

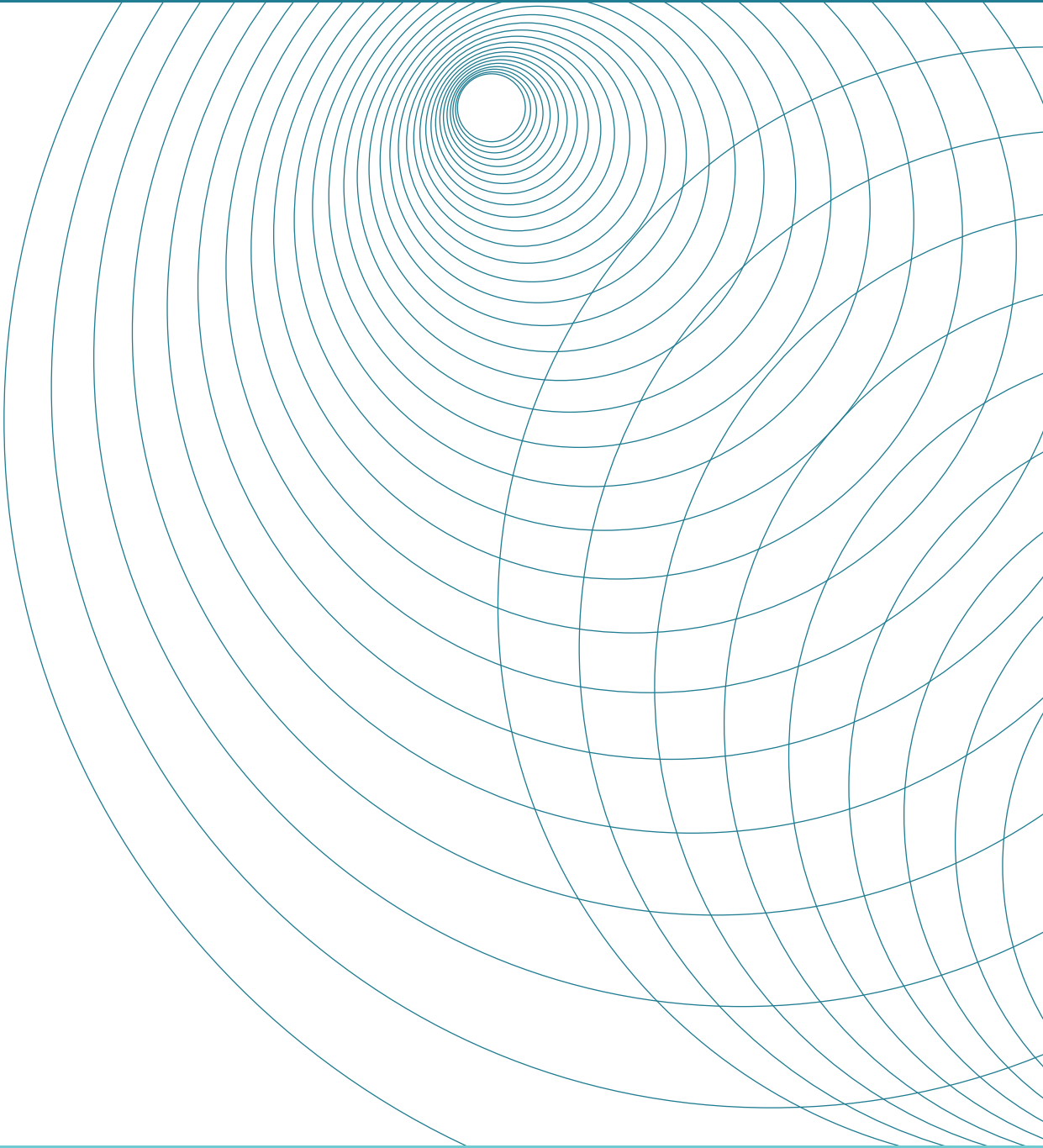
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# SEMI-ANNUAL REPORT

## Nikko AM Japan Dividend Equity Fund

Financial period ending 30 June 2023

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**MANAGERS**

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Company Registration No. 198202562H

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This report is also available on our website ([www.nikkoam.com.sg](http://www.nikkoam.com.sg))

## PERFORMANCE SUMMARY

<b>Returns (%)</b>	<b>3 Mth</b>	<b>6 Mth</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>	<b>10 Yr</b>	<b>Since Inception</b>
Nikko AM Japan Dividend Equity Fund - SGD Hedged Class <sup>1</sup>	18.11	27.21	33.99	18.15	9.33	10.46	10.46

Source: Nikko Asset Management Asia Limited, returns as at 30 June 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.

