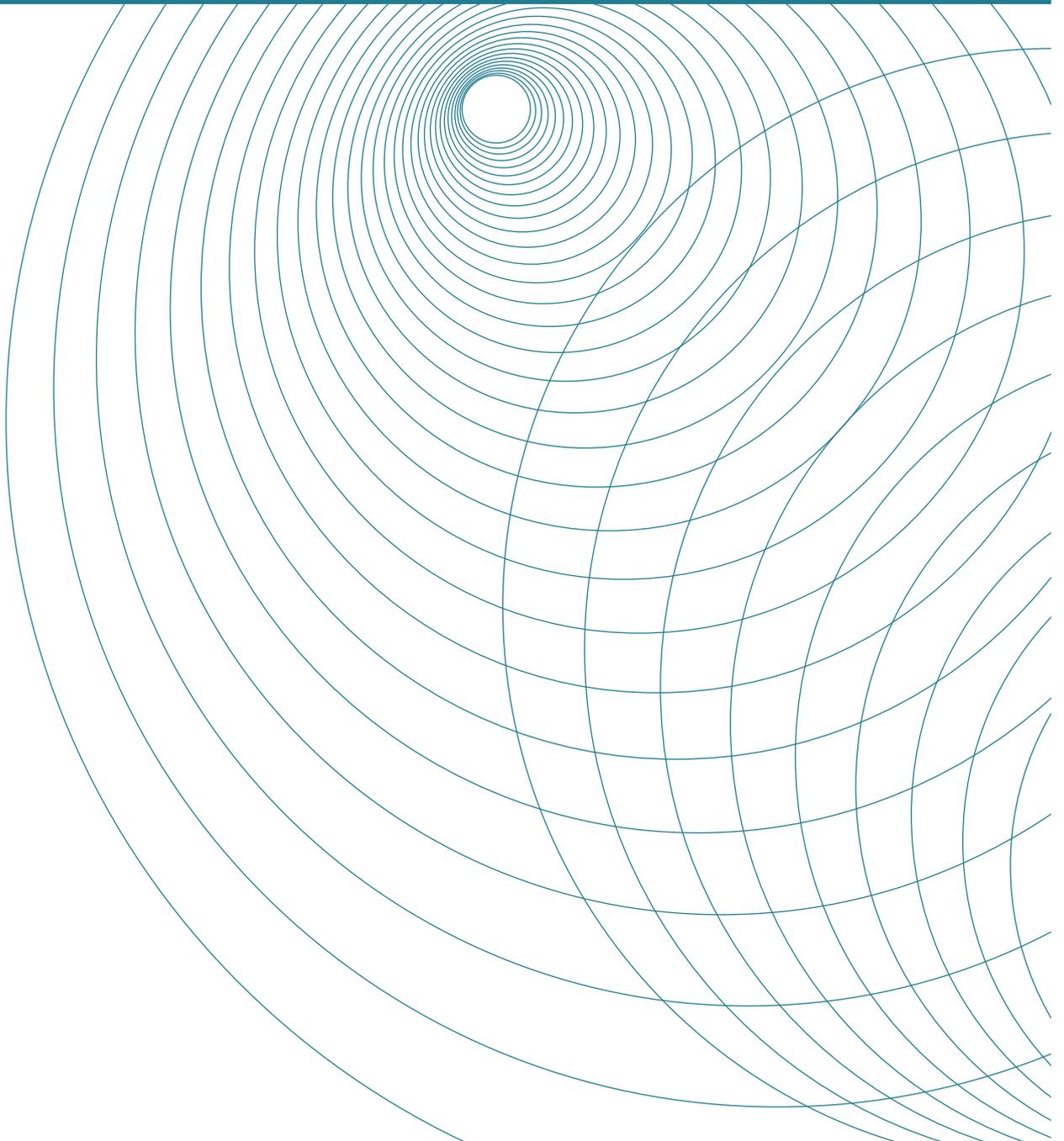

SEMI-ANNUAL REPORT

Nikko AM Shenton Asia Bond Fund

Financial period ending 31 December 2023



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This report is also available on our website (www.nikkoam.com.sg)

