



NikkoAM-ICBCSG China Bond ETF

A Quality Brew of Strength and Depth

Fund Details

Benchmark	ChinaBond ICBC 1-10 Year Treasury and Policy Bank Bond Index (the "Index")
Listing Date	24 November 2020
Fund Structure	Open-ended Listed Unit Trust traded on Singapore Exchange
Lot Structure	1 unit per lot
Dividend Distribution Frequency*	RMB Class Units: Nil. SGD Class Units: Semi-annual distributions around January and July of each year.
Valuation Frequency	Daily
Listing	Singapore Exchange
Manager	Nikko Asset Management Asia Limited
Investment Advisor	Industrial and Commercial Bank of China Limited, Singapore Branch
Trustee	DBS Trustee Limited
Fund Auditor	PricewaterhouseCoopers LLP
Designated Market Makers	Flow Traders Asia Pte. Ltd. and Phillip Securities Pte Ltd.
Management Fee[^]	0.15% p.a.
Trustee Fee[^]	0.02% p.a.
Total Expense Ratio[#]	0.30% p.a.
ISIN Stock Code	RMB Fund Class: SGXC29409643 SGD Fund Class: SGXC30096447
Primary Currency	RMB Class Units: RMB SGD Class Units: SGD
Secondary Currency	RMB Class Units: USD
SGX Stock Code	RMB Class Units: Primary Currency (RMB): ZHY Secondary Currency (USD): ZHD SGD Class Units: Primary Currency (SGD): ZHS
SGX Trading Name	RMB Class Units: Primary Currency (RMB): NikkoAM-ICBCSG CNB CNY Secondary Currency (USD): NikkoAM-ICBCSG CNB US\$ SGD Class Units: Primary Currency (SGD): NikkoAM-ICBCSG CNB S\$
Bloomberg Ticker	RMB Class Units: Primary Currency (RMB): ZHY SP Secondary Currency (USD): ZHD SP SGD Class Units: Primary Currency (SGD): ZHS SP

* Distributions are not guaranteed and are at the absolute discretion of the Manager. Any distribution is expected to result in an immediate reduction of Fund's NAV. Distributions may be paid out of capital which will result in capital erosion and reduction in the Fund's NAV, which will be reflected in the redemption price of the Units.

[^] Usual brokerage and handling charges to apply. Please refer to the Fund Prospectus for complete information on the Fund, relevant disclosures and fees payable.

[#] The Manager intends to cap the total expense ratio of the Fund at 0.30% p.a.. Management Fee and Trustee Fee are included in the calculation of Total Expense Ratio.

Why invest in NikkoAM-ICBCSG China Bond ETF?



FASTEST GROWING BOND MARKET



CHINA GOVT & QUASI-GOVT BONDS



INTERNATIONALISATION OF THE RMB

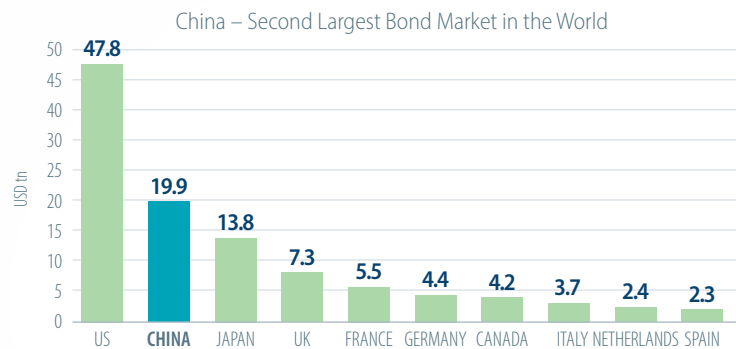


COMPETITIVE YIELDS

Strength and Growth of the China Bond Market

Access to China's Bond Market

Access to the world's 2nd largest bond market and one of the most liquid markets in the world.

