

The NikkoAM E-Games Active 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 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 Sub-fund is subject to investment risks, including the possible loss of principal amount invested. You should read the Prospectus and Key Facts Statement 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 brochure 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 employs an actively managed investment strategy. The Sub-Fund does not seek to track any index or benchmark, and there is no replication or representative sampling conducted by the Manager or the Sub-Manager. It may fail to meet its objective as a result of the Manager or the Sub-Manager's selection of investments, and/or the implementation of processes which may cause the Sub-Fund to underperform as compared to other index tracking funds with a similar objective.

•The Sub-Fund may invest in small and mid-capitalisation companies. The stocks of such companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

•The Sub-Fund invests in emerging markets which may involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risk, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility.

•The Sub-Fund's investments are concentrated in the electronic games, mobile games and electronic sports sectors, which may experience relatively higher volatility in price performance when compared to other economic sectors. 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 Sub-Fund may from time to time invest in financial derivative instruments for hedging purposes. Exposure to financial derivative instruments may lead to a high risk of significant loss by the Sub-Fund.

•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.

**nikko am**  
Nikko Asset Management



# NIKKOAM E-GAMES ACTIVE ETF

9091/3091 HK

# THE E-GAMES INDUSTRY BOOM

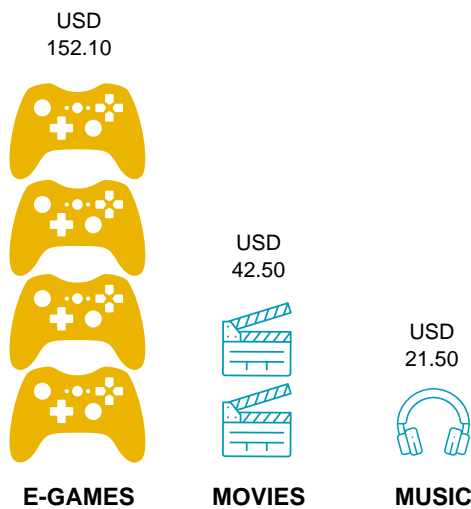
Technological advancements, increased mobile phone ownership and internet accessibility have led to the phenomenal growth of the E-Games industry. And this growth is set to continue.

## 01

### BIGGER THAN MOVIE AND MUSIC INDUSTRY COMBINED

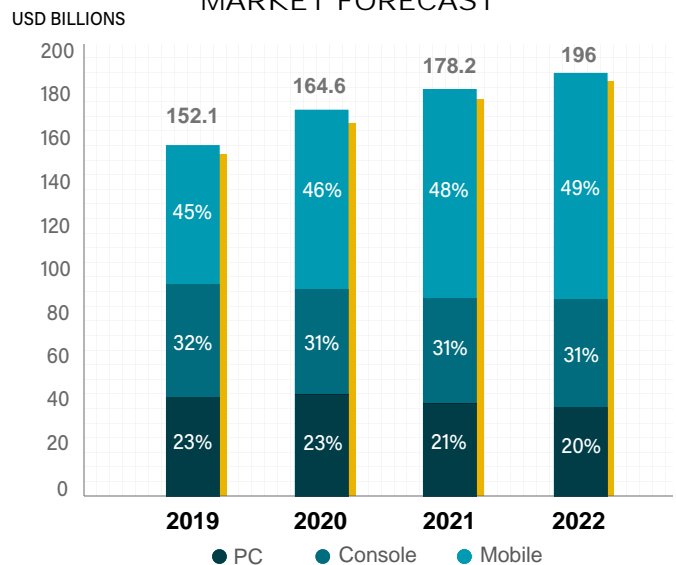
The E-Games industry's total revenue reached a record US\$152.1 billion in 2019, surpassing combined revenues of the movie and music industry. Growing at around 10% annually, it is estimated that revenue will reach US\$200 billion in 2022.

REVENUE IN 2019  
(SHOWN IN BILLIONS)



Source: Newzoo, Billboard, Midia Research, May 2020

GLOBAL E-GAMES MARKET FORECAST



Source: Newzoo, December 2019

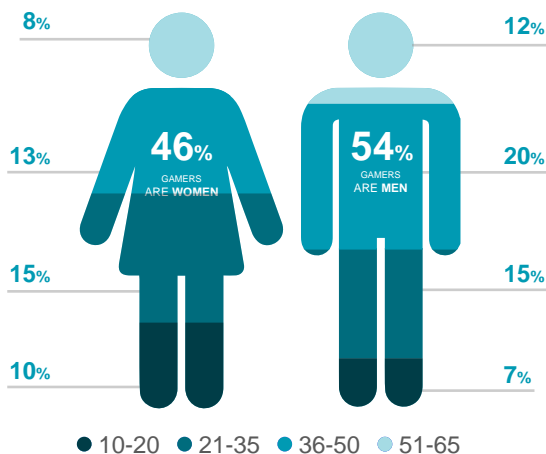
## 02

### EVERYONE PLAYS!

There are 2.5 billion gamers worldwide, and the gamer base continues to grow across different age groups and genders.