PERFORMANCE SUMMARY

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Asia Bond Fund SGD Class A ¹	2.58	1.05	2.55	-3.16	0.30	1.28	1.19
Nikko AM Shenton Asia Bond Fund SGD Class B ¹	2.54	1.11	2.79	-3.00	0.51	1.57	1.48
Benchmark ²	2.95	1.87	4.06	-1.80	1.85	3.01	N/A

Source: Nikko Asset Management Asia Limited & Markit Indices Limited. Returns as at 31 December 2023. Returns are calculated on a NAV-NAV basis, SGD, and based on the assumption that all dividends and distributions are reinvested, if any. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Asia Bond Fund SGD Class A ¹	-2.55	-4.00	-2.58	-4.80	-0.73	0.77	0.91
Nikko AM Shenton Asia Bond Fund SGD Class B ¹	-2.58	-3.94	-2.35	-4.64	-0.52	1.05	1.20
Benchmark ²	2.95	1.87	4.06	-1.80	1.85	3.01	N/A

Source: Nikko Asset Management Asia Limited & Markit Indices Limited. Returns as at 31 December 2023. Returns are calculated on a NAV-NAV basis, SGD, and based on the assumption that all dividends and distributions are reinvested, if any, and take into account of maximum initial sales charge and a realisation charge, currently nil, as and where applicable. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Asia Bond Fund USD Class A ¹	5.99	3.67	4.28	-3.10	0.97	0.86	2.48
Nikko AM Shenton Asia Bond Fund USD Class B ¹	6.15	3.79	4.54	-2.90	1.19	1.15	2.77
Benchmark ²	6.53	4.51	5.81	-1.74	2.52	2.56	N/A

Source: Nikko Asset Management Asia Limited & Markit Indices Limited. Returns as at 31 December 2023. Returns are calculated on a NAV-NAV basis, USD, and based on the assumption that all dividends and distributions are reinvested, if any. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Asia Bond Fund USD Class A ¹	0.69	-1.51	-0.94	-4.74	-0.06	0.34	2.20
Nikko AM Shenton Asia Bond Fund USD Class B ¹	0.85	-1.40	-0.68	-4.55	0.16	0.63	2.49
Benchmark ²	6.53	4.51	5.81	-1.74	2.52	2.56	N/A

Source: Nikko Asset Management Asia Limited & Markit Indices Limited. Returns as at 31 December 2023. Returns are calculated on a NAV-NAV basis, USD, and based on the assumption that all dividends and distributions are reinvested, if any, and take into account of maximum initial sales charge and a realisation charge, currently nil, as and where applicable. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Inception date: 1 August 2005**Note:**

- (1) With effect from 17 October 2011, the Trust (formerly known as “DBSAM Investment Funds”) has been renamed Nikko AM Asia Investment Funds and the Fund (formerly known as “DBS Asia Bond Fund”) has been renamed Nikko AM Shenton Asia Bond Fund.
- (2) With effect from 1 October 2011, the HSBC Asian Local Bond Index (ALBI) Index has been designated as the benchmark against which the Fund’s performance will be measured. Prior to that, there was no benchmark for the Fund as it was managed on a total return basis.

With effect from 20 April 2016, the calculation and publication of the HSBC Asian Local Bond Index (ALBI) has ceased and the benchmark is replaced with the Markit iBoxx Asian Local Bond Index (ALBI).

The **Markit iBoxx Asian Local Bond Index (“ALBI”)** is a product of S&P Dow Jones Indices LLC or its affiliates (“**SPDJI**”) and has been licensed for use by **Nikko Asset Management Asia Limited**. S&P®, S&P 500®, US 500, The 500, iBoxx®, iTraxx® and CDX® are trademarks of S&P Global, Inc. or its affiliates (“**S&P**”); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC (“**Dow Jones**”); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by **Nikko Asset Management Asia Limited**. **Nikko AM Asia Investment Funds - Nikko AM Shenton Asia Bond Fund** is not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, or their third party licensors (if any) and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the **Markit iBoxx Asian Local Bond Index (“ALBI”)**.

Portfolio Review***Fund rose in the six months ended December 2023***

The Nikko AM Shenton Asia Bond Fund (the “Fund”) posted a return of 1.05% (in SGD terms, on a NAV-NAV basis) for the six months ended 31 December 2023. Our exposure in South Korea, Singapore, Thailand and Malaysia contributed positively to returns, while holdings in China and Indonesia weighed negatively on returns.

