

# NIKKOAM-ICBCSG CHINA BOND ETF

January 2024 Factsheet

## Investment Objective

The investment objective of the Fund is to achieve long term capital growth by replicating the returns of the ChinaBond ICBC 1-10 Year Treasury and Policy Bank Bond Index (the "Index").

The Fund will offer to investors a Chinese bond investment universe that is increasingly growing in size and foreign participation. It invests in bonds issued by:

- the Chinese government; and
- the 3 Chinese policy banks - Agricultural Development Bank of China (ADBC), China Development Bank (CDB), Export-Import Bank of China (CEXIM)

## Performance (%)

Share Class		3M	6M	1Y	3Y	5Y	Since Inception
RMB	NAV-NAV	1.49	1.86	4.24	3.89	-	3.97
	Benchmark	1.59	2.04	4.57	4.23	-	4.31
SGD	NAV-NAV	1.38	2.10	0.04	0.52	-	1.04
	Benchmark	1.00	2.22	0.06	0.86	-	1.22

## Rolling Returns (%)

Share Class		31/01/2022 - 31/01/2023	31/01/2021 - 31/01/2022	31/01/2023 - 31/01/2024
RMB	NAV-NAV	1.93	5.52	4.24
	Benchmark	2.20	5.95	4.57
SGD	NAV-NAV	-6.73	-6.73	-6.73
	Benchmark	-6.42	-6.42	-6.42

Source: Nikko Asset Management Asia Limited as of 31 January 2024. Returns are calculated on a NAV-NAV basis and assuming all dividends and distributions are reinvested, if any. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

<sup>1</sup> 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 the reduction in the Fund's NAV, which will be reflected in the redemption price of the Units.

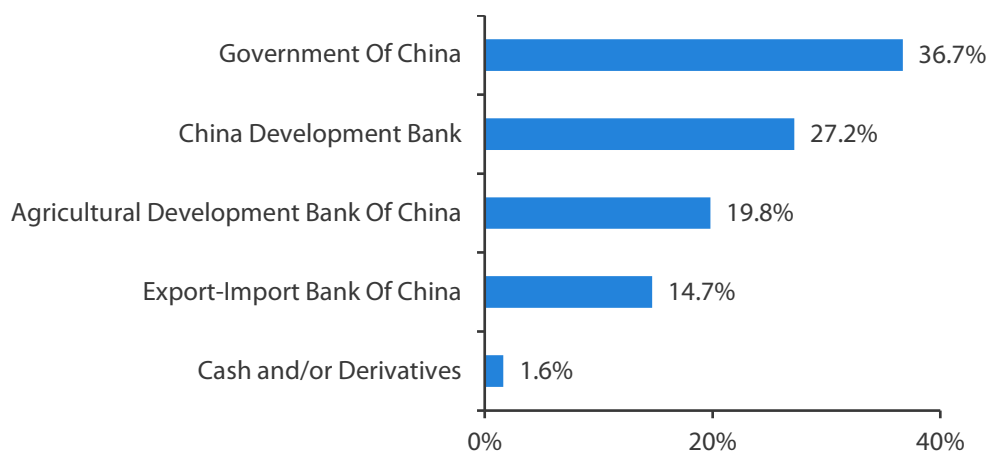
## Fund Details

<b>Primary Currency</b>	RMB Class Units: RMB SGD Class Units: SGD
<b>Secondary Currency</b>	RMB Class Units: USD
<b>Fund Size</b>	RMB 1,493.79 million
<b>Total Units</b>	RMB Class Units: 225,169,000 SGD Class Units: 43,158,000
<b>Initial Sales Charge</b>	Nil
<b>Realisation Charge</b>	Nil
<b>Management Fee</b>	0.15% p.a.
<b>Trustee Fee</b>	0.02% p.a.
<b>Benchmark</b>	ChinaBond ICBC 1-10 Year Treasury and Policy Bank Bond Index
<b>Dealing Frequency</b>	Daily
<b>Price Quote</b>	www.nikkoam.com.sg/etf/china-bond-etf
<b>Distribution Frequency<sup>1</sup></b>	RMB Class Units: Nil. SGD Class Units: Semi-annual distributions around January and July of each year.
<b>Financial Year End</b>	30-Jun
<b>Market Professionals</b>	In-kind subscription/redemption is available
<b>Trustee</b>	DBS Trustee Limited
<b>Stock Exchange</b>	Singapore Exchange Securities Trading Limited
<b>Subscription and Redemption</b>	Minimum 10 units via SGX-ST (Cash or SRS) or minimum 50,000 units via participating dealers (usual fees and charges apply)

## Fund Holdings

Top 10 Holdings	Weight
GOVERNMENT OF CHINA 3.03% 11-MAR-2026	1.8%
GOVERNMENT OF CHINA 2.75% 17-FEB-2032	1.7%
GOVERNMENT OF CHINA 2.68% 21-MAY-2030	1.7%
GOVERNMENT OF CHINA 2.85% 04-JUN-2027	1.6%
CHINA DEVELOPMENT BANK 3.34% 14-JUL-2025	1.5%
GOVERNMENT OF CHINA 3.12% 05-DEC-2026	1.4%
GOVERNMENT OF CHINA 3.02% 22-OCT-2025	1.4%
GOVERNMENT OF CHINA 2.18% 25-AUG-2025	1.4%
GOVERNMENT OF CHINA 2.28% 25-NOV-2025	1.3%

## Issuer Allocation



Cash in allocation charts includes cash equivalents.

Percentages of allocation may not add to 100% due to rounding error.

Source: Nikko Asset Management Asia Limited as of 31 January 2024 .

## Fund Characteristics

Share Class	1-Year Annualised Tracking Error
RMB	
SGD	

	Weighted Average Yield to Maturity <sup>2</sup> (%)	Weighted Average Duration <sup>3</sup> (years)	Average Credit Rating <sup>4</sup>	Number of Holdings
Fund	2.40	4.09	A+	126
Benchmark	2.42	4.09	A+	-

## Fund Information

Share Class	Listing Date	NAV	ISIN	Bloomberg Ticker	Trading Name	SGX Stock Code
RMB	24 November 2020	RMB 5.6626	SGXC29409643	Primary Currency (RMB): ZHY SP Secondary Currency (USD): ZHD SP	Primary Currency (RMB): NikkoAM-ICBCSG CNB CNY Secondary Currency (USD): NikkoAM-ICBCSG CNB US\$	Primary Currency (RMB): ZHY Secondary Currency (USD): ZHD
SGD	24 November 2020	SGD 0.9459	SGXC30096447	ZHS SP	NikkoAM-ICBCSG CNB S\$	ZHS

Source: Nikko Asset Management Asia Limited as of 31 January 2024 .

<sup>2</sup> Weighted Average Yield to Maturity (%) is an average yield calculated by weighting each security presently held by the Fund at time of calculation with capitalisation and duration. Yield to Maturity and Yield to Call measures are used in the calculation for non-callable and callable bonds respectively. The figure is for reference only and would vary from time to time due to market conditions and it does not represent the fund/sub-fund's distribution yield or actual rate of return.

<sup>3</sup> Weighted Average Duration (years) is an average duration weighted with capitalisation, and the figure is for reference only and would vary from time to time due to market conditions.

<sup>4</sup> Cash is included in the calculation of the average credit rating and is rated as AAA regardless of currencies held. The credit ratings of the underlying fixed income securities are determined by S&P and/or Moody's, and where official credit ratings are unavailable, Nikko AM Asia's internal credit ratings are used.

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## Important Information

### Notice to investors in the UK

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### Key Risks

- **Units may trade at prices other than NAV**
  - o The secondary market price of Units may sometimes trade above or below the NAV per Unit. This deviation is dependent on various factors but will be accentuated when there is a large imbalance between market supply and demand for Units on the SGX-ST. There is a risk that you may not be able to buy or sell at a price close to the NAV per Unit.
- **You are exposed to market risk**
  - o 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 sovereign rating of the PRC, the earnings of the Chinese policy banks whose bonds are comprised in the portfolio and the market's perception of the securities.
- **You are exposed to liquidity risk**
  - o The extent of market liquidity is dependent on the size and state of the markets and therefore affects the Fund's ability to acquire or dispose of securities at the price and time it so desires. The Chinese treasury banks and Chinese policy bank bonds trade over-the-counter (OTC) on the China Interbank Bond Market (CIBM). Depending on the quotes available on the CIBM, the bonds may be thinly traded and illiquid and may result in redemption prices which adversely affect the NAV of the Fund.
- **You should be aware there is a minimum creation and redemption size**
  - o Units will only be issued or redeemed in-kind at the Manager's discretion in Creation Unit or Redemption Unit aggregations (currently 20,000,000 Units, and multiples thereof) or in cash at a minimum of 50,000 Units (or such other higher number of Units in multiples of 1,000) by or through Participating Dealers.
  - o If you do not hold the minimum redemption number of Units (i.e. 50,000 Units), you will only be able to realise the value of your Units by selling your Units on the SGX-ST at the prevailing trading price of the Units.
  - o However, do note that the Participating Dealers are under no obligation to redeem your Units.
- **Trading in Units on SGX-ST may be suspended or even delisted**
  - o You will not be able to purchase or sell Units on the SGX-ST during any period that the SGX-ST suspends trading in the Units. Subject to the provisions of the CIS Code, the creation and redemption of Units will also be suspended if the trading of Units on the SGX-ST is suspended.
  - o The Fund may not be able to continue to meet the requirements necessary to maintain the listing of Units on the SGX-ST. The Fund may be terminated if Units are delisted from the SGX-ST.
- **You are exposed to interest rate risk and credit risk**
  - o Investments in bonds and other 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 issue, which may impair the issuer's ability to make payments of interest and principal, resulting in a possible default by the issuer.
- **You are exposed to tracking error risk**
  - o Changes in the NAV of the Fund are unlikely to replicate exactly changes in the Index due to various factors, especially since the Fund adopts a representative sampling strategy and does not hold all the securities in the Index. The Fund's returns may therefore deviate from those of the Index.
- **Risk associated with the investment strategy of the Fund/Lack of discretion by Manager to adapt to market changes**
  - o Unlike "actively managed" unit trusts and mutual funds, in its management of the Fund, the Manager does not attempt to outperform the Index nor does it seek temporary defensive positions when markets decline or appear overvalued by some standards. Accordingly, a fall in the Index may result in a corresponding fall in the NAV of the Fund.

## Important Information

- **You are exposed to currency risk**

In the event that any investments of the Fund are denominated in a currency other than the currency in which the relevant Class of the Fund is denominated, fluctuations in the exchange rates of the currency of the investment against the currency of denomination of the relevant Class may affect the net asset value of the relevant Class. The Manager reserves the discretion to hedge, whether fully, partially or not at all, the currency exposure of the assets of the Fund that are attributable to any of the Classes to the relevant currency in which it is denominated. In the event that any such currency exposure is hedged, an active hedging strategy is usually adopted.

- **You are exposed to risks associated with investment in mainland China**

- o RMB Currency Risks: RMB is not a freely convertible currency as it is subject to foreign exchange control policies of the PRC government. Any devaluation of the RMB could adversely affect the value of investors' investments in the Fund. Investors whose base currency is not the RMB may be adversely affected by changes in the exchange rates of the RMB.

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

