

NIKKO AM SGD INVESTMENT GRADE CORPORATE BOND ETF

July 2018

Fund Information

ISIN

SGXC70121915

SGX Trading Name

NikkoAM SGD IGBond ETF

Bloomberg Ticker

NIKIGCB SP

SGX Stock Code

MBH

Valuation Frequency

Daily

Fund Methodology

Representative Sampling, rebalanced monthly

Dividend Distribution Frequency[^]

Dividends (if any) would be paid annually at the manager's discretion and are not guaranteed.

Management Fee

0.15% p.a.

Total Expense Ratio

Capped at 0.30% p.a. for at least 3 years from inception

Benchmark

iBoxx SGD Non-Sovereigns Large Cap Investment Grade Index

Listing Date

27 August 2018 (subject to SGX's post Eligibility to List (ETL) requirements)

Listing

Singapore Exchange

Share Class Currency

SGD

[^]Distributions could be derived from interest income or capital gain, and where distributions are made from capital, prior-approval by the Fund's trustee is required. Distributions paid out of capital of the Fund will decrease its Net Asset Value.

Investment Objective

The investment objective of the Fund is to provide investors with investment returns that correspond closely to the total return of the iBoxx SGD Non-Sovereigns Large Cap Investment Grade Index (the "Index"), before fees and expenses.

The iBoxx SGD Non-Sovereigns Large Cap Investment Grade Index

iBoxx SGD Non-Sovereigns Large Cap Investment Grade index tracks the performance of SGD denominated investment grade bonds excluding Singapore Government Securities ("SGD denominated Investment Grade Bonds"). The index aims to offer a broad coverage of the underlying SGD Investment Grade bond universe, whilst upholding minimum standards of investability and liquidity.

Index Characteristics*:

- The Index consists of 102 bonds with 45 issuers
- Minimum outstanding: SGD300 million
- Average credit rating: A
- Yield to maturity: 3.22% p.a.
- Modified duration: 4.68 years
- Single issuer limit:
 - 20% for rated Statutory Boards
 - 10% for rated issuers
 - 5% for unrated issuers
 - 20% Group limit