Market Review***A volatile six months for US Treasuries (USTs)***

UST yields experienced significant volatility in the last six months of 2023. Yields initially surged, on fears that the US Federal Reserve (Fed) will keep borrowing rates elevated for a prolonged period. Higher UST funding needs and credit rating agency Fitch Ratings’ downgrade of the US government’s debt rating further sustained the upward pressure on yields. Meanwhile, Russia and Saudi Arabia announced they were extending voluntary oil supply cuts to the year-end, raising oil prices. This added to worries about inflation and economic policy, impacting demand for Treasury bonds. As data pointed to continued resiliency in the US economy, the 10-year point on the UST yield curve reached a 16-year high of 5.02%.

In November, the Fed held steady on rates for a second straight time, while various data points signalled an economic slowdown. These, together with the announcement of a smaller-than-expected UST refunding requirement, triggered a rally in risk assets and Treasury bonds. The subsequent shift in tone from Fed governors Christopher Waller and Michelle Bowman—officials who were among the most hawkish policymakers—fuelled another leg down in UST yields. The Fed held benchmark rates unchanged again

in December and acknowledged that growth and inflation were slowing and suggested that the policy rate was at or close to its peak level. The dot plot also showed members expecting 75 basis points (bps) worth of rate cuts over 2024, 100 bps over 2025, and an additional 75 bps over 2026. This dovish pivot, together with increased expectations of a US economic slowdown prompted UST yields to continue their sharp descent. Overall, the benchmark 10-year UST yield settled at 3.88% at the end of the period, up 4 bps compared to end-June 2023.

Asian government bonds mostly rose while currencies registered mixed performances against the US dollar

Fed expectations was the primary driver of Asian government bond moves over the period. At the end of six months, yields of Asian government bonds mostly fell, on increasing expectations that Fed policy easing was finally approaching. On a total return basis, South Korean government bonds outperformed, while Thai government bonds underperformed. Demand for Indian government bonds was buoyed by news of the inclusion of India government bonds in J.P. Morgan's widely-tracked Global Bond Index–Emerging Markets (GBI-EM) family of indices. Meanwhile, currencies in the region registered mixed performances against the US dollar, with the Thai baht outperforming and Indonesian rupiah underperforming.

Headline inflation prints mostly moderated over the period

Headline inflation prints across the region largely moderated in the six months, helped in part by the deceleration of energy and food price inflation. In the latest reading, headline Consumer Price Index (CPI) inflation in Thailand printed -0.83% year-on-year (YoY) in December 2023, down from 0.23% in June 2023. In Singapore, the December CPI registered 3.7%, easing from a 4.5% rise in June 2023. Inflationary pressures in Indonesia similarly moderated, with overall CPI coming in at 2.61% YoY in December 2023, from 3.52% in June. In contrast, inflationary pressures in South Korea and India accelerated over the period, with headline CPI readings rising to 3.2% and 5.59% YoY respectively in December 2023 from 2.7% and 4.87% in June 2023.

Central banks took divergent monetary paths

During the review period, monetary authorities in Thailand, Indonesia and the Philippines continued to tighten monetary policy. The Bank of Thailand raised its key rate by a total of 50 bps to 2.50%, with the belief that the policy rate is now at a “neutral” level. In October, Bank Indonesia increased rates by 25 bps, with Governor Perry Warjiyo declaring that the move was a “pre-emptive, forward-looking” measure to address imported inflation risks and stabilise the Indonesian rupiah. Separately, the Bangko Sentral ng Pilipinas’ announced an off-cycle 25 bps rate hike in the same month, “to prevent supply-side price pressures from inducing additional second-round effects and further dislodging inflation expectations”.

On the other hand, central banks in South Korea, India and Malaysia maintained their policy rates over the six months. The Monetary Authority of Singapore also opted to keep the Singapore Dollar Nominal Effective Exchange Rate (SGDNEER) slope, centre and band width unchanged during this period.

