

This Product Highlights Sheet is an important document.

- It highlights the key terms and risks of this investment product and complements the Prospectus<sup>1</sup>.
- It is important to read the Prospectus before deciding whether to purchase units in the product. If you do not have a copy, please contact us to ask for one.
- You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.
- If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.

## Nikko AM China Onshore Fund Series - Nikko AM China Equity Fund (the "Fund")

<b>Product Type</b>	Unit Trust	<b>Launch Date</b>	7 September 2015
<b>Manager</b>	Nikko Asset Management Asia Limited	<b>Custodians</b>	<b>Singapore Custodian:</b> BNP Paribas Securities Services, operating through its Singapore Branch <b>China Custodian:</b> HSBC Bank (China) Company Limited
<b>Trustee</b>	BNP Paribas Trust Services Singapore Limited	<b>Dealing Frequency</b>	Every Business Day
<b>Capital Guaranteed</b>	No	<b>Expense Ratio for the financial year ended 31 December 2016</b>	USD Class Units: 2.64% RMB Class Units: N.A. <sup>^</sup> SGD Class Units: N.A. <sup>^</sup>

### PRODUCT SUITABILITY

<b>WHO IS THE PRODUCT SUITABLE FOR?</b>	<u>Further information</u>
<ul style="list-style-type: none"> <li>• The Fund is <u>only</u> suitable for investors who: <ul style="list-style-type: none"> <li>○ seek exposure to listed equities in the China A-shares market in the PRC; and</li> <li>○ are willing and able to accept that their principal will be at risk</li> </ul> </li> </ul> <p><b>You should consult your financial advisers if in doubt about whether this product is suitable for you.</b></p>	Refer to Para 7.2 of the Prospectus for further information on product suitability.

### KEY PRODUCT FEATURES

<b>WHAT ARE YOU INVESTING IN?</b>	<u>Further information</u>
<ul style="list-style-type: none"> <li>• You are investing in a unit trust constituted in Singapore that aims to achieve medium to long term capital appreciation by investing in listed equities in the China A-shares market in the PRC.</li> <li>• There are three Classes of Units within the Fund namely, the USD Class Units (denominated in USD), the RMB Class Units (denominated in RMB) and the SGD Class Units (denominated in SGD). The Classes in the Fund differ, amongst other things, in terms of the currency of denomination, minimum initial investment amount and minimum subsequent investment amount etc.</li> <li>• The base currency of the Fund is RMB.</li> <li>• Units of the Fund are available for subscription on any Dealing Day.</li> <li>• In respect of each of the USD Class Units, the RMB Class Units and the SGD Class Units, the Manager has the sole and absolute discretion to determine whether a distribution is to be made and the frequency of distributions to be made.</li> </ul>	Refer to Para 5, 7.1 and 7.3 of the Prospectus for further information on features of the Fund.

### Investment Strategy

<ul style="list-style-type: none"> <li>• The Manager will employ both a bottom-up investment process involving in-depth company research and a top-down process to review macro-economic factors. The Manager will identify sectors and industries that may benefit from growth opportunities resulting from the restructuring of China's economy, which may include, but are not limited to, consumer discretionary, consumer staples, healthcare and other related sectors and industries.</li> <li>• The Manager has appointed Rongtong Global Investment Limited as the investment advisor (the "<b>Investment Advisor</b>") to provide research and advisory services to the Fund.</li> <li>• In order to achieve its investment objective, the Fund will invest principally through the Manager's quota and capacity under the RQFII framework, primarily in listed equities in the China A-shares market.</li> <li>• The Fund aims to use the CSI 300 Index (Net Total Return) as a benchmark to achieve its investment objective.</li> <li>• The Fund may also invest in financial derivatives instruments, including but not limited to, forward contracts, futures and any other kinds of financial instruments for the purposes of achieving the Fund's investment objective and/or hedging and/or efficient portfolio management and such instruments shall only be used for such purposes as may be permitted</li> </ul>	Refer to Para 7.1 of the Prospectus for further information on the investment strategy of the Fund.
---	---

<sup>1</sup> The Prospectus is available for collection at the Manager's business address at 12 Marina View, #18-02, Asia Square Tower 2, Singapore 018961 during usual business hours or accessible on the Manager's website (www.nikkoam.com.sg).