<b>Returns (%)</b>	<b>3 Mth</b>	<b>6 Mth</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>	<b>10 Yr</b>	<b>Since Inception</b>
Nikko AM Japan Dividend Equity Fund - SGD Hedged Class <sup>1</sup>	12.21	20.85	27.29	16.15	8.21	9.89	9.89

Source: Nikko Asset Management Asia Limited, returns as at 30 June 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.

<b>Returns (%)</b>	<b>3 Mth</b>	<b>6 Mth</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>	<b>10 Yr</b>	<b>Since Inception</b>
Nikko AM Japan Dividend Equity Fund - USD Hedged Class <sup>1</sup>	18.54	26.15	33.33	18.12	9.74	10.67	10.67

Source: Nikko Asset Management Asia Limited, returns as at 30 June 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.

<b>Returns (%)</b>	<b>3 Mth</b>	<b>6 Mth</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>	<b>10 Yr</b>	<b>Since Inception</b>
Nikko AM Japan Dividend Equity Fund - USD Hedged Class <sup>1</sup>	12.61	19.84	26.66	16.11	8.62	10.10	10.10

Source: Nikko Asset Management Asia Limited, returns as at 30 June 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 July 2013**

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<b>Returns (%)</b>	<b>3 Mth</b>	<b>6 Mth</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>	<b>10 Yr</b>	<b>Since Inception</b>
Nikko AM Japan Dividend Equity Fund - SGD Class	9.74	15.13	18.43	4.64	2.09	N/A	5.57

Source: Nikko Asset Management Asia Limited, returns as at 30 June 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.

<b>Returns (%)</b>	<b>3 Mth</b>	<b>6 Mth</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>	<b>10 Yr</b>	<b>Since Inception</b>
Nikko AM Japan Dividend Equity Fund - SGD Class	4.26	9.38	12.51	2.87	1.05	N/A	4.83

Source: Nikko Asset Management Asia Limited, returns as at 30 June 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.

**Inception date: 1 April 2016**

<b>Returns (%)</b>	<b>3 Mth</b>	<b>6 Mth</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>	<b>10 Yr</b>	<b>Since Inception</b>
Nikko AM Japan Dividend Equity Fund - SGD Hedged Class B	18.53	20.02	26.84	16.54	N/A	N/A	11.30

Source: Nikko Asset Management Asia Limited, returns as 30 June 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.

<b>Returns (%)</b>	<b>3 Mth</b>	<b>6 Mth</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>	<b>10 Yr</b>	<b>Since Inception</b>
Nikko AM Japan Dividend Equity Fund - SGD Hedged Class B	12.61	14.02	20.50	14.56	N/A	N/A	9.95

Source: Nikko Asset Management Asia Limited, returns as at 30 June 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.

**Inception date: 17 April 2019**

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<b>Returns (%)</b>	<b>3 Mth</b>	<b>6 Mth</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>	<b>10 Yr</b>	<b>Since Inception</b>
Nikko AM Japan Dividend Equity Fund – JPY Class	17.09	24.92	N/A	N/A	N/A	N/A	22.84

Source: Nikko Asset Management Asia Limited, returns as at 30 June 2023. Returns are calculated on a NAV-NAV basis, JPY, 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.

<b>Returns (%)</b>	<b>3 Mth</b>	<b>6 Mth</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>	<b>10 Yr</b>	<b>Since Inception</b>
Nikko AM Japan Dividend Equity Fund - JPY Class	11.24	18.67	N/A	N/A	N/A	N/A	16.69

Source: Nikko Asset Management Asia Limited, returns as at 30 June 2023. Returns are calculated on a NAV-NAV basis, JPY, 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: 13 September 2022**

<b>Returns (%)</b>	<b>3 Mth</b>	<b>6 Mth</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>	<b>10 Yr</b>	<b>Since Inception</b>
Nikko AM Japan Dividend Equity Fund - SGD Class B	10.04	N/A	N/A	N/A	N/A	N/A	10.83

Source: Nikko Asset Management Asia Limited, returns as at 30 June 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.

<b>Returns (%)</b>	<b>3 Mth</b>	<b>6 Mth</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>	<b>10 Yr</b>	<b>Since Inception</b>
Nikko AM Japan Dividend Equity Fund - SGD Class B	4.54	N/A	N/A	N/A	N/A	N/A	5.29

Source: Nikko Asset Management Asia Limited, returns as at 30 June 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.

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<b>Returns (%)</b>	<b>3 Mth</b>	<b>6 Mth</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>	<b>10 Yr</b>	<b>Since Inception</b>
Nikko AM Japan Dividend Equity Fund - USD Class	7.86	N/A	N/A	N/A	N/A	N/A	7.76

Source: Nikko Asset Management Asia Limited, returns as at 30 June 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.

