

This Product Highlights Sheet is an important document.

- It highlights the key terms and risks of this investment product and complements the Prospectus<sup>1</sup>.
- It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.
- You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.
- If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.

## Nikko AM China Onshore Fund Series - Nikko AM China Onshore Bond Fund (the “Fund”)

Product Type	Unit Trust	Launch Date	RMB Class: 10 September 2014 SGD Class/USD Class: Not incepted yet
Manager	Nikko Asset Management Asia Limited	Custodians	BNP Paribas, operating through its Singapore branch and Bank of China Limited
Trustee	BNP Paribas Trust Services Singapore Limited	Dealing Frequency	Every Business Day
Capital Guaranteed	No	Expense Ratio for the financial year ended 31 December 2021	RMB Class: 1.32% SGD Class/USD Class: N.A. <sup>2</sup>

### PRODUCT SUITABILITY

#### WHO IS THE PRODUCT SUITABLE FOR?

- The Fund is only suitable for investors who:
  - seek a total return of capital growth and income over the medium to long-term;
  - seek exposure to RMB and listed and unlisted RMB denominated fixed income instruments; and
  - are willing and able to accept that their principal will be at risk.

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

Further information  
Refer to Para 7.2 of the Prospectus for further information on product suitability.

### KEY PRODUCT FEATURES

#### WHAT ARE YOU INVESTING IN?

- You are investing in a unit trust constituted in Singapore that aims to provide a total return of capital growth and income over the medium to long-term.
- The Manager currently intends to make monthly distributions of approximately 4-7% per annum of the NAV per Unit to Holders of each Class.
- The base currency of the Fund is RMB.

Refer to Para 5.1, 7.1 and 7.3 of the Prospectus for further information on features of the product.

### Investment Strategy

- To achieve its investment objective, the Fund will invest by virtue of the Manager's RQFII capacity under the QFI framework, primarily in a portfolio of fixed income instruments issued onshore in the PRC which may include, but will not be limited to, certificates of deposits, preferred shares, fixed and floating bonds, convertible bonds, notes, bond and money market funds, and such other fixed income instruments issued in the PRC by governments, government

Refer to Para 7.1 of the Prospectus for further information on the investment

<sup>1</sup> The Prospectus is available for collection at the Manager's business address at 12 Marina View, #18-02, Asia Square Tower 2, Singapore 018961 during usual business hours or accessible at [www.nikkoam.com.sg](http://www.nikkoam.com.sg).

<sup>2</sup> The SGD Class and the USD Class have each not been incepted as at 31 December 2021.