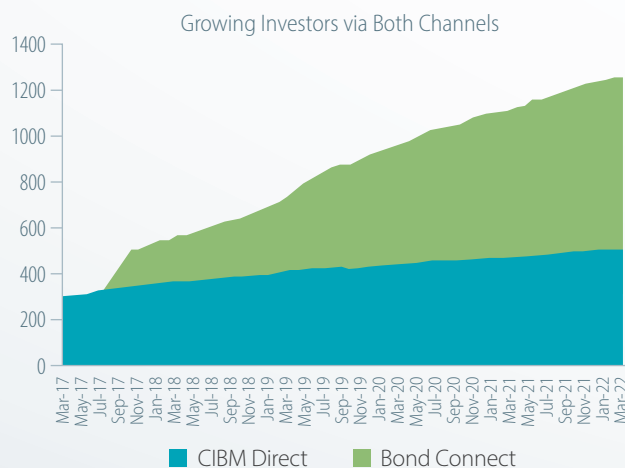


Source: BIS, June 2021.

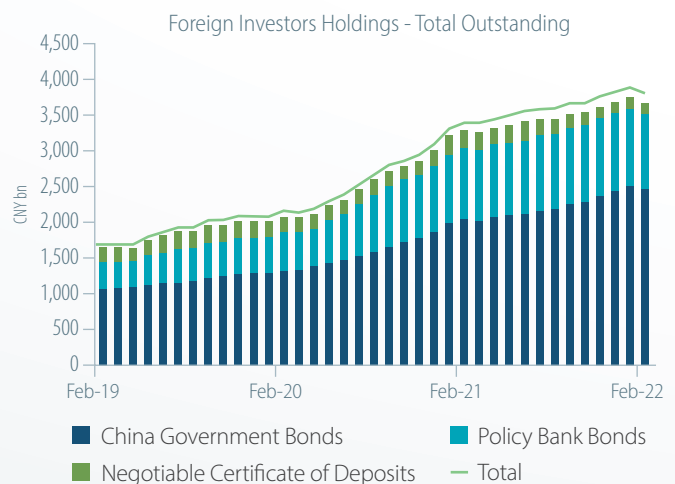
Increased foreign participation

In recent years, foreign participation into the Chinese government bond market has demonstrated evident increase and currently accounts for 18% of this market (Source: CCDC, 31 March 2022).

With the opening of the China Interbank Bond Market (CIBM), Global Bond indices have started to include China Bonds and this accessibility is expected to drive further foreign investments into this asset class.



Source: ICBC, PBoC, March 2022



Source: Chinabond, Bloomberg, Barclays Research, February 2022

Highly Competitive Yields

China policy banks are quasi-sovereign entities that are 100% owned by the Chinese government. The bond yields are highly competitive. Comparing the most liquid portions of the yield curve (i.e. the 5-year and 10-year space) the yield pick-up is greater than 30bps at present.

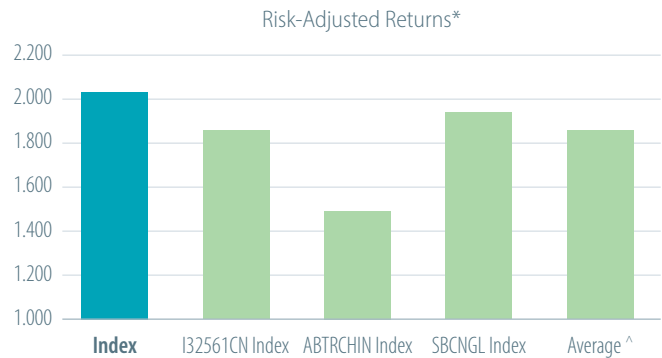


Source: Bloomberg, 31 March 2022
Past performance is not necessarily indicative of the future performance.

Higher Risk-Adjusted Returns

The Index comprises of bonds with maturity of less than 10 years. Short term bonds have lower volatility, resulting in higher risk-adjusted returns.

ChinaBond ICBC 1-10 Year Treasury and Policy Bank Bond Index	
Date	31-Mar-22
Market Size (RMB tn)	29.14
Number of Bonds	197
Duration (years)	4.08
Yield to Maturity (%)	2.70
3 Year Returns (annualised)	3.97%
3 Year Volatility (annualised)	2.19%
5 Year Returns (annualised)	4.27%
5 Year Volatility (annualised)	2.07%



Source: Nikko Asset Management, Bloomberg, as of 31 March 2022

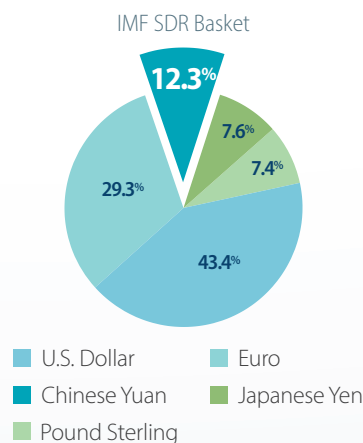
* Risk-adjusted Returns defined as 5 year annualised returns divided by 5 year annualised volatility

