



## **NikkoAM-StraitsTrading MSCI China Electric Vehicles and Future Mobility ETF**

---

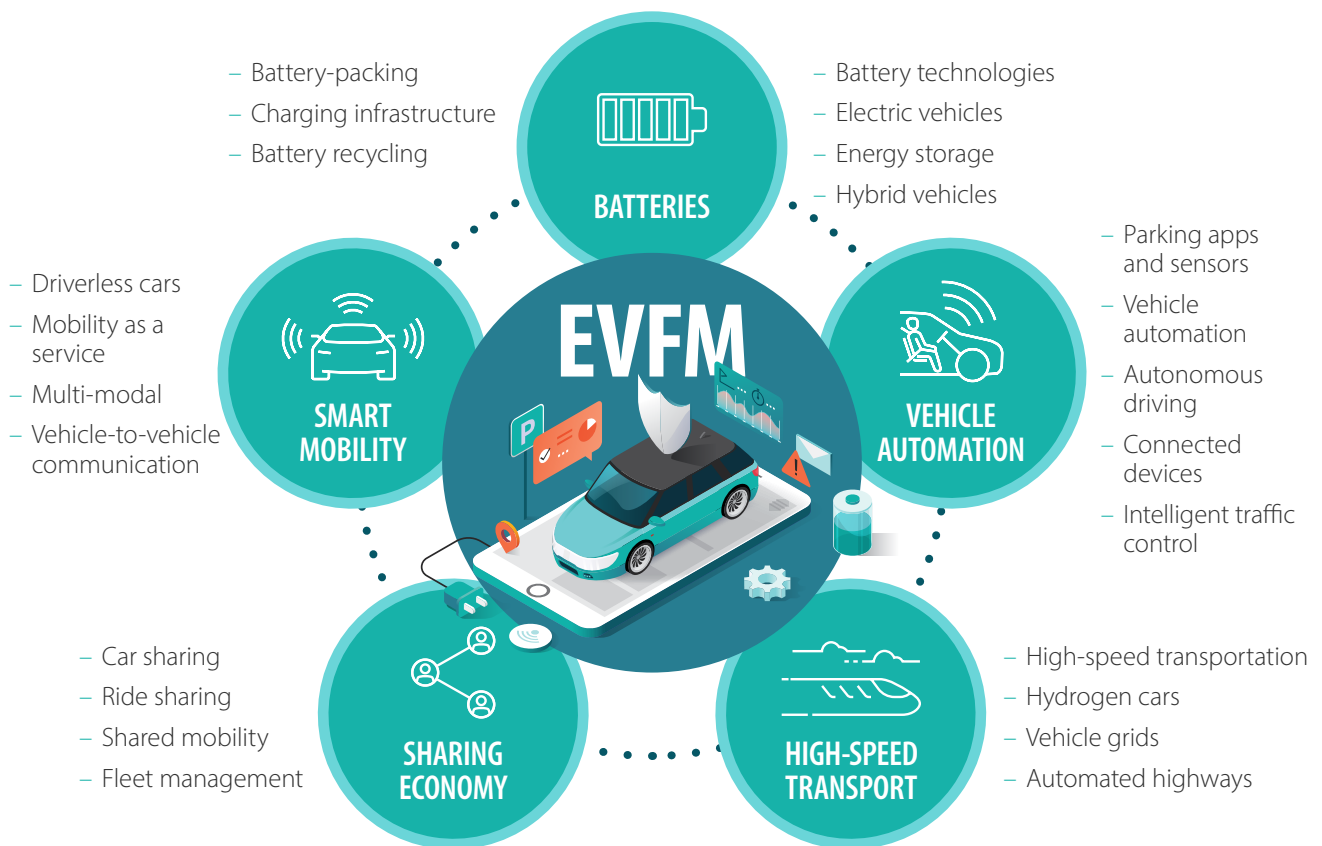
Plug into the leading market of  
one of the world's fastest-growing industries

# NikkoAM-StraitsTrading MSCI China Electric Vehicles and Future Mobility ETF

## Your best route into this electrifying market!

Invest in the first SGX-listed ETF that offers a rare and exciting opportunity to plug into the phenomenal growth potential of one of the world's largest Electric Vehicles and Future Mobility markets.