<b>Returns (%)</b>	<b>3 Mth</b>	<b>6 Mth</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>	<b>10 Yr</b>	<b>Since Inception</b>
Nikko AM Japan Dividend Equity Fund - USD Class	2.46	N/A	N/A	N/A	N/A	N/A	2.37

Source: Nikko Asset Management Asia Limited, returns as at 30 June 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: 26 January 2023**

**Note:**

- (1) The investment objective of the Fund is to provide a total return of capital growth and income over the medium to long term by investing in equity investments listed and traded on the Tokyo Stock Exchange. The currency exposures of the "SGD Hedged Share Class" and the "USD Hedged Share Class" are hedged from the Fund's base currency – JPY to the share classes' currencies – SGD and USD respectively, to remove the currency conversion risk from the Fund's base currency to the respective share classes' currencies.
- (2) With effect from 1 June 2017, the benchmark has been removed and there will no longer be any benchmark for the Fund. This is because pursuant to the investment objective of the Fund, the Fund is managed on a total return basis and as such, it does not seek to outperform any benchmark. Prior to 1 June 2017, the benchmark against which the Fund's performance is measured is the TOPIX Total Return Index.
- (3) Nikko AM Japan Dividend Equity Fund - USD Hedged Class B was fully redeemed on 28 September 2022.

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## **Portfolio Review and Activity**

### ***Fund rose in the first half of 2023 (1H23)***

The Nikko AM Japan Dividend Equity Fund (SGD Hedged Class) (the “Fund”) returned 27.21% (in SGD terms, on a NAV-NAV basis) in the six months to 30 June 2023 and has returned 10.46% (annualised) since its inception on 1 July 2013. Overall, the Fund outperformed the broad-based market in the reporting period, as our holdings which announced dividend hikes and/or increased shareholder returns contributed positively, especially trading companies and semiconductor-related names later in the period.

Stocks that made large positive contributions during the period were primarily those which rose on strong earnings results and/or an increase in shareholder returns, including semiconductor-focused trading house Macnica Holdings, major trading house Mitsui & Co. and construction materials manufacturer Sanwa Holdings. Major automaker Honda Motor and Toyota-affiliated trading company Toyota Tsusho also contributed positively as they rose on expectations for auto production to recover.

On the other hand, stocks that contributed negatively during the period included names whose earnings results fell short of market expectations such as major bank Resona Holdings, packaging materials manufacturer Rengo, and electronic component maker Nissha, as well as those whose earnings momentum seems to be relatively lagging such as liquified petroleum gas company Nippon Gas. Eye medicine-focused drug maker Santen Pharmaceutical also contributed negatively as it declined on disappointing earnings stemming from sluggish sales in the Chinese and North American markets.

We maintained the portfolio's stock weighting during the period at around 97–99%. As of the end of June, the portfolio consisted of 53 issues.

## **Market Review**

### ***Japanese equity market rallied in 1H23 on weak yen and inflows from overseas investors***

The Japanese equity market was solid overall in the January-June period, supported by signals that the Bank of Japan would maintain its current monetary easing policy, the continued weak yen which boosted the earnings of exporters, inflows from overseas investors and strong macroeconomic indicators out of the US. These positive factors were able to offset concerns regarding continued inflation and prolonged rate hikes in the US, in addition to anxieties arising from disruption in the global financial system in March. Over the period, the TOPIX (including dividends) rose 22.69%.

Overall, in terms of sector performance, all of the 33 TOPIX sectors rose during the period, with the highest gains seen by the Wholesale Trade, Iron & Steel, and Machinery sectors.

## **Market Outlook**

### ***Upside potential in light of solid corporate earnings and recovery in domestic demand***

The Japanese equity market has climbed on the back of inflows from overseas investors as well as expectations for improvement in corporate earnings as the yen further depreciates. In the near term, it is possible that we may see periods of volatility based on profit-taking selling pressure and changes in domestic and international macroeconomic indicators. However, we believe continual upside in the market can be expected in light of the solid earnings of Japanese companies against a backdrop of a recovery in domestic demand and the easing of supply chain disruptions and of high raw material prices. Additionally, we believe Japanese companies will continue to seek ways to increase returns to shareholders, which also supports our overall bullish outlook for the Japanese



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stock market. At the same time, with an eye to improving capital efficiency, Japanese companies are enhancing the efficiency of their operations by implementing business structure reforms, investing in future growth and prioritising returns to shareholders. The economy is also beginning to exit a deflationary period. We believe these factors will support a continued uptrend in Japanese equities in the medium term as well.

