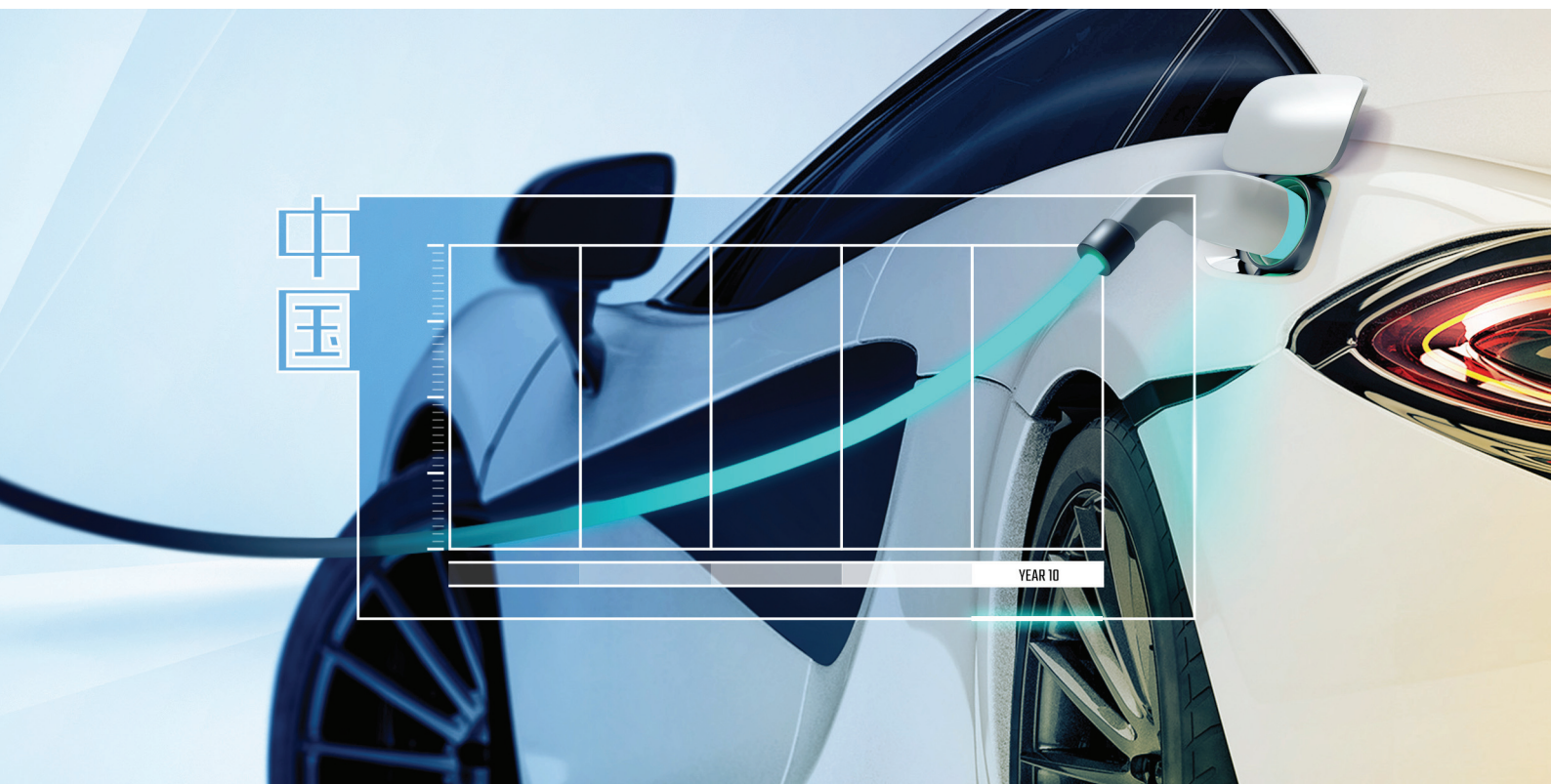


# NIKKOAM-STRAITSTRADING MSCI CHINA ELECTRIC VEHICLES AND FUTURE MOBILITY ETF

PLUG INTO THE LARGEST MARKET OF  
ONE OF THE WORLD'S FASTEST-GROWING INDUSTRIES



**ELECTRIC VEHICLES AND FUTURE MOBILITY:**

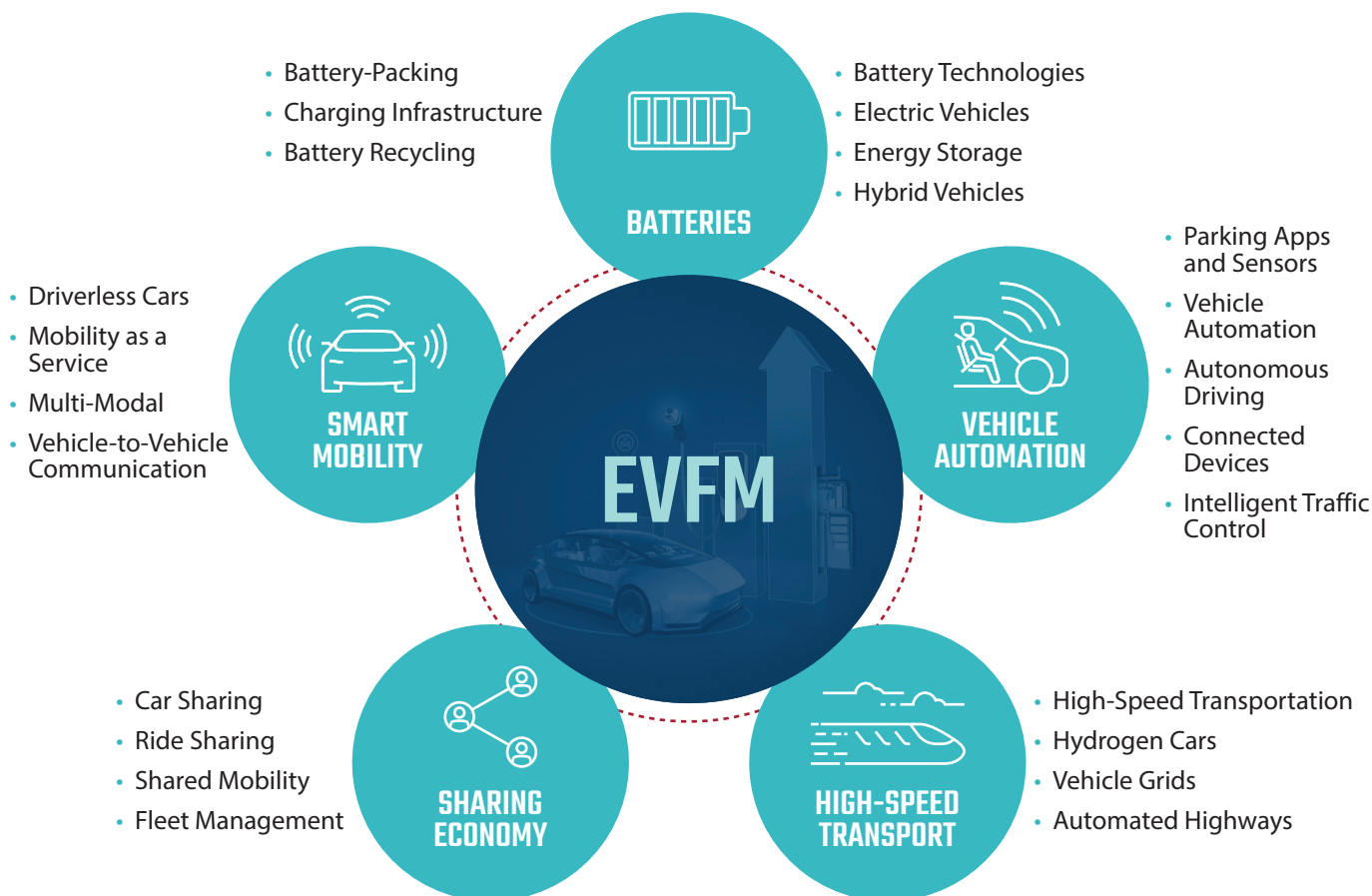
# A RAPIDLY ACCELERATING INDUSTRY

Advancements in a host of interconnected technologies including internet connectivity, battery storage capacity and artificial intelligence have ushered in a new Electric Vehicles and Future Mobility (EVFM) era in the global transport industry. Propelled by growing eco awareness in the global community, EVFM is now one of the world's fastest-growing industries.