<sup>^</sup> The RMB Class Units and the SGD Class Units have not been incepted.

<p>under the Code, and for so long as the Fund is a Qualifying CIS, for such purposes as may be permitted under the Standards of Qualifying CIS.</p> <ul style="list-style-type: none"> <li>For so long as the Fund is a Qualifying CIS, the Fund will not enter into securities lending or repurchase transactions, unless otherwise permitted under the Standards of Qualifying CIS, at the discretion of the Manager. Any securities lending or repurchase transactions will be in accordance with the applicable provisions of the Code and the Deed.</li> </ul>	
<b>Parties Involved</b>	
<p><b>WHO ARE YOU INVESTING WITH?</b></p> <ul style="list-style-type: none"> <li>The Fund is a sub-fund of Nikko AM China Onshore Fund Series.</li> <li>The Manager is Nikko Asset Management Asia Limited.</li> <li>The Investment Advisor is Rongtong Global Investment Limited.</li> <li>The Trustee/ Registrar is BNP Paribas Trust Services Singapore Limited.</li> <li>The Custodians are BNP Paribas Securities Services, operating through its Singapore Branch (the “<b>Singapore Custodian</b>”) and HSBC Bank (China) Company Limited (the “<b>China Custodian</b>”).</li> <li>The Administrator is BNP Paribas Securities Services, operating through its Singapore Branch.</li> </ul>	<p>Refer to Para 1.1 and 2 to 4 of the Prospectus for further information on the role and responsibilities of these entities.</p>
<b>KEY RISKS</b>	
<p><b>WHAT ARE THE KEY RISKS OF THIS INVESTMENT?</b>  <b>You should be aware that the price of Units can go down as well as up. The value of the Fund and its distributions (if any) may rise or fall. The following are key risk factors that may cause you to lose some or all of your investment:</b></p>	<p>Refer to Para 9 and 15 of the Prospectus for further information on risks of the Fund.</p>
<b>Market and Credit Risks</b>	
<ul style="list-style-type: none"> <li><b>You are exposed to market risk</b> <ul style="list-style-type: none"> <li>The prices of securities in the portfolio of the Fund and its Units and the income derived therefrom may be influenced by economic and political conditions, changes in interest rates, the earnings of the corporations whose securities are comprised in the portfolio of the Fund and the market’s perception of the securities. These may cause the prices of Units to go up or down as the prices of Units are based on the current market value of the investments of the Fund.</li> </ul> </li> <li><b>You are exposed to the risk of investing in foreign securities</b> <ul style="list-style-type: none"> <li>The investments of the Fund may be affected by political instability as well as exchange controls, changes in taxation, foreign investment policies and other restrictions and controls which may be imposed by the relevant authorities in the other countries.</li> </ul> </li> <li><b>You are exposed to currency risk</b> <ul style="list-style-type: none"> <li>As investments of the Fund are denominated predominantly in RMB, fluctuations of the exchange rate of the RMB against the currencies of denomination of the Classes may affect the value of the Units.</li> </ul> </li> </ul>	
<b>Liquidity Risks</b>	
<ul style="list-style-type: none"> <li><b>The Fund is not listed and you can redeem only on Dealing Days</b> <ul style="list-style-type: none"> <li>There is no secondary market for the Fund. All realisation requests should be made to the Manager through its approved distributors. If there is a surge in realisations at any particular time, the Manager may impose a gate on realisations. If that happens, payment of realisation proceeds to you may be delayed.</li> <li>In addition, you may not realise your Units during any period where realisation is suspended.</li> </ul> </li> </ul>	
<b>Product-Specific Risks</b>	
<ul style="list-style-type: none"> <li><b>You are exposed to equity risk</b> <ul style="list-style-type: none"> <li>The Fund invests primarily in stocks and other equity securities, which are subject to market risks and are in general more volatile than investment grade fixed income securities. Units may therefore be subject to greater price volatility.</li> </ul> </li> <li><b>You are exposed to PRC market risk</b> <ul style="list-style-type: none"> <li>Investing in the securities markets in the PRC is subject to the risks of investing in emerging markets generally and the risks specific to the PRC market, including but not limited to a higher volatility than developed markets, less developed securities laws and regulatory frameworks, less public information on listed companies on such markets, lower trading volume and less liquidity, etc. Investments in the PRC will be sensitive to any significant change in political, social or economic policy in the PRC. Such sensitivity may adversely affect the capital growth and thus the performance of these investments.</li> </ul> </li> <li><b>You are exposed to single country risk</b> <ul style="list-style-type: none"> <li>Exposure to a single or limited number of countries also increases the potential volatility of the Fund due to the increased concentration risk as they are less diversified compared to exposure to specific regional or global markets.</li> </ul> </li> <li><b>You are exposed to risks regarding RQFII status and RQFII quota</b> <ul style="list-style-type: none"> <li>Investors should note that the Manager’s RQFII status may be suspended or revoked and that this may adversely affect the Fund’s performance by requiring the Fund to dispose of its securities holdings. Investors should also note that the Fund may not be allocated a sufficient portion of the RQFII quota from the Manager to meet all applications for subscription into the Fund and that redemption requests may not be processed in a timely manner due to adverse changes in relevant laws or regulations.</li> </ul> </li> </ul>	