### **Investment Strategy**

#### ***Portfolio is characterised by low volatility and low correlation relative to the market***

In principle, we manage the portfolio based on an investment policy of making highly selective investments in companies with future dividend growth potential from among those whose projected dividend yield is higher than the market average. In making stock selections, we focus on bottom-up research, thoroughly scrutinising each company's corporate competitiveness, cash flow generation capacity, financial stability and stance on shareholder returns. We therefore carefully select firms that are able to continually grow their dividends, and invest from a medium- to long-term perspective. Since many of the holdings are in stable growth stocks with strong earnings power and sound financials, the portfolio is characterised by low volatility and low correlation with the market. Currently, many of the portfolio's holdings are in fields such as IT services, electronic components, telecommunications, trading firm business, automobiles, retail, construction and banking.

Following the introduction of Japan's Corporate Governance Code, Japanese firms have worked to improve dialogue with investors and are increasing the ratio of outside directors on their boards. As a result, there is a greater emphasis on improving returns on equity and the number of companies that are selling off unprofitable businesses or strategic shareholdings and putting their excess cash to use through dividend increases and share buybacks is growing. Since the start of the year, this shift is accelerating as Tokyo Stock Exchange has stepped up pressure on its listed stocks trading below their book value to disclose an analysis of the factors contributing to such low valuation and associated improvement measures.

Japanese companies are largely expected to produce strong results against a backdrop of a recovery in domestic demand, the easing of supply chain disruptions, and a cool-off in high raw material prices. Additionally, an increasing number of companies are raising their dividend payout ratio as a means of enhancing capital efficiency, leading to the possibility that dividend growth could outpace earnings growth. In light of this, we are investing in names that, in addition to providing stable dividend income, can offer capital gains as dividend hikes drive up their share prices.

#### ***Seek out stocks with highly stable dividends in cyclical sectors***

In terms of stock selection, we will seek out names with ample cash reserves and/or strong earnings momentum that balance investment in future growth with providing returns to shareholders. In particular, we will focus on those names from which sustained dividend growth can be expected, paying close attention to firms where there are indications that management (via medium-term business plans or other directives) is changing its stance on shareholder returns, such as dividend hikes.

We will focus on primarily domestic demand-driven firms with stable growth prospects including IT services firms, network construction firms, and outsourcing companies that offer solutions to address the ongoing labour shortage and shift to remote work; home building, real estate, construction, and building materials firms which are expected to achieve stable earnings as they are less influenced by the external environment; and specialty retailers expected to see earnings growth driven by industry restructuring. Considering the possibility for a recovery in the economic

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climate heading into the next year, we will seek out and gradually increase the weighting of stocks with highly stable dividends in cyclical sectors such as auto-related industries which are expected to increase their earnings as production recovers, as well as stocks of companies which hold a high global market share in industries such as electronic materials, electronic components and machinery.

Other areas we are focusing on include trading houses which are involved in increasingly essential energy provision, as well as banks and other firms likely to benefit from expected future changes to Japan's monetary policy. We will also look at names that are likely to increase dividends and proactively invest in high quality stocks that have lagged the market relative to their fundamentals. In this way, we will position our portfolio to achieve steady returns as investors factor in improving corporate earnings results and dividend hikes.

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**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](http://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 JAPAN DIVIDEND EQUITY FUND***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF TOTAL RETURN***For the financial period from 01 January 2023 to 30 June 2023 (unaudited)*

	30 June 2023 JPY'000	30 June 2022 JPY'000
<b>Income</b>		
Dividends	364,730	298,849
Interest on cash and cash equivalents	10,467	177
	<b>375,197</b>	<b>299,026</b>
<b>Less: Expenses</b>		
Management fee	145,631	124,678
Transfer agent fee	7,228	4,771
Trustee fee	3,171	2,749
Custody fee	1,287	932
Audit fee	887	820
Valuation fee	4,228	3,666
Transaction costs	20,814	11,859
Other expenses	7,224	2,871
	<b>190,470</b>	<b>152,346</b>
<b>Net income</b>	<b>184,727</b>	<b>146,680</b>
<b>Net gains or losses on value of investments and financial derivatives</b>		
Net gains/(losses) on investments	4,507,590	(173,626)
Net foreign exchange gains	112,229	58,943
Net gains on financial derivatives	1,337,488	2,222,730
	<b>5,957,307</b>	<b>2,108,047</b>
<b>Total return for the financial period before income tax</b>	<b>6,142,034</b>	<b>2,254,727</b>
<b>Less: Income tax</b>	<b>(55,858)</b>	<b>(45,769)</b>
<b>Total return for the financial period after income tax</b>	<b>6,086,176</b>	<b>2,208,958</b>

**NIKKO AM JAPAN DIVIDEND EQUITY FUND***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF FINANCIAL POSITION***As at 30 June 2023 (unaudited)*

