

## PRESS RELEASE

EMBARGOED UNTIL 0600H ON MONDAY 23 JULY 2018

# Nikko AM expands ETF offerings in Singapore

*Creating low-cost access to Singapore Dollar-denominated,  
investment grade corporate bonds*

Nikko Asset Management Asia today announces the launch of the Nikko AM SGD Investment Grade Corporate Bond ETF (the "Fund"). This is the first time a Singapore Dollar-denominated corporate bond ETF is being made available to investors, and at low-cost with a management fee of 0.15 per cent.

The Nikko AM SGD Investment Grade Corporate Bond ETF aims to replicate the performance of the iBoxx SGD Non-Sovereigns Large Cap Investment Grade Index, providing investors with the opportunity to diversify their portfolios.

Said Eleanor Seet, President, Nikko AM Asia, "With this Fund, we expand our repertoire of ETFs, but more importantly, we widen the asset options and tools available to investors. Diversification is an important part of investing and what we bring to investors with this ETF are diversification and accessibility at a relatively low cost. A diversified portfolio of SGD-denominated investment grade corporate bonds is a high quality asset class that has not always been easy to access especially for retail investors."

The initial offer period (IOP) is from 23 July 2018 to 17 August 2018. In lot sizes of 100 and priced at S\$1.00 per unit during the IOP, the Fund gives investors affordable and easy access to corporate bonds from investment grade issuers. Listing on the Singapore Exchange<sup>1</sup> will take place on 27 August.

Tracking the index closely, the Fund will comprise statutory board and investment grade corporate bonds across various sectors such as Housing Development Board, Temasek Financial, Land Transport Authority, Development Bank of Singapore (DBS), United Overseas Bank (UOB) to name a few.

The iBoxx SGD Non-Sovereigns Large Cap Investment Grade Index returned approximately 3.75% per annum over the last five years to June 2018. Over the same period, the iBoxx ABF Singapore Government Total Return Index and FTSE Straits Times Index STI Total Return returned 1.95% and 4.25% per annum respectively.<sup>2</sup>

"We believe that a well-developed domestic bond market will benefit both institutional and retail investors in Singapore and the region. Building on the ABF Singapore Bond Index Fund launched in 2005, this ETF creates greater and ease of access to SGD-denominated bonds and encourages participation in the Singapore bond market," added Seet.

<sup>1</sup> Subject to SGX's post Eligibility To List (ETL) requirements

<sup>2</sup> Source: Bloomberg and Nikko AM, as of 20 July 2018

Nikko AM's current ETF offerings in Singapore include the NikkoAM-StraitsTrading Asia ex Japan REIT ETF, ABF Singapore Bond Index Fund and Nikko AM Singapore STI ETF. The firm will continue to innovate and build a diversified and robust portfolio of investment products that provides clients with a broad range of opportunities.

Ms Jacqueline Loh, Deputy Managing Director, MAS said, "MAS welcomes the launch of the Nikko AM SGD Investment Grade Corporate Bond ETF. While the SGD corporate bond market has seen steady growth over the years, it has been challenging for retail investors to gain exposure to a diversified portfolio of SGD corporate bonds. The launch of the ETF is a step toward filling the gap. This complements MAS' efforts to improve retail access to simple, low-cost investment products, such as the Singapore Savings Bonds. As with all investment decisions, investors should carefully consider if the ETF is suitable for your investment needs and risk appetite."

## Fund Details

Benchmark	iBoxx SGD Non-Sovereigns Large Cap Investment Grade Index
Initial Offer Period	23 July 2018 to 17 August 2018 Available through DBS Vickers Securities, iFAST/FundsUPERMART, Phillip Capital and UOB Kay Hian
Listing	From 27 August 2018 on the Singapore Exchange, subject to SGX's post Eligibility To List (ETL) requirements
Fund Structure	Open-ended Listed Unit Trust, with Exchange Traded Fund feature
Lot Structure	100 units per lot
Dividend Distribution Frequency	Annually*
Manager/Trustee	Nikko Asset Management Asia Limited / DBS Trustee Limited
Designated Market Makers	Flow Traders Asia Pte. Ltd. and Phillip Securities Pte. Ltd.
ISIN Code	SGXC70121915

\* 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.

– ENDS –

## About Nikko Asset Management

With US\$220.1 billion (23.41 trillion yen)\* under management, Nikko Asset Management is one of Asia's largest asset managers, providing high-conviction, active fund management across a range of Equity, Fixed Income, Multi-Asset and Alternative strategies. In addition, its complementary range of passive strategies covers more than 20 indices and includes some of Asia's largest exchange-traded funds (ETFs).

Headquartered in Asia since 1959, the firm represents nearly 200\*\* investment professionals and over 30 nationalities across 9 countries. More than 300 banks, brokers, financial advisors and life insurance companies around the world distribute the company's products.

The investment teams benefit from a unique global perspective complemented by the firm's historic Asian DNA, striving to deliver consistent excellence in performance. The firm also prides itself on its progressive solution-driven approach, which has led to many innovative funds launched for its clients.

For more information about Nikko Asset Management and to access its investment insights, please visit the firm's [homepage](#).

\* Consolidated assets under management and sub-advisory of Nikko Asset Management and its subsidiaries as of 31 March 2018.

\*\* As of 31 March 2018, including employees of Nikko Asset Management and its subsidiaries.

### 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 from on our website ([www.nikkoam.com.sg](http://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 Mark it.

Nikko Asset Management Asia Limited. Registration Number 198202562H