Market Outlook & Strategy

2024 to be a year of higher returns and lower volatility for Asian local government bonds

2024 is likely to be a year of higher returns and lower volatility for Asian local government bonds with UST yields expected to stabilise and start easing. We expect sentiment toward Asia's bond markets to turn increasingly positive, attracting capital inflows and providing technical support (through portfolio inflows) that was largely lacking in 2023. We have an upbeat view of long Indian government bonds due to their attractive carry and favourable technicals. The inclusion of Indian government bonds into JP Morgan's Government Bond Index-Emerging Markets Index (GBI-EM) from June 2024 is expected to provide support for these bonds.

We believe the broad theme of stronger Asian currencies versus the dollar will dominate in 2024, as we see waning demand for the greenback as the Fed rate hiking cycle comes to an end. The key downside risks to our investment thesis include higher-than-expected energy prices and greater geopolitical uncertainty.

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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(Where relevant – for funds included under CPFIS) 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.

For Hong Kong Investors

The Fund may only be offered to professional investors in Hong Kong and is not authorised by the Securities and Futures Commission. The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to this document. If you are in any doubt about any of the contents, you should obtain independent professional advice.

Nikko Asset Management Asia Limited. Registration Number 198202562H

NIKKO AM SHENTON ASIA BOND FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF TOTAL RETURN***For the financial period from 01 July 2023 to 31 December 2023 (unaudited)*

	31 December 2023	31 December 2022
	S\$	S\$
Income		
Dividends	-	8,741
Interest on cash and cash equivalents	11,371	9,571
	11,371	18,312
Less: Expenses		
Management fee	138,057	139,485
Management fee rebate	(1,218)	(2,356)
Transfer agent fee	9,580	11,030
Trustee fee	6,615	6,689
Custody fee	6,140	4,569
Audit fee	8,748	7,513
Valuation fee	7,441	7,526
Transaction costs	11,429	18,660
Other expenses	30,223	43,987
	217,015	237,103
Net losses	(205,644)	(218,791)
Net gains or losses on value of investments and financial derivatives		
Net gains/(losses) on investments	780,924	(739,430)
Net foreign exchange losses	(39,646)	(78,075)
Net (losses)/gains on financial derivatives	(104,829)	21,446
	636,449	(796,059)
Total return/(deficit) for the financial period before income tax	430,805	(1,014,850)
Less: Income tax	(50,600)	(27,494)
Total return/(deficit) for the financial period after income tax	380,205	(1,042,344)

NIKKO AM SHENTON ASIA BOND FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF FINANCIAL POSITION***As at 31 December 2023 (unaudited)*

	31 December 2023	30 June 2023
	S\$	S\$
ASSETS		
Portfolio of investments	32,498,800	32,809,151
Sales awaiting settlement	-	433,547
Receivables	191,910	83,459
Cash and cash equivalents	1,136,027	659,401
Margin accounts	6,183	59,657
Financial derivatives at fair value	47,531	144,214
Total assets	33,880,451	34,189,429
LIABILITIES		
Payables	242,752	173,438
Distribution payable	702,644	702,411
Financial derivatives at fair value	65,552	134,633
Total liabilities	1,010,948	1,010,482
EQUITY		
Net assets attributable to unitholders	32,869,503	33,178,947

NIKKO AM SHENTON ASIA BOND FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS***For the financial period from 01 July 2023 to 31 December 2023 (unaudited)*

	31 December 2023	30 June 2023
	S\$	S\$
Net assets attributable to unitholders at the beginning of the financial period/year	33,178,947	34,847,729
Operations		
Change in net assets attributable to unitholders resulting from operations	380,205	(552,012)
Unitholders' contributions/(withdrawals)		
Creation of units	730,636	3,919,935
Cancellation of units	(717,778)	(3,673,117)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	12,858	246,818
Distributions	(702,507)	(1,363,588)
Total decreases in net assets attributable to unitholders	(309,444)	(1,668,782)
Net assets attributable to unitholders at the end of the financial period/year	32,869,503	33,178,947

NIKKO AM SHENTON ASIA BOND FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2023 (unaudited)***By Geography (Primary)**

