



## **ABF Singapore Bond Index Fund**

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Gain Access to One of the World's  
Highest-Yielding AAA-Rated  
Government Bonds

## ABF Singapore Bond Index Fund




The ABF Singapore Bond Index Fund is Singapore's first bond ETF. It seeks to track the total return of the Index before expenses.

It adopts a full replication strategy, investing substantially all of its assets in the bond securities of the Index, and in the same approximate proportion of their weightings within the Index.

In Singapore, the ABF Singapore Bond Index Fund is classified as an Excluded Investment Product. This means that a Customer Account Review is not required before an investor transacts in the fund.

The Fund is included under the CPF Investment Scheme ("CPFIS") – Ordinary Account and has been classified by the CPF Board under the Low to Medium Risk - Narrowly Focused - Country - Singapore.

### The ABF Singapore Bond Index Fund could be of interest to investors:

-  seeking a portfolio of high quality Singapore-government/government-linked bonds
-  seeking potentially higher returns\* than SGD risk-free rate in the medium to long-term
-  seeking a lower risk asset class that has mostly performed well during periods of adverse market conditions

## Fund Details

Benchmark	iBoxx ABF Singapore Bond Index total return series
Listing Date	31 August 2005
Fund Structure	Open-ended Listed Unit Trust traded on Singapore Exchange
Lot Structure	1 unit per lot
Dividend Distribution Frequency	Semi-annually <sup>^</sup>
Manager	Nikko Asset Management Asia Limited
Trustee	HSBC Institutional Trust Services (Singapore) Limited
Management Fee	0.15% p.a
Designated Market Makers	Flow Traders Asia Pte. Ltd. / Phillip Securities Pte. Ltd.
SGX Stock Code	A35
SGX Trading Name	ABF SG BOND ETF
Bloomberg Ticker	SBIF SP
ISIN	SG1S08926457

\* Please note that the Fund is subject to risks, including but not limited to interest rate risk, market risk and liquidity risk. Please refer to the Fund prospectus for more information on risks of investing in the Fund.

<sup>^</sup> Distributions are not guaranteed and are at the absolute discretion of the Manager. Please refer to the Fund's prospectus and Product Highlight Sheet for further details.

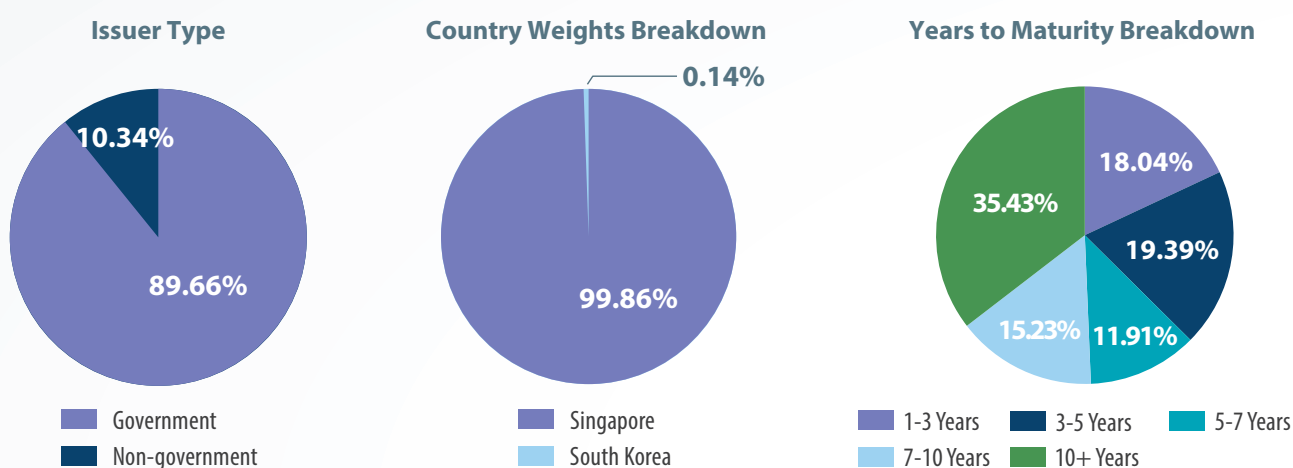


## The iBoxx ABF Singapore Bond Index (“the Index”)

The iBoxx ABF Singapore Bond Index comprises Singapore dollar bonds issued by the Singapore Government or Singapore Government-linked entities (e.g. Housing Development Board, Temasek, and Land Transport Authority).