**THE GLOBAL EV INDUSTRY IS PRESENTLY WORTH USD250 BILLION. IT'S PROJECTED TO TRIPLE TO USD800 BILLION\* BY 2027.**

\*SOURCE: ALLIED MARKET RESEARCH, APRIL 2020.  
ANY FORECAST IS NOT INDICATIVE OF THE ETF'S FUTURE PERFORMANCE.

**THE EVFM VALUE CHAIN IS UNDERPINNED BY 5 FUTURE-PROOF SECTORS - ALL PRIMED FOR MULTI-DECADE EXPANSION.**



**EV & FM: WHAT'S THE DIFFERENCE?**

Electric Vehicles (EVs) are vehicles powered by electric batteries instead of conventional internal combustion engines (ICE).

Future Mobility (FM) is a broader concept covering the future of transport, ranging from EVs to Autonomous Vehicles, the Sharing Economy (like e-hailing services, distributed energy storage and intelligent transport systems) and more.

CHINA:

# THE WORLD'S LEADING EVFM MARKET

China is an existing market leader in the Electric Vehicles space and is expected to continue to lead the EV market in the next decade.

**BY 2025, IT IS ESTIMATED THAT OVER 50%\* OF NEW GLOBAL EV SALES WILL BE ATTRIBUTED TO CHINA .**

\*SOURCE: BLOOMBERGNEF - ELECTRIC VEHICLE OUTLOOK 2020, OCTOBER 2020.  
ANY FORECAST IS NOT INDICATIVE OF THE ETF'S FUTURE PERFORMANCE.

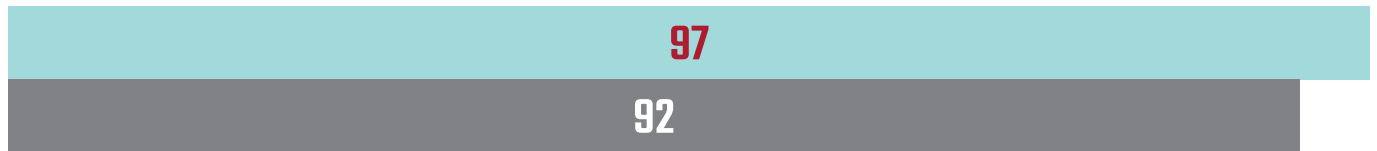
CHINA EVFM MARKET DRIVERS:

## DEMAND

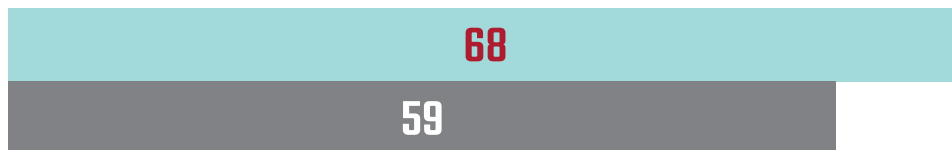
China leads the world in consumer acceptance of EVs. Based on a survey conducted by McKinsey, 18% of respondents from China have concrete plans to purchase an EV, almost double that of the Global Average.

CONSUMER SURVEY

AWARENESS



FAMILIARITY



SERIOUS CONSIDERATION



CONCRETE PLAN TO PURCHASE



% OF RESPONDENTS

CHINA

GLOBAL AVERAGE

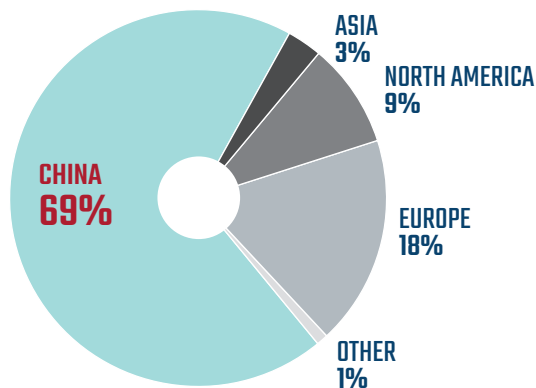
## CHINA EVFM MARKET DRIVERS: SUPPLY

China's world-leading production capacity and laser-focus on infrastructure and production innovation have contributed greatly to its local EV adoption.