	Holdings at 31 December 2023	Fair value at 31 December 2023 S\$	Percentage of total net assets attributable to unitholders at 31 December 2023 %
Quoted Fixed Income Securities			
BRITISH VIRGIN ISLANDS			
Huarong Finance 2017 Company Limited 3.8% due 07/11/2025	500,000	472,733	1.44
Total BRITISH VIRGIN ISLANDS		472,733	1.44
CHINA			
China Government Bond 2.75% due 17/02/2032	5,000,000	938,393	2.85
China Government Bond 2.8% due 24/03/2029	5,000,000	941,715	2.87
China Government Bond 3.32% due 15/04/2052	6,000,000	1,201,187	3.65
Total CHINA		4,267,608	9.37
HONG KONG SAR			
Far East Horizon Limited 4.7% due 09/02/2024	5,000,000	923,393	2.81
Hong Kong Government Bond 2.07% due 26/08/2026	1,000,000	164,399	0.50
Hong Kong Government Bond 2.48% due 28/02/2029	2,000,000	331,009	1.01
Hong Kong Government Bond 2.49% due 22/08/2028	5,000,000	828,932	2.52
Total HONG KONG SAR		2,247,633	6.84
INDIA			
India Government Bond 6.67% due 15/12/2035	40,000,000	604,786	1.84
India Government Bond 6.79% due 15/05/2027	15,000,000	235,433	0.72
India Government Bond 7.06% due 10/04/2028	40,000,000	632,863	1.93
India Government Bond 7.57% due 17/06/2033	60,000,000	973,614	2.96
Total INDIA		2,446,696	7.45
INDONESIA			
Indonesia Treasury Bond 6.625% due 15/02/2034	27,500,000,000	2,373,639	7.22
Indonesia Treasury Bond 6.875% due 15/08/2051	3,000,000,000	257,467	0.78
Indonesia Treasury Bond 7.125% due 15/06/2042	4,000,000,000	355,904	1.08
Indonesia Treasury Bond 7.125% due 15/06/2043	2,000,000,000	177,883	0.54
Indonesia Treasury Bond 7.5% due 15/04/2040	2,000,000,000	183,351	0.56
Total INDONESIA		2,873,801	10.18
MALAYSIA			
Malaysia Government Bond 3.519% due 20/04/2028	900,000	257,874	0.78
Malaysia Government Bond 3.844% due 15/04/2033	2,900,000	833,758	2.54
Malaysia Government Bond 4.254% due 31/05/2035	1,300,000	384,002	1.17
Malaysia Government Bond 4.642% due 07/11/2033	2,000,000	616,889	1.88
Malaysia Government Bond 4.696% due 15/10/2042	1,000,000	309,485	0.94
Malaysia Government Bond 4.762% due 07/04/2037	2,500,000	773,778	2.35
Malaysia Government Investment Issue 5.357% due 15/05/2052	980,000	329,088	1.00
Total MALAYSIA		3,504,874	10.66
PHILIPPINES			
Philippine Government Bond 4.875% due 20/01/2032	10,000,000	221,280	0.67
Philippine Government Bond 5.75% due 07/03/2028	28,000,000	662,079	2.01
Philippine Government Bond 6.625% due 17/08/2033	16,000,000	399,757	1.22
Philippine Government Bond 7.25% due 23/06/2032	35,000,000	901,419	2.74
Total PHILIPPINES		2,184,535	6.64

NIKKO AM SHENTON ASIA BOND FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2023 (unaudited)***By Geography (Primary) (continued)**

