



## News Release

24 November 2020

### **SGX welcomes the listing of Nikko AM's ETF benchmarked to premier ChinaBond-ICBC RMB Bond Index**

- NikkoAM-ICBCSG China Bond ETF provides investors with easy access to Chinese government and policy bank bonds
- This is the maiden ETF linked to the ChinaBond-ICBC RMB Bond Index which SGX is the first exchange outside of China to disseminate

Singapore Exchange (SGX) today welcomed the listing of NikkoAM-ICBCSG China Bond ETF, providing global investors with another unique opportunity to capitalise on the world's second largest fixed income market that is fast growing in size and foreign participation.

Launched by one of Asia's largest asset managers, Nikko Asset Management (Nikko AM), and the Singapore branch of the largest bank in the world, Industrial and Commercial Bank of China (ICBC SG), the exchange-traded fund (ETF) replicates the performance of the ChinaBond-ICBC 1-10 Year Treasury and Policy Bank Bond Index. The ETF – which has sizeable assets under management (AUM) of US\$192 million at listing – provides a significant 60% exposure to Chinese policy banks bonds that offer a higher yield over Chinese treasury bonds.

This is the maiden ETF linked to the ChinaBond-ICBC RMB Bond Index suite developed by China Central Depository & Clearing Co., Ltd (CCDC)'s subsidiary ChinaBond Pricing Center Co., Ltd (CBPC), together with ICBC. Last year, ICBC, CCDC and SGX signed a memorandum of understanding to jointly promote the suite of onshore bond indices and develop financial products using the indices as the underlying. SGX is the first exchange outside of China to disseminate these indices.

Wang Jingwu, Senior Executive Vice President of ICBC, said, "We chose to list the NikkoAM-ICBCSG China Bond ETF during the period of the China-Singapore (Chongqing) Connectivity Initiative Financial Summit to demonstrate the financial connectivity between China and Singapore as well as to promote better linkages between our capital markets and that of ASEAN and across the globe. Leveraging on its network of more than 70 countries and regions, and its advanced integrated operating systems for both domestic and overseas businesses, ICBC will continue to contribute to the two-way financial connectivity by developing new services and helping more overseas entities to enjoy the benefits of China's rapid economic development."

Loh Boon Chye, CEO of SGX, said, "We are pleased to welcome the listing of NikkoAM-ICBCSG China Bond ETF which meets the increasing investor demand for easy and efficient access to China's bond market. Interest for RMB bonds and assets is expected to continue to rise in tandem with the recovery of China's economy and opening up of the country's financial markets. We are also delighted that our collaboration with ICBC and CCDC has resulted in tangible outcomes and we look forward to more initiatives to support the internationalisation of China and the RMB."

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The NikkoAM-ICBCSG China Bond ETF adds to Nikko AM's growing portfolio of equities and fixed income ETFs listed on SGX, including ABF Singapore Bond Index Fund which was the first fixed income ETF to cross S\$1 billion milestone in AUM in July this year.

Eleanor Seet, President and Head of Asia ex-Japan at Nikko AM, said, "The launch of the NikkoAM-ICBCSG China Bond ETF plays to the combined strengths of Nikko AM and ICBC in ETFs and China's fixed income market. As a global citizen with Asian DNA focused on bringing progressive solutions to institutional and retail investors, we see the importance of providing investors access and participation in China bonds, one of the largest, rapidly growing asset classes. This ETF offers investors easy, cost effective participation in a rising tide that is simply too big to ignore."

The listing ceremony was graced by Mr Li Bo, Deputy Mayor of the Chongqing Municipal People's Government, Mr Wang Jingwu as well as Mr Xu Liangdui, Vice President and Shanghai Headquarter President of CCDG who attended the event virtually; Mr Leong Sing Chiong, Assistant Managing Director (Markets and Investment) from the Monetary Authority of Singapore; Ms Eleanor Seet; Ms Hu Fang, General Manager of ICBC Singapore Branch; Mr Ng Sier Han, Global Head of Financial Institutions, Institutional Banking Group of DBS Bank which is the custodian bank for the ETF; and Mr Loh.

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### **About Singapore Exchange**

Singapore Exchange is Asia's leading and trusted market infrastructure, operating equity, fixed income and derivatives markets to the highest regulatory standards. As Asia's most international, multi-asset exchange, SGX provides listing, trading, clearing, settlement, depository and data services, with about 40% of listed companies and over 80% of listed bonds originating outside of Singapore.

SGX is the world's most liquid international market for the benchmark equity indices of China, India, Japan and ASEAN and offers commodities and currency derivatives products. Headquartered in AAA-rated Singapore, SGX is globally recognised for its risk management and clearing capabilities. For more information, please visit [www.sgx.com](http://www.sgx.com).

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