

19 August 2022

Dear Holder,

NIKKO AM ASIA HEALTHCARE FUND

NIKKO AM ASIA UMBRELLA FUNDS

- **NIKKO AM GLOBAL MULTI ASSET INCOME FUND**

NIKKO AM SHENTON HORIZON INVESTMENT FUNDS

- **NIKKO AM MULTI SECTOR CREDIT FUND**
- **NIKKO AM GLOBAL DIVIDEND EQUITY FUND**
- **SINGAPORE DIVIDEND EQUITY FUND**
- **HORIZON SINGAPORE FIXED INCOME ENHANCED FUND**

NIKKO AM ALL CHINA EQUITY FUND

(EACH A “FUND” AND COLLECTIVELY, THE “FUNDS”)

(1) INTRAGROUP MERGER OF BNP PARIBAS SECURITIES SERVICES WITH BNP PARIBAS

Thank you for your support for the Nikko Asset Management Asia Limited family of funds.

Currently, BNP Paribas Securities Services, operating through its Singapore Branch (“**BPSS**”), is appointed as the custodian (providing, inter alia, custodial services) and administrator (providing, inter alia, accounting and valuation functions) for each Fund, and as collateral management service provider in respect of over-the-counter derivative transactions for certain Funds. We, Nikko Asset Management Asia Limited, are writing to you in our capacity as the managers of the Funds to inform you that BNP Paribas Securities Services is in the process of preparing an intragroup merger with its parent company, BNP Paribas. The merger is currently due to take effect on 1 October 2022 (or such other date as may be determined from time to time) (the “**Merger Effective Date**”) which will result in all duties, rights and obligations of BPSS being fully transferred to BNP Paribas (operating through its Singapore Branch).

With effect from the Merger Effective Date therefore, BNP Paribas (operating through its Singapore Branch), as the successor entity to BPSS, will replace BPSS as the custodian, administrator and collateral management service provider (where applicable) of the Funds, and will provide those services and functions currently provided by BPSS, to the Funds.

(2) NIKKO AM ASIA UMBRELLA FUNDS – NIKKO AM GLOBAL MULTI ASSET INCOME FUND (“GMAIF”) INTRODUCTION OF SWING PRICING POLICY

We, Nikko Asset Management Asia Limited, are writing to you in our capacity as the managers of the GMAIF to inform you that we will be introducing swing pricing policy in respect of the GMAIF with effect from **21 September 2022** (or such other date as we may subsequently advise) (the “**Effective Date**”).

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Dilution

The GMAIF is single priced and the value of the GMAIF may fall as a result of amongst others the transaction costs (such as broker commissions, custody transaction costs, stamp duties or sales taxes) incurred in the purchase and/or sale of its underlying investments caused by subscriptions, realisations, switches and/or exchanges of units in the GMAIF and the spread between the buying and selling prices of such underlying investments. This effect is known as “dilution”.

Swing Pricing

With effect from the Effective Date, to protect the interest of existing investors, we, in consultation with the trustee, may apply a technique known as “dilution adjustment” or “swing pricing” (“**Swing Pricing**”) in certain circumstances that we deem appropriate. Swing Pricing involves adjusting the net asset value (“**NAV**”) per unit of the GMAIF so that such transaction costs and dealing spread in respect of the underlying investments are, as far as practicable, passed on to the relevant investors who are subscribing, realising, switching and/or exchanging units on a particular dealing day.

Typically, the NAV is adjusted if the net subscription or realisation (including switches and/or exchanges) on a dealing day reaches or exceeds a certain percentage (the “**Swing Threshold**”) of the size of the GMAIF as of the previous dealing day. The NAV will swing upwards for a net subscription and downwards for a net realisation. The NAV of each class will be calculated separately but any adjustment will, in percentage terms, affect the NAV of each class in an equal manner. The need to apply Swing Pricing will depend upon various factors, including but not limited to: (i) the amount of subscriptions and/or realisations of units on that dealing day, (ii) the impact of any transaction costs incurred in the purchase and/or sale of underlying investments of the GMAIF, (iii) the spread between the buying and selling prices of underlying investments of the GMAIF, and (iv) market conditions such as situations of financial turmoil provided that, any adjustments made shall be on a fair and equitable basis and with a view to protecting the interests of investors. You should note however that applying Swing Pricing when the Swing Threshold is reached or exceeded, only reduces the effect of dilution and does not eliminate it entirely. Where the net subscription or realisation is below the Swing Threshold, no Swing Pricing will be applied and dilution will not be reduced.

