



# Nikko AM Global Internet ETF

Connecting Your Portfolio to the  
World's Top 30 Internet Giants  
9072/3072 HK

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.

# Invest in the World's Internet Titans

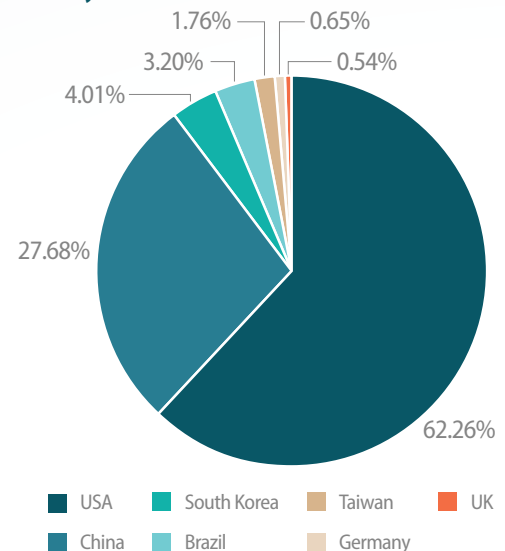
The rapid speed of internet development has made stock selection in this evolving sector a challenge for investors. With the **Nikko AM Global Internet ETF**, investors have quick and affordable access to a diversified portfolio of established companies in the sector. The Fund invests in the constituents of the iEdge-Factset Global Internet Index, which comprises the top 30 internet companies in the world ranked by market capitalisation.

**Fast and More  
Affordable Access  
to Well-Established  
Internet  
Companies**

- Gain exposure to internet companies globally in addition to the US and China
- Diversify across trending themes like e-commerce, social networks and media, electronic gaming, cloud computing and the Internet of Things (IoT)

Top 10 Holdings	Wgt %
Amazon.com Inc	10.90%
Meta Platforms Inc-Class A	10.81%
Alibaba Group Holding-SP ADR	10.63%
Alphabet Inc-Cl A	10.58%
Netflix Inc	9.16%
Tencent Holdings Ltd	9.14%
Mercadolibre Inc	3.20%
Jd.com Inc-ADR	3.01%
Pinduoduo Inc-ADR	2.83%
Snap Inc-A	2.50%

Country Allocation



Source: Bloomberg and Nikko AM Asia, 31 March 2022

## About the iEdge-Factset Global Internet Index

The Index selects companies based on their internet-revenue exposure. iEdge (or SGX Index Edge) is an award winning index provider with a business built on technology while Factset has been providing financial data and analytics for over four decades.

### Index Performance

iEdge-Factset Global Internet Index has generally outperformed the broader MSCI World and Nasdaq 100 indexes over the last 9 years.

Performance (USD): 24 September 2012 to 31 March 2022



Source: Bloomberg, 31 March 2022

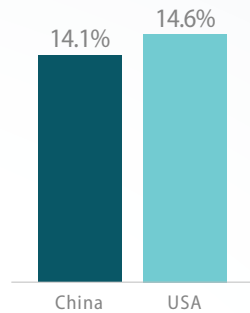
# Why Internet Stocks?

Internet usage has been expanding at an exponential pace in recent years. The outlook for internet companies has never been healthier. Economies and businesses are leveraging on innovative developments in e-commerce, social networks and media, electronic gaming, cloud computing and the Internet of Things (IoT) to create new possibilities. Looking ahead, we have reasons to believe that such trends will continue to persist.

## Potential for Global E-Commerce

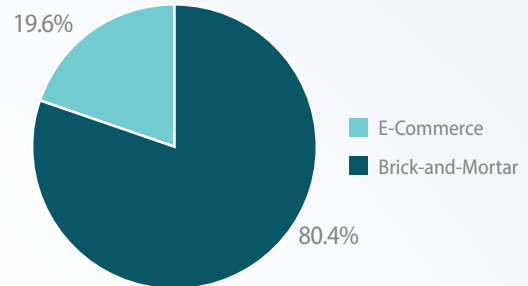
E-commerce has growth potential as the current figures show that online retail sales only account for one-fifth the size of total global retail sales.