### DOMINANCE IN BATTERY PRODUCTION & SUPPLY

China dominates global production of lithium-ion batteries (a key component for the EVFM industry) and is forecasted to account for almost **70%** of production capacity by **2029**. Local EV manufacturers are expected to benefit from the ease of access to this important battery component to produce EVs faster and at a lower cost.

#### LITHIUM-ION BATTERY MEGAFACTORY CAPACITY BY REGION



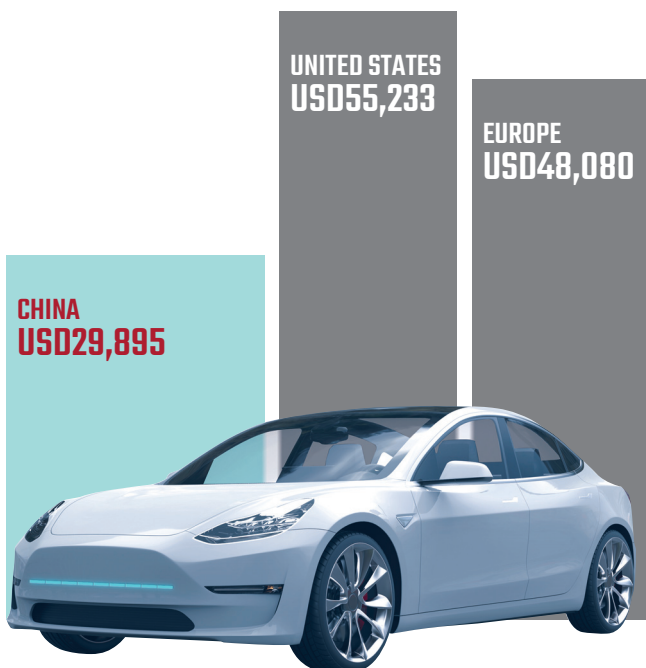
**2029**  
TOTAL: 2,272.5 GWh

SOURCE: BENCHMARK MINERAL INTELLIGENCE, LITHIUM-ION BATTERY MEGAFACTORY ASSESSMENT, FEBRUARY 2020. ANY FORECAST IS NOT INDICATIVE OF THE ETF'S FUTURE PERFORMANCE.

### COMPETITIVELY-PRICED EVS

Putting EV affordability at the heart of innovation-driven production has resulted in competitively-priced EV models which made it compelling to adopt EVs in China as compared to other markets such as the US and Europe.

#### AVERAGE RETAIL PRICE OF EVS SOLD/REGISTERED IN H1 2020

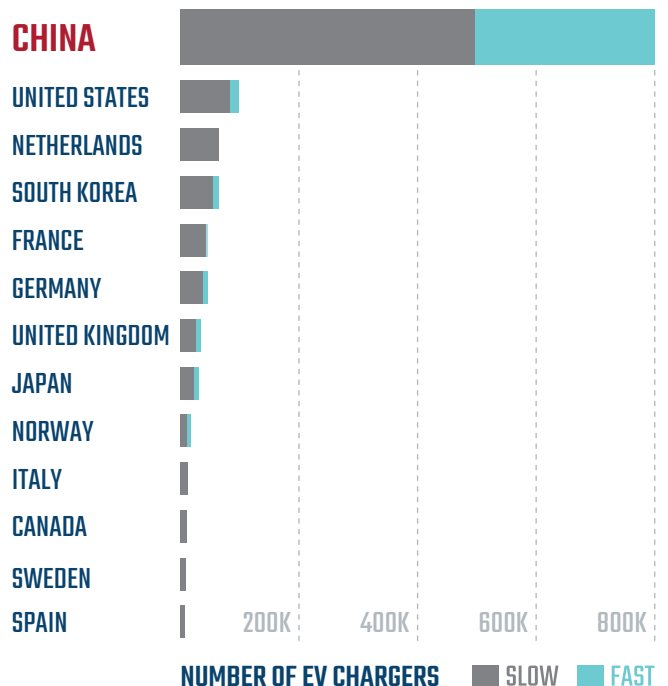


SOURCE: JATO DYNAMICS, 13 OCTOBER 2020.

### HEAVY INVESTMENTS IN CHARGING INFRASTRUCTURE

China far outspends other countries in charging infrastructure investment – providing ample support for the adoption of EVs.

#### NUMBER OF EV CHARGERS IN 2020



SOURCE: STATISTA, 5 AUGUST 2021.