<p>entities, quasi-government entities, corporations and/or financial institutions (known collectively as "<b>Onshore RMB Income Instruments</b>").</p> <ul style="list-style-type: none"> <li>• Although the Fund will invest primarily in Onshore RMB Income Instruments, the Fund may, at the absolute discretion of the Manager, invest in fixed income instruments issued offshore outside of the PRC and that are denominated in RMB as well. The Fund may also invest in fixed income instruments issued by Chinese entities that are denominated in currencies other than the RMB.</li> <li>• There is no target industry or sector.</li> </ul>	<p>strategy of the Fund.</p>
<b>Parties Involved</b>	
<p><b>WHO ARE YOU INVESTING WITH?</b></p> <ul style="list-style-type: none"> <li>• The Fund is a sub-fund of Nikko AM China Onshore Fund Series.</li> <li>• The Manager is <b>Nikko Asset Management Asia Limited</b>, the Trustee is <b>BNP Paribas Trust Services Singapore Limited</b> and the Custodians are <b>BNP Paribas, operating through its Singapore branch and Bank of China Limited (the "China Custodian")</b>.</li> </ul>	<p>Refer to Para 1.1 and 2 to 4 of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.</p>
<b>KEY RISKS</b>	
<p><b>WHAT ARE THE KEY RISKS OF THIS INVESTMENT?</b>  <b>You should be aware that the price of Units can go down as well as up. The value of the product and its dividends or coupons may rise or fall. The following are key risk factors that may cause you to lose some or all of your investment:</b></p>	<p>Refer to Para 9 and 15 of the Prospectus for further information on risks of the product.</p>
<b>Market and Credit Risks</b>	
<ul style="list-style-type: none"> <li>• <b>You are exposed to market and interest rate risk.</b> Prices of securities may go up or down in response to changes in the economic conditions, the interest rates, and the market's perception of securities of the relevant country. These may cause the prices of Units to go up or down as the prices of Units are based on the current market value of the investments of the Fund.</li> <li>• <b>You are exposed to the risk of investing in foreign securities.</b> The investments of the Fund may be affected by political instability, exchange controls, changes in taxation, foreign investment policies and other restrictions and controls.</li> <li>• <b>You are exposed to foreign exchange risk.</b> As the investments of the Fund may be denominated in foreign currencies (other than the base currency of the Fund i.e. RMB), fluctuations of the exchange rates of foreign currencies against the base currency of the Fund (i.e. RMB) may affect the value of Units.</li> </ul>	
<b>Liquidity Risks</b>	
<ul style="list-style-type: none"> <li>• <b>The Fund is not listed and you can redeem only on Dealing Days.</b></li> </ul>	
<b>Product-Specific Risks</b>	
<ul style="list-style-type: none"> <li>• <b>You are exposed to risks regarding QFI status.</b> You should note that the Manager's QFI status may be suspended or revoked and that this may adversely affect the Fund's performance by requiring the Fund to dispose of its securities holdings. You should also note that redemption requests may not be processed in a timely manner due to adverse changes in relevant laws or regulations.</li> <li>• <b>You are exposed to repatriation and liquidity risks.</b> Certain restrictions imposed by the Chinese government on QFIs may have an adverse effect on the Fund's liquidity and performance. Any restrictions on repatriation of the invested capital and net profits may impact the Fund's ability to meet redemption requests from Holders. Furthermore, as the China Custodian's review on authenticity and</li> </ul>	

compliance is conducted on each repatriation, the repatriation may be delayed or even rejected by the China Custodian in case of non-compliance with the QFI rules and regulations.

- **You are exposed to sole broker / counterparty risk.** While the Manager will endeavour to take all reasonable steps to obtain the best possible result for each transaction entered into by the Fund, there may be circumstances requiring transactions to be executed through the use of a sole broker or counterparty which may not be consistent with best execution standards.
- **You are exposed to PRC market risk.** Investing in the securities markets in the PRC is subject to the risks of investing in emerging markets generally and the risks specific to the PRC market. Investments in the PRC will be sensitive to any significant change in political, social or economic policy in the PRC. Such sensitivity may adversely affect the capital growth and thus the performance of these investments.
- **You are exposed to income distribution risk.** Sources of income for distribution include dividend and/or interest income and/or capital gains derived from the investments of the Fund. Such dividend and/or interest income may be adversely affected by events such as but are not limited to companies suffering unexpected losses, having lower than expected dividends and adverse exchange rate fluctuations. In addition to distributions out of distributable income and/or capital gains, the Manager may make capital distributions to Holders at such time as they deem fit in accordance with the provisions of the Deed. Where distributions are paid out of capital, the NAV of the relevant Class will be reduced and this will be reflected in the realisation price of the Units of that Class. Such distributions may also result in reduced future returns to Holders.
- **You are exposed to tax risk.** Investing in the Fund may have tax implications for a Holder depending on the particular circumstances of the Holder. Furthermore, by investing in securities (including shares and debt instruments) issued by PRC tax resident enterprises, irrespective of whether such securities are issued or distributed onshore or offshore, the Fund may be subject to PRC taxes.
- **You are exposed to financial derivative instruments (“FDIs”) risk. The Manager may invest in FDIs for the purposes of hedging and/or efficient portfolio management and/or optimising returns and/or for such other purposes as may be permitted by the Authority.** FDIs involve risks different from, and in some cases, greater than, the risks presented by more traditional investments. Some of the risks associated with FDIs are market risk, management risk, credit risk, liquidity risk, moratorium risk, capital control risk, tax risk and leverage risk. **The Fund may invest into underlying funds which use or invest in FDIs, and it is possible that the Fund’s NAV may be subject to volatility due to the Fund’s or the underlying funds’ usage or investment in FDIs.**
- **You should be aware that your investment in the Fund may be exposed to other risks of an exceptional nature from time to time.**

