

Nikko AM SGD Investment Grade Corporate Bond ETF

Singapore corporate bonds now
made affordable for everyone

YOUR GOALS, OUR COMMITMENT.

Singapore's First Investment Grade Corporate Bond ETF

Corporate bonds are a form of borrowing by a company to fund activities such as business expansion or new ventures. Corporate bonds typically trade in large blocks of at least US\$200,000 per issue, and are not usually accessible to individual investors.

The Nikko AM SGD Investment Grade Corporate Bond ETF (the "Fund") is the first to offer investors easy access to Singapore Dollar-denominated, investment grade corporate bonds in affordable units. The Fund aims to replicate the performance of the iBoxx SGD Non-Sovereigns Large Cap Investment Grade Index (the "Index"), allowing investors to diversify their portfolios with corporate bonds from investment grade issuers.

Since 2012, Singapore Corporate Bonds have provided better returns compared to Singapore Government Bonds and more stable returns versus Singapore equities.*

* Based on the performance of the iBoxx SGD Non-Sovereigns Large Cap Investment Grade Index, iBoxx ABF Singapore Government Total Return Index and FTSE Straits Times Index over the last five years. Source: Bloomberg and Nikko AM, 30 June 2018.

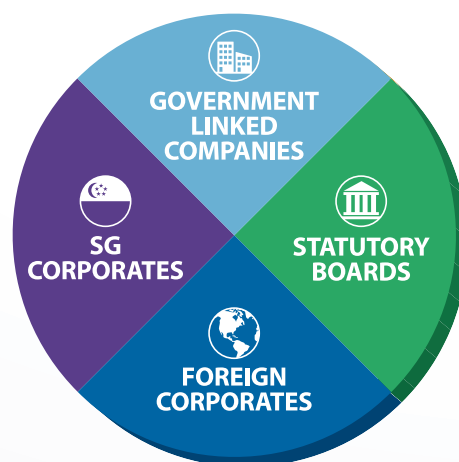
No Currency Risk

Being Singapore Dollar-denominated, the Fund poses no currency risk for local investors.

100%
SGD-denominated

Investment Grade Issuers

The Index comprises bonds issued by established and credible institutions such as sovereign wealth fund **Temasek Financial I Limited** and statutory boards such as the **Housing Development Board (HDB)**, the **Land Transport Authority (LTA)**, and the **Public Utilities Board (PUB)**.



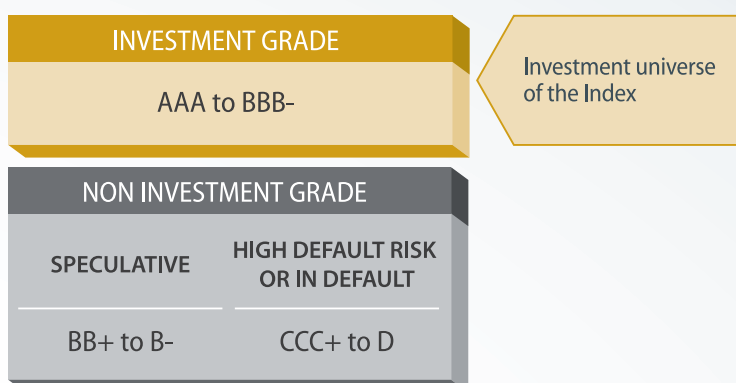
For pictorial illustration only.

Investment Grade Bonds

The Index enjoys an A average credit rating* and invests in investment grade bonds. An investment grade rating shows that the corporate bond has a relatively low risk of default, and are normally rated from AAA to BBB- (S&P).

Bonds with credit ratings lower than BBB- (S&P) are considered to have a lower credit quality. They are also commonly known as Junk Bonds, and subject investors to more uncertain coupon payments as well as higher default risk.

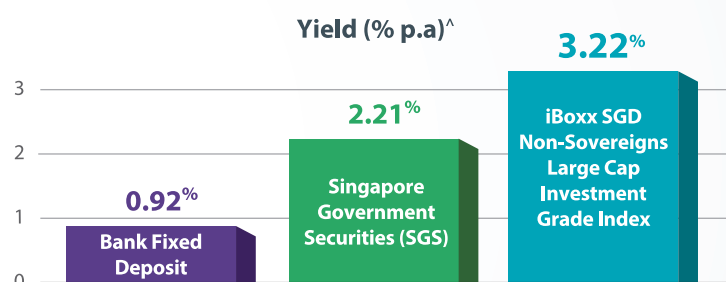
* Source: Markit iBoxx, Nikko AM, 30 June 2018



Higher Yield

With a yield of 3.22%, the Index offers higher yields as compared to bank fixed deposits and Singapore government securities.

Source: DBS, OCBC, UOB, MAS, Markit iBoxx and Nikko AM, as of 30 June 2018



^ Yield comparison is based on yield to maturity on a three to five year maturity period. The yield on bank fixed deposit refers to the average 36-month fixed deposit interest rate offered by three major Singapore local banks, on a deposit amount between \$1,000 and \$50,000. The theoretical Index's yield to maturity is as of 30 June 2018, assuming no corporate default. The yield on the Singapore Government Security (SGS) is based on the yield to maturity of the 1.75% Singapore Government Bond maturing on 1st February 2023 (ISIN code SG31B8000001) as of 30 June 2018.

Bond Diversification

During the period from January 2013 to May 2018, Singapore corporate bonds displayed low correlation to Singapore equities. By adding Singapore corporate bonds to an all-Singapore equity portfolio, investors could reap diversification benefits and improve the risk-return profile of their portfolio.

Source: Nikko AM, as of May 2018 (based on internal calculation)

Correlation Period: January 2013 - May 2018	Singapore Equities
SGD Investment Grade Corporate Bonds	0.30

Fund Details

Benchmark	iBoxx SGD Non-Sovereigns Large Cap Investment Grade Index
Listing Date	27 August 2018 on the Singapore Exchange*
Fund Structure	Open-ended Listed Unit Trust traded on Singapore Exchange
Lot Structure	100 units per lot
Dividend Distribution Frequency	Annually [^]
Manager / Trustee	Nikko Asset Management Asia Limited / DBS Trustee Limited
Management Fee / Trustee Fee	0.15% p.a. / 0.02% p.a.
Designated Market Makers	Flow Traders Asia Pte. Ltd. and Phillip Securities Pte. Ltd.
SGX Stock Code	MBH
SGX Trading Name	NikkoAM SGD IGBond ETF
Bloomberg Ticker	NIKIGCB SP
ISIN	SGXC70121915

* Subject to SGX's post Eligibility To List (ETL) requirements

[^] Distributions are not guaranteed and are at the absolute discretion of the Manager. 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.

Please refer to the Fund's prospectus and Product Highlight Sheet for further details.

Find out more on www.nikkoam.com.sg/etf/sgd-corp-bond

Tel: +65-6500 5700, 1-800-535-8025 | Email: SGContactUs@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 ETF. The ETF may also be delisted from the SGX. Transaction in units of the ETF will result in brokerage commissions. Listing of the units does not guarantee a liquid market for the units. Units of the ETF 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 referenced herein is the property of Markit Indices Limited and is used under license. The Nikko AM SGD Investment Grade Corporate Bond ETF are not sponsored, endorsed, or promoted by Markit Indices Limited.

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