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ADDX launches cash management solution, in tie-up with Lion Global Investors

Dubbed "ADDX Earn", the first two funds launched are managed by OCBC Group's Lion Global Investors and they comprise high-quality, low-volatility liquid debt instruments

SINGAPORE, 29 AUGUST 2022 – Asia's largest private market exchange ADDX has launched a cash management tool that allows investors with excess funds in their wallets to earn interest, instead of letting their cash sit idle. Named ADDX Earn, the solution aims to withstand short-term volatility while preserving capital.

The product line was curated to boost the returns of investors who have deposited money in their ADDX wallets, but have yet to decide on which private market product to take part in. Some of the idle capital may also have come from previous investment earnings on ADDX. Target returns for products under ADDX Earn are designed to be higher than short-term bank deposit rates – which is where many investors otherwise store undeployed capital.

The first two funds to be launched under the ADDX Earn umbrella are by Lion Global Investors, a fund manager that is a part of the OCBC Group.

The LionGlobal SGD Enhanced Liquidity Fund and LionGlobal USD Enhanced Liquidity Fund are invested in high-quality portfolios of debt instruments, diversified across a wide range of issuers and tenors while maintaining weighted average credit ratingsⁱ of "A". The two funds have weighted average portfolio durationsⁱⁱ of less than a year, which gives Lion Global the flexibility to adjust portfolio allocations in response to changing interest rates and market conditions. Investors can redeem their investments through ADDX on a weekly basis. In addition, the funds target low-volatility assets, which are well-suited for the current market environment that has seen increased volatility in other asset classes.

For both funds, interest is accrued daily. As of 31 July 2022ⁱⁱⁱ, the LionGlobal SGD Enhanced Liquidity Fund had a weighted average yield to maturity^{iv} of 2.22% p.a., while that of the LionGlobal USD Enhanced Liquidity Fund was 2.38% p.a. These rates change monthly depending on the prevailing interest rate environment and the underlying assets held by the funds.

Gerard Lee, Chief Executive Officer of Lion Global Investors, said: "Our liquidity funds are typically used by financial advisers and more recently by digital players. We are therefore delighted to have a private market exchange use our liquidity funds to provide a solution for their investors' excess cash."



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ADDX Chief Executive Officer Oi-Yee Choo said: “Cash should never sit idle. This is especially true at a time when investors are turning to cash cushions as they carefully weigh their investment options amid rising inflation, a volatile market and an uncertain global economic outlook. With ADDX Earn, we are presenting to investors low-risk, money market funds in a format that is liquid and reduces the likelihood of negative returns.”

She added: “ADDX Earn represents an expansion of our product range in our constant effort to improve as a private market exchange through observing and responding to investor behaviour and need. It is an important building block in the financial services ecosystem we are constructing that is designed for investors, and not just for large corporations. We want to offer investors a full shelf of products – ranging from those with a higher risk-return profile such as hedge funds and venture capital, to those with a lower risk-return profile, such as real estate funds, investment grade bonds, as well as cash management solutions at the tail end of the spectrum, such as these two Lion Global funds.”

Founded in 2017, the SGX-backed ADDX currently serves individual accredited investors^v from 39 countries spanning Asia Pacific, Europe and the Americas (except the US). Using blockchain and smart contract technology, ADDX reduces manual interventions in the issuance, custody and distribution of private market products. The resulting efficiency from the use of digital securities allows the platform to fractionalise investments in a scalable and commercially viable manner, bringing minimum investment sizes down from US\$1 million to US\$10,000 and thereby widening investor access to the private markets. To date, ADDX has listed around 40 deals on its platform involving blue-chip names such as Hamilton Lane, Partners Group, Investcorp, Singtel, UOB, CGS-CIMB, as well as Temasek-owned entities Mapletree, Azalea, SeaTown and Fullerton Fund Management. Asset classes available on ADDX include private equity, hedge funds, venture capital, private credit, real estate, debt and structured products.

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This advertisement has not been reviewed by the Monetary Authority of Singapore.

About ADDX

ADDX is a full-service capital markets platform with Monetary Authority of Singapore (MAS) licenses for the issuance, custody and secondary trading of digital securities. The financial technology company has raised a total of US\$120 million in funding since its inception in 2017, including US\$50 million in its Series A round in January 2021 and US\$58 million in its Pre-Series B round in May 2022. Its shareholders include Singapore Exchange (SGX), the Stock Exchange of



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Thailand (SET), Temasek subsidiary Heliconia Capital, the Development Bank of Japan (DBJ), UOB, Hamilton Lane, Tokai Tokyo Financial Holdings and Hanwha Asset Management.

Besides individual accredited investors, ADDX also serves wealth managers and corporate investors through its institutional service, ADDX Advantage. ADDX is owned and operated by ICHX Tech Pte Ltd. ICHX Tech has been approved by MAS as a recognised market operator (RMO). It also has a capital markets services (CMS) license to deal in securities and collective investment schemes as well as to provide custodial services. For more information, visit ADDX.co or <https://www.linkedin.com/company/addxco>.

ⁱ This is calculated by weighing the credit rating of each individual debt instrument the fund is invested in based on that instrument's share in the overall portfolio, thereby producing an average credit rating.

ⁱⁱ This is calculated as the sum of weighted modified duration of the portfolio, net of the hedged effect of interest rate futures, if any.

ⁱⁱⁱ Latest available figures due to a time lag in calculating rates.

^{iv} Weighted average yield to maturity refers to a bond's internal rate of return if held to maturity, with all payments made as scheduled and reinvested at the same rate. Actual yield may differ slightly due to fund-level management fees and potential defaults from issuers.

^v The Singapore regulatory regime that ADDX operates under defines an accredited individual investor as an individual whose net personal assets exceed in value S\$2 million (or its equivalent in another currency), or whose financial assets (net of any related liabilities) exceed in value S\$1 million (or its equivalent in another currency), or whose income in the preceding 12 months is at least S\$300,000 (or its equivalent in another currency).