#### FEES AND CHARGES

##### Payable directly by you

- You will need to pay the following fees and charges as a percentage of your gross investment sum:

<b>Initial Sales Charge</b>	Current: Up to 5.00%; Maximum: 5.00%
<b>Realisation Charge</b>	Current: Nil; Maximum: 1.00%
<b>Conversion Fee / Exchange Fee</b>	Where the Initial Sales Charge paid for Units being converted or exchanged is less than the initial sales charge payable for the units being acquired, the Manager shall be entitled to charge for the difference.

- The approved distributors of the Manager may also charge additional fees not listed in the Prospectus. You should therefore check with the approved distributors before subscribing for Units.

Refer to Para 8 of the Prospectus for further information on fees and charges.

<p><b><u>Payable by the Fund from invested proceeds</u></b></p> <ul style="list-style-type: none"> <li>The Fund will pay the following fees and charges to the Manager, Trustee and other parties:</li> </ul> <table border="1"> <tr> <td> <p><b>Annual Management Fee</b>  <b>(a) Retained by Manager</b>  <b>(b) Paid by Manager to financial adviser (trailer fee)</b></p> </td> <td> <p>Current: 0.90%; Maximum: 2.00%                      -(a) 40% to 100% of the Annual Management Fee                      -(b) 0% to 60%<sup>3</sup> of the Annual Management Fee</p> </td> </tr> <tr> <td> <p><b>Annual Trustee Fee</b></p> </td> <td> <p>Current: 0.03%; Maximum: 0.10%. Subject always to a minimum fee of SGD5,000 p.a.</p> </td> </tr> <tr> <td> <p><b>Other Fees and Charges</b></p> </td> <td> <p>Subject to agreement with the relevant parties, other fees and charges, including, <i>inter alia</i> fees payable to the China Custodian, the fund administration fee and the audit fee may each amount to or exceed 0.10% per annum, depending on the proportion that each fee or charge bears to the net asset value of the Fund.</p> </td> </tr> </table> <p>* For the financial year ended 31 December 2021, the professional fees and audit fee amounted to approximately 0.11% and 0.11% respectively based on the NAV of the Fund as at 31 December 2021.</p>		<p><b>Annual Management Fee</b>  <b>(a) Retained by Manager</b>  <b>(b) Paid by Manager to financial adviser (trailer fee)</b></p>	<p>Current: 0.90%; Maximum: 2.00%                      -(a) 40% to 100% of the Annual Management Fee                      -(b) 0% to 60%<sup>3</sup> of the Annual Management Fee</p>	<p><b>Annual Trustee Fee</b></p>	<p>Current: 0.03%; Maximum: 0.10%. Subject always to a minimum fee of SGD5,000 p.a.</p>	<p><b>Other Fees and Charges</b></p>	<p>Subject to agreement with the relevant parties, other fees and charges, including, <i>inter alia</i> fees payable to the China Custodian, the fund administration fee and the audit fee may each amount to or exceed 0.10% per annum, depending on the proportion that each fee or charge bears to the net asset value of the Fund.</p>					
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<p><b>VALUATIONS AND EXITING FROM THIS INVESTMENT</b></p>												
<p><b>HOW OFTEN ARE VALUATIONS AVAILABLE?</b>                      The issue price and realisation price of the Units will be available on the Business Day following each Dealing Day. You may check such prices on the Manager's website (<a href="http://www.nikkoam.com.sg">www.nikkoam.com.sg</a>).</p> <p><b>HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?</b>  <b>Cancellation of Units</b>                      If applicable to you, you may cancel your subscription for Units by giving written notice to the Manager through the approved distributor(s) from whom you purchased your Units within 7 calendar days from the date of your subscription or purchase of Units. Any Initial Sales Charge paid will be refunded to you. However, you will have to take the risk for any price changes in the NAV of the relevant Class since you purchased the Units.</p> <p><b>Realisation of Units</b>                      You can exit the Fund by writing to the Manager through the approved distributor from whom you purchased your Units. If you are an institutional investor who had purchased your Units directly from the Manager, you may submit your realisation request to the Manager. If your realisation request is received and accepted by 5 p.m. on a Dealing Day, you will be paid a price based on the value of the Fund for that Dealing Day. If your realisation request is received and accepted after 5 p.m., you will be paid a price based on the value of the Fund on the immediately following Dealing Day. The realisation proceeds that you will receive are calculated by multiplying the number of Units to be realised by the realisation price. There is currently no realisation charge imposed. An example is as follows:</p> <table style="margin-left: 40px;"> <tr> <td>Units to be realised</td> <td>x</td> <td>Realisation Price</td> <td>=</td> <td>Realisation Proceeds payable</td> </tr> <tr> <td>1,000</td> <td>x</td> <td>\$1.050</td> <td>=</td> <td>\$1,050.00</td> </tr> </table> <p>The cancellation or realisation proceeds will normally be paid within seven Business Days after the relevant Dealing Day on which the cancellation or realisation request is received.</p>		Units to be realised	x	Realisation Price	=	Realisation Proceeds payable	1,000	x	\$1.050	=	\$1,050.00	<p>Refer to Para 10.9, 11 and 14 of the Prospectus for further information on valuation and exiting from the product.</p>
Units to be realised	x	Realisation Price	=	Realisation Proceeds payable								
1,000	x	\$1.050	=	\$1,050.00								
<p><b>CONTACT INFORMATION</b></p>												
<p><b>HOW DO YOU CONTACT US?</b>                      You may contact our approved distributors listed on our website at <a href="http://www.nikkoam.com.sg">www.nikkoam.com.sg</a> or call Nikko Asset Management Asia Limited at 1800 535 8025.</p>												