	30 June 2023 JPY'000	31 December 2022 JPY'000
<b>ASSETS</b>		
Portfolio of investments	24,793,754	20,480,861
Sales awaiting settlement	-	25,615
Receivables	329,269	105,130
Cash and cash equivalents	1,386,190	760,343
Financial derivatives at fair value	247,257	-
<b>Total assets</b>	<b>26,756,470</b>	<b>21,371,949</b>
<b>LIABILITIES</b>		
Payables	215,601	124,649
Purchases awaiting settlement	233,306	29,596
Distributions payable	110,199	88,888
Financial derivatives at fair value	280	407,980
<b>Total liabilities</b>	<b>559,386</b>	<b>651,113</b>
<b>EQUITY</b>		
Net assets attributable to unitholders	<b>26,197,084</b>	<b>20,720,836</b>

**NIKKO AM JAPAN DIVIDEND EQUITY FUND***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS***For the financial period from 01 January 2023 to 30 June 2023 (unaudited)*

	<b>30 June 2023</b> <b>JPY'000</b>	31 December 2022 JPY'000
<b>Net assets attributable to unitholders at the beginning of the financial period/year</b>	<b>20,720,836</b>	16,773,949
<b>Operations</b>		
Change in net assets attributable to unitholders resulting from operations	<b>6,086,176</b>	3,216,349
<b>Unitholders' contributions/(withdrawals)</b>		
Creation of units	<b>9,976,143</b>	6,254,890
Cancellation of units	<b>(10,063,988)</b>	(4,533,954)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	<b>(87,845)</b>	1,720,936
Distributions	<b>(522,083)</b>	(990,398)
Total increases in net assets attributable to unitholders	<b>5,476,248</b>	3,946,887
<b>Net assets attributable to unitholders at the end of the financial period/year</b>	<b>26,197,084</b>	20,720,836

**NIKKO AM JAPAN DIVIDEND EQUITY FUND***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 30 June 2023 (unaudited)***By Industry (Primary)**

	Holdings at 30 June 2023	Fair value at 30 June 2023 JPY'000	Percentage of total net assets attributable to unitholders at 30 June 2023 %
<b>Quoted Equities</b>			
<b>AUTO MANUFACTURERS</b>			
Honda Motor Company Limited	151,100	655,925	2.50
Toyota Motor Corporation	286,400	661,154	2.52
<b>Total AUTO MANUFACTURERS</b>		<b>1,317,079</b>	<b>5.02</b>
<b>AUTO PARTS &amp; EQUIPMENT</b>			
Denso Corporation	31,000	298,995	1.14
Toyoda Gosei Company Limited	192,500	523,985	2.00
<b>Total AUTO PARTS &amp; EQUIPMENT</b>		<b>822,980</b>	<b>3.14</b>
<b>BANKS</b>			
Mitsubishi UFJ Financial Group Incorporated	625,300	665,945	2.54
Mizuho Financial Group Incorporated	250,500	550,850	2.10
Sumitomo Mitsui Financial Group Incorporated	104,200	641,768	2.45
<b>Total BANKS</b>		<b>1,858,563</b>	<b>7.09</b>
<b>BUILDING MATERIALS</b>			
AGC Incorporated	85,400	440,920	1.68
Fujimi Incorporated	72,300	255,581	0.98
Nichias Corporation	151,000	451,490	1.72
Sanwa Holdings Corporation	311,200	580,544	2.22
<b>Total BUILDING MATERIALS</b>		<b>1,728,535</b>	<b>6.60</b>
<b>CHEMICALS</b>			
Adeka Corporation	93,400	255,496	0.98
Aica Kogyo Company Limited	107,800	340,325	1.30
Air Water Incorporated	259,200	516,715	1.97
Lintec Corporation	78,900	179,182	0.69
Mitsui Chemicals Incorporated	138,400	585,294	2.23
Nitto Denko Corporation	47,300	502,799	1.92
Shin-Etsu Chemical Company Limited	88,400	421,491	1.61
<b>Total CHEMICALS</b>		<b>2,801,302</b>	<b>10.70</b>
<b>COMPUTERS</b>			
Biprogy Incorporated	81,700	288,646	1.10
NEC Networks & System Integration Corporation	259,100	514,054	1.96
Otsuka Corporation	98,500	550,320	2.11
<b>Total COMPUTERS</b>		<b>1,353,020</b>	<b>5.17</b>
<b>DISTRIBUTION/WHOLESALE</b>			
Itochu Corporation	113,300	644,337	2.46
Mitsui & Company Limited	117,400	635,251	2.42
Nippon Gas Company Limited	285,500	577,138	2.20
Toyota Tsusho Corporation	91,900	656,074	2.50
<b>Total DISTRIBUTION/WHOLESALE</b>		<b>2,512,800</b>	<b>9.58</b>
<b>DIVERSIFIED FINANCIAL SERVICES</b>			
Orix Corporation	234,000	611,325	2.33
Zenkoku Hosho Company Limited	106,000	529,788	2.02
<b>Total DIVERSIFIED FINANCIAL SERVICES</b>		<b>1,141,113</b>	<b>4.35</b>

