IMPORTANT ANNOUNCEMENT

- CHANGE IN DISTRIBUTION POLICY

- SECURITIES LENDING AND REPURCHASE TRANSACTIONS

We, Nikko Asset Management Asia Limited (the "**Manager**"), the manager of the Nikko AM Singapore STI ETF (the "**Fund**"), wish to announce (i) a change in distribution policy and (ii) our intention to engage in securities lending and repurchase transactions for the Fund (which is classified as an Excluded Investment Product) with effect from 24 April 2018 ("**Effective Date**").

(i) Change in Distribution Policy

Currently, distributions are only paid to the extent that they are available for distribution pursuant to the Trust Deed and covered by income received from the underlying investments of the Fund.

From the Effective Date, the Manager may distribute out of income and/or capital gains and/or capital. Investors should note that such distribution is not guaranteed and is subject to our discretion at all times.

(ii) Securities Lending and Repurchase Transactions

From the Effective Date, the Fund may, subject to the Trust Deed and the Code on Collective Investment Schemes, participate in securities lending and repurchase transactions and as long as the Fund is an Excluded Investment Product, in accordance with and subject to compliance with the limits and/or restrictions (if any) applicable to Excluded Investment Products.

There is no change to the Fund's investment objective and focus and it will continue to be managed in the same manner, with the flexibility of enabling the Manager to enter into securities lending and repurchase transactions for the sole purpose of efficient portfolio management for the Fund.

Please be assured that no action needs to be taken on your part and your unitholdings in the Fund remain unaffected by the changes above.

An updated prospectus for the Fund reflecting the above changes will be lodged with the Monetary

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Authority of Singapore on or around the Effective Date. Investors may obtain a copy of the updated prospectus for the Fund, when available, from the Manager's website at www.nikkoam.com.sg. The Trust Deed will also be amended to reflect the above changes. After the Effective Date, the amended Trust Deed may be inspected at the Manager's business address at 12 Marina View, #18-02 Asia Square Tower 2, Singapore 018961.

Issued by **Nikko Asset Management Asia Limited (as manager of the Fund)**

23 March 2018

Important: The SGX-ST takes no responsibility for the accuracy of any of the statements or opinions made in this announcement. This announcement is published for your information only. **If you are in any doubt about this announcement, you should consult your stockbroker, bank manager, solicitor, professional accountant or other independent advisers.**

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