<sup>3</sup> Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Manager.

**APPENDIX: GLOSSARY OF TERMS**

Authority	refers to the Monetary Authority of Singapore.
Business	means any day (other than a Saturday, Sunday or public holiday) on which commercial banks in Singapore, Hong Kong and the PRC are open for business, or any other day as the Manager and the Trustee may agree in writing.
Class	means a class of Units in the Fund.
CSRC	means the China Securities Regulatory Commission.
Dealing Day	in relation to the subscription and realisation of Units means a Business Day or such other day as provided in the Deed.
Deed	means the trust deed of the Fund, as amended.
Holder	means a holder of Units.
Initial Sales Charge	a charge upon the issue of Units of such amount as the Manager may from time to time determine generally or in relation to any specific transaction or class of transactions provided that such charge shall not exceed five per cent. of the gross investment sum. Such expression in the context of a given date shall refer to the charge or charges determined by the Manager pursuant to the trust deed of the Fund and applicable on that date.
Launch Date	for the purposes of this Product Highlights Sheet only, means the inception date of the relevant Class.
NAV	means net asset value.
PRC	means the People's Republic of China.
QFI	means a qualified foreign investor (including qualified foreign institutional investors) and RQFIs approved pursuant to the relevant PRC regulations (as amended from time to time).
RMB	means Renminbi, the lawful currency of the PRC.
RQFII	means a RMB qualified foreign institutional investor approved pursuant to the relevant PRC regulations (as amended from time to time).
SAFE	means the State Administration of Foreign Exchange of the PRC.
SGD	means Singapore dollars.
Units	means a unit of the Fund.
USD	means United States dollar.