**NIKKO AM JAPAN DIVIDEND EQUITY FUND***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 30 June 2023 (unaudited)***By Industry (Primary) (continued)**

	Holdings at 30 June 2023	Fair value at 30 June 2023 JPY'000	Percentage of total net assets attributable to unitholders at 30 June 2023 %
<b>Quoted Equities (continued)</b>			
<b>ELECTRONICS</b>			
Inaba Denki Sangyo Company Limited	93,700	306,868	1.17
Kyocera Corporation	73,600	573,418	2.19
Macnica Holdings Incorporated	82,200	488,268	1.86
Nissha Company Limited	88,200	148,000	0.57
Star Micronics Company Limited	153,800	276,225	1.05
Taiyo Holdings Company Limited	113,800	303,163	1.16
<b>Total ELECTRONICS</b>		<b>2,095,942</b>	<b>8.00</b>
<b>ENGINEERING AND CONSTRUCTION</b>			
Exeo Group Incorporated	103,100	297,856	1.14
Kumagai Gumi Company Limited	146,100	449,988	1.72
<b>Total ENGINEERING AND CONSTRUCTION</b>		<b>747,844</b>	<b>2.86</b>
<b>HAND/MACHINE TOOLS</b>			
Amada Company Limited	394,400	557,287	2.13
<b>Total HAND/MACHINE TOOLS</b>		<b>557,287</b>	<b>2.13</b>
<b>HOME BUILDERS</b>			
Daiwa House Industry Company Limited	157,300	596,482	2.28
<b>Total HOME BUILDERS</b>		<b>596,482</b>	<b>2.28</b>
<b>INSURANCE</b>			
Tokio Marine Holdings Incorporated	195,200	647,088	2.47
<b>Total INSURANCE</b>		<b>647,088</b>	<b>2.47</b>
<b>MACHINERY-CONSTRUCTION &amp; MINING</b>			
Hitachi Limited	13,400	119,206	0.47
<b>Total MACHINERY-CONSTRUCTION &amp; MINING</b>		<b>119,206</b>	<b>0.47</b>
<b>MACHINERY-DIVERSIFIED</b>			
Ebara Corporation	84,800	581,982	2.22
<b>Total MACHINERY-DIVERSIFIED</b>		<b>581,982</b>	<b>2.22</b>
<b>MISCELLANEOUS MANUFACTURE</b>			
Amano Corporation	120,600	365,177	1.39
<b>Total MISCELLANEOUS MANUFACTURE</b>		<b>365,177</b>	<b>1.39</b>
<b>OFFICE/BUSINESS EQUIPMENT</b>			
Sato Holdings Corporation	99,600	194,021	0.74
<b>Total OFFICE/BUSINESS EQUIPMENT</b>		<b>194,021</b>	<b>0.74</b>
<b>PACKAGING &amp; CONTAINERS</b>			
Rengo Company Limited	298,300	264,264	1.01
<b>Total PACKAGING &amp; CONTAINERS</b>		<b>264,264</b>	<b>1.01</b>
<b>PHARMACEUTICALS</b>			
Astellas Pharma Incorporated	251,200	539,829	2.06
Takeda Pharmaceutical Company Limited	128,600	582,172	2.22
<b>Total PHARMACEUTICALS</b>		<b>1,122,001</b>	<b>4.28</b>
<b>REAL ESTATE</b>			
Nomura Real Estate Holdings Incorporated	158,200	540,095	2.06
<b>Total REAL ESTATE</b>		<b>540,095</b>	<b>2.06</b>



**NIKKO AM JAPAN DIVIDEND EQUITY FUND***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 30 June 2023 (unaudited)***By Industry (Primary) (continued)**

	Holdings at 30 June 2023	Fair value at 30 June 2023 JPY'000	Percentage of total net assets attributable to unitholders at 30 June 2023 %
<b>Quoted Equities (continued)</b>			
<b>RETAIL</b>			
K'S Holdings Corporation	425,900	534,717	2.04
Marui Group Company Limited	249,200	624,994	2.39
Sundrug Company Limited	125,200	534,354	2.04
<b>Total RETAIL</b>		<b>1,694,065</b>	<b>6.47</b>
<b>TELECOMMUNICATIONS</b>			
KDDI Corporation	126,200	561,590	2.14
Nippon Telegraph & Telephone Corporation	3,654,400	623,075	2.38
<b>Total TELECOMMUNICATIONS</b>		<b>1,184,665</b>	<b>4.52</b>
<b>TRANSPORTATION</b>			
Kamigumi Company Limited	70,800	230,808	0.88
Senko Group Holdings Company Limited	306,700	317,435	1.21
<b>Total TRANSPORTATION</b>		<b>548,243</b>	<b>2.09</b>
<b>Total Quoted Equities</b>		<b>24,793,754</b>	<b>94.64</b>
<b>Portfolio of investments</b>		<b>24,793,754</b>	<b>94.64</b>
<b>Other net assets</b>		<b>1,403,330</b>	<b>5.36</b>
<b>Net assets attributable to unitholders</b>		<b>26,197,084</b>	<b>100.00</b>