Number of gamers expected to rise to over 2.7 billion by 2021, over 30% of the world's population!

DIVERSITY  
AMONG GAMERS



Source: Newzoo, May 2019

Almost

**1 IN 3** PEOPLE



Source: Statista, August 2019

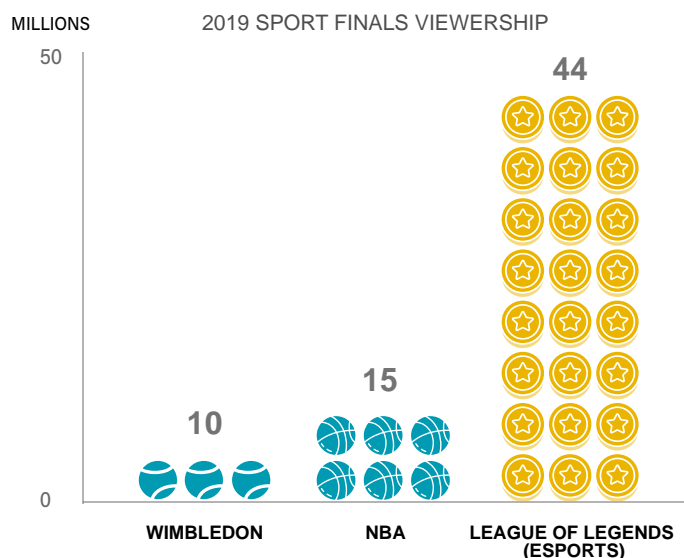


# 03

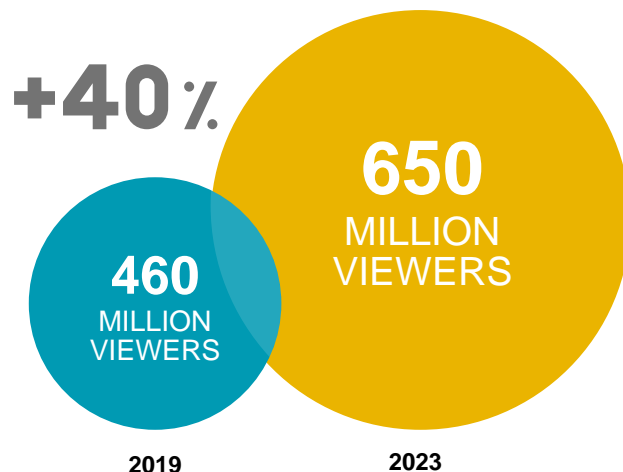
## ESPORTS – THE NEW SPECTATOR SPORT

Esports is fast becoming mainstream entertainment, with an increase in live events and professional E-Games athletes and spectators. Total revenues grew almost 5 times from US\$194m in 2014 to US\$950m in 2019 (Source: Newzoo, 14 January 2020).

