

# PHILLIP SGX APAC DIVIDEND LEADERS REIT ETF

## **SEMI-ANNUAL REPORT**

For the period ended 31 March 2020 (unaudited)

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# PHILLIP SGX APAC DIVIDEND LEADERS REIT ETF

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## **DIRECTORY**

### **MANAGER**

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### **DIRECTORS OF THE 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

	31 March 2020
	<b>US\$</b>
NAV per share	0.701
Net Assets Attributable to unitholders	11,502,700

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 2020 US\$	Percentage of total net assets attributable to unitholders at 31 March 2020 %
Quoted Real Estate Investment Trusts	11,395,558	99.07
Cash and cash equivalents	113,940	0.99
Other net liabilities	(6,798)	(0.06)
Net assets attributable to unitholders	<u>11,502,700</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 2020

	Fair value at 31 March 2020 US\$	Percentage of total net assets attributable to unitholders at 31 March 2020 %
Link REIT	1,484,727	12.91
Ascendas Real Estate Investment Trust	802,079	6.97
Goodman Group Pty Ltd	785,638	6.83
Dexus	730,960	6.35
Scentre Group	701,117	6.1
Stockland Corporation Ltd	631,336	5.49
Mirvac Group	600,123	5.22
The GPT Group	579,742	5.04
CapitaLand Mall Trust	440,840	3.83
Vicinity Centres Re Ltd	389,777	3.39

##### 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

#### 5. (i) Exposure to financial derivatives as at 31 March 2020

Nil.

#### (ii) Net gains/(losses) on derivative contracts realised for the period ended 31 March 2020

Nil.

#### (iii) Net gains/(losses) on outstanding derivative contracts marked to market as at 31 March 2020

Nil.

## PHILLIP SGX APAC DIVIDEND LEADERS REIT ETF

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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 2020

	US\$	%
Real Estate Investment Trusts	11,395,558	99.07

#### 7. Amount and percentage of borrowings of total fund size as at 31 March 2020

Nil.

#### 8. Amount of units created and cancelled for the period ended 31 March 2020

	US\$
Total amount of subscriptions	2,723,600
Total amount of redemptions	-

#### 9. Distribution

	31 March 2020
Interim (0.0167 cents per unit based on units outstanding as at 3 January 2020)	<u>267,200</u>

## PHILLIP SGX APAC DIVIDEND LEADERS REIT ETF

### MANAGER'S INVESTMENT REPORT (continued)

#### 10. Performance of the Fund

As at 31 March 2020:

Cumulative (%)*	US\$	Benchmark US\$
3 Months	-31.32	-35.10
6 Months	-30.04	-33.41
1 Year	-29.29	-32.02
3 Years	-13.02	-13.61
Since inception (20 Oct 2016)	-11.34	-11.58
Annualised (%)*		
3 Years	-4.54	-4.76
Since inception (20 Oct 2016)	-3.43	-3.51

\* 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 2020

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 2020 US\$	31 March 2019 US\$
Brokerage fees paid to a related party of the Manager	-	-
	<b>31 March 2020 US\$</b>	<b>30 September 2019 US\$</b>
Bank balances held with a related party of the Trustee	113,940	164,939

#### 12. Financial ratios

##### Expense ratio

		31 March 2020	31 March 2019
Total operating expenses (annualised)	US\$	181,266	206,610
Average daily net asset value	US\$	15,852,172	16,919,941
<b>Total expense ratio<sup>1</sup></b>	<b>%</b>	<b>1.14</b>	<b>1.22</b>

<sup>1</sup> 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.

**MANAGER'S INVESTMENT REPORT (continued)**

**12. Financial ratios (continued)**

**Turnover ratio**

		<b>31 March 2020</b>	<b>31 March 2019</b>
Total value of purchases/sales	<b>US\$</b>	3,711,613	3,368,679
Average daily net asset value	<b>US\$</b>	15,852,172	16,919,941
<b>Total turnover ratio<sup>2</sup></b>	<b>%</b>	23.41	19.91

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<sup>2</sup> 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 2020

	<b>31 March 2020 US\$</b>	<b>31 March 2019 US\$</b>
<b>Income</b>		
Dividend income	394,133	375,817
Interest income	-	7
	<u>394,133</u>	<u>375,824</u>
<b>Expenses</b>		
Management fee	24,348	23,901
Trustee fee	6,000	6,000
Valuation fee	8,551	8,558
Custody fee	5,497	6,945
Audit fee	6,009	6,066
Transaction costs	(3,842)	(1,060)
Other expenses	51,869	55,784
	<u>98,432</u>	<u>106,194</u>
<b>Net income</b>	<u>295,701</u>	<u>269,630</u>
<b>Net gains or losses on value of investments</b>		
Net (losses)/gains on investments	(6,076,747)	1,414,794
Net foreign exchange (loss)/gain	(44,533)	2,647
	<u>(6,121,280)</u>	<u>1,417,441</u>
<b>Total return for the financial period before income tax</b>	(5,825,579)	1,687,071
Less: Income tax	(48,148)	(31,888)
<b>Total return for the financial period after income tax</b>	<u>(5,873,727)</u>	<u>1,655,183</u>

## PHILLIP SGX APAC DIVIDEND LEADERS REIT ETF

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### Statement of Financial Position (Unaudited) As at 31 March 2020

	<b>31 March 2020 US\$</b>	<b>30 September 2019 US\$</b>
<b>Assets</b>		
Portfolio of investments	11,395,558	14,737,456
Receivables	35,933	66,219
Cash and cash equivalents	113,940	164,939
<b>Total assets</b>	<u>11,545,431</u>	<u>14,968,614</u>
<b>Liabilities</b>		
Payables	42,731	48,587
<b>Total liabilities</b>	<u>42,731</u>	<u>48,587</u>
<b>Equity</b>		
Net assets attributable to unitholders	<u>11,502,700</u>	<u>14,920,027</u>