*Source: Markit iBoxx, Nikko AM, as of 30 June 2018

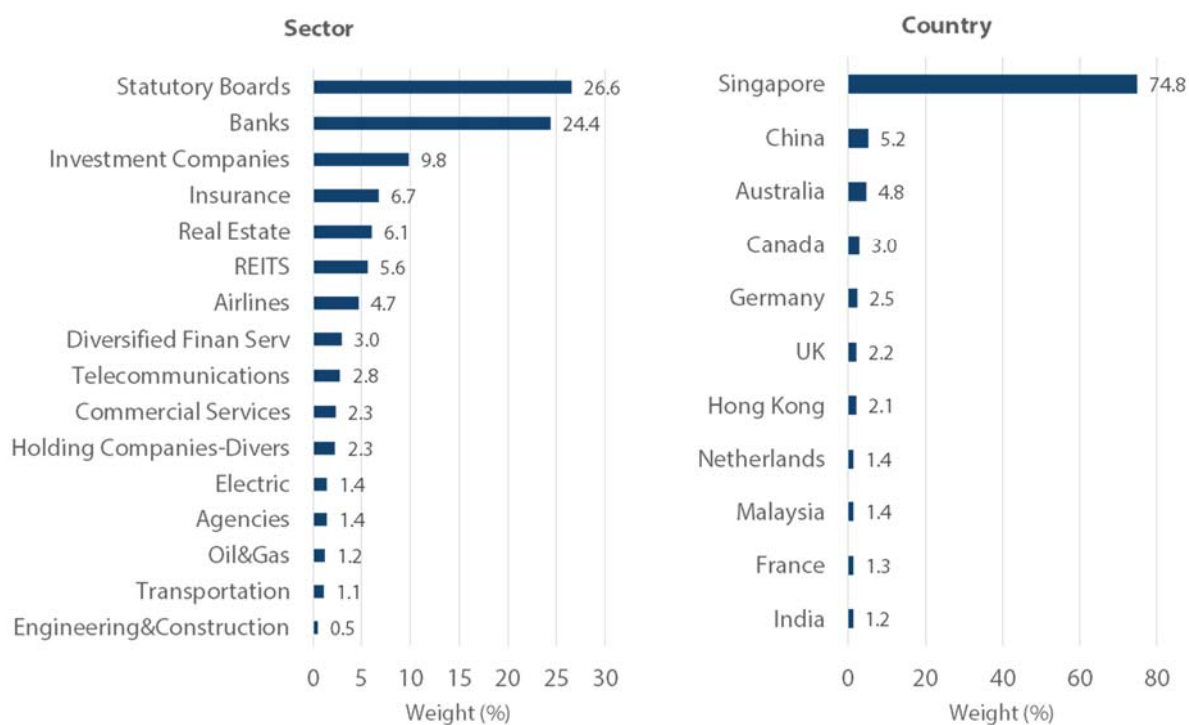
Constituents of the Index

Top 10 Issuers
Housing & Development Board
Temasek Financial
United Overseas Bank
Land Transport Authority
Singapore Airlines
DBS Bank
Huarong Finance
Manulife Financial
CapitaLand
Keppel Corp

Source: Markit iBoxx, Nikko AM, 30 June 2018

Allocation of the Index

Dominated by Singapore statutory boards, financials and property sectors, the Index also has active issuers from other sectors and countries. Foreign issuers account for over 20% of the Index.



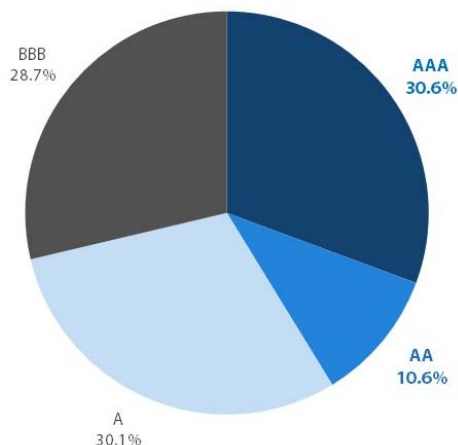
Source: Markit iBoxx, Nikko AM, Bloomberg, as of 30 June 2018.

Any references to particular securities, sectors or countries are for illustrative purposes only and are as at the date of publication of this material. This is not a recommendation in relation to any named securities, sectors or countries and no warranty or guarantee is provided.

Supplemental Information

Credit Rating Profile

The Index has over 70% allocation to issuers rated A and above.

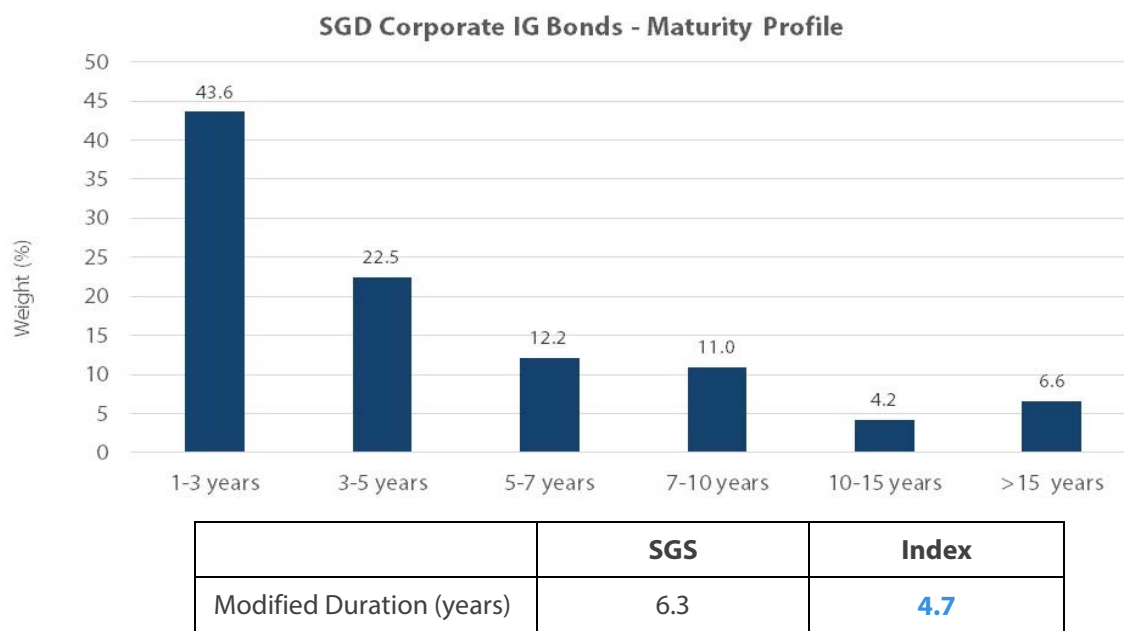


Source: Markit iBoxx, Nikko AM, as of 30 June 2018.