The Index may also include Singapore dollar bonds issued or guaranteed by other Asian government, quasi-government or supranational organisations (e.g. Export-Import Bank of Korea). Figure 1 shows the country weights and issuer type of bonds that make up the Index.

**Figure 1: Index Characteristics of iBoxx ABF Singapore Bond Index**



Source: IHS Markit as of 31 March 2022

## Singapore Government Bonds are the highest-rated in the world

Singapore is the only Asian country that has the highest AAA credit rating awarded by all 3 major credit rating agencies. Singapore has retained this status throughout the last 25 years, covering multiple periods of economic crisis, including the Asian Financial Crisis in 1997 and the Global Financial Crisis in 2008. Singapore’s AAA credit rating is supported by its USD 380.9 billion\* of official foreign reserves and a prudent fiscal policy.

\* Source: Monetary Authority of Singapore, 31 March 2022 (preliminary)

**Table 1: Credit Ratings of Government Bonds**

	S&P	Moody's	Fitch
<b>Singapore</b>	<b>AAA</b>	<b>Aaa</b>	<b>AAA</b>
United States	AA+	Aaa	AAA
United Kingdom	AA	Aa3	AA-
France	AA	Aa2	AA
Japan	A+	A1	A
Hong Kong	AA+	Aa3	AA-
China	A+	A1	A+
Taiwan	AA	Aa3	AA
South Korea	AA	Aa2	AA-
India	BBB-	Baa3	BBB-
Malaysia	A-	A3	BBB+
Thailand	BBB+	Baa1	BBB+
Indonesia	BBB	Baa2	BBB
Philippines	BBB+	Baa2	BBB
Vietnam	BB	Ba3	BB

Source: Bloomberg, 31 March 2022

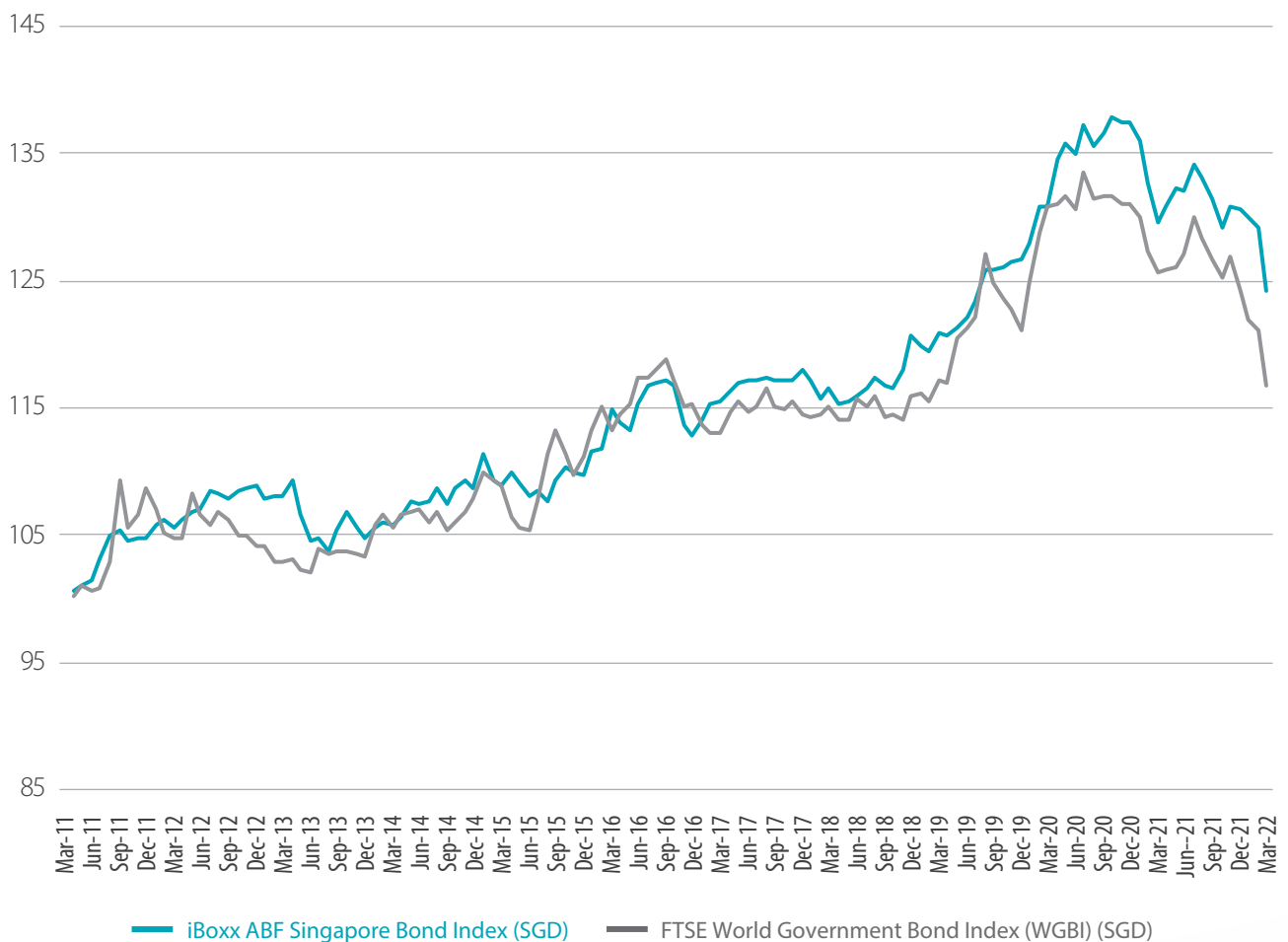
# Gain access to one of the world's highest yielding AAA-rated sovereign government bonds

