

PHILLIP SGX APAC DIVIDEND LEADERS REIT ETF

SEMI-ANNUAL REPORT

For the period from 29 September 2016 (date of constitution) to 31 March 2017

Contents

	Page
Directory	1
Manager's Investment Report	2 - 6
Financial Statements	
Statement of Total Return	7
Statement of Financial Position	8
Statement of Movements of Unitholders' Funds	9
Statement of Portfolio	10 – 12

PHILLIP SGX APAC DIVIDEND LEADERS REIT ETF

DIRECTORY

MANAGER

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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

NAV per share (31 Mar 2017)	US\$0.93
Net Assets Attributable to unitholders (31 Mar 2017)	US\$25,700,000
Fund Currency	US Dollars
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

Asset Class	Fair Value at 31 March 2017 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 March 2017 %
Quoted Real Estate Investment Trusts	24,148,652	101.08
Cash and cash equivalents	104,153	0.44
Other net liabilities	(363,170)	(1.52)
Net assets attributable to unitholders	23,889,635	100.00

PHILLIP SGX APAC DIVIDEND LEADERS REIT ETF

MANAGER'S INVESTMENT REPORT (continued)

4. Top 10 Holdings

10 largest holdings at 31 March 2017

	Fair Value at 31 March 2017 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 March 2017 %
The Link REIT	2,432,942	10.18
Scentre Group	2,430,003	10.17
Westfield Corporation	2,268,532	9.50
Stockland Corporation Ltd	2,086,051	8.73
Vicinity Centres Re Ltd	1,594,590	6.67
Goodman Group Pty Ltd	1,314,498	5.50
Mirvac Group	1,273,190	5.33
The GPT Group	1,183,710	4.95
Ascendas Real Estate Investment Trust	1,160,273	4.86
Capitamall Trust	877,915	3.67

5. (i) Exposure to financial derivatives as at 31 March 2017

Nil.

(ii) Net gains/(losses) on derivative contracts realised for the period ended 31 March 2017

Nil.

(iii) Net gains/(losses) on outstanding derivative contracts marked to market as at 31 March 2017

Nil.

(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.

PHILLIP SGX APAC DIVIDEND LEADERS REIT ETF

MANAGER'S INVESTMENT REPORT (continued)

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

	Fair Value at 31 March 2017 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 March 2017 %
Quoted Real Estate Investment Trusts	24,148,652	101.08

7. Amount and percentage of borrowings of total fund size as at 31 March 2017

Nil.

8. Amount of units created and cancelled for the period ended 31 March 2017

Total amount of subscriptions	US\$ 30,882,300
Total amount of redemptions	(6,652,300)

9. Distribution

	31 March 2017
Interim (US\$0.0197 per unit based on units outstanding as at 7 April 2017)	506,290

On 29 March 2017 the Fund announced a dividend distribution of US\$0.0197 per unit which was paid on 17 April 2017.

10. Performance of the Fund as at 31 March 2017

Cumulative (%*)	US\$	S\$	Benchmark US\$
3 Months	7.95%	4.48%	7.87%
Since inception (20 Oct 2016)	2.04%	2.63%	2.35%

*Cumulative 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.

Source: Bloomberg

PHILLIP SGX APAC DIVIDEND LEADERS REIT ETF

MANAGER'S INVESTMENT REPORT (continued)

11. Related party transactions for the period ended 31 March 2017

	31 March 2017
	US\$
Bank balances held with related party of the Trustee	<u>104,153</u>

	31 March 2017
	US\$
Brokerage fees paid to a related party of the Manager	<u>25,792</u>

12. Financial ratios

Expense ratio

		31 March 2017
Total operating expenses (annualised)	US\$	242,871
Average daily net asset value	US\$	26,237,142
Total expense ratio¹	%	<u>0.93</u>

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.

Turnover ratio

		31 March 2017
Total value of sales proceeds	US\$	7,273,872
Average daily net asset value	US\$	26,237,142
Total turnover ratio²	%	<u>27.72</u>

² 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 is based on the lower of the total value of purchases and sales of the underlying investments, divided by the average daily net asset value for the preceding 6 months at the close of the semi-annual financial statements. Total value of purchases or sale for the current period do not include brokerage and other transaction costs.

MANAGER'S INVESTMENT REPORT (continued)

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 from 29 September 2016 (date of constitution) to 31 March 2017

	31 March 2017 US\$
Income	
Dividend income	687,282
	<u>687,282</u>
Expenses	
Transaction costs	57,863
Management fee	48,029
Other expenses	43,912
Custodian fee	8,203
Trustee fee	7,305
Audit fee	5,669
	<u>170,981</u>
Net income	<u>516,301</u>
Net gains or losses on value of investments	
Net losses on investments	(401,781)
Net foreign exchange gain	116,017
	<u>(285,764)</u>
Total return for the financial period before income tax	230,537
Less: Income tax	<u>(64,612)</u>
Total return for the financial period after income tax	<u><u>165,925</u></u>

PHILLIP SGX APAC DIVIDEND LEADERS REIT ETF

STATEMENT OF FINANCIAL POSITION (Unaudited)