## PHILLIP SGX APAC DIVIDEND LEADERS REIT ETF

### Statement of Movements of Unitholders' Funds (Unaudited) For the financial period ended 31 March 2020

	31 March 2020 US\$	30 September 2019 US\$
<b>Net assets attributable to unitholders at the beginning of the financial period</b>	14,920,027	17,877,685
<b>Operations</b>		
Change in net assets attributable to unitholders resulting from operations	(5,873,727)	1,895,962
<b>Unitholders' contributions/(withdrawals)</b>		
Creation of units	2,723,600	683,800
Cancellation of units	-	(4,765,000)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	2,723,600	(4,081,200)
Distributions	(267,200)	(772,420)
<b>Total decrease in net assets attributable to unitholders</b>	(3,417,327)	(2,957,658)
<b>Net assets attributable to unitholders at the end of the financial period</b>	11,502,700	14,920,027

## PHILLIP SGX APAC DIVIDEND LEADERS REIT ETF

### Statement of Portfolio (Unaudited) As at 31 March 2020

	Holdings as at 31 March 2020	Fair Value as at 31 March 2020 US\$	Percentage of total net assets attributable to unitholders as at 31 March 2020 %
<b>By Geography (Primary)</b>			
<b>Quoted</b>			
<b>Australia</b>			
Charter Hall Group	37,638	158,658	1.38
Charter Hall Retail REIT	73,782	141,001	1.23
Cromwell Property Group	318,230	156,438	1.36
Dexus	130,864	730,960	6.35
Goodman Group Pty Ltd	105,664	785,638	6.83
Mirvac Group	467,287	600,123	5.22
Scentre Group	729,065	701,117	6.10
Shopping Centres Australasia Property Group	135,728	189,324	1.65
Stockland Corporation Ltd	406,097	631,336	5.49
The GPT Group	259,907	579,742	5.04
Vicinity Centres Re Ltd	612,867	389,777	3.39
Viva Energy Reit Ltd	109,034	154,099	1.34
		5,218,213	45.38
<b>Hong Kong</b>			
Champion Real Estate Investment Trust	311,962	188,299	1.64
Fortune REIT	231,000	213,913	1.86
Link REIT	175,219	1,484,727	12.91
		1,886,939	16.41

## PHILLIP SGX APAC DIVIDEND LEADERS REIT ETF

### Statement of Portfolio (Unaudited) (continued) As at 31 March 2020

	Holdings as at 31 March 2020	Fair value as at 31 March 2020 US\$	Percentage of total net assets attributable to unitholders as at 31 March 2020 %
<b>By Geography (Primary)</b>			
<b>Quoted</b>			
<b>Singapore</b>			
Ascendas Real Estate Investment Trust	403,902	802,079	6.97
Ascott Residence Trust	328,639	182,180	1.58
CapitaLand Commercial 1 Trust	358,926	385,346	3.35
CapitaLand Mall Trust	350,973	440,840	3.83
Frasers Centrpoint Trust	85,100	133,762	1.16
Frasers Logistics and Industrial Trust	234,900	145,875	1.27
Keppel DC REIT	112,000	179,973	1.56
Keppel REIT	234,326	156,206	1.36
Manulife US Real Estate Investment Trust	241,000	174,725	1.52
Mapletree Commercial Trust	275,699	354,031	3.08
Mapletree Industrial Trust REIT	205,406	350,247	3.04
Mapletree Logistics Trust	324,557	359,834	3.13
Mapletree North Asia Commercial Trust	398,544	225,127	1.96
Suntec Real Estate Investment Trust	274,114	240,434	2.09
		4,130,659	35.90
<b>Thailand</b>			
CPN Retail Growth Leasehold REIT	220,400	159,747	1.38
		159,747	1.38
<b>Portfolio of investments</b>		11,395,558	99.07
<b>Other net assets</b>		107,142	0.93
<b>Net assets attributable to unitholders</b>		11,502,700	100.00

## PHILLIP SGX APAC DIVIDEND LEADERS REIT ETF

### Statement of Portfolio (Unaudited) (continued) As at 31 March 2020

	Fair value as at 31 March 2020 US\$	Percentage of total net assets attributable to unitholders as at 31 March 2020 %	Percentage of total net assets attributable to unitholders as at 30 September 2019 %
<b>By Geography (Primary)</b>			
<b>Quoted</b>			
Australia	5,218,213	45.38	55.54
Hong Kong	1,886,939	16.41	13.63
Singapore	4,130,659	35.90	28.13
Thailand	159,747	1.38	1.48
<b>Portfolio of investments</b>	<b>11,395,558</b>	<b>99.07</b>	<b>98.78</b>
<b>Other net assets</b>	<b>107,142</b>	<b>0.93</b>	<b>1.22</b>
<b>Net assets attributable to unit holders</b>	<b>11,502,700</b>	<b>100.00</b>	<b>100.00</b>
<b>By Industry (Secondary)</b>			
Real Estate Investments Trusts*	11,395,558	99.07	98.78
<b>Portfolio of investments</b>	<b>11,395,558</b>	<b>99.07</b>	<b>98.78</b>
<b>Other net assets</b>	<b>107,142</b>	<b>0.93</b>	<b>1.22</b>
<b>Net assets attributable to unitholders</b>	<b>11,502,700</b>	<b>100.00</b>	<b>100.00</b>

\* 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.