### ESPORTS VIEWERSHIP HAVE TAKEN OVER TRADITIONAL SPORTS



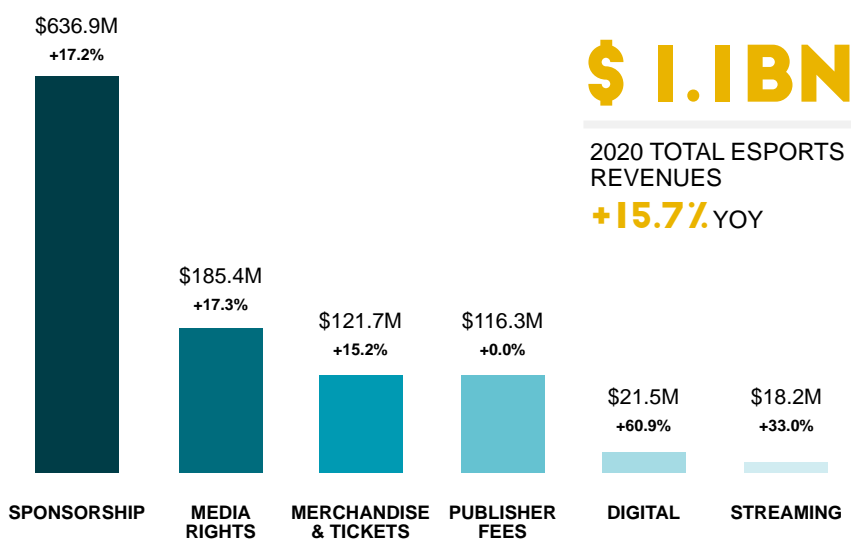
### GROWTH OF VIEWERSHIP



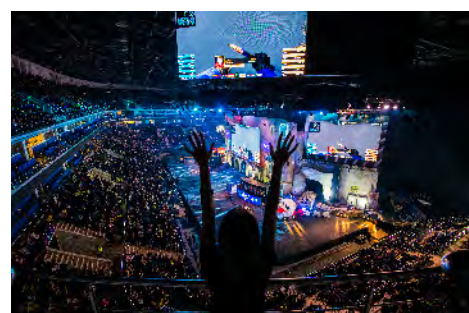
## MASSIVE REVENUE POTENTIAL

There is massive room for growth in esports revenue with the current average revenue per viewer only at less than US\$3. The surge in the popularity of esports has led to huge revenue flows from multiple revenue streams estimated at US\$1.1billion in 2020.

### 2020 GLOBAL ESPORTS REVENUE STREAMS INCLUDING YEAR-ON-YEAR GROWTH



Source: Newzoo, June 2019



# 04

## NIKKOAM E-GAMES ACTIVE ETF – AN INVESTMENT GAME CHANGER

With augmented reality (AR), artificial intelligence (AI), Cloud, mobile telephony (smartphones & 4G/5G), micropayments and new monetisation models setting the stage, E-Games are on the cusp of huge growth.

The first active equity ETF in Hong Kong, NikkoAM E-Games Active ETF enables investors to be a part of a real growth opportunity. The Fund invests in a diversified portfolio of E-Games companies across the ecosystem.

## NIKKOAM E-GAMES ACTIVE ETF ECOSYSTEM



## FUND DETAILS

<b>Listing Date</b>	16 June 2020
<b>Trading Lot Size</b>	10 Units
<b>Base Currency</b>	USD
<b>Trading Currency</b>	USD HKD
<b>Distribution Policy*</b>	The Fund currently has no intention to make distributions.
<b>Valuation Frequency</b>	Daily
<b>Listing</b>	Hong Kong Stock Exchange – Main Board
<b>Manager</b>	Nikko Asset Management Hong Kong Limited
<b>Sub-Manager</b>	Nikko Asset Management Asia Limited
<b>Trustee</b>	BNP Paribas Trust Services (Hong Kong) Limited
<b>Auditor</b>	PricewaterhouseCoopers Hong Kong
<b>Financial Year End</b>	30 June
<b>Securities Market Makers/ Designated Specialists</b>	Flow Traders Hong Kong Limited, Phillip Securities Pte Ltd.
<b>Management Fee</b>	<p>Currently 0.50% of Net Asset Value of the Units per annum (from launch until 30 April 2021)</p> <p>The default rate is 0.95% of Net Asset Value of the Units per annum, subject to any applicable discount(s) (if any). The management fee may range from 0.50% to 0.95% of Net Asset Value of the Units per annum.</p> <p>A “Variable Annual Management Fee” is adopted in respect of the Listed Class of Units. For details please refer to the Prospectus and Key Facts Statement.</p>
<b>On-going Charges#</b>	Estimated to be 0.70%
<b>Ticker</b>	USD: 9091 HK HKD: 3091 HK
<b>ISIN Number</b>	USD: HK0000601028 HKD: HK0000601036

\*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.

#This is indicative only as the Sub-Fund is newly set up and may vary from year to year. The estimated ongoing charges figure represents the estimated ongoing expenses chargeable to the Units over a 12-month period expressed as a percentage of the Units' estimated average NAV over the same period. For the first 12-month period from the launch of the Sub-Fund, the ongoing charges figure excluding the management fee of the Units is capped at 0.20% of the average NAV of the Units. Any such ongoing expenses excluding the management fees of the Units that is over 0.20% of the average NAV of the Units will be borne by the Manager and will not be charged to the Units.





**FIND OUT MORE**

[www.nikkoam.com.hk/etf/e-games-active-etf](http://www.nikkoam.com.hk/etf/e-games-active-etf)

**CONTACT US**

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