Yearly Growth Online Retail Sales



Source: Bloomberg, as of December 2021

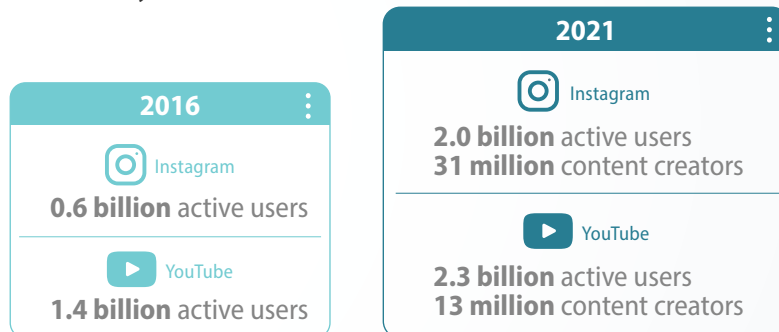
Brick-and-Mortar vs E-Commerce Share of Retail (2021)



Source: eMarketer, May 2021

## Growth of Social Media and Online Advertising

Social media platforms continue to grow at a blistering pace underpinned by strong creator community.

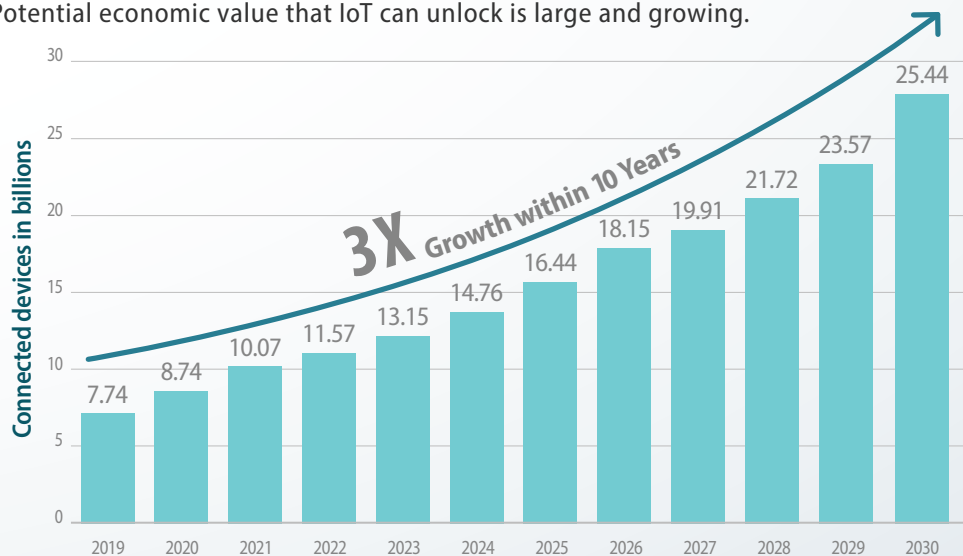


Sources: Statista, January 2022; Global MediaInsights, January 2022; and BofA Global Research, January 2022

## Growth of Internet of Things (IoT)

The Internet of Things (IoT) describes the network of physical objects – “things” – that are embedded with sensors, software, and other technologies for the purpose of connecting and exchanging data with other devices and systems over the internet.

Potential economic value that IoT can unlock is large and growing.



Source: Statista, December 2020

## Fund Information

Underlying Index	iEdge-Factset Global Internet Index Net Total Return
Listing Date	24 October 2019
Base Currency	USD
Trading Currency	USD HKD
Distribution Policy*	The Fund currently has no intention to make distributions
Valuation Frequency	Daily
Listing	Hong Kong Stock Exchange – Main Board
Manager	Nikko Asset Management Hong Kong Limited
Sub-Manager	Nikko Asset Management Asia Limited
Trustee	BNP Paribas, acting through its Hong Kong Branch
Auditor	PricewaterhouseCoopers Hong Kong
Financial Year End	30 June
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 Stock Code	USD: HK0000518578 HKD: HK0000518586

\*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. **Distributions will be paid in the base currency (USD) only.** Distributions may be made out of capital or effectively out of capital as well as income at the Manager's discretion.



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**Important Notice:** Investment involves risks. 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 funds are 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. This brochure is issued by Nikko Asset Management Hong Kong Limited and has not been reviewed by the Securities and Futures Commission.

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