The swing pricing policy for the GMAIF will be subject to regular review and may change from time to time. Accordingly, you should note that our decision to apply Swing Pricing and the level of adjustment made to the NAV per unit of the GMAIF in particular circumstances may not result in the same decision in similar circumstances arising in the future.

Performance and Fees Calculation

You should also note that:

- (a) the GMAIF’s performance returns will be calculated based on the NAV of the GMAIF after the Swing Pricing adjustment has been applied and therefore, the returns of the GMAIF may be influenced by the level of subscription and/or realisation activity;
- (b) Swing Pricing could increase the variability of the returns of the GMAIF since the returns are calculated based on the adjusted NAV per unit; and
- (c) the fees and charges applicable to the GMAIF (including fees based on the NAV of the GMAIF, where applicable) will be based on the NAV of the GMAIF before the Swing Pricing adjustment is applied.

Maximum Adjustment

The amount of adjustment at any future point in time may vary depending on inter alia market conditions, but will under normal circumstances not exceed 2% of the NAV per unit on the relevant dealing day (the “**Maximum Adjustment**”). We reserve the right to apply an adjustment of an amount not exceeding the Maximum Adjustment on the relevant dealing day where we deem appropriate and have the discretion to vary the amount of adjustment up to the Maximum Adjustment, in consultation with the trustee, from time to time without giving notice to the relevant investors.

Subject to the trust deed and the applicable laws and regulations, we may, in exceptional circumstances (including but not limited to volatile market conditions, market turmoil and illiquidity in the market, extraordinary market circumstances or significant unexpected changes in general market conditions) and in consultation with the trustee temporarily apply an adjustment beyond the Maximum Adjustment on the relevant dealing day if, in our opinion, it is in the best interest of investors to do so. In such cases, if so required by the Monetary Authority of Singapore and/or the trustee, we shall give notice to the relevant investors as soon as practicable in such manner as we and the trustee may agree.

For the avoidance of doubt, please note that the current investment objective, focus and approach of the Funds will remain unchanged and there will be no change to the fees and charges of the custodian, administrator, and collateral management service provider, pursuant to such merger.

This notice is for your information only. No action is required on your part.

The prospectuses of the Funds and (in relation to swing pricing) the trust deed of GMAIF will be updated in due course to reflect the changes set out above. Copies of the updated prospectuses will be available from our appointed distributors once available. Electronic copies of the prospectuses may also be obtained at www.nikkoam.com.sg.

Please feel free to contact the distributor from whom you bought your units in the relevant Fund if you have any queries in respect of your investment in that Fund.

We thank you again for your continued support, and we look forward to serving you.

Yours faithfully,
For and on behalf of
Nikko Asset Management Asia Limited



Eleanor Seet
President

IMPORTANT INFORMATION:

This document is purely for informational purposes only with no consideration given to the specific investment objective, financial situation and particular needs of any specific person. It should not be relied upon as financial advice. Any securities mentioned herein are for illustration purposes only and should not be construed as a recommendation for investment. **You should seek advice from a financial adviser before making any investment. In the event that you choose not to do so, you should consider whether the investment selected is suitable for you.** Investments in funds are not deposits in, obligations of, or guaranteed or insured by Nikko Asset Management Asia Limited (“**Nikko AM Asia**”).

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) before deciding whether to invest in the Fund.

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The Central Provident Fund (“**CPF**”) Ordinary Account (“**OA**”) interest rate is the legislated minimum 2.5% per annum, or the 3-month average of major local banks’ interest rates, whichever is higher, reviewed quarterly. The interest rate for Special Account (“**SA**”) is currently 4% per annum or the 12-month average yield of 10-year Singapore Government Securities plus 1%, whichever is higher, reviewed quarterly. Only monies in excess of \$20,000 in OA and \$40,000 in SA can be invested under the CPF Investment Scheme (“**CPFIS**”). Please refer to the website of the CPF Board for further information. Investors should note that the applicable interest rates for the CPF accounts and the terms of CPFIS may be varied by the CPF Board from time to time.

Nikko Asset Management Asia Limited. Registration Number 198202562H.