

This Product Highlights Sheet is an important document.

- It highlights the key terms and risks of this investment product and complements the Prospectus¹.
- It is important to read the Prospectus before deciding whether to purchase units in 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 Shenton Income Fund (the “Fund”)

Product Type	Unit Trust	Launch Date	SGD Class: 31 January 1989 USD Class: 2 August 2004 RMB Class: Not incepted yet
Managers	Nikko Asset Management Asia Limited	Custodian	BNP Paribas, acting through its Singapore branch
Trustee	BNP Paribas Trust Services Singapore Limited	Dealing Frequency	Every Business Day
Capital Guaranteed	No	Expense Ratio for the financial year ended 31 December 2022	SGD Class: 1.23% USD Class: 1.23% RMB Class: N.A. ²

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

- The Fund is **only** suitable for investors who:
 - seek regular income distributions and returns in excess of 4% per annum over the medium to long term;
 - seek exposure to fixed income instruments primarily issued by governments and corporations within the Asia Pacific region; 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 6.2 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 regular income distributions while seeking to achieve returns in excess of 4% per annum over the medium to long term.
- Distributions, if any, will be determined by the Managers. Currently, the Managers intend to declare monthly distributions of between 4% to 6% per annum of the NAV per Unit of the Fund. If income and net capital gains are insufficient to fund a distribution for the Fund or any Class, the Managers may in their discretion, with the prior approval of the Trustee and after consulting the auditors of the Fund, determine that such distributions should be paid from the capital of the Fund or the relevant Class. Where distributions are paid out of the capital of the Fund or the relevant Class, the capital and the NAV of the Fund or the relevant Class will be reduced and this will be reflected in the realisation price of the Units of the Fund or the relevant Class.
- The base currency of the Fund is SGD.

Refer to Para 1.1, 6.1, 7.2(l), 22.3, 22.8 and 22.8.5 of the Prospectus for further information on features of the product.

¹ The Prospectus is available for collection at the Managers' 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.

² The RMB Class has not been incepted as at 31 December 2022.

Investment Strategy	
<ul style="list-style-type: none"> • The Fund will invest in a portfolio of bonds, money market instruments and currencies both in Singapore and in other global markets, taking into consideration the need for capital preservation. • The assets of the Fund are invested in 4 categories of fixed income instruments: investment grade bonds, non-investment grade bonds, local currency denominated bonds and convertible bonds that are primarily issued by governments and corporations within the Asia Pacific region. The Fund is actively managed to capture swings in interest rate and currency trends. The Fund will be investing in developed markets, although to enhance return potential, the Fund may also invest in emerging markets. There is no target industry or sector. • The Managers may invest any portion of the assets in the Fund as they see fit into Nikko AM Asia Investment Funds – Nikko AM Shenton Asia Bond Fund (the “Underlying Fund”) at their absolute discretion to achieve its investment objective. The Underlying Fund is also managed by the Managers. 	<p>Refer to Para 6.1 of the Prospectus for further information on the investment strategy of the Fund.</p>
Parties Involved	
<p>WHO ARE YOU INVESTING WITH?</p> <ul style="list-style-type: none"> • The Managers are Nikko Asset Management Asia Limited. • The Trustee is BNP Paribas Trust Services Singapore Limited. • The Custodian is BNP Paribas, acting through its Singapore branch. 	<p>Refer to Para 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>
KEY RISKS	
<p>WHAT ARE THE KEY RISKS OF THIS INVESTMENT?</p> <p>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:</p>	<p>Refer to Para 7 of the Prospectus for further information on risks of the product.</p>
Market and Credit Risks	
<ul style="list-style-type: none"> • You are exposed to market risk in the global markets. The price of securities comprised in the portfolio of the Fund and the Units, and the income from them, may be influenced by political and economic conditions, changes in interest rates, the earnings of the corporations whose securities are comprised in the portfolio, and the market’s perception of the securities • You are exposed to interest rate and credit risks. Investments in debt securities are subject to interest rate fluctuations and credit risks, such as risk of default by the issuer, adverse changes in general economic conditions and the financial condition of the issuer, which may impair the issuer’s ability to make payments of interest and principal, resulting in a possible default by the issuer. The Fund may also be subject to increased credit risk if it invests in non-investment grade debt securities. • You are exposed to currency risk. As investments of the Fund may be denominated in foreign currencies other than the base currency of the Fund or the Class Currency of the relevant Class within the Fund, fluctuations in the exchange rates of these foreign currencies may have an impact on the value of the Units of the Fund. 	