**The EVFM value chain is underpinned by 5 future-proof sectors - all primed for multi-decade expansion.**



### EV & FM: What's the difference?

Electric Vehicles (EVs) are vehicles powered by electric batteries instead of conventional internal combustion engines (ICE).

Future Mobility (FM) is a broader concept covering the future of transport, ranging from EVs to Autonomous Vehicles, the Sharing Economy (like e-hailing services, distributed energy storage and intelligent transport systems) and more.

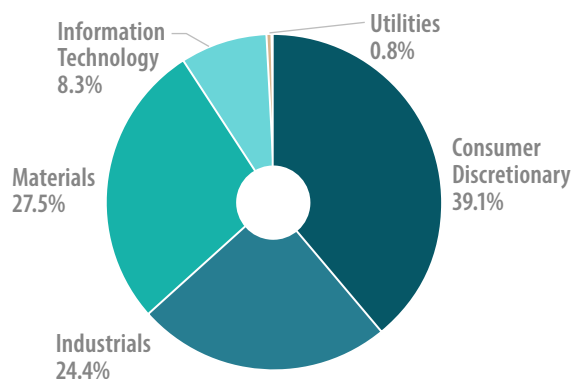
# About the MSCI China All Shares IMI Future Mobility Top 50 Index

In partnership with data powerhouse MSCI, we customised an index that best represents China's EVFM ecosystem. Its constituents are expected to derive significant revenues from energy storage technologies (including EVs), autonomous vehicles, shared mobility and new transportation methods.

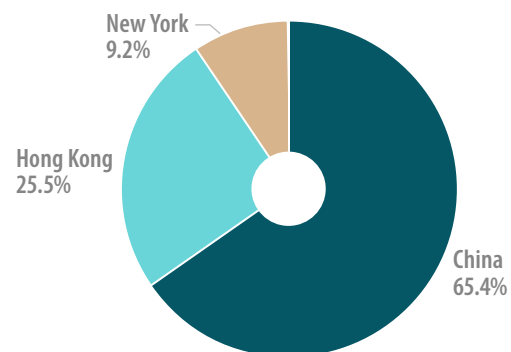
## Top 10 holdings of index

Name	Index Weight (%)	Description
Contemporary Amperex Technology Co Ltd	9.7	Battery manufacturer for EV and energy storage systems
NIO Inc	9.2	Premium EV manufacturer
Li Auto Inc	7.5	Premium EV manufacturer
BYD Co Ltd (H-share)	6.2	Automobile manufacturer with business in EVs, energy storage, and rail
Geely Automobile Holdings Ltd	5.1	Automobile manufacturer with key brands - Geely, Geometry, Lynk & Co
BYD Co Ltd (A-share)	3.8	Automobile manufacturer with business in EVs, energy storage, and rail
Sungrow Power Supply Co Ltd	3.7	Photovoltaic Inverter manufacturer with business in power station system integration
Eve Energy Co Ltd	3.5	Battery manufacturer for EV and energy storage systems
Qinghai Salt Lake Industry Co Ltd	3.0	Development, manufacturing and distribution of chemicals
Tianqi Lithium Corp	3.0	Global new energy materials mining, with lithium at its core

## Sector allocation of index constituents



## Country of listing of index constituents



Source: MSCI, 30 June 2023.

Reference to any particular securities or sectors is purely for illustrative purposes only and does not constitute a recommendation to buy, sell, or hold any securities, nor is it to be relied upon as financial advice in any way.

