

PHILLIP SGX APAC DIVIDEND LEADERS REIT ETF

SEMI-ANNUAL REPORT

For the period ended 31 March 2019 (unaudited)

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PHILLIP SGX APAC DIVIDEND LEADERS REIT ETF

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PHILLIP SGX APAC DIVIDEND LEADERS REIT ETF

MANAGER'S INVESTMENT REPORT

1. The Fund

The investment objective of the Fund is to seek to provide a high level of income and moderate long-term capital appreciation by tracking, as closely as possible, before expenses, the performance of the SGX APAC Ex-Japan Dividend Leaders REIT Index (the "Index"). By tracking the Index which is ranked and weighted by total dividends, the Fund aims to enhance risk-adjusted returns above that of traditional market capitalisation-weighted indices as the 30 REITs comprising the Index will be ranked and weighted according to the highest total dividends paid in the preceding 12 months subject to size, free-float market capitalisation and liquidity constraints.

Details of the fund

	31 March 2019
	US\$
NAV per share	1.093
Net Assets Attributable to unitholders	15,741,548

Fund Currency	US Dollar
Listing Date on SGX-ST	20 October 2016
Stock code on SGX-ST	BYI for PHLP AP DIV REIT US Dollars BYJ for PHLP AP DIV REIT Singapore Dollars

The Fund is classified as an Excluded Investment Product (EIP).

2. Distribution of Investments

Please refer to Statement of Portfolio on pages 10 – 12.

3. Schedule of Investments by Asset Class

	Fair value at 31 March 2019	Percentage of total net assets attributable to unitholders at 31 March 2019
	US\$	%
Quoted Real Estate Investment Trusts	15,598,591	99.09
Cash and cash equivalents	116,682	0.74
Other net assets	26,275	0.17
Net assets attributable to unitholders	<u>15,741,548</u>	<u>100.00</u>

PHILLIP SGX APAC DIVIDEND LEADERS REIT ETF

MANAGER'S INVESTMENT REPORT (continued)

4. Top 10 Holdings

10 largest holdings at 31 March 2019

	Fair value at 31 March 2019 US\$	Percentage of total net assets attributable to unitholders at 31 March 2019 %
Scentre Group	1,572,246	9.99
Link REIT	1,544,932	9.81
Stockland Corporation Ltd	1,276,400	8.11
Dexus	1,052,856	6.69
The GPT Group	929,059	5.90
Goodman Group Pty Ltd	922,908	5.86
Vicinity Centres Re Ltd	854,986	5.43
Mirvac Group	841,016	5.34
Ascendas Real Estate Investment Trust	784,997	4.98
CapitaLand Mall Trust	522,850	3.32

10 largest holdings at 31 March 2018

	Fair value at 31 March 2018 US\$	Percentage of total net assets attributable to unitholders at 31 March 2018 %
Link REIT	1,734,182	9.95
Scentre Group	1,702,524	9.77
Stockland Corporation Ltd	1,333,231	7.65
Westfield Corporation	1,225,058	7.03
Dexus	1,002,864	5.75
Goodman Group Pty Ltd	981,104	5.63
Vicinity Centres Re Ltd	972,610	5.58
The GPT Group	946,048	5.43
Mirvac Group	888,873	5.10
Ascendas Real Estate Investment Trust	793,797	4.55

5. (i) Exposure to financial derivatives as at 31 March 2019

Nil.

(ii) Net gains/(losses) on derivative contracts realised for the period ended 31 March 2019

Nil.

(iii) Net gains/(losses) on outstanding derivative contracts marked to market as at 31 March 2019

Nil.

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MANAGER'S INVESTMENT REPORT (continued)

5. (iv) Description of the method used to calculate the global exposure of financial derivatives

The global exposure relating to derivative instruments is calculated using the commitment approach. The global exposure is calculated as the sum of:

- (a) the absolute value of the exposure of each individual financial derivative not involved in netting or hedging arrangements;
- (b) the absolute value of the net exposure of each individual financial derivative after netting or hedging arrangements;
- (c) the sum of the values of cash collateral received pursuant to:
 - (i) the reduction of exposure to counterparties of OTC financial derivatives; and
 - (ii) efficient portfolio management techniques relating to securities lending and repurchase transactions, and that are reinvested.

6. Amount and percentage of total fund size invested in other unit trusts, mutual funds and collective investment schemes as at 31 March 2019

	US\$	%
Real Estate Investment Trusts	15,598,591	99.09

7. Amount and percentage of borrowings of total fund size as at 31 March 2019

Nil.