**NIKKO AM JAPAN DIVIDEND EQUITY FUND***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 30 June 2023 (unaudited)***By Industry (Summary)**

	<b>Percentage of total net assets attributable to unitholders at 30 June 2023 %</b>	<b>Percentage of total net assets attributable to unitholders at 31 December 2022 %</b>
Auto Manufacturers	5.02	4.55
Auto Parts & Equipment	3.14	4.09
Banks	7.09	7.27
Building Materials	6.60	7.26
Chemicals	10.70	10.98
Computers	5.17	6.40
Distribution/Wholesale	9.58	9.14
Diversified Financial Services	4.35	4.26
Electronics	8.00	8.36
Engineering and Construction	2.86	3.88
Hand/Machine Tools	2.13	2.03
Home Builders	2.28	2.37
Insurance	2.47	2.46
Internet	-	0.96
Machinery-Construction & Mining	0.47	1.90
Machinery-Diversified	2.22	-
Miscellaneous Manufacture	1.39	1.28
Office/Business Equipment	0.74	1.18
Packaging & Containers	1.01	2.03
Pharmaceuticals	4.28	2.60
Real Estate	2.06	1.94
Retail	6.47	5.80
Semiconductors	-	1.96
Telecommunications	4.52	4.68
Transportation	2.09	1.46
<b>Portfolio of investments</b>	<b>94.64</b>	<b>98.84</b>
<b>Other net assets</b>	<b>5.36</b>	<b>1.16</b>
<b>Net assets attributable to unitholders</b>	<b>100.00</b>	<b>100.00</b>

As the Fund invests wholly into Japanese equities, it is not meaningful to classify the investments into geography.

## NIKKO AM JAPAN DIVIDEND EQUITY FUND

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

### REPORT TO UNITHOLDERS

For the financial period from 01 January 2023 to 30 June 2023 (unaudited)

The following contains additional information relating to the Fund.

#### 1. Distribution of investments

Please refer to the Statement of Portfolio on pages 13 to 16.

#### 2. Credit rating of debt securities

Nil.

#### 3. Top 10 holdings

##### 10 Largest holdings at 30 June 2023

	Fair value JPY'000	Percentage of total net assets attributable to unitholders %
Mitsubishi UFJ Financial Group Incorporated	665,945	2.54
Toyota Motor Corporation	661,154	2.52
Toyota Tsusho Corporation	656,074	2.50
Honda Motor Company Limited	655,925	2.50
Tokio Marine Holdings Incorporated	647,088	2.47
Itochu Corporation	644,337	2.46
Sumitomo Mitsui Financial Group Incorporated	641,768	2.45
Mitsui & Company Limited	635,251	2.42
Marui Group Company Limited	624,994	2.39
Nippon Telegraph & Telephone Corporation	623,075	2.38

##### 10 Largest holdings at 30 June 2022

	Fair value JPY'000	Percentage of total net assets attributable to unitholders %
Toyota Motor Corporation	474,600	2.44
Itochu Corporation	471,210	2.42
Nippon Telegraph & Telephone Corporation	469,858	2.42
Daiwa House Industry Company Limited	458,490	2.36
Honda Motor Company Limited	449,165	2.31
Tokio Marine Holdings Incorporated	447,310	2.30
BIPROGY Incorporated	444,420	2.28
Shin-Etsu Chemical Company Limited	443,700	2.28
Sanwa Holdings Corporation	440,700	2.27
Mitsui & Company Limited	440,192	2.26

**NIKKO AM JAPAN DIVIDEND EQUITY FUND***(Constituted under a Trust Deed registered in the Republic of Singapore)***REPORT TO UNITHOLDERS***For the financial period from 01 January 2023 to 30 June 2023 (unaudited)***4. Exposure to financial derivatives**

	Fair value at 30 June 2023 JPY'000	Percentage of total net assets attributable to unitholders 30 June 2023 %	Unrealised gains/(losses) JPY'000	Realised gains/(losses) JPY'000
Forward foreign exchange contracts	<b>246,977</b>	<b>0.94</b>	<b>246,977</b>	<b>1,090,511</b>

**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:

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

**6. Collateral**

Nil.

**7. Securities lending or repurchase transactions**

Nil.

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

Nil.

**9. Borrowings**

Nil.