Unrated bonds are classified according to iBoxx Implied Rating classification.

Maturity Profile

The average duration of the Index is 4.7yrs and more than 40% in 1-3 year maturity segment. Approximately 10% of the maturity profile is greater than 10 years.



Source: Markit iBoxx, Nikko AM, Bloomberg Barclays, as of 30 June 2018.

Index Yields

The Index offers higher yield as compared to 5 year SGS and the iBoxx ABF Singapore Bond Index.



Source: Markit iBoxx, Bloomberg, 30 June 2018.

Performance of the Index

SGD IG Corporate Bonds vs SGS and Singapore Equities (rebased to 100 as of 31 Dec 2012)

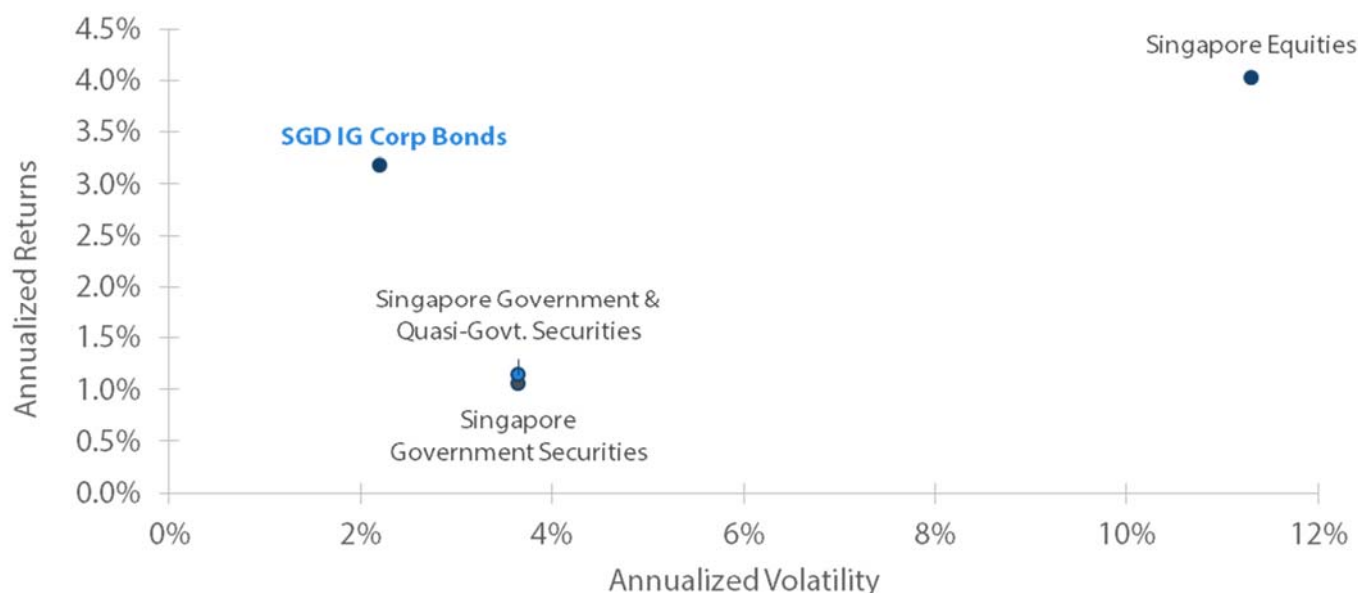


Past performance is not necessarily indicative of the future performance.

Source: Markit, FTSE, Bloomberg, 30 June 2018

Risk-Return Profile (January 2013 – June 2018)

The Index offers superior risk adjusted return over SGS.



Performance (%)	Singapore Government Securities (iBoxx ABF Singapore Government Total Return Index)	Singapore Government & Quasi-Govt. Securities (iBoxx ABF Singapore Bond Index)	SGD IG Corp Bonds (The Index - iBoxx SGD Non-Sovereigns Large Cap Investment Grade Index)	SG Equities (FTSE Straits Times Index)
Annualized Returns	1.0	1.1	3.2	4.0
Annualized Volatility	3.7	3.6	2.2	11.3
Maximum Drawdown	-5.1	-5.2	-3.1	-22.9

Past performance is not necessarily indicative of the future performance. Volatility and drawdown based on monthly returns. Source: Markit, FTSE, MAS, Nikko AM, 30 June 2018

Contact Us

Nikko Asset Management Asia Limited
 12 Marina View, #18-02, Asia Square Tower 2,
 Singapore 018961
 Phone: +65 6500 5700
 Fax: +65 6534 5183
 Email: SGInstitBusinessDev@nikkoam.com

Important Information

This document is for information only with no consideration given to the specific investment objective, financial situation and particular needs of any specific person. Any securities mentioned herein are for illustration purposes only and should not be construed as a recommendation for investment. You should seek advice from a financial adviser before making any investment. In the event that you choose not to do so, you should consider whether the investment selected is suitable for you. Investments in funds are not deposits in, obligations of, or guaranteed or insured by Nikko Asset Management Asia Limited (“Nikko AM Asia”).

