31 January 2025, Huatai Research as of 3 January 2025.

- Founded in 1997, HLA is a leading menswear brand in China. In the past 3 years, HLA has consistently maintained a *dividend payout ratio* of around 90%, with a 7% dividend yield estimated for 2024 based on its 2024 profit forecast.
- In Q3 2024, HLA opened the 'JD Outlet Official Flagship Store' online and opened the first offline store in Wuxi HLA Feima Water Town, featuring over 50 global tier-1 brands. HLA also opened stores in Tengzhou, Shandong, and Anyang, Henan, which are expected to benefit from the 2025 Lunar New Year demand.
- HLA's e-commerce business has shown considerable growth, with revenue from the online channel reaching RMB 3.198 billion, a 44.6% year-over-year (yoy) increase. The company has invested in short videos and influencer live streaming, achieving rapid online sales growth.
- One growth driver includes HLA's ambitions to expand beyond China. Till date, HLA has successfully opened 68 stores in Maldives, Kenya and Southeast Asia (including Malaysia, Thailand, Singapore, and Vietnam).

## Key fund information

<b>ETF Name</b>	Lion-China Merchants CSI Dividend Index ETF
<b>Underlying Index</b>	CSI Dividend Index
<b>Issue Price</b>	SGD 1.00 per unit
<b>Initial Offer Period (IOP)</b>	10 March 2025 to 24 March 2025
<b>Target Listing Date</b>	28 March 2025
<b>Base Currency</b>	SGD
<b>Trading Currency</b>	SGD, CNH
<b>SGX Code</b>	INC (SGD) , ICH (CNH)
<b>Bloomberg Ticker</b>	INCSGD SP (SGD) , ICHCNH SP (CNH)
<b>Trading Board Lot Size</b>	1 unit
<b>Management Fee</b>	0.50% per annum <sup>^</sup>
<b>Distribution Policy</b>	Annual
<b>Creation / Redemption in cash (applicable to Participating Dealers)</b>	50,000 units (or such higher number of Units in multiples of 1,000 Units)*
<b>Replication Strategy</b>	Direct Replication or Representative Sampling
<b>Classification Status</b>	Excluded Investment Product

<sup>^</sup> Up to a maximum of 0.99% per annum of the Net Asset Value of the Fund

\*Application Unit size is at the discretion of the Manager. Application Unit size may be less than 50,000 and in multiples of 1 Unit during the Initial Offer Period.

Earn steady dividends. Invest in **INCome.**

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