**NIKKO AM JAPAN DIVIDEND EQUITY FUND***(Constituted under a Trust Deed registered in the Republic of Singapore)***REPORT TO UNITHOLDERS***For the financial period from 01 January 2023 to 30 June 2023 (unaudited)***10. Amount of units created and cancelled for the financial period ended 30 June 2023**

	JPY'000
Units created	9,976,143
Units cancelled	(10,063,988)

**11. Turnover ratio**

		30 June 2023	30 June 2022
Lower of total value of purchases or sales	JPY'000	10,641,955	3,878,778
Average daily net asset value	JPY'000	21,841,343	17,838,749
<b>Total turnover ratio<sup>1</sup></b>	<b>%</b>	<b>48.72</b>	<b>21.74</b>

<sup>1</sup> 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.

**12. Expense ratio**

		30 June 2023	30 June 2022
<b><u>SGD Hedged Class</u></b>			
Total operating expenses	JPY'000	187,518	134,382
Average daily net asset value	JPY'000	10,822,436	7,878,291
<b>Total expense ratio<sup>2</sup></b>	<b>%</b>	<b>1.73</b>	<b>1.71</b>

		30 June 2023	30 June 2022
<b><u>USD Hedged Class</u></b>			
Total operating expenses	JPY'000	58,496	67,125
Average daily net asset value	JPY'000	3,370,526	3,935,828
<b>Total expense ratio<sup>2</sup></b>	<b>%</b>	<b>1.74</b>	<b>1.71</b>

		30 June 2023	30 June 2022
<b><u>SGD Class</u></b>			
Total operating expenses	JPY'000	48,332	45,775
Average daily net asset value	JPY'000	2,788,583	2,683,281
<b>Total expense ratio<sup>2</sup></b>	<b>%</b>	<b>1.73</b>	<b>1.71</b>

		30 June 2023	30 June 2022
<b><u>SGD Hedged Class B</u></b>			
Total operating expenses	JPY'000	14,191	20,053
Average daily net asset value	JPY'000	1,542,644	2,241,156
<b>Total expense ratio<sup>2</sup></b>	<b>%</b>	<b>0.92</b>	<b>0.89</b>

**NIKKO AM JAPAN DIVIDEND EQUITY FUND***(Constituted under a Trust Deed registered in the Republic of Singapore)***REPORT TO UNITHOLDERS***For the financial period from 01 January 2023 to 30 June 2023 (unaudited)***12. Expense ratio (continued)**

		<b>30 June 2023</b>	<b>30 June 2022</b>
<b><u>USD Hedged Class B</u></b>			
Total operating expenses	JPY'000	<b>74</b>	194
Average daily net asset value	JPY'000	<b>32,968</b>	28,177
<b>Total expense ratio<sup>2,3</sup> (annualised)</b>	<b>%</b>	<b>0.91</b>	0.89
		<b>30 June 2023</b>	<b>30 June 2022</b>
<b><u>JPY Class</u></b>			
Total operating expenses	JPY'000	<b>4,264</b>	-
Average daily net asset value	JPY'000	<b>307,770</b>	-
<b>Total expense ratio<sup>2</sup> (annualised)</b>	<b>%</b>	<b>1.74</b>	-
		<b>30 June 2023</b>	<b>30 June 2022</b>
<b><u>SGD Class B</u></b>			
Total operating expenses	JPY'000	<b>12,531</b>	-
Average daily net asset value	JPY'000	<b>3,192,903</b>	-
<b>Total expense ratio<sup>2</sup> (annualised)</b>	<b>%</b>	<b>0.92</b>	-
		<b>30 June 2023</b>	<b>30 June 2022</b>
<b><u>USD Class</u></b>			
Total operating expenses	JPY'000	<b>18,454</b>	-
Average daily net asset value	JPY'000	<b>2,499,429</b>	-
<b>Total expense ratio<sup>2</sup> (annualised)</b>	<b>%</b>	<b>1.73</b>	-

<sup>2</sup> 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.

<sup>3</sup> USD Hedged Class B was fully redeemed on 28 September 2022.

## NIKKO AM JAPAN DIVIDEND EQUITY FUND

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

### REPORT TO UNITHOLDERS

For the financial period from 01 January 2023 to 30 June 2023 (unaudited)

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#### 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 and valuation fee are payable to a related company of the Trustee, BNP Paribas acting through its Singapore Branch. Transfer agent fee is payable to BNP Paribas, acting through its Singapore Branch with effect from 1 April 2023.

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:

	<b>30 June 2023 JPY'000</b>	<b>31 December 2022 JPY'000</b>
Bank balances held with related party of the Trustee	<b>1,386,190</b>	760,343

#### 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 and the Sub-Managers, Nikko Asset Management Co., Ltd, currently do not receive or enter into any soft dollar commissions or arrangements.