# POLICY

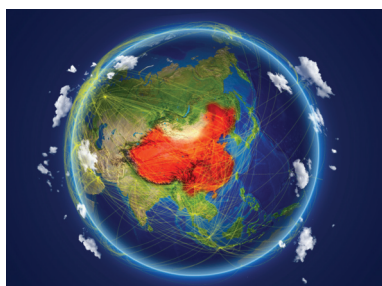
The recent introduction of policies by China's government has helped create a conducive environment to stimulate the growth of its EVFM industry.



## 2060 CARBON NEUTRALITY TARGET

A strong EVFM industry will be critical in meeting this noble goal, starting from today.

Source: Bloomberg "How China Plans to Become Carbon-Neutral by 2060", 11 August 2021.



## GREATER INTERNATIONAL COLLABORATION

By 2022, China will remove all restrictions on foreign investment in its auto sector and pave the way for the world's biggest car market.

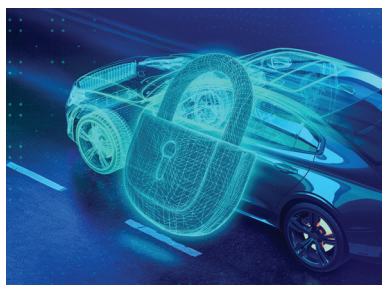
Source: Reuters "China to Open Auto Market as Trade Tensions Simmer", 17 April 2018.



## MADE IN CHINA 2030

China has imposed a mandate on automakers which requires electric vehicles to account for 40% of all new car sales by 2030.

Source: MIT Energy Initiative "China transition to electric vehicles", 25 November 2020.



## SMART VEHICLE DATA REGULATION

Regulators are stepping up on data and network security to support the growth of mobility technologies.

Source: South China Morning Post "China's tech regulator orders smart vehicle makers and telecom operators to enhance data and network security", 16 September 2021.

# NOT JUST EVS... BUT ALSO THE FUTURE OF MOBILITY

China has the potential to become the world's largest market for autonomous vehicles (AV).

In McKinsey's base forecast, such vehicles in China could account for as much as 66% of passenger-kilometres traveled in China by 2040, generating market revenue of USD1.1 trillion from mobility services and USD0.9 trillion from the sales of autonomous vehicles by that year.

## ESTIMATED PASSENGER-KILOMETRES TRAVELLED BY VEHICLE TYPE (%)

2018



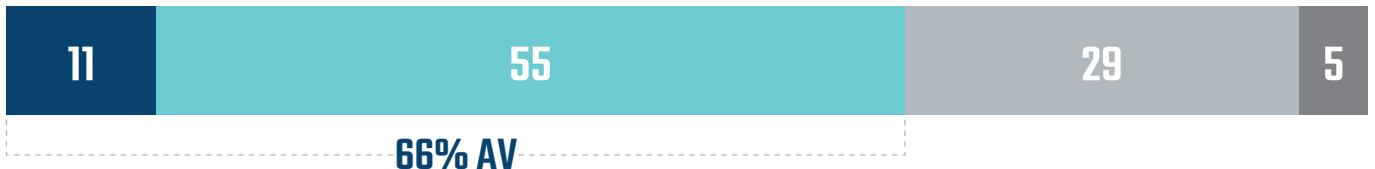
2025



2030



2040



SOURCE: MCKINSEY "HOW WILL CHINA HELP FUEL THE REVOLUTION IN AUTONOMOUS VEHICLES?", 25 JANUARY 2019.  
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NIKKOAM-STRAITSTRADING MSCI CHINA ELECTRIC VEHICLES AND FUTURE MOBILITY ETF

# YOUR BEST ROUTE INTO THIS ELECTRIFYING MARKET!


Invest in the first SGX-listed ETF that offers a rare and exciting opportunity to plug into the phenomenal growth potential of one of the world's largest Electric Vehicles and Future Mobility markets.

## GAIN EXPOSURE TO COMPANIES ALONG CHINA'S FULL EVFM VALUE CHAIN



**ELECTRIC VEHICLE MANUFACTURERS**

Growing demand will drive innovation and motivate manufacturers to bring improved EV models to market.



**HARDWARE & COMPONENTS**

Continuing battery improvements will extend driving range, making EVs an increasingly attractive choice.