# Why invest into the NikkoAM-StraitsTrading MSCI China Electric Vehicles and Future Mobility ETF?

## 1. Electric Vehicles: A rapidly accelerating industry

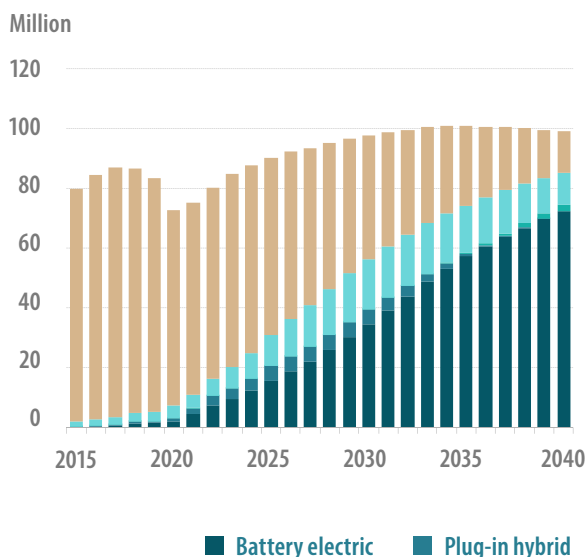
Advancements in a host of interconnected technologies including internet connectivity, battery storage capacity and artificial intelligence have ushered in a new Electric Vehicles and Future Mobility (EVFM) era in the global transport industry. Propelled by growing eco awareness in the global community, EVFM is now one of the world's fastest-growing industries.

The global EV market was valued at approximately USD 380 billion in 2022, and is projected to grow to around USD 1.5 trillion by 2030.

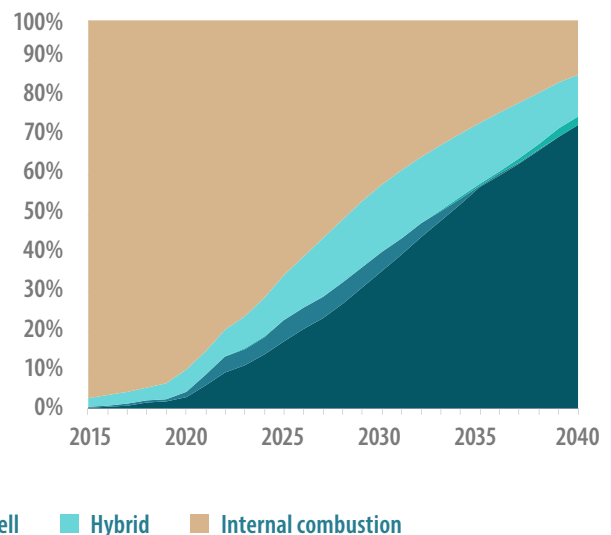
Source: Fortune Business Insights, June 2023

Any forecast is not indicative of the ETF's future performance

### Global passenger vehicle sales by drivetrain – Economic Transition Scenario



### Global passenger vehicle share of sales by drivetrain – Economic Transition Scenario



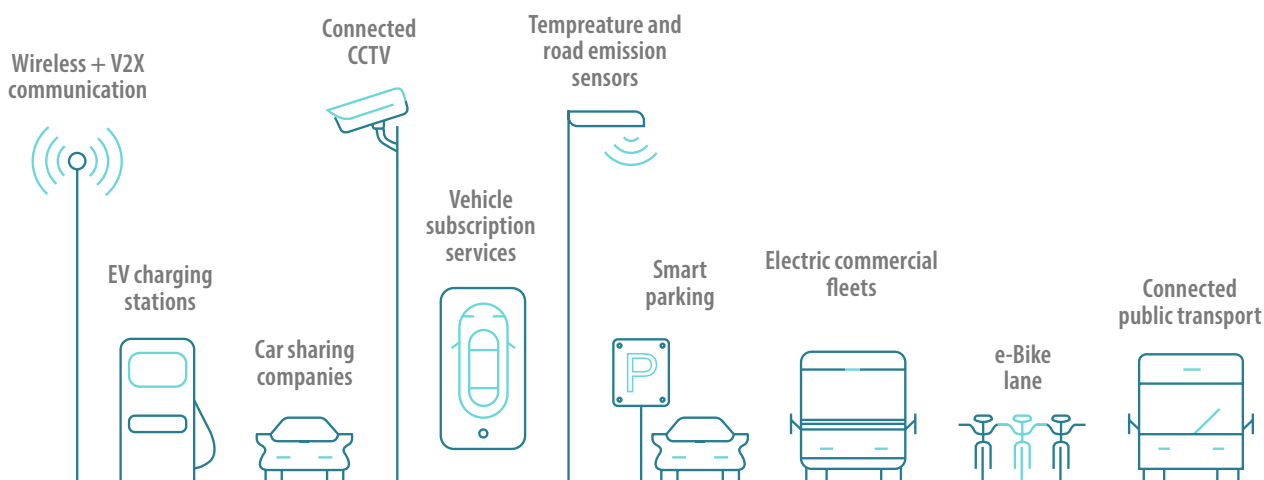
Source: BloombergNEF Electric Vehicle Outlook 2022.