	Holdings at 31 December 2023	Fair value at 31 December 2023 S\$	Percentage of total net assets attributable to unitholders at 31 December 2023 %
Quoted Fixed Income Securities (continued)			
SINGAPORE			
Singapore Government Bond 1.25% due 01/11/2026	1,000,000	955,000	2.91
Singapore Government Bond 1.875% due 01/03/2050	150,000	126,525	0.39
Singapore Government Bond 1.875% due 01/10/2051	150,000	126,225	0.38
Singapore Government Bond 2.25% due 01/08/2036	100,000	95,000	0.29
Singapore Government Bond 2.375% due 01/07/2039	150,000	142,845	0.43
Singapore Government Bond 2.625% due 01/05/2028	1,600,000	1,597,920	4.86
Singapore Government Bond 2.625% due 01/08/2032	100,000	99,370	0.30
Singapore Government Bond 2.75% due 01/03/2046	100,000	100,000	0.30
Singapore Government Bond 2.75% due 01/04/2042	50,000	50,035	0.15
Singapore Government Bond 2.875% due 01/07/2029	150,000	151,230	0.46
Singapore Government Bond 3% due 01/08/2072	230,000	246,905	0.75
Singapore Government Bond 3.375% due 01/09/2033	1,000,000	1,057,300	3.22
Starhub Limited 3.95% due 31/12/2049	250,000	240,985	0.73
Total SINGAPORE		4,989,340	15.17
SOUTH KOREA			
Korea Treasury Bond 1.5% due 10/09/2036	1,600,000,000	1,357,108	4.13
Korea Treasury Bond 1.5% due 10/12/2030	350,000,000	321,154	0.98
Korea Treasury Bond 2.25% due 10/06/2025	400,000,000	403,819	1.23
Korea Treasury Bond 2.5% due 10/03/2052	1,150,000,000	1,051,464	3.20
Korea Treasury Bond 3.25% due 10/03/2028	1,000,000,000	1,028,813	3.13
Korea Treasury Bond 3.375% due 10/06/2032	200,000,000	207,712	0.63
Total SOUTH KOREA		4,370,070	13.30
SUPRANATIONAL			
European Bank for Reconstruction & Development 6.3% due 26/10/2027	50,000,000	782,816	2.38
Total SUPRANATIONAL		782,816	2.38
THAILAND			
Thailand Government Bond 2% due 17/06/2042	15,000,000	492,971	1.50
Thailand Government Bond 2% due 17/12/2031	17,000,000	627,848	1.91
Thailand Government Bond 2.65% due 17/06/2028	11,000,000	429,129	1.31
Thailand Government Bond 3.35% due 17/06/2033	21,000,000	857,439	2.61
Thailand Government Bond 3.39% due 17/06/2037	19,000,000	778,338	2.37
Total THAILAND		3,185,725	9.70
Accrued interest receivable on quoted fixed income securities		268,243	0.82
Total Quoted Fixed Income Securities		30,882,204	93.95

NIKKO AM SHENTON ASIA BOND FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2023 (unaudited)***By Geography (Primary) (continued)**

	Holdings at 31 December 2023	Fair value at 31 December 2023 S\$	Percentage of total net assets attributable to unitholders at 31 December 2023 %
Quoted Investment Fund			
SINGAPORE			
NikkoAM-ICBCSG China Bond ETF	1,550,000	1,616,596	4.92
Total SINGAPORE		<u>1,616,596</u>	<u>4.92</u>
Total Quoted Investment Fund		<u>1,616,596</u>	<u>4.92</u>
Portfolio of investments		32,498,800	98.87
Other net assets		370,703	1.13
Net assets attributable to unitholders		<u>32,869,503</u>	<u>100.00</u>

NIKKO AM SHENTON ASIA BOND FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2023 (unaudited)***By Geography (Summary)**

	Percentage of total net assets attributable to unitholders at 31 December 2023 %	Percentage of total net assets attributable to unitholders at 30 June 2023 %
Quoted Fixed Income Securities		
Australia	-	3.02
Britain	-	1.51
British Virgin Islands	1.44	-
China	9.37	9.16
Hong Kong SAR	6.84	9.50
India	7.45	5.71
Indonesia	10.18	12.64
Malaysia	10.66	7.32
Philippines	6.64	9.74
Singapore	15.17	8.52
South Korea	13.30	15.95
Supranational	2.38	2.43
Thailand	9.70	7.80
Accrued interest receivables on quoted fixed income securities	0.82	0.77
Total Quoted Fixed Income Securities	93.95	94.07
Quoted Investment Fund		
Singapore	4.92	4.82
Total Quoted Investment Fund	4.92	4.82
Portfolio of investments	98.87	98.89
Other net assets	1.13	1.11
Net assets attributable to unitholders	100.00	100.00

NIKKO AM SHENTON ASIA BOND FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2023 (unaudited)*