^ The average risk-adjusted returns is derived by calculating the simple average of the risk-adjusted returns of the four above-mentioned indices. For the purpose of illustrating that short term bonds have a lower volatility and therefore higher risk-adjusted returns, the 3 indices chosen for comparison purposes tracks bonds that are not limited to a maturity of 10 years. The bond issuers are however similar, comprising of bonds issued by the China Government as well as policy banks. ABTRCHIN Index also includes bonds issued by China Quasi-Sovereign entities.

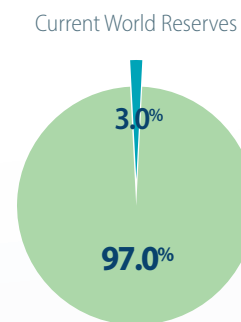
Source: Nikko AM, China Bond Pricing Center, Bloomberg as of 31 March 2022. Performance of the index presented here is not exactly the same as that of the corresponding or related ETFs. Index performance does not factor in any management fee, transaction costs or fund expenses of an ETF. Past performance is not necessarily indicative of the future performance.

Internationalisation of the RMB

The RMB represents approximately 12% of the International Monetary Fund's (IMF) Special Drawing Rights (SDR), and approximately 3% of current world reserves are held in RMB. The SDR is an international type of monetary reserve currency created by IMF in 1969 that operates as a supplement to existing money reserves of member countries.



Source: IMF, May 2022



Source: IMF, March 2022

Partnership with ICBC

ICBC is the largest bank in the world, with assets totaling USD5.52 trillion, as at the end of December 2021.

Known as a vigorous leader in CIBM, amongst its many accolades, ICBC has earned honours as the top investor in CIBM, the largest bond underwriter, the largest money market liquidity provider as well as the best bond and FX market maker.

The NikkoAM-ICBCSG China Bond ETF is professionally managed by Nikko AM, the top 10 ETF provider globally and advised by ICBC Singapore, the sole RMB clearing bank in Singapore.



About the Index

The ChinaBond ICBC 1 – 10 Year Treasury and Policy Bank Bond Index

The ChinaBond ICBC 1 – 10 Year Treasury and Policy Bank Bond Index invests into China government bonds, bonds issued by policy banks such as Agricultural Development Bank of China, China Development Bank, Export-Import Bank of China.

The NikkoAM-ICBCSG China Bond ETF will be the first time that the index is adopted in the international arena, outside of China.

100% government owned financial institutions that are responsible for financing state led development projects.

China Development Bank

Support large-scale national projects such as infrastructure development, basic industries, energy and transport

Agricultural Development Bank of China

Support development of agricultural projects and rural areas

Export-Import Bank of China

Support China's foreign trade, cross-border investment, the Belt and Road Initiatives (BRI), international industrial capacity and equipment manufacturing cooperation

China Bond Pricing Center (CBPC) — A Local Champion Operating on the Highest International Standards



The gold standard in China for bond valuations

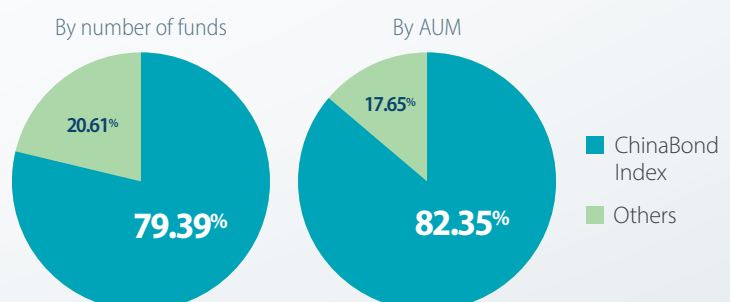


Dominant position in the world's second largest fixed income market



Pillar of China's Financial Infrastructure

Charts show market share of ChinaBond Indices as target index by domestic bond index funds (as of 31 March 2022)



Source: China Bond Pricing Center (CBPC) as of 31 March 2022.



Find out more on nikkoam.com.sg/etf/china-bond-etf

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Important Notice: 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 suspended or delisted from the SGX-ST. Listing of the units does not guarantee a liquid market for the units. 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.

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