Over the last 10 years, the iBoxx ABF Singapore Bond Index ("the Index") has returned 1.6% annualised p.a.

In comparison, the FTSE World Government Bond Index (WGBI), a widely used benchmark which tracks sovereign debt from over 20 countries, returned 1.1% annualised p.a.

Not only are bonds issued by the Singapore government and quasi-Singapore government entities of the highest quality, returns are relatively attractive compared to equivalent or even less highly rated sovereign debt globally.

**Figure 2: Comparison of Index Performance between the iBoxx ABF Singapore Bond Index and FTSE World Government Bond Index (rebased to 100 as of March 2011)**

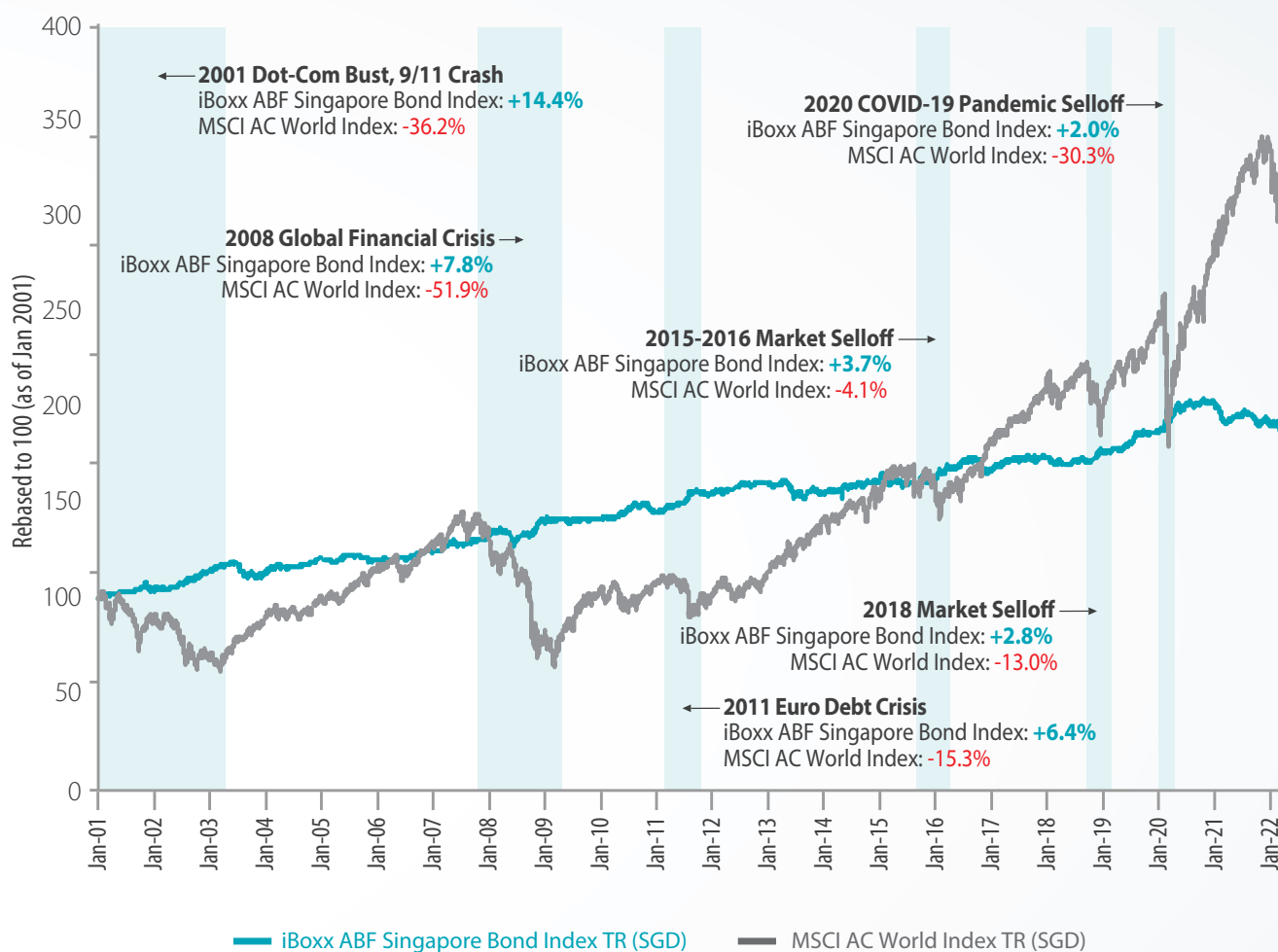


Source: Bloomberg, 31 March 2022. This chart is purely for illustrative purposes only and not to be relied upon as financial advice in any way. Index performance does not factor in any management fees, transaction costs or fund expenses. Data of the Index presented here may not be exactly the same as that of the Fund. Returns and performance figures are stated in SGD terms. Past performance is not indicative of future performance.

# A portfolio diversifier

Historically, the Index has mostly performed well during periods of difficult market conditions. Due to its high credit quality and the strength of the Singapore Dollar, Singapore government bonds can be a compelling asset class for strategic asset allocation purposes to improve risk-adjusted returns of a portfolio.