Past performance or any prediction, projection or forecast is not indicative of future performance. The funds may use or invest in financial derivative instruments. The value of units and income from them may fall or rise. Investments in the funds are subject to investment risks, including the possible loss of principal amount invested. You should read the relevant prospectus and product highlights sheet obtainable on our website (www.nikkoam.com.sg) before investing. The information contained herein may not be copied, reproduced or redistributed without the express consent of Nikko AM Asia. While reasonable care has been taken to ensure the accuracy of the information as at the date of publication, Nikko AM Asia does not give any warranty or representation, either express or implied, and expressly disclaims liability for any errors or omissions. Information may be subject to change without notice. Nikko AM Asia accepts no liability for any loss, indirect or consequential damages, arising from any use of or reliance on this document. The performance of the ETF's price on the Singapore Stock Exchange ("SGX") may be different from the net asset value per unit of the E TF. The ETF may also be delisted from the SGX. Transaction in units of the E TF will result in brokerage commissions. Listing of the units does not guarantee a liquid market for the units. Units of the E TF may be bought or sold throughout trading hours of the SGX through any brokerage account. Investors should note that the ETF differs from a typical unit trust and units may only be created or redeemed directly by a participating dealer in large creation or redemption units. Investors may only redeem the units with Nikko AM Asia under certain specified conditions.

The Markit iBoxx SGD Non-Sovereigns Large Cap Investment Grade Index are marks of Markit Indices Limited and have been licensed for use by Nikko Asset Management Asia Limited. The Markit iBoxx SGD Non-Sovereigns Large Cap Investment Grade Index (the "Index") referenced herein is the property of Markit Indices Limited. ("Index Sponsor") and has been licensed for use in connection with Nikko AM SGD Investment Grade Corporate Bond ETF. Each party acknowledges and agrees that Nikko AM SGD Investment Grade Corporate Bond ETF is not sponsored, endorsed or promoted by the Index Sponsor. The Index Sponsor make no representation whatsoever, whether express or implied, and hereby expressly disclaim all warranties (including, without limitation, those of merchantability or fitness for a particular purpose or use), with respect to the Index or any data included therein or relating thereto, and in particular disclaim any warranty either as to the quality, accuracy and/or completeness of the Index or any data included therein, the results obtained from the use of the Index and/or the composition of the Index at any particular time on any particular date or otherwise and/or the creditworthiness of any entity, or the likelihood of the occurrence of a credit event or similar event (however defined) with respect to an obligation, in the Index at any particular time on any particular date or otherwise. The Index Sponsor shall not be liable (whether in negligence or otherwise) to the parties or any other person for any error in the Index, and the Index Sponsor is under no obligation to advise the parties or any person of any error therein. The Index Sponsor makes no representation whatsoever, whether express or implied, as to the advisability of purchasing or selling Nikko AM SGD Investment Grade Corporate Bond ETF, the ability of the Index to track relevant markets' performances, or otherwise relating to the Index or any transaction or product with respect thereto, or of assuming any risks in connection therewith. The Index Sponsor has no obligation to take the needs of any party into consideration in determining, composing or calculating the Index. No party purchasing or selling Nikko AM SGD Investment Grade Corporate Bond ETF, nor the Index Sponsor, shall have any liability to any party for any act or failure to act by the Index Sponsor in connection with the determination, adjustment, calculation or maintenance of the Index. The Index Sponsor and its affiliates may deal in any obligations that compose the Index, and may, where permitted, accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with the issuers of such obligations or their affiliates, and may act with respect to such business as if the Index did not exist, regardless of whether such action might adversely affect the Index or Nikko AM SGD Investment Grade Corporate Bond ETF .

Copyright ©2018, IHS Markit. All rights reserved and all intellectual property rights are retained by IHS Markit.

Nikko Asset Management Asia Limited. Registration Number 198202562H