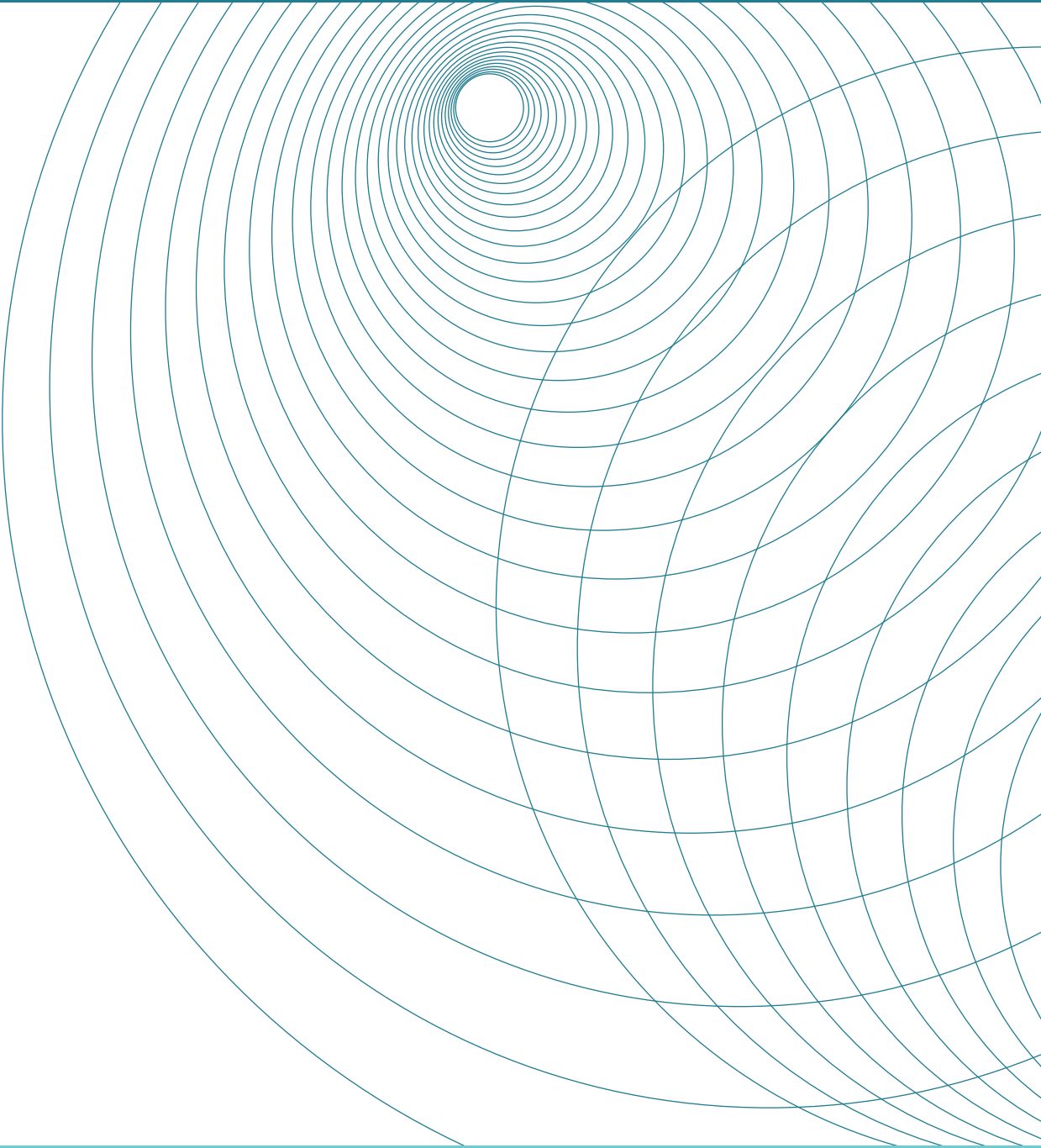

ANNUAL REPORT
Nikko AM Shenton Global Opportunities Fund
Financial year ended 31 December 2023



MANAGERS

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Singapore 018961
Company Registration No. 198202562H

DIRECTORS OF THE MANAGERS

Seet Oon Hui Eleanor
Yutaka Nishida
Hiroshi Yoh
Allen Yan

TRUSTEE & REGISTRAR

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AUDITORS

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CUSTODIAN

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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 Global Opportunities Fund - SGD Class ¹	5.09	0.33	10.10	0.62	10.19	8.64	4.95
Benchmark ²	7.31	4.54	20.19	5.68	11.09	7.89	3.29

Source: Nikko Asset Management Asia Limited and MSCI. 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 Global Opportunities Fund - SGD Class ¹	-0.16	-4.69	4.59	-1.09	9.06	8.09	4.74
Benchmark ²	7.31	4.54	20.19	5.68	11.09	7.89	3.29

Source: Nikko Asset Management Asia Limited and MSCI. 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.

Inception date: 5 March 1999

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Global Opportunities Fund - USD Class ¹	8.79	2.95	11.93	-0.24	N/A	N/A	7.63
Benchmark ²	11.03	7.26	22.20	5.75	N/A	N/A	9.80

Source: Nikko Asset Management Asia Limited and MSCI. 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 Global Opportunities Fund - USD Class ¹	3.35	-2.20	6.33	-1.93	N/A	N/A	6.42
Benchmark ²	11.03	7.26	22.20	5.75	N/A	N/A	9.80

Source: Nikko Asset Management Asia Limited and MSCI. 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: 11 June 2019

Note:

- (1) With effect from 17 October 2011, the Fund (formerly known as “Shenton Global Opportunities Fund”) has been renamed Nikko AM Shenton Global Opportