

**PRESS RELEASE**  
24 OCTOBER 2019

NIKKO ASSET MANAGEMENT HONG KONG LIMITED

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## Nikko AM lists First ETF in Hong Kong

Nikko Asset Management today announces the listing of the Nikko AM Global Internet ETF (the “ETF”) on the Hong Kong Exchanges and Clearing Limited (HKEx). The ETF enables investors to access the world’s top 30 Internet companies by market capitalisation.

“The internet’s rapid speed of development has made this an interesting space to invest in. Today, there is no specific sector classification for internet stocks. Some mega e-commerce companies are broadly classified under the Consumer Staples sector or as General Merchandizing businesses. The Nikko AM Global Internet ETF overcomes this challenge for investors by offering quick yet affordable access to a diversified portfolio that tracks a thematically customised index comprising some of the world’s most established companies who derive the majority of their revenue from internet-related activities,” said Phillip Yeo, Joint Global Head of ETF Business at Nikko Asset Management.

The ETF invests in the constituents of the iEdge-FactSet Global Internet Index, compiled and published by Singapore Exchange Limited. The Index has a basket size of 30 stocks across trending themes such as e-commerce, internet of things, social networking, cloud services and e-gaming and is free float market capitalisation weighted with a 10% stock cap on each individual Index constituent. It currently features names such as Alibaba, Alphabet, Amazon, eBay, Facebook, Netflix, Tencent and Twitter.

Said Eleanor Seet, Head of Asia ex-Japan, Nikko Asset Management, “As we continue to grow our business across the Asia ex-Japan region, we are excited to be listing our first ETF in Hong Kong. The launch of this ETF solution is testament to our commitment to growth in Asia and Hong Kong as an important hub. This is a strategic milestone for our Global ETF business. Hong Kong has a diverse and global investor base, and we remain positive on the long term outlook of the market.”

In recent years, Internet usage has been expanding at an exponential pace, and interest in ETFs has gained traction in Asia, with further room to grow. Nikko AM has proactively developed various types of ETFs to meet the needs of investors, and will continue to build a diversified and robust portfolio of investment products that provide clients with a broad range of opportunities.

The AUM of the firm’s ETF business grew to over USD 72 billion by June 2019, representing 33% year-over-year growth from USD 27 billion at the end of 2015. Ranked number two in Asia for AUM in the ETF business, Nikko AM is committed to continue the expansion of its ETF footprint leveraging its capability to provide a comprehensive range of ETF products across major asset classes.

## Fund Details

Underlying Index	iEdge-FactSet Global Internet Index Net Total Return
Listing Date	24 October 2019
Base Currency	USD
Trading Currency	USD, HKD
Valuation Frequency	Daily
Listing	Hong Kong Stock Exchange – Main Board
Manager	Nikko Asset Management Hong Kong Limited
Trustee	BNP Paribas Trust Services (Hong Kong) Limited
Securities Market Makers/Designated Specialists	Flow Traders Hong Kong Limited, Phillip Securities Pte Ltd
Management Fee	Currently 0.60%p.a. of the Net Asset Value
Ongoing Charges	0.88% p.a.
Ticker	USD: 9072 HKD: 3072
ISIN Number	USD: HK0000518578 HKD: HK0000518586

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### About Nikko Asset Management

With US\$224 billion (23.41 trillion yen)\* under management, Nikko Asset Management is one of Asia's largest asset managers, providing high-conviction, active fund management across a range of Equity, Fixed Income, Multi-Asset and Alternative strategies. In addition, its complementary range of passive strategies covers more than 20 indices and includes some of Asia's largest exchange-traded funds (ETFs).

Headquartered in Asia since 1959, the firm represents nearly 200\*\* investment professionals and over 30 nationalities across 11 countries. More than 300 banks, brokers, financial advisors and life insurance companies around the world distribute the company's products.

The investment teams benefit from a unique global perspective complemented by the firm's historic Asian DNA, striving to deliver consistent excellence in performance. The firm also prides itself on its progressive solution-driven approach, which has led to many innovative funds launched for its clients.

For more information about Nikko Asset Management and to access its investment insights, please visit the firm's [homepage](#).

\* Consolidated assets under management and sub-advisory of Nikko Asset Management and its subsidiaries as of 30 June 2019.

\*\* As of 30 June 2019, including employees of Nikko Asset Management and its subsidiaries.

### Important Information

The Nikko AM Global Internet ETF (the "Sub-Fund") is a fund constituted in the form of a unit trust and is a sub-fund of the Nikko AM Hong Kong Exchange Traded Funds Series. The units of the Sub-Fund (the "Units") are listed on The Stock Exchange of Hong Kong Limited (the "SEHK"). These Units are traded on the SEHK like listed stocks.

- Investment involves risk. Past performance or any prediction, projection or forecast is not indicative of future performance. The value of units and income from them may fall or rise. Investments in the Sub-fund is subject to investment risks, including the possible loss of principal amount invested. You should read the Prospectus for details including the risk factors and the arrangement in the event that the Sub-fund is delisted. Investors should also note that the Sub-Fund is different 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 issued by Nikko Asset Management Hong Kong Limited and has not been reviewed by the Securities and Futures Commission.
- The Sub-Fund's investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the Sub-Fund may suffer losses. There is no guarantee of the repayment of principal.
- The Sub-Fund's investments are concentrated in the software, internet and related services sectors, which is characterised by relatively higher volatility in price performance when compared to other economic sectors, the performance of the Index may be more volatile when compared to other broad-based stock indices. The value of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments and may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the relevant sectors.
- The trading price of the Units on the SEHK is driven by market factors such as the demand and supply of the Units. Therefore, the Units may trade at a substantial premium or discount to the NAV.
- Subject to the Manager's discretion, the Manager may pay distributions to unitholders. There is no guarantee to the payment of distributions or frequency of payment. Unitholders will receive distributions in the base currency (USD) only. In the event that a unitholder has no USD account, the unitholder may have to bear the fees and charges associated with the conversion of such distributions, and bear bank or financial institution fees and charges associated with the handling of the distribution payment. Unitholders are advised to check with their brokers regarding arrangements for distributions.
- The Manager may at its discretion pay dividends out of capital. Payment of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any such distributions may result in an immediate reduction in the NAV per Unit of the Sub-Fund.

The ETF is not in any way sponsored, endorsed, sold or promoted by Singapore Exchange Limited and/or its affiliates (collectively, "SGX") and SGX makes no warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the iEdge-FactSet Global Internet Index (and/or the figure at which the iEdge-FactSet Global Internet Index stands at any particular time on any particular day or otherwise. The iEdge-FactSet Global Internet Index is sponsored, calculated and administrated by SGX. SGX shall not be liable (whether in negligence or otherwise) to any person for any error in the Nikko AM Global Internet ETF and the iEdge-Factset Global Internet Index and shall not be under any obligation to advise any person of any error therein. "SGX" is a trade mark of SGX and is used by Nikko Asset Management under licence. All intellectual property rights in the iEdge-FactSet Global Internet Index vest in SGX.