**SOFTWARE**

Developments in autonomous driving and vehicle connectivity will enhance mobility enjoyment and open new revenue streams.



**INFRASTRUCTURE**

Improving the speed and availability of the nation's charging network will reduce range anxiety and increase EV adoption.

## ATTRACTIVE RISK-ADJUSTED RETURNS POTENTIAL

Attractive returns potential compared to China Broad-Based Equity Index.

### 3-YEAR RISK-ADJUSTED RETURNS OF THE INDEX



SOURCE: BLOOMBERG, 29 OCTOBER 2021.

Performance of the index presented here are for illustrative purposes only and do not represent the actual performance of the corresponding or related ETFs.

Index performance does not factor in any management fee, transaction costs or fund expenses of an ETF. One cannot invest directly in an index. Past performance is not necessarily indicative of future performance.

**NOTE:**

Risk-adjusted returns measure the return relative to the amount of risk exposed to. In this case, the risk-adjusted returns were calculated by using a 3-year annualised returns less a 3-year annualised risk-free rate and subsequently dividing by a 3-year annualised volatility.

## GET DIRECT AND SIMPLE ACCESS TO CHINA A SHARES

- Excluded investment product
- Available for trading in SGD and USD
- Traded on SGX and held directly through CDP



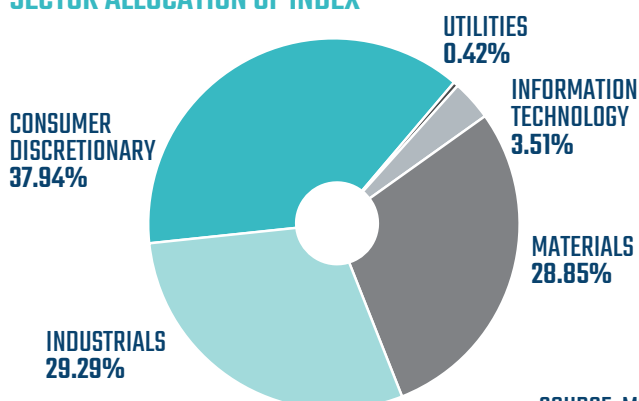
# MSCI CHINA ALL SHARES IMI FUTURE MOBILITY TOP 50 NET INDEX

In partnership with data powerhouse MSCI, we customised an index that best represents China’s EVFM ecosystem. Its constituents are expected to derive significant revenues from energy storage technologies (including EVs), autonomous vehicles, shared mobility and new transportation methods.

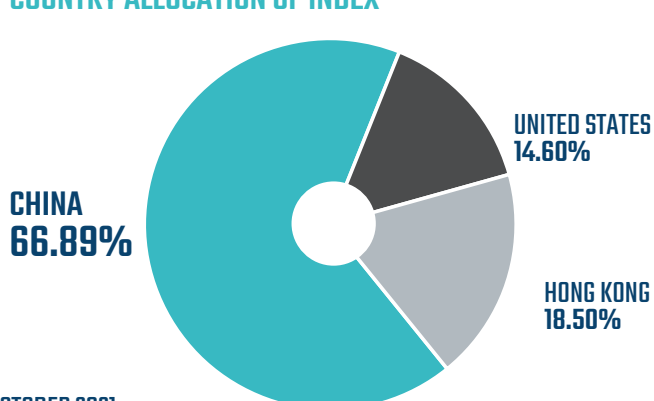
## TOP 10 HOLDINGS OF INDEX

Name	Index Weight (%)	Description
<b>Contemporary Amperex Technology</b>	12.64	Battery manufacturer for electric vehicle and energy storage systems
<b>NIO</b>	9.71	Premium EV manufacturer
<b>Geely Automobile Holdings</b>	9.32	Automobile manufacturer with key brands Geely, Geometry, and Lynk&Co
<b>BYD (H-share)</b>	5.81	Automobile manufacturer with business in EVs, energy storage and rail
<b>BYD (A-share)</b>	5.13	
<b>Eve Energy</b>	4.78	Battery manufacturer for electric vehicle and energy storage systems
<b>XPeng</b>	4.51	Premium EV manufacturer
<b>Jiangxi Ganfeng Lithium (A-share)</b>	4.17	Mining of lithium and manufacturer of lithium chemicals
<b>Yunnan Energy New Material</b>	4.04	Manufacturer of film products including lithium ion isolation films
<b>Sungrow Power Supply</b>	3.60	Photovoltaic inverter manufacturer with business in power station system integration

## SECTOR ALLOCATION OF INDEX



## COUNTRY ALLOCATION OF INDEX



SOURCE: MSCI, 29 OCTOBER 2021.

