

LIPPO FUNDAMENTAL INDEXING ETF

Lippo Select HK & Mainland Property ETF (2824.HK)

**IMPORTANT:**

- Lippo Select HK & Mainland Property ETF (the "Fund") is an exchange traded fund which seeks to provide investment results, before fees and expenses that closely correspond to the performance of the Lippo Select HK & Mainland Property Index (the "Index").
- The Fund is "passively managed" and may decrease in value when there is adverse performance of the Index. The Fund's investments are concentrated in one sector which may result in greater volatility.
- The Fund is subject to concentration risk as a result of investing primarily in the property related securities from Hong Kong and Mainland China region.
- The trading price of the Fund on the Stock Exchange of Hong Kong Limited may deviate significantly from the net asset value of the Fund from time to time.
- Any positive distribution yield may not necessarily imply a positive return of the Fund.
- The Fund may not be suitable for all investors. Investors should not invest solely based on the information provided herein and should read the Fund's prospectus, including the risk factors, take into consideration of the product features, their own investment objectives, risk tolerance level etc and seek professional advices as appropriate prior to making any investment.
- Dividend policy: Annually at the Manager's discretion (March each year). The Manager may in its absolute discretion make dividend distributions out of capital or effectively out of capital to Unitholders from time to time. Dividends effectively paid out of capital amount to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distribution involving payment of dividends out of the capital may result in an immediate reduction of the Fund's net asset value per unit. Please refer to the Prospectus for further details.

INVESTMENT OBJECTIVE

The Fund aims to provide investment results, before fees and expenses, that closely correspond to the performance of the Index.

COMMENTARY

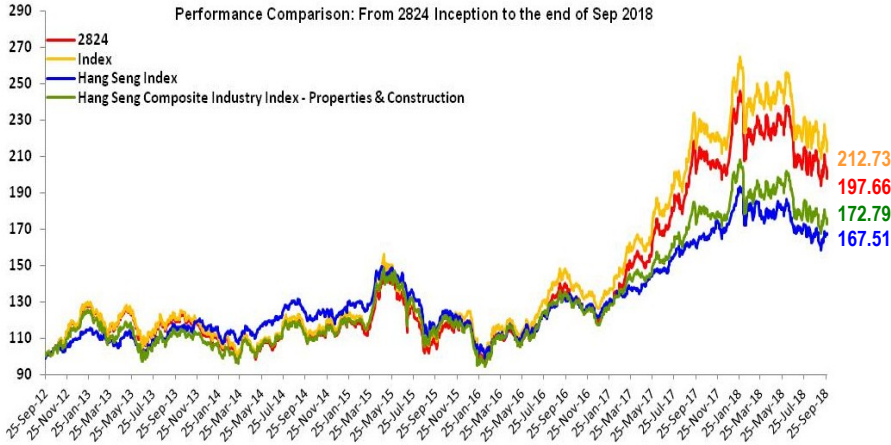
In September, the Lippo Select HK & Mainland Property ETF ("2824") was down by 5.8%.

The performance of the property sector underperformed the market during the month. The Hang Seng Composite Industry Index - Properties & Construction (HSCP) registered a return of -3.4% during the month while the Hang Seng Index registered a return of 0%.

The fund underperformed HSCP during the month by 2.4% and was down by 5.8%. Since the Fund's inception, 2824 outperformed peer index HSCP's performance by 24.9%. The former was up by 97.7% since the Fund's inception and HSCP's performance was up by 72.8%. Over a longer period, the Lippo Select HK & Mainland Property Index ("Index") outperformed the HSCP by 125.3% since the index inception.

As at the end of September 2018, the Fund's trailing price-to-earnings ratio was 5.5x while its price-to-book value was 0.7x with a dividend yield of 4.8%.

PERFORMANCE



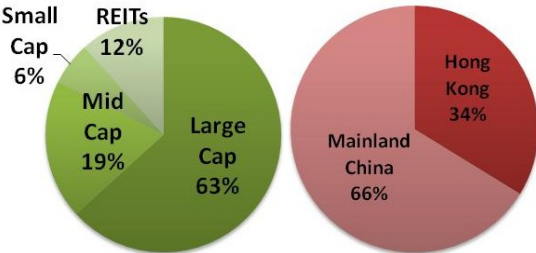
	YTD	1 Month	3 Months	6 Months	1 Year	Since Fund Inception*	Since Index Inception#
Fund	-6.5%	-5.8%	-6.6%	-11.7%	-3.4%	97.7%	N/A
LIPROP	-6.2%	-5.9%	-6.6%	-11.6%	-2.9%	112.9%	268.7%
HSI	-4.1%	0.0%	-2.5%	-5.0%	4.4%	67.5%	167.4%
HSCP	-5.8%	-3.4%	-4.6%	-8.6%	-1.6%	72.8%	143.4%

Source: Lippo Investments Management Limited, Hang Seng Indexes Company Limited & Bloomberg as of 30 September, 2018  
\*Fund Inception day as of 26 September 2012      #Index Inception day as of 2 June 2006  
Note: Fund's performance is calculated on an NAV to NAV basis and assumes reinvestment of distribution (net dividends)  
The benchmark of the fund : total returns with net dividends reinvested.

INDEX CHARACTERITICS

Number of Stocks	56
Market Cap (HKD Billion)	2,794
P/B (Weighted Avg, X)	0.7
P/E (Weighted Avg, X)	5.5
Dividend Yield (Weighted Avg, %)	4.8

SIZE & REGION BREAKDOWN



TOP 10 HOLDINGS

	Weighting (% of Equity)
New World Dev	6.5%
China Res Land	6.4%
China Overseas	6.4%
Link REIT	6.3%
Sunac	5.9%
Henderson Land	5.6%
Country Garden	5.4%
Evergrande	4.7%
Sino Land	4.3%
Wheelock	4.1%
Total	55.6%

FUND DETAILS

Listing Date:	26 September 2012
Index:	Lippo Select HK & Mainland Property Index
Exchange Listing:	Hong Kong Stock Exchange
Manager:	Lippo Investments Management Limited (LIM)
Trustee & Administrator:	BOCI-Prudential Trustee Limited
Custodian:	Bank of China (Hong Kong) Limited
Participating Dealer:	Goldman Sachs (Asia) Securities Ltd / Credit Suisse Securities (Hong Kong) Limited
Creation Unit Size:	25,000 Units
Board Lot Size:	100 Shares
Base Currency:	Hong Kong Dollars
Distribution Policy:	Annually at the Manager's discretion (March each year)
Estimated TER:	0.75% per annum of Net Asset Value (current fiscal year)
Total NAV:	HKD 117.99 million (approximate)
NAV per unit:	HKD 68.40

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