**Figure 3: iBoxx ABF Singapore Bond Index During Market Distress**



Source: Bloomberg, Nikko AM, as of 31 March 2022. This chart is purely for illustrative purposes only and not to be relied upon as financial advice in any way. Index performance does not factor in any management fees, transaction costs or fund expenses. Data of the Index presented here may not be exactly the same as that of the Fund. Past performance is not indicative of the future performance.

Find out more on [www.nikkoam.com.sg/funds/abf-singapore-bond-index-fund](http://www.nikkoam.com.sg/funds/abf-singapore-bond-index-fund)  
Tel: +65-6500 5700, 1-800-535-8025 | Email: [AsiaETF@nikkoam.com](mailto:AsiaETF@nikkoam.com)

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### Important Information:

The Central Provident Fund ("CPF") Ordinary Account ("OA") interest rate is the legislated minimum 2.5% per annum, or the 3-month average of major local banks' interest rates, whichever is higher, reviewed quarterly. The interest rate for Special Account ("SA") is currently 4% per annum or the 12-month average yield of 10-year Singapore Government Securities plus 1%, whichever is higher, reviewed quarterly. Only monies in excess of \$20,000 in OA and \$40,000 in SA can be invested under the CPF Investment Scheme ("CPFIS"). Please refer to the website of the CPF Board for further information. Investors should note that the applicable interest rates for the CPF accounts and the terms of CPFIS may be varied by the CPF Board from time to time.

The performance of the ETF's price on the Singapore Exchange Securities Trading Limited ("SGX-ST") may be different from the net asset value per unit of the ETF. The ETF may also be delisted from the SGX-ST. 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-ST 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.

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