

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.

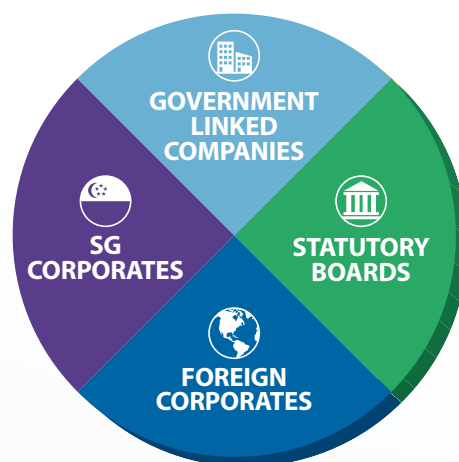
No Currency Risk

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)**.



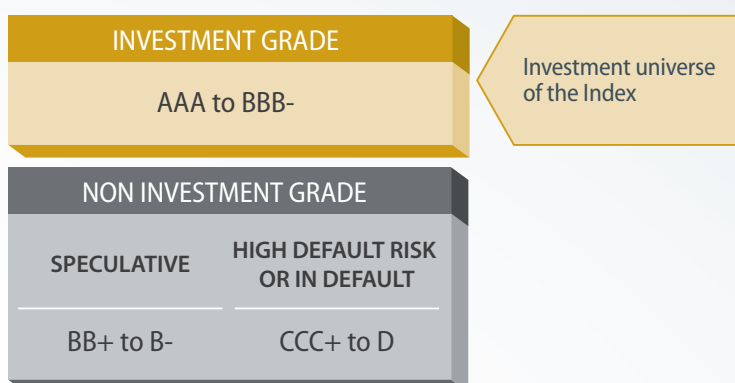
For pictorial illustration only.

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.

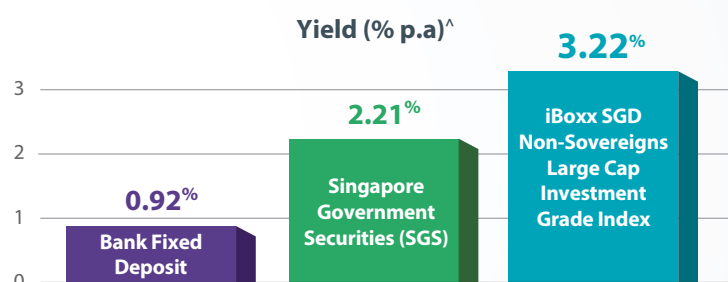
* Source: Markit iBoxx, Nikko AM, 30 June 2018



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-investment-grade-corp-bond

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