Liquidity Risks		
<ul style="list-style-type: none"> The Fund is not listed and you can redeem only on Dealing Days. 		
Product-Specific Risks		
<ul style="list-style-type: none"> You are exposed to foreign securities risk. The investments of the Fund may be affected by political instability, exchange controls, changes in taxation, foreign investment policies and other restrictions and controls. You are exposed to derivatives risk. The Managers may invest in financial derivative instruments (“FDIs”) for the purposes of optimising returns, hedging and/or efficient portfolio management. As at the date of registration of the Prospectus, the Managers only use FDIs for purposes of hedging and/or efficient portfolio management. Derivatives involve risks different from, and in some cases, greater than, the risks presented by more traditional investments. Some of the risks associated with derivatives 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 relevant underlying fund’s usage or investment in FDIs. You are exposed to risks of investing into the mainland China onshore market via Bond Connect. The Fund and the Underlying Fund may invest in the mainland China interbank bond markets via Bond Connect. In addition to the risks associated with the Chinese market and risks related to investments in RMB, investments via Bond Connect are subject to additional risks such as market volatility and liquidity risk, settlement, clearing and custody risk, operational risk, regulatory risk and mainland tax considerations. <p>You should be aware that your investment in the Fund may be exposed to other risks of an exceptional nature from time to time.</p>		
FEES AND CHARGES		
<u>Payable directly by you</u>		Refer to Para 13 of the Prospectus for further information on the fees and charges.
<ul style="list-style-type: none"> You will need to pay the following fees and charges as a percentage of your gross investment sum: 		
Initial Sales Charge	Current: Up to 5.00%; Maximum: 5.00%	
Realisation Charge	Current: Nil	
Exchange Fee	Where the Initial Sales Charge paid for the Units being exchanged is less than the initial sales charge payable for units being acquired, the difference will be charged.	
<ul style="list-style-type: none"> The approved distributors of the Managers may also charge additional fees not listed in the Prospectus. You should therefore check with the approved distributors before subscribing for Units. 		
<u>Payable by the Fund from invested proceeds</u>		
<ul style="list-style-type: none"> The Fund will pay the following fees and charges to the Managers, Trustee and other parties: 		
Annual Management Fee (a) Retained by Managers (b) Paid by Managers to financial adviser (trailer fee)	Current: 1% p.a.; Maximum: 1% p.a. (a) 40% to 100% of Annual Management Fee (b) 0% to 60% ³ of Annual Management Fee	
Annual Trustee’s Fee	Current: up to 0.075% p.a.	

³ Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Managers.

	The Annual Trustee's Fee is payable out of the Management Fee and is therefore borne by the Managers.	
Other Substantial Fees/Charges:	As at 31 December 2022 (audited): <u>SGD Class and USD Class</u> Nil	
VALUATIONS AND EXITING FROM THIS INVESTMENT		
<p>HOW OFTEN ARE VALUATIONS AVAILABLE? The issue price and realisation price of Units will be available on the Business Day following each Dealing Day. You may check such prices on the Managers' website (www.nikkoam.com.sg).</p> <p>HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?</p> <p><u>Cancellation of Units</u> If applicable to you, you may cancel your subscription for Units by sending a cancellation request to the Managers through the approved distributor from whom you purchased your Units within 7 calendar days from the date of your subscription or purchase of the 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 Fund or the relevant Class since you purchased the Units.</p> <p><u>Realisation of Units</u> You can exit the Fund by submitting a written realisation request to the Managers through the approved distributor from whom you purchased your Units. If you are an institutional investor who had purchased your Units directly from the Managers, you may submit your realisation request to the Managers. If your realisation request is received and accepted by 5 p.m. Singapore time on a Dealing Day, your Units will be realised at the realisation price for that Dealing Day. If your realisation request is received and accepted after 5 p.m. Singapore time, your Units will be realised at the realisation price for the next Dealing Day. The realisation proceeds that you will receive are calculated by multiplying the number of Units to be realised by the realisation price, less any applicable charges. There is currently no realisation charge imposed. An example is as follows: Units to be realised x Realisation Price = Gross Realisation Proceeds 1,000 x \$1.050 = \$1,050.00</p> <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 unless realisation of Units has been suspended in accordance with the Prospectus.</p>		Refer to Para 8.9, 11 and 14 of the Prospectus for further information on valuation and exiting from the product.
CONTACT INFORMATION		
<p>HOW DO YOU CONTACT US? You may contact our approved distributors listed on our website at www.nikkoam.com.sg or call Nikko Asset Management Asia Limited at 1800 535 8025.</p>		

APPENDIX: GLOSSARY OF TERMS	
Business Day	means a day upon which banks in Singapore are open for business.
Class	means any class within the Fund which is established pursuant to the provisions of the Deed and which may be denominated in Singapore dollars or US dollars or such other currency as the Managers may from time to time determine.
Class Currency	means the currency of denomination of a Class.
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 may be amended or modified from time to time.
Holder	in relation to a Unit, means the person for the time being entered in the register of holders of the Fund as the holder of that Unit and includes persons so entered as Joint Holders (as defined in the Deed).
Initial Sales Charge	means a charge upon the issue of Units of such amount as the Managers may from time to time determine generally or in relation to any specific transaction or class of transactions being a percentage of the gross investment sum, which shall not exceed the maximum charge for the Fund as stated above.
Launch Date	for the purposes of this Product Highlights Sheet only, means the inception date of the relevant Class.
NAV	means net asset value.
RMB	means the lawful currency of the People's Republic of China.
SGD	means the lawful currency of the Republic of Singapore.
Units	means the nature of the interest issued to investors, being an undivided share in the relevant deposited property for the Fund which includes a fraction of a Unit.
USD	means the lawful currency of the United States of America.