

PHILLIP SGX APAC DIVIDEND LEADERS REIT ETF

SEMI-ANNUAL REPORT

For the period ended 31 March 2018 (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

NAV per share (31 Mar 2018)	US\$0.973
Net Assets Attributable to unitholders (31 Mar 2018)	US\$17,429,641
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 11 – 13.

3. Schedule of Investments by Asset Class

Asset Class	Fair Value at 31 March 2018 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 March 2018 %
Quoted Real Estate Investment Trusts	17,296,356	99.24
Cash and cash equivalents	75,049	0.43
Other net assets	58,236	0.33
Net assets attributable to unitholders	17,429,641	100.00

PHILLIP SGX APAC DIVIDEND LEADERS REIT ETF

MANAGER'S INVESTMENT REPORT (continued)

4. Top 10 Holdings

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 %
The 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

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 2018

Nil.

(ii) Net gains/(losses) on derivative contracts realised for the period ended 31 March 2018

Nil.

(iii) Net gains/(losses) on outstanding derivative contracts marked to market as at 31 March 2018

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

	Fair Value at 31 March 2018 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 March 2018 %
Quoted Real Estate Investment Trusts	<u>17,296,356</u>	<u>99.24</u>

7. Amount and percentage of borrowings of total fund size as at 31 March 2018

Nil.

8. Amount of units created and cancelled for the period ended 31 March 2018

Total amount of subscriptions	US\$ 315,300
Total amount of redemptions	(1,210,800)

9. Distribution

Nil

PHILLIP SGX APAC DIVIDEND LEADERS REIT ETF

MANAGER'S INVESTMENT REPORT (continued)

10. Performance of the Fund as at 31 March 2018

Cumulative (%*)	Benchmark		
	US\$	S\$	US\$
3 Months	-5.93	-7.66	-6.31
6 Months	2.32	-1.08	2.46
1 Year	6.95	0.45	7.99
Since inception (20 Oct 2016)	9.13	3.09	10.52
Annualised (%)			
Since inception (20 Oct 2016)	6.26	2.14	7.20

*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

11. Related party transactions for the period ended 31 March 2018

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 2018	31 March 2017
	US\$	US\$
Brokerage fees paid to a related party of the manager	3,887	20,325
	31 March 2018	30 September
	US\$	2017
Bank balances held with related party of the Trustee	75,049	113,626

PHILLIP SGX APAC DIVIDEND LEADERS REIT ETF

12. Financial ratios

Expense ratio

		31 March 2018	31 March 2017
Total operating expenses (annualised)	US\$	211,932	242,871
Average daily net asset value	US\$	20,322,758	26,237,142
Total expense ratio¹	%	1.04	0.93

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 financial period. The total operating expenses do not include (where applicable) brokerage and other transaction costs, performance fees, interest expense, distributions 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 2018	31 March 2017
Total value of purchases	US\$	1,787,180	7,273,872
Average daily net asset value	US\$	18,122,070	26,237,142
Total turnover ratio²	%	9.86	27.72

² The turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the turnover ratio is 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 did not receive any soft dollar services in respect of the fund during the period.

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 2018

	31 March 2018 US\$	31 March 2017 US\$
Income		
Dividend income	451,341	687,282
Interest income	9	-
	<u>451,350</u>	<u>687,282</u>
Expenses		
Other expenses	53,549	43,912
Management fee	27,245	48,029
Trustee fee	6,112	5,613
Valuation fee	7,971	1,692
Custodian fee	9,296	8,203
Audit fee	6,752	5,669
Transaction costs	4,628	57,863
	<u>115,553</u>	<u>170,981</u>
Net income	<u>335,797</u>	<u>516,301</u>
Net gains or losses on value of investments		
Net gains/(losses) on investments	63,820	(401,781)
Net foreign exchange (loss)/gain	(6,250)	116,017
	<u>57,570</u>	<u>(285,764)</u>
Total return for the financial period before income	393,367	230,537
Less: Income tax	(32,162)	(64,612)
Total return for the financial period after income tax	<u>361,205</u>	<u>165,925</u>

PHILLIP SGX APAC DIVIDEND LEADERS REIT ETF

STATEMENT OF FINANCIAL POSITION (Unaudited)

As at 31 March 2018

	31 March 2018 US\$	30 September 2017 US\$
Assets		
Portfolio of investments	17,296,356	17,757,969
Receivables	90,770	122,838
Cash and cash equivalents	75,049	113,626
Sales awaiting settlement	-	385,363
Financial derivatives at fair value	-	15,690
Total assets	17,462,175	18,395,486
Liabilities		
Payables	32,534	430,342
Purchases awaiting settlement	-	1,208
Total liabilities	32,534	431,550
Equity		
Net assets attributable to unitholders	17,429,641	17,963,936

PHILLIP SGX APAC DIVIDEND LEADERS REIT ETF

STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS (Unaudited)

