

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 S\$250,000 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.*

In Singapore, the Nikko AM SGD Investment Grade Corporate 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 is classified under the Low to Medium Risk – Narrowly Focused – Country – Singapore category.

* 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 since 2012.
Source: Bloomberg and Nikko AM, 31 March 2022

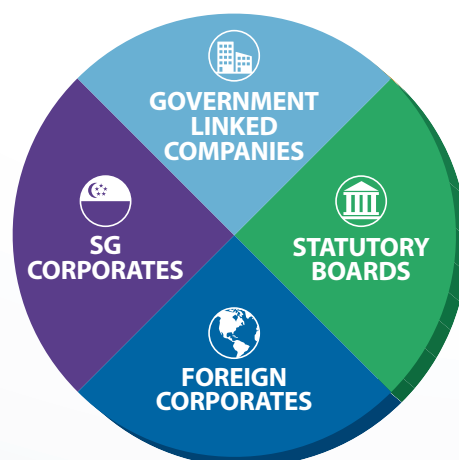
No Currency Risk

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)**.



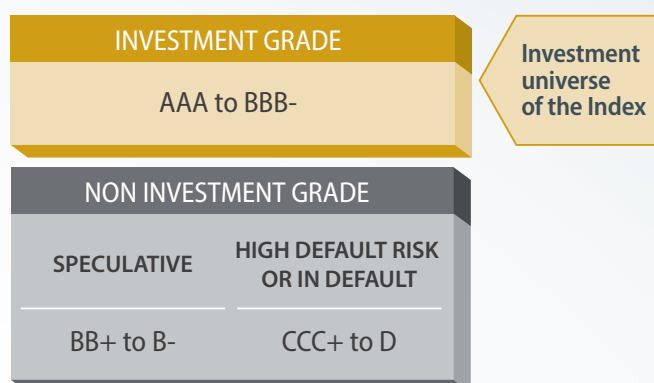
For pictorial illustration only.

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.

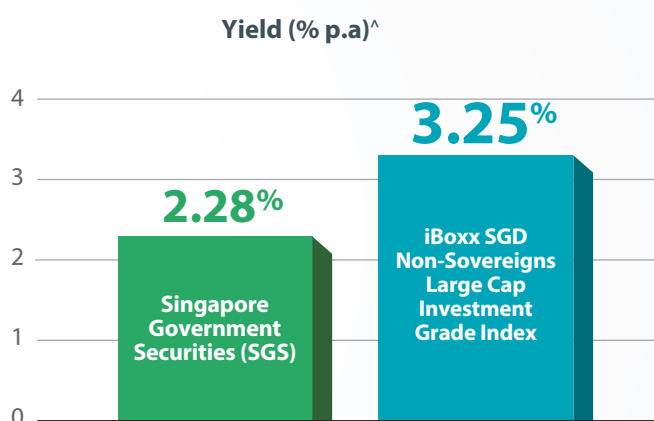
* Source: Markit iBoxx, 31 March 2022



Higher Yield

With a yield of 3.25%, the Index offers higher yield as compared to Singapore Government Securities yield. This is to compensate investors for taking on additional credit risk on top of interest rate risk. Nevertheless, it should be noted that this Index focuses on investment grade issuers which seeks to minimise credit risk exposure.

Source: MAS, IHSMarkit and Nikko AM (based on internal calculation), as of 31 March 2022. Past performance is not indicative of its future performance.



^ Yield comparison is based on yield to maturity on a three to five year maturity period. The theoretical Index's yield to maturity is as of 31 March 2022, assuming no corporate default. The yield on the Singapore Government Security (SGS) is based on the yield to maturity of the 0.5% Singapore Government Bond maturing on 1 March 2027 (ISIN code SG7J60932174) as of 31 March 2022. Past performance is not indicative of its future performance.

Bond Diversification

During the period from August 2012 to March 2022, Singapore corporate bonds displayed low correlation to Singapore equities.

Source: Nikko AM, Bloomberg, as of 31 March 2022 (based on internal calculation)

Correlation Period: Aug 2012 - Mar 2022 (Since inception)	Singapore Equities
SGD Investment Grade Corporate Bonds	0.18

Source: Bloomberg, Nikko AM, as of 31 March 2022

Fund Details

Benchmark	iBoxx SGD Non-Sovereigns Large Cap Investment Grade Index
Listing Date	27 August 2018
Fund Structure	Open-ended Listed Unit Trust traded on Singapore Exchange
Lot Structure	1 unit per lot
Dividend Distribution Frequency	Semi-annually [^]
Manager	Nikko Asset Management Asia Limited
Trustee	DBS Trustee Limited
Management Fee	0.15% p.a.
Designated Market Makers	Flow Traders Asia Pte. Ltd. / Phillip Securities Pte. Ltd.
SGX Stock Code	MBH
SGX Trading Name	NikkoAM SGD IGBond ETF
Bloomberg Ticker	NIKIGCB SP
ISIN	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.

Find out more on www.nikkoam.com.sg/funds/nikko-am-sgd-investment-grade-corporate-bond-etf

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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. 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) before deciding whether to invest in the Fund. 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. This advertisement has not been reviewed by the Monetary Authority of Singapore. 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 is not sponsored, endorsed, or promoted by Markit Indices Limited. Copyright © 2022, Markit Indices Limited.

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