Past performance or any forecast is not necessarily indicative of the future performance of the market.

## 2. Attractive potential of the Future Mobility ecosystem

Future Mobility is not just about electric vehicles in silos, but a multi-year transition towards an entire interconnected ecosystem powered by technology.

Smart mobility has a growing part to play in global transportation management systems. Currently worth about \$96 billion, it is set to hit \$389 billion by 2030.



Source of Image and Information: Intellias, 28 August 2023

Any forecast is not indicative of the ETF's future performance.

## 3. Gain exposure to China's full EVFM value chain; the world's leading EVFM market

China is an existing market leader in the Electric Vehicles space and is expected to continue to lead the EV market in the next decade.

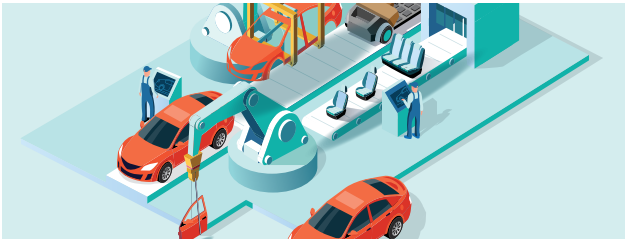
**In 2022, China accounted for almost 60% of global electric car sales and for the first time more than half of the world's electric cars are in China.**

Source: Global EV Outlook 2023, International Energy Agency (IEA)

Any forecast is not indicative of the ETF's future performance

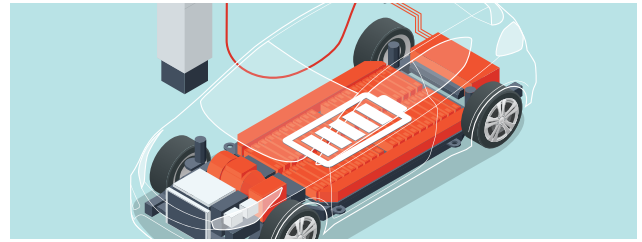
## Gain exposure to companies along China's full EVFM value chain

### Electric vehicle manufacturers



Growing demand will drive innovation and motivate manufacturers to bring improved EV models to market.

### Hardware & components



Continuing battery improvements will extend driving range, making EVs an increasingly attractive choice.

### Software



Developments in autonomous driving and vehicle connectivity will enhance mobility enjoyment and open new revenue streams.

### Infrastructure

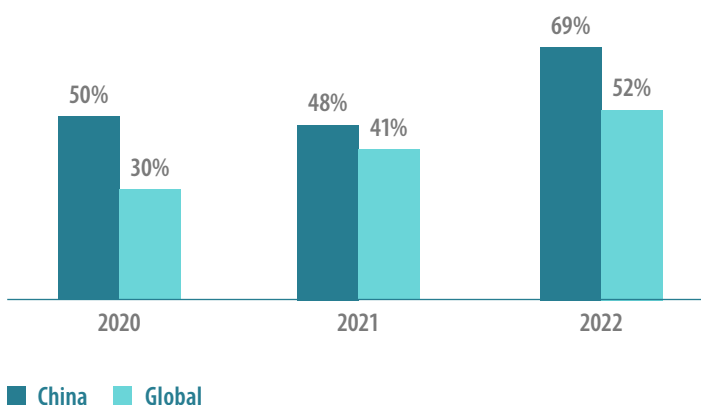


Improving the speed and availability of the nation's charging network will reduce range anxiety and increase EV adoption.