For the financial period ended 31 March 2018

	31 March 2018 US\$	30 September 2017 US\$
Net assets attributable to unitholders at the beginning of the financial period	17,963,936	-
Operations		
Change in net assets attributable to unitholders resulting from operations	361,205	1,309,126
Unitholders' contributions/(withdrawals)		
Creation of units	315,300	30,882,300
Cancellation of units	(1,210,800)	(13,335,800)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(895,500)	17,546,500
Distributions	-	(891,690)
Total (decrease)/increase in net assets attributable to unitholders	(534,295)	17,963,936
Net assets attributable to unitholders at the end of the financial period	17,429,641	17,963,936
Represented by:		
Units in issue	17,900,000	18,800,000
Net asset value per unit [US\$]	0.973	0.955

PHILLIP SGX APAC DIVIDEND LEADERS REIT ETF

STATEMENT OF PORTFOLIO (Unaudited)

As at 31 March 2018

By Geography (Primary)			Percentage of Total Net Assets
Quoted	Holdings at	Fair Value at	Attributable to
Real Estate Investment Trusts	31 March 2018	31 March 2018	Unitholders at
	Units	US\$	31 March 2018
			%
Australia			
BWP Trust	85,206	197,468	1.13
Charter Hall Group	50,579	222,405	1.28
Charter Hall Retail REIT	73,013	215,715	1.24
Cromwell Property Group	358,983	293,389	1.68
Dexus	140,219	1,002,864	5.75
Goodman Group Pty Ltd	151,659	981,104	5.63
Investa Office	63,116	208,755	1.20
Mirvac Group	538,743	888,873	5.10
Scentre Group	579,262	1,702,524	9.77
Shopping Centres Australasia Proper	123,319	220,498	1.26
Stockland Corporation Ltd	431,103	1,333,231	7.65
The GPT Group	260,085	946,048	5.43
Vicinity Centres Re Ltd	525,899	972,610	5.58
Westfield Corporation	187,369	1,225,058	7.03
		10,410,542	59.73
China/Hong Kong			
Hui Xian Real Estate Investment Trust	769,826	379,221	2.18
Champion Real Estate Investment Trust	254,962	181,617	1.04
The Link REIT	203,119	1,734,182	9.95
		2,295,020	13.17

PHILLIP SGX APAC DIVIDEND LEADERS REIT ETF

STATEMENT OF PORTFOLIO (Unaudited) (continued)

As at 31 March 2018

By Geography (Primary)			Percentage of Total Net Assets
Quoted	Holdings at 31 March 2018	Fair Value at 31 March 2018	Attributable to Unitholders at 31 March 2018
Real Estate Investment Trusts	Units	US\$	%
Singapore			
Ascendas Real Estate Investment Trust	396,023	793,797	4.55
Ascott Residence Trust	230,539	198,544	1.14
Cache Logistics Trust	240,258	152,896	0.88
Capitacommercial Trust	413,326	576,470	3.31
Capitamall Trust	355,873	564,146	3.24
CDL Hospitality Trusts	130,937	168,648	0.97
Keppel REIT	249,326	229,925	1.32
Mapletree Commercial Trust	313,167	374,722	2.15
Mapletree Greater China Commercial	329,944	289,182	1.66
Mapletree Industrial Trust REIT	219,706	339,916	1.95
Mapletree Logistics Trust	348,657	326,841	1.87
Starhill Global Real Estate	254,402	141,539	0.81
Suntec REIT	301,414	434,168	2.49
		4,590,794	26.34
Total Investments		17,296,356	99.24
		Percentage of Total Net Assets	Percentage of Total Net Assets
By Geography (Primary)	Fair value at 31 March 2018	Attributable to Unitholders at 31 March 2018	Attributable to Unitholders at 30 September 2017
Quoted Real Estate Investment Trusts	US\$	%	%
Australia	10,410,542	59.73	59.06
China/Hong Kong	2,295,020	13.17	13.23
Singapore	4,590,794	26.34	26.56
Portfolio of investments	17,296,356	99.24	98.85
Other net assets	133,285	0.76	1.15
Net assets attributable to unitholders	17,429,641	100.00	100.00

PHILLIP SGX APAC DIVIDEND LEADERS REIT ETF

STATEMENT OF PORTFOLIO (Unaudited) (continued)

As at 31 March 2018

By Industry (Secondary)	Fair Value at 31 March 2018 US\$	Percentage of Total Net Assets Attributable to Unitholders at 31 March 2018 %	Percentage of Total Net Assets Attributable to Unitholders at 30 September 2017 %
Real estate	<u>17,296,356</u>	<u>99.24</u>	<u>98.85</u>
Portfolio of investments	17,296,356	99.24	98.85
Other net assets	<u>133,285</u>	<u>0.76</u>	<u>1.15</u>
Net assets attributable to unitholders	<u>17,429,641</u>	<u>100.00</u>	<u>100.00</u>