Reference to any particular securities or sectors is purely for illustrative purposes only and does not constitute a recommendation to buy, sell or hold any securities, nor is it to be relied upon as financial advice in any way.



## WHO IS THE FUND SUITABLE FOR?

### The Fund is only suitable for investors who:

- seek long-term capital growth
- believe that the Index will increase in value
- are willing and able to accept that their principal will be at risk
- seek an “index-based” approach to investing in Chinese companies listed in US, Hong Kong and China, and other markets from time to time, that are expected to derive significant revenues from energy storage technologies, autonomous vehicles, shared mobility and new transportation methods

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

## WHAT ARE SOME OF THE KEY RISKS OF THIS INVESTMENT?

### The following are some of the key risk factors that may cause you to lose some or all of your investment:

- Market and Credit Risks
  - Shares may trade at prices other than NAV
- Product-Specific Risks
  - Tracking error risk
  - Risks associated with the investment strategy of the Fund
  - PRC market risk
  - Risks relating to investing in Autonomous and Electric Vehicle Companies as well as in the Automobile Industry
  - Currency risk
- Liquidity Risks

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

*Please refer to the Product Highlights Sheet and Paragraph IX of the Prospectus for further information on the risks of the product.*

## FUND INFORMATION

<b>Benchmark</b>	MSCI China All Shares IMI Future Mobility Top 50 Index
<b>Listing Date</b>	20 January 2022
<b>Fund Structure</b>	Open-ended Variable Capital Company listed and traded on Singapore Exchange
<b>Lot Structure</b>	1 share per lot
<b>Dividend Distribution Frequency</b>	Nil
<b>Valuation Frequency</b>	Daily
<b>Listing</b>	Singapore Exchange
<b>Manager</b>	Nikko Asset Management Asia Limited
<b>Investment Advisor</b>	Straits Investment Management Pte. Ltd.
<b>Custodian</b>	DBS Trustee Limited
<b>Fund Auditor</b>	PricewaterhouseCoopers LLP (Singapore)
<b>Designated Market Makers</b>	Flow Traders Asia Pte. Ltd. and Phillip Securities Pte. Ltd.
<b>Management Fee<sup>^</sup></b>	0.50% p.a.
<b>Total Expense Ratio<sup>#</sup></b>	0.70% p.a.
<b>SGX Stock Code</b>	SGD Share Class: Primary Currency (SGD): EVS Secondary Currency (USD): EVD
<b>SGX Trading Name</b>	SGD Share Class: Primary Currency (SGD): NikkoAM-STC CN EV S\$ Secondary Currency (USD): NikkoAM-STC CN EV US\$
<b>Bloomberg Ticker</b>	SGD Share Class: Primary Currency (SGD): EVS SP Equity Secondary Currency (USD): EVD SP Equity

<sup>^</sup> Usual brokerage and handling charges to apply. Please refer to the Fund Prospectus for complete information on the Fund, relevant disclosures and fees payable.

<sup>#</sup> The total expense ratio will be capped at 0.70% per annum. Any fees and expenses that are payable by the Fund in excess of 0.70% per annum of the Fund Asset will be borne by the Manager and not the Fund.

# FIND OUT MORE

[www.nikkoam.com.sg/etf/china-ev-future-mobility-etf](http://www.nikkoam.com.sg/etf/china-ev-future-mobility-etf)

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1-800-535-8025

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[AsiaETF@nikkoam.com](mailto:AsiaETF@nikkoam.com)

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### Important Information:

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 share of the ETF. The ETF may also be delisted from the SGX-ST. Transaction in shares of the ETF will result in brokerage commissions. Listing of the shares does not guarantee a liquid market for the shares. Shares 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 shares may only be created or redeemed directly by a participating dealer in large creation or redemption shares. Investors may only redeem the shares with Nikko AM Asia under certain specified conditions.

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**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](http://www.nikkoam.com.sg)) before deciding whether to invest in the Fund.

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Nikko Asset Management Asia Limited. Registration Number 198202562H.