By Industry (Secondary)	Fair value at 31 December 2023 S\$	Percentage of total net assets attributable to unitholders at 31 December 2023 %	Percentage of total net assets attributable to unitholders at 30 June 2023 %
Banks	-	-	4.52
Debt Fund	1,616,596	4.92	4.82
Diversified Financial Services	923,293	2.81	2.74
Engineering and Construction	-	-	1.39
Investment Companies	472,733	1.44	-
Multi-National	782,816	2.38	2.43
Real Estate	-	-	2.50
Sovereign	28,194,134	85.77	79.01
Telecommunications	240,985	0.73	0.71
Accrued interest receivables on quoted fixed income securities	268,243	0.82	0.77
Portfolio of investments	32,498,800	98.87	98.89
Other net assets	370,703	1.13	1.11
Net assets attributable to unitholders	32,869,503	100.00	100.00

NIKKO AM SHENTON ASIA BOND FUND

(Constituted under a Trust Deed registered in the Republic of Singapore)

REPORT TO UNITHOLDERS

For the financial period from 01 July 2023 to 31 December 2023 (unaudited)

The following contains additional information relating to the Fund.

1. Distribution of investments

Please refer to the Statement of Portfolio on pages 10 to 14.

2. Credit rating of debt securities

	Fair value at 31 December 2023 S\$	Percentage of total net assets attributable to unitholders at 31 December 2023 %
Aaa*	4,748,355	14.45
A3	1,217,760	3.70
Ba1*-	472,733	1.44
Baa2	221,280	0.67
Not rated**	23,953,833	72.87
Accrued interest receivables on quoted fixed income securities	268,243	0.82
Total	30,882,204	93.95

* The balance includes securities that are issued by government agencies of governments that have a Aaa rating as rated by Moody's.

** Not rated securities are supported by internal and other rating agencies credit ratings but are not disclosed due to licencing restrictions.

3. Top 10 holdings

10 Largest holdings at 31 December 2023

	Fair value S\$	Percentage of total net assets attributable to unitholders %
Indonesia Treasury Bond 6.625% due 15/02/2034	2,373,639	7.22
NikkoAM-ICBCSG China Bond ETF	1,616,596	4.92
Singapore Government Bond 2.625% due 01/05/2028	1,597,920	4.86
Korea Treasury Bond 1.5% due 10/09/2036	1,357,108	4.13
China Government Bond 3.32% due 15/04/2052	1,201,187	3.65
Singapore Government Bond 3.375% due 01/09/2033	1,057,300	3.22
Korea Treasury Bond 2.5% due 10/03/2052	1,051,464	3.20
Korea Treasury Bond 3.25% due 10/03/2028	1,028,813	3.13
India Government Bond 7.57% due 17/06/2033	973,614	2.96
Singapore Government Bond 1.25% due 01/11/2026	955,000	2.91

NIKKO AM SHENTON ASIA BOND FUND

(Constituted under a Trust Deed registered in the Republic of Singapore)

REPORT TO UNITHOLDERS

For the financial period from 01 July 2023 to 31 December 2023 (unaudited)

3. Top 10 holdings (continued)

10 Largest holdings at 31 December 2022	Fair value S\$	Percentage of total net assets attributable to unitholders %
NikkoAM-ICBCSG China Bond ETF	1,631,519	5.20
Korea Treasury Bond 1.5% due 10/09/2036	1,300,432	4.15
Korea Treasury Bond 3.375% due 10/06/2032	1,237,627	3.95
Hong Kong Government Bond 2.48% due 28/02/2029	1,047,602	3.34
India Government Bond 7.57% due 17/06/2033	987,159	3.15
China Government Bond 3.02% due 27/05/2031	981,548	3.13
China Government Bond 2.8% due 24/03/2029	969,172	3.09
China Government Bond 2.44% due 15/10/2027	961,426	3.07
China Government Bond 2.75% due 17/02/2032	959,720	3.06
Thailand Government Bond 2% due 17/06/2042	938,839	2.99

4. Exposure to financial derivatives

	Fair value at 31 December 2023 S\$	Percentage of total net assets attributable to unitholders at 31 December 2023 %	Unrealised gains/(losses) S\$	Realised gains/(losses) S\$
Forward foreign exchange contracts	(18,021)	(0.05)	(18,021)	(47,808)
Swaps	-	-	-	(39,000)

5. Global exposure to financial derivatives

The global exposure to financial derivatives is computed using the commitment approach which is calculated as the sum of:

- the absolute value of the exposure of each individual financial derivative not involved in netting or hedging arrangements;
- the absolute value of the net exposure of each individual financial derivative after netting or hedging arrangements; and
- the sum of the values of cash collateral received pursuant to:
 - the reduction of exposure to counterparties of OTC financial derivatives; and
 - EPM techniques relating to securities lending and repurchase transactions, and that are reinvested.