- **You are exposed to repatriation and liquidity risks**
  - Certain restrictions imposed by the Chinese government on RQFII may have an adverse effect on the Fund's liquidity and performance. Any restrictions on repatriation of the invested capital and net profits may impact the Fund's ability to meet redemption requests from Holders. Furthermore, as the China Custodian's review on authenticity and compliance is conducted on each repatriation, the repatriation may be delayed or even rejected by the China Custodian in case of non-compliance with the RQFII rules and regulations.
- **You are exposed to tax risk**
  - Investing in the Fund may have tax implications for a Holder depending on the particular circumstances of the Holder. Furthermore, by investing in securities issued by PRC tax resident enterprises, irrespective of whether such securities are issued or distributed onshore or offshore, the Fund may be subject to PRC taxes.
- **You are exposed to financial derivative instruments ("FDIs") risk**
  - **The Manager may invest in FDIs for the purposes of achieving the Fund's investment objective and/or hedging and/or efficient portfolio management. The Manager may make use of FDIs as allowed in the Code, and for so long as the Fund is a Qualifying CIS, for such purposes as may be permitted under the Standards of Qualifying CIS. Investors should note that the Fund intends to use financial derivative instruments to meet its investment objective and it may have a higher volatility to its net asset value as a result of its investment policy.** FDIs involve risks different from, and in some cases, greater than, the risks presented by more traditional investments. Some of the risks associated with FDIs are market risk, management risk, credit risk, liquidity risk, moratorium risk, capital control risk, tax risk and leverage risk.

**You should be aware that your investment in the Fund may be exposed to other risks of an exceptional nature from time to time.**

### FEES AND CHARGES

#### Payable directly by you

- You will need to pay the following fees and charges as a percentage of your gross investment sum:

<b>Initial Sales Charge</b>	Current: Up to 5.00%; Maximum: 5.00%
<b>Realisation Charge</b>	Current: Nil; Maximum: 1.00%
<b>Conversion Fee / Exchange Fee<sup>2</sup></b>	No conversion/exchange allowed

Refer to Para 8 of the Prospectus for further information on fees and charges.

#### Payable by the Fund from invested proceeds

- The Fund will pay the following fees and charges to the Manager, Trustee and other parties:

<b>Annual Management Fee</b>	Current: 1.50%; Maximum: 1.50%
<b>Annual Trustee Fee</b>	Current: 0.03%; Maximum: 0.10%. Subject always to a minimum fee of SGD5,000 p.a.
<b>Other Substantial Fees / Charges (for the financial year ended 31 December 2016)</b>	Professional Fees: 0.29% GST Expense: 0.10% Audit Fee: 0.43% Fund Administration Fee: 0.11% Transaction Costs: 0.84% Subject to agreement with the relevant parties, other fees and charges, including, <i>inter alia</i> fees payable to the China Custodian and the Singapore Custodian may each amount to or exceed 0.10% per annum, depending on the proportion that each fee or charge bears to the net asset value of the Fund.

### VALUATIONS AND EXITING FROM THIS INVESTMENT

#### **HOW OFTEN ARE VALUATIONS AVAILABLE?**

The issue price and realisation price of Units will be available on the Business Day following each Dealing Day.