## Three key drivers of growth for China's EVFM market:

### A) Demand

Percentage of respondents<sup>^</sup> who intend to buy a car in the next 24 months that say they will choose an EV or hybrid vehicle.



The survey has demonstrated that appetite for EVs in China surpasses the Global percentages across all 3 years from 2020 to 2022.

<sup>^</sup>Number of respondents ~ 13,000

Source: EY Mobility Consumer Index 2022 Study, EY Knowledge analysis, LMC

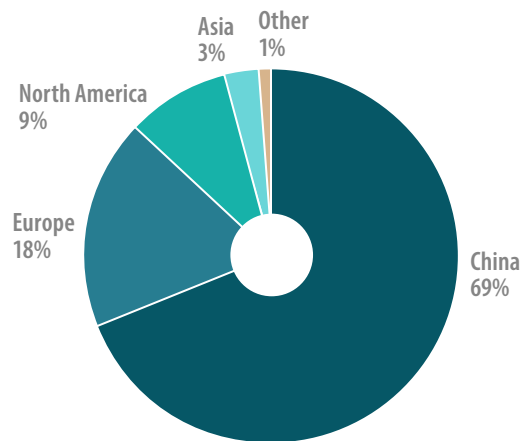
## B) Supply

China's world-leading production capacity and laser-focus on infrastructure and production innovation have contributed greatly to its local EV adoption.

### Dominance in battery production & supply

China dominates global production of lithium-ion batteries (a key component for the EVFM industry) and is forecasted to account for almost **70%** of production capacity by **2029**. Local EV manufacturers are expected to benefit from the ease of access to this important battery component to produce EVs faster and at a lower cost.

#### Lithium-ion battery megafactory Capacity by region



Source: Benchmark Mineral Intelligence, lithium-ion battery megafactory assessment, February 2020.

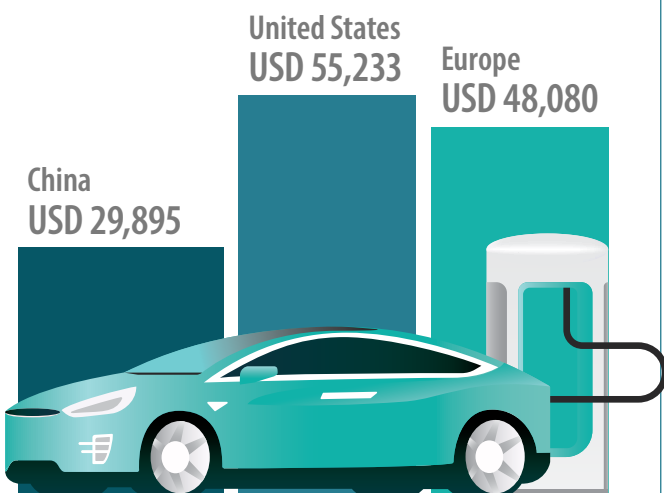
Any forecast is not indicative of the ETF's future performance.

**2029**  
**TOTAL: 2,272.5 GWh**

### Competitively-priced EVs

Putting EV affordability at the heart of innovation-driven production has resulted in competitively-priced EV models which made it compelling to adopt EVs in China as compared to other markets such as the US and Europe.