As at 31 March 2017

	31 March 2017 US\$
Assets	
Portfolio of investments	24,148,652
Cash and cash equivalents	104,153
Receivables	177,191
Total assets	<u>24,429,996</u>
Liabilities	
Distributions payable	506,290
Other payables	34,071
Total liabilities	<u>540,361</u>
Equity	
Net assets attributable to unitholders	<u><u>23,889,635</u></u>

PHILLIP SGX APAC DIVIDEND LEADERS REIT ETF

STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS (Unaudited)

For the financial period from 29 September 2016 (date of constitution) to 31 March 2017

	31 March 2017 US\$
Net assets attributable to unitholders at the beginning of the financial period	-
Operations	
Change in net assets attributable to unitholders resulting from operations	165,925
Unitholders' contributions/(withdrawals)	
Creation of units	30,882,300
Cancellation of units	(6,652,300)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	24,230,000
Distributions	(506,290)
Total increase in net assets attributable to unitholders	23,889,635
Net assets attributable to unitholders at the end of the financial period	23,889,635
Represented by:	
Units in issue	25,700,000
Net asset value per unit at 31 March 2017 [US\$]	0.930

PHILLIP SGX APAC DIVIDEND LEADERS REIT ETF

STATEMENT OF PORTFOLIO (Unaudited)

As at 31 March 2017

Primary			Percentage of Total Net Assets
By geography			Attributable to Unitholders at
Quoted	Holdings at	Fair Value at	31 March 2017
Real Estate Investment Trusts	31 March 2017 Units	31 March 2017 US\$	31 March 2017 %
Australia			
BWP Trust	129,905	283,424	1.19
Charter Hall Group	76,274	322,315	1.35
Charter Hall Retail REIT	95,393	316,936	1.33
Cromwell Property Group	332,400	243,013	1.02
Goodman Group Pty Ltd	221,847	1,314,498	5.50
Investa Office	113,267	411,872	1.72
Mirvac Group	759,423	1,273,190	5.33
Scentre Group	739,919	2,430,003	10.17
Shopping Centres Australasia Proper	190,458	326,597	1.37
Stockland Corporation Ltd	587,275	2,086,051	8.73
The GPT Group	300,243	1,183,710	4.95
Vicinity Centres Re Ltd	736,033	1,594,590	6.67
Westfield Corporation	333,708	2,268,532	9.50
		14,054,731	58.83
China/Hong Kong			
Hui Xian Real Estate Investment Trust	1,351,000	605,806	2.54
Champion Real Estate Investment Trust	468,962	287,342	1.20
The Link REIT	347,119	2,432,942	10.18
		3,326,090	13.92

PHILLIP SGX APAC DIVIDEND LEADERS REIT ETF

STATEMENT OF PORTFOLIO (Unaudited) (continued)

As at 31 March 2017

Primary			Percentage of Total Net Assets
By geography			Attributable to
Quoted	Holdings at	Fair Value at	Unitholders at
Real Estate Investment Trusts	31 March 2017	31 March 2017	31 March 2017
	Units	US\$	%
Singapore			
Ascendas Real Estate Investment Trust	643,123	1,160,273	4.86
Ascott Residence Trust	411,739	319,829	1.34
Cache Logistics Trust	368,577	222,972	0.93
Capitacommercial Trust	573,606	634,465	2.66
Capitamall Trust	622,473	877,915	3.67
CDL Hospitality Trusts	219,781	225,792	0.95
Frasers Centrepoint Trust	153,036	231,176	0.97
Keppel REIT	513,226	385,801	1.61
Mapletree Commercial Trust	436,767	478,417	2.00
Mapletree Greater China Commercial	583,744	426,274	1.78
Mapletree Industrial Trust REIT	358,506	456,859	1.91
Mapletree Logistics Trust	474,825	372,232	1.56
Starhill Global Real Estate	448,702	242,533	1.02
Suntec REIT	572,214	733,293	3.07
		6,767,831	28.33
Total Investments		24,148,652	101.08
Primary			
By geography (summary)			
		Fair value at	Percentage of
		31 March 2017	Total Net
Quoted Real Estate Investment Trusts		US\$	Assets
			Attributable to
			Unitholders at
			31 March 2017
			%
Australia		14,054,731	58.83
China/Hong Kong		3,326,090	13.92
Singapore		6,767,831	28.33
		24,148,652	101.08
Portfolio of investments		24,148,652	101.08
Other net liabilities		(259,017)	(1.08)
Net assets attributable to unitholders		23,889,635	100.00

PHILLIP SGX APAC DIVIDEND LEADERS REIT ETF

STATEMENT OF PORTFOLIO (Unaudited) (continued)

As at 31 March 2017

Secondary		Percentage of Total Net Assets Attributable to Unitholders at 31 March 2017
By industry	Fair Value at 31 March 2017 US\$	%
Real estate	24,148,652	101.08
Portfolio of investments	24,148,652	101.08
Other net liabilities	(259,017)	(1.08)
Net assets attributable to unitholders	23,889,635	100.00