8. Amount of units created and cancelled for the period ended 31 March 2019

	US\$
Total amount of subscriptions	-
Total amount of redemptions	(3,493,400)

9. Distribution

	31 March 2019
Interim (1.96 cents per unit based on units outstanding as at 4 January 2019)	<u>297,920</u>

PHILLIP SGX APAC DIVIDEND LEADERS REIT ETF

MANAGER'S INVESTMENT REPORT (continued)

10. Performance of the Fund

As at 31 March 2019:

Cumulative (%)*	US\$	Benchmark US\$
3 Months	13.12%	-
6 Months	10.54%	-
1 Year	14.52%	14.52%
Since inception (20 Oct 2016)	NA	NA
Annualised (%)*		
Since inception (20 Oct 2016)	24.63%	9.45%

* Returns are calculated on a bid-to-bid basis, with net dividends reinvested. The benchmark for which the Fund is measured against is the SGX APAC ex Japan Dividend Leaders REIT Index.

11. Related party transactions for the period ended 31 March 2019

The Manager may use the services of related parties of the Manager to carry out transactions involving the purchase and sale of securities.

	31 March 2019	31 March 2018
	US\$	US\$
Brokerage fees paid to a related party of the Manager	-	3,887
	31 March	30 September
	2019	2018
	US\$	US\$
Bank balances held with a related party of the Trustee	116,682	225,882

12. Financial ratios

Expense ratio

		31 March 2019	31 March 2018
Total operating expenses (annualised)	US\$	107,254	211,932
Average daily net asset value	US\$	16,919,941	20,322,758
Total expense ratio¹	%	0.63	1.04

¹ The expense ratio has been computed based on the guidelines laid down by the IMAS. The calculation of the expense ratio is based on total operating expenses divided by the average net asset value for the preceding 12 months at the close of the semi-annual financial statements. The total operating expenses do not include (where applicable) brokerage and other transactions costs, performance fees, interest expenses, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The average net asset values are based on the daily balances.

PHILLIP SGX APAC DIVIDEND LEADERS REIT ETF

MANAGER'S INVESTMENT REPORT (continued)

12. Financial ratios (continued)

Turnover ratio

		31 March 2019	31 March 2018
Total value of purchases	US\$	3,368,679	1,787,180
Average daily net asset value	US\$	16,919,941	18,122,070
Total turnover ratio²	%	19.91	9.86

² The portfolio turnover The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the portfolio turnover ratio was based on the lower of the total value of purchases or sales of the underlying investments, divided by the average daily net asset value. In line with Statement of Recommended Accounting Practice 7 "Reporting framework for Unit Trusts" ("RAP 7") issued by the Institute of Singapore Chartered Accountants, total value of purchases or sales do not include brokerage and other transaction costs.

13. Soft dollar commissions/arrangements

The Manager is entitled to and intends to receive or enter into soft-dollar commissions or arrangements in respect of the Fund. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses, data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis and custodial services in relation to the investments managed for clients. The soft dollar credits utilised are not allocated on a specific client basis. The brokers also execute trades for other funds managed by the Manager.

Soft-dollar commissions or arrangements shall not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employees' salaries or direct money payment.

The Manager will not accept or enter into soft dollar commissions or arrangements unless such soft-dollar commissions or arrangements would, in the opinion of the Manager, be reasonably expected to assist the Manager in their management of the Fund, provided that the Manager shall ensure at all times that transactions are executed on a "best execution" basis taking into account the relevant market at the time for transactions of the kind and size concerned, and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions or arrangements.

The Manager does not, and is not entitled to, retain cash or commission rebates for their own account in respect of rebates earned when transacting in securities for account of the Fund.

14. Any other material information that will adversely impact the valuation of the Fund

Nil.

PHILLIP SGX APAC DIVIDEND LEADERS REIT ETF

Statement of Total Return (Unaudited) For the financial period ended 31 March 2019

	31 March 2019 US\$	31 March 2018 US\$
Income		
Dividend income	375,817	451,341
Interest income	7	9
	<u>375,824</u>	<u>451,350</u>
Expenses		
Management fee	23,901	27,245
Trustee fee	6,000	6,112
Valuation fee	8,558	7,971
Custody fee	6,945	9,296
Audit fee	6,066	6,752
Transaction costs	(1,060)	4,628
Other expenses	55,784	53,549
	<u>106,194</u>	<u>115,553</u>
Net income	<u>269,630</u>	<u>335,797</u>
Net gains or losses on value of investments		
Net gains on investments	1,414,794	63,820
Net foreign exchange gain/(loss)	2,647	(6,250)
	<u>1,417,441</u>	<u>57,570</u>
Total return for the financial period before income tax	1,687,071	393,367
Less: Income tax	(31,888)	(32,162)
Total return for the financial period after income tax	<u>1,655,183</u>	<u>361,205</u>

PHILLIP SGX APAC DIVIDEND LEADERS REIT ETF

Statement of Financial Position (Unaudited) As at 31 March 2019

	31 March 2019 US\$	30 September 2018 US\$
Assets		
Portfolio of investments	15,598,591	17,606,089
Receivables	67,908	95,195
Cash and cash equivalents	116,682	225,882
Total assets	<u>15,783,181</u>	<u>17,927,166</u>
Liabilities		
Payables	41,633	49,481
Total liabilities	<u>41,633</u>	<u>49,481</u>
Equity		
Net assets attributable to unitholders	<u>15,741,548</u>	<u>17,877,685</u>