#### Average retail price of EVs Sold/registered in H1 2020

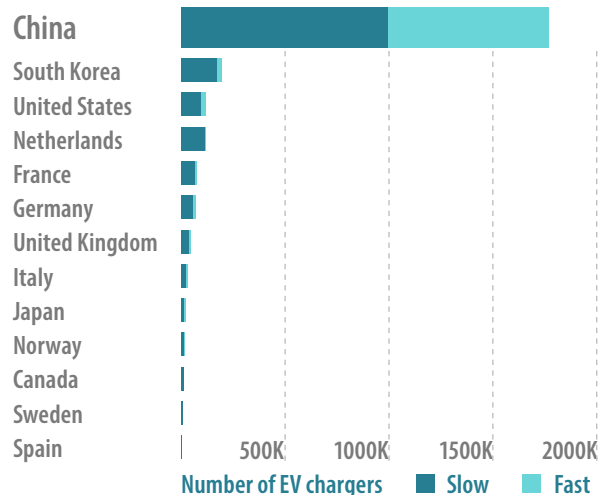


Source: JATO Dynamics, 13 October 2020.

### Heavy investments in charging infrastructure

China far outspends other countries in charging infrastructure investment – providing ample support for the adoption of EVs.

#### Number of EV chargers in 2022



Source: Statista, August 2023.

## C) China's government policies encourages the ecosystem

China's policies have provided a conducive environment for growth of the EVFM industry



### Made in China 2030

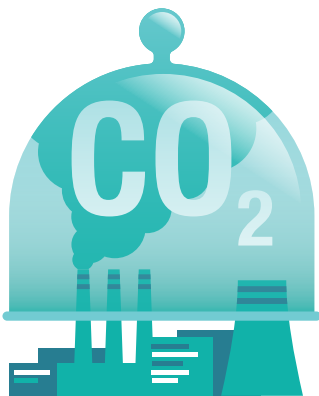
China has imposed a mandate on automakers which requires electric vehicles to account for 40% of all new car sales by 2030.

*Source: MIT Energy Initiative "China transition to electric vehicles", 25 November 2020.*

### Smart vehicle data regulation

Regulators are stepping up on data and network security to support the growth of mobility technologies.

*Source: South China Morning Post "China's tech regulator orders smart vehicle makers and telecom operators to enhance data and network security", 16 September 2021.*



### 2060 Carbon neutrality target

A strong EVFM industry will be critical in meeting this noble goal, starting from today.

*Source: Bloomberg "How China Plans to Become Carbon-Neutral by 2060", 11 August 2021.*

### Greater international collaboration

China removed foreign investment curbs in its auto sector in 2022, allowing full foreign ownership of passenger car manufacturing in the country.

*Source: CNBC, 27 Dec 2021*





## 4. Secular trend favours the China EVFM sector

Total returns comparison (rebased to 100 as at end Jun 2018)



Total returns of the ETF's Index (MSCI China All Shares IMI Future Mobility Top 50 Index) has approximately doubled since June 2018.

The secular trend is seen to favour the China EVFM sector over the China innovation sector (represented by the Chinext Total Return Index), as well as broad base China equities (represented by the MSCI China All Shares NTR Index).

Source: Bloomberg, 30 June 2023.

Performance of the index presented here are for illustrative purposes only and do not represent the actual performance of the corresponding or related ETFs.

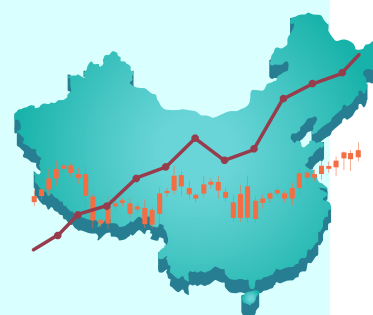
Index performance does not factor in any management fee, transaction costs or fund expenses of an ETF. One cannot invest directly in an index. Past performance is not necessarily indicative of future performance.