Investors may check such prices on the Manager's website ([www.nikkoam.com.sg](http://www.nikkoam.com.sg)).

Refer to Para 10, 11 and 14 of the Prospectus for further information on valuation and exiting from the product.

#### **HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?**

##### Cancellation of Units

If applicable to you, you may cancel your subscription for Units within 7 calendar days from the date of your subscription or purchase of the Units by providing notice in writing to the Manager through the approved distributor from whom you purchased your Units. Any Initial Sales Charge paid will be refunded to you. However, you will have to take the risk for any price changes in the net asset value of the Fund since you purchased the Units.

<sup>2</sup> There is no Conversion Fee or Exchange Fee as Units in this Fund cannot be exchanged or switched unless otherwise permitted by the Manager.

**Realisation of Units**

You can exit the Fund by writing to the Manager through the approved distributor from whom you purchased your Units.

If your realisation request is received and accepted by 5 p.m. (Singapore time) on a Dealing Day, you will be paid a price based on the value of the Fund for that Dealing Day. If your realisation request is received and accepted after 5 p.m. (Singapore time), you will be paid a price based on the value of the Fund on the immediately following Dealing Day.

The realisation proceeds that you will receive are calculated by multiplying the number of Units to be realised by the realisation price. An example is as follows:

$$\begin{array}{rcl} \text{Units to be realised} & \times & \text{Realisation Price} = \text{Realisation Proceeds payable} \\ 1,000 & \times & \$1.050 = \$1,050.00 \end{array}$$

The cancellation or realisation proceeds will normally be paid within **six** Business Days (in the case of cancellations or realisations in Singapore) or **seven** Business Days (in the case of realisations in the host jurisdiction, so long as the Fund is a Qualifying CIS) after the relevant Dealing Day on which the cancellation or realisation request is received.

**CONTACT INFORMATION****HOW DO YOU CONTACT US**

- You may contact our approved distributors listed on our website at [www.nikkoam.com.sg](http://www.nikkoam.com.sg) or Nikko Asset Management Asia Limited at 1800 535 8025.

**APPENDIX: GLOSSARY OF TERMS**

Authority	refers to the Monetary Authority of Singapore.
Business Day	means any day (other than a Saturday, Sunday or public holiday) on which commercial banks in Singapore, Hong Kong and the PRC are open for business, or any other day as the Manager and the Trustee may agree in writing.
Class	means a class of Units in the Fund.
Code	means the Code on Collective Investment Schemes issued by the Authority pursuant to the Securities and Futures Act as the same may be modified, amended, supplemented, re-enacted or re-constituted from time to time.
Dealing Day	in relation to the subscription and realisation of Units means a Business Day or such other day as provided in the Deed.
Deed	means the trust deed of the Fund.
Holder	means a holder of Units.
Initial Sales Charge	a charge upon the issue of Units of such amount as the Manager may from time to time determine generally or in relation to any specific transaction or class of transactions provided that such charge shall not exceed five per cent. of the gross investment sum. Such expression in the context of a given date shall refer to the charge or charges determined by the Manager pursuant to the trust deed of the Fund and applicable on that date.
Launch Date	for the purposes of this Product Highlights Sheet only, means the inception date of the Fund or relevant Class.
PRC	means the People's Republic of China.
Qualifying CIS	means a collective investment scheme constituted or established in its home jurisdiction which has been approved by its home regulator for offer to the public in the home jurisdiction, and assessed by its home regulator as suitable to apply to a host regulator for its units to be offered to the public cross-border in the host jurisdiction pursuant to the ASEAN CIS Framework.
RMB	means Renminbi, the lawful currency of the PRC.
RQFII	means a RMB qualified foreign institutional investor approved pursuant to the relevant PRC regulations (as amended from time to time).
SGD	means the lawful currency of the Republic of Singapore.
Standards of Qualifying CIS	means a set of rules and regulations as agreed (and as may be amended from time to time) amongst the ACMF Members, which governs the operation of the ASEAN CIS Framework, and published at <a href="http://www.theacmf.org">http://www.theacmf.org</a> . "ACMF Member" means the securities regulator of the respective ASEAN jurisdiction, and collectively, the "ACMF Members".
Unit	means a unit of the Fund.
USD	means the lawful currency of the United States of America.