PHILLIP SGX APAC DIVIDEND LEADERS REIT ETF

Statement of Movements of Unitholders' Funds (Unaudited) For the financial period ended 31 March 2019

	31 March 2019 US\$	30 September 2018 US\$
Net assets attributable to unitholders at the beginning of the financial period	17,877,685	17,963,936
Operations		
Change in net assets attributable to unitholders resulting from operations	1,655,183	1,068,799
Unitholders' contributions/(withdrawals)		
Creation of units	-	315,300
Cancellation of units	(3,493,400)	(1,210,800)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(3,493,400)	(895,500)
Distributions	(297,920)	(259,550)
Total decrease in net assets attributable to unitholders	(2,136,137)	(86,251)
Net assets attributable to unitholders at the end of the financial period	15,741,548	17,877,685

PHILLIP SGX APAC DIVIDEND LEADERS REIT ETF

Statement of Portfolio (Unaudited) As at 31 March 2019

	Holdings as at 31 March 2019	Fair Value as at 31 March 2019 US\$	Percentage of total net assets attributable to unitholders as at 31 March 2019 %
By Geography (Primary)			
Quoted			
Australia			
BWP Trust	64,551	171,097	1.09
Charter Hall Group	45,006	327,574	2.08
Charter Hall Long Wale REIT	64,012	206,868	1.31
Charter Hall Retail REIT	55,101	181,585	1.15
Cromwell Property Group	338,907	263,004	1.67
Dexus	116,609	1,052,856	6.69
Goodman Group Pty Ltd	97,546	922,908	5.86
Mirvac Group	431,523	841,016	5.34
Scentre Group	539,773	1,572,246	9.99
Shopping Centres Australasia Property Group	140,209	262,330	1.67
Stockland Corporation Ltd	467,798	1,276,400	8.11
The GPT Group	211,098	929,059	5.90
Vicinity Centres Re Ltd	464,000	854,986	5.43
		<u>8,861,929</u>	<u>56.29</u>
China/Hong Kong			
Hui Xian Real Estate Investment Trust	680,826	333,591	2.12
Champion Real Estate Investment Trust	209,962	181,866	1.16
Fortune REIT	190,000	250,251	1.59
Link REIT	132,119	1,544,932	9.81
Yuexiu REIT	336,000	238,822	1.52
		<u>2,549,462</u>	<u>16.20</u>

PHILLIP SGX APAC DIVIDEND LEADERS REIT ETF

Statement of Portfolio (Unaudited) (continued) As at 31 March 2019

	Holdings as at 31 March 2019	Fair value as at 31 March 2019 US\$	Percentage of total net assets attributable to unitholders as at 31 March 2019 %
By Geography (Primary)			
Quoted			
Singapore			
Ascendas Real Estate Investment Trust	365,523	784,997	4.98
Ascott Residence Trust	193,339	168,369	1.06
CapitaLand Commercial Trust	301,826	432,135	2.75
CapitaLand Mall Trust	297,673	522,850	3.32
CDL Hospitality Trust	113,737	136,820	0.87
Frasers Logistics and Industrial Trust	241,000	206,317	1.31
Keppel REIT	206,426	196,524	1.25
Mapletree Commercial Trust	250,667	349,639	2.22
Mapletree Industrial Trust REIT	210,906	326,865	2.08
Mapletree Logistics Trust	382,357	411,986	2.62
Mapletree North Asia Commercial Trust	342,044	333,209	2.12
Suntec Real Estate Investment Trust	220,614	317,489	2.02
		4,187,200	26.60
Portfolio of investments		15,598,591	99.09
Other net assets		142,957	0.91
Net assets attributable to unitholders		15,741,548	100.00

PHILLIP SGX APAC DIVIDEND LEADERS REIT ETF

Statement of Portfolio (Unaudited) (continued) As at 31 March 2019

	Fair value as at 31 March 2019 US\$	Percentage of total net assets attributable to unitholders as at 31 March 2019 %	Percentage of total net assets attributable to unitholders as at 30 September 2018 %
By Geography (Primary)			
Quoted			
Australia	8,861,929	56.29	54.41
China/Hong Kong	2,549,462	16.20	14.77
Singapore	4,187,200	26.60	29.30
Portfolio of investments	15,598,591	99.09	98.48
Other net assets	142,957	0.91	1.52
Net assets attributable to unit holders	15,741,548	100.00	100.00
By Industry (Secondary)			
Real Estate Investments Trusts*	15,598,591	99.09	98.48
Portfolio of investments	15,598,591	99.09	98.48
Other net assets	142,957	0.91	1.52
Net assets attributable to unitholders	15,741,548	100.00	100.00

* A trust or company is defined as a Real Estate Investments Trusts, if such trust's or company's business sector is classified as "Residential and Commercial REITs" under the Thomson Reuters Business Classification.