NIKKO AM SHENTON ASIA BOND FUND

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REPORT TO UNITHOLDERS

For the financial period from 01 July 2023 to 31 December 2023 (unaudited)

6. Collateral

	31 December 2023 S\$	30 June 2023 S\$
Margin accounts	<u>6,183</u>	<u>59,657</u>

Margin account represents margin deposits held in respect of open exchange-traded futures contracts held with BNP Paribas, acting through its Singapore Branch. As at 31 December 2023 and 30 June 2023, there was no open exchange-traded futures contracts.

7. Securities lending or repurchase transactions

Nil.

8. Investment in unit trusts, mutual funds and collective investment schemes

Please refer to the Statement of Portfolio on pages 10 to 14.

9. Borrowings

Nil.

10. Amount of units created and cancelled for the financial period ended 31 December 2023

	S\$
Units created	730,636
Units cancelled	(717,778)

11. Turnover ratio

	31 December 2023	31 December 2022
Lower of total value of purchases or sales	S\$ 54,160,442	47,915,748
Average daily net asset value	S\$ 32,794,646	33,159,861
Total turnover ratio¹	% <u>165.15</u>	144.50

¹ The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the portfolio turnover ratio was based on the lower of the total value of purchases or sales of the underlying investments, divided by the average daily net asset value.

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REPORT TO UNITHOLDERS

For the financial period from 01 July 2023 to 31 December 2023 (unaudited)

12. Expense ratio

		31 December 2023	31 December 2022
<u>SGD Class A</u>			
Total operating expenses	S\$	76,342	72,927
Average daily net asset value	S\$	5,401,536	5,224,583
Total expense ratio²	%	1.41	1.40
<hr/>			
		31 December 2023	31 December 2022
<u>USD Class A</u>			
Total operating expenses	S\$	3,800	3,819
Average daily net asset value	S\$	269,054	274,394
Total expense ratio²	%	1.41	1.39
<hr/>			
		31 December 2023	31 December 2022
<u>SGD Class B</u>			
Total operating expenses	S\$	327,728	341,145
Average daily net asset value	S\$	27,421,987	29,019,018
Total expense ratio²	%	1.20	1.18
<hr/>			
		31 December 2023	31 December 2022
<u>USD Class B</u>			
Total operating expenses	S\$	542	699
Average daily net asset value	S\$	45,751	59,089
Total expense ratio²	%	1.18	1.18

² The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the expense ratio at financial period end was based on total operating expenses divided by the average net asset value for the year. The total operating expenses do not include (where applicable) brokerage and other transactions costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fee. The average net asset value is based on the daily balances.

NIKKO AM SHENTON ASIA BOND FUND

(Constituted under a Trust Deed registered in the Republic of Singapore)

REPORT TO UNITHOLDERS

For the financial period from 01 July 2023 to 31 December 2023 (unaudited)

13. Related party transactions

The Manager of the Fund is Nikko Asset Management Asia Limited, a subsidiary of Nikko Asset Management International Limited. The Trustee of the Fund is BNP Paribas Trust Services Singapore Limited (the "Trustee").

Management fee is payable to the Manager. Trustee fee is payable to the Trustee. Custody fee, transfer agent fee and valuation fee are payable to a related company of the Trustee, BNP Paribas, acting through its Singapore Branch.

In addition to related party information shown elsewhere in the financial statements (including the Statement of Portfolio), the following significant transactions took place during the financial period between the Fund and a related party at terms agreed between the parties and within the provisions of the Deeds:

	31 December 2023 S\$	30 June 2023 S\$
Margin balances held with related party of the Trustee	6,183	59,657
Bank balances held with related party of the Trustee	1,136,027	659,401

14. Any other material information that will adversely impact the valuation of the Fund

Nil.

15. Soft dollar commissions/arrangements

In their management of the Fund, the Managers currently do not receive or enter into any soft dollar commissions or arrangements.

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