Get direct and simple access to China A Shares

### About the ETF:

- Excluded investment product
- Available for trading in SGD and USD
- Traded on SGX and held directly through CDP



## Who is the fund suitable for?

### The Fund is only suitable for investors who:

- Seek long-term capital growth
- Believe that the Index will increase in value
- Are willing and able to accept that their principal will be at risk
- Seek an “index-based” approach to investing in Chinese companies listed in US, Hong Kong and China, and other markets from time to time, that are expected to derive significant revenues from energy storage technologies, autonomous vehicles, shared mobility and new transportation methods

## What are some of the key risks of this investment?

### The following are some of the key risk factors that may cause you to lose some or all of your investment:

- Market and credit risks
  - Shares may trade at prices other than NAV
- Product-specific risks
  - Tracking error risk
  - Risks associated with the investment strategy of the Fund
  - PRC market risk
  - Risks relating to investing in Autonomous and Electric Vehicle Companies as well as in the Automobile Industry
  - Currency risk
- Liquidity risks

You should consult your financial advisers if in doubt about whether this Fund is suitable for you.

You should be aware that your investment in the Fund may be exposed to other risks of an exceptional nature from time to time.

Please refer to the Product Highlights Sheet and Paragraph IX of the Prospectus for further information on the risks of the product.

## Fund information

Benchmark	MSCI China All Shares IMI Future Mobility Top 50 Index
Listing Date	20 January 2022
Fund Structure	Open-ended Variable Capital Company listed and traded on Singapore Exchange
Lot Structure	1 share per lot
Dividend Distribution Frequency	Nil
Valuation Frequency	Daily
Listing	Singapore Exchange
Manager	Nikko Asset Management Asia Limited
Investment Advisor	Straits Investment Management Pte. Ltd.
Custodian	DBS Trustee Limited
Fund Auditor	PricewaterhouseCoopers LLP (Singapore)
Designated Market Makers	Flow Traders Asia Pte. Ltd. and Phillip Securities Pte. Ltd.
Management Fee <sup>^</sup>	0.50% p.a.
Total Expense Ratio <sup>#</sup>	0.70% p.a.
SGX Stock Code	SGD Share Class: Primary Currency (SGD): EVS Secondary Currency (USD): EVD
SGX Trading Name	SGD Share Class: Primary Currency (SGD): NikkoAM-STC CN EV S\$ Secondary Currency (USD): NikkoAM-STC CN EV US\$
Bloomberg Ticker	SGD Share Class: Primary Currency (SGD): EVS SP Equity Secondary Currency (USD): EVD SP Equity

<sup>^</sup> Usual brokerage and handling charges to apply. Please refer to the Fund Prospectus for complete information on the Fund, relevant disclosures and fees payable.

<sup>#</sup> The total expense ratio will be capped at 0.70% per annum. Any fees and expenses that are payable by the Fund in excess of 0.70% per annum of the Fund Asset will be borne by the Manager and not the Fund.



Find out more on [nikkoam.com.sg/evfm](https://nikkoam.com.sg/evfm)

Tel: +65-6500 5700, 1-800-535-8025 | Email: [AsiaETF@nikkoam.com](mailto:AsiaETF@nikkoam.com)

---

#### Important Information:

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.

This document is purely for informational purposes only with no consideration given to the specific investment objective, financial situation and particular needs of any specific person. It should not be relied upon as financial advice. 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 Fund or any underlying fund may use or invest in financial derivative instruments.** The value of units and income from them may fall or rise. **Investments in the Fund are subject to investment risks, including the possible loss of principal amount invested.** You should read the relevant prospectus (including the risk warnings) and product highlights sheet of the Fund, which are available and may be obtained from appointed distributors of Nikko AM Asia or our website ([www.nikkoam.com.sg](http://www.nikkoam.com.sg)) before deciding whether to invest in the Fund.

The information herein may not be copied, reproduced or redistributed without the express consent of Nikko AM Asia. Reasonable care has been taken to ensure the accuracy of the information, but Nikko AM Asia does not give any warranty or representation, 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. This advertisement has not been reviewed by the Monetary Authority of Singapore.

The funds or securities referred to herein are not sponsored, endorsed, or promoted by MSCI, and MSCI bears no liability with respect to any such funds or securities or any index on which such funds or securities are based. The prospectus contains a more detailed description of the limited relationship MSCI has with NIKKO ASSET MANAGEMENT ASIA LIMITED and any related funds.

**Nikko Asset Management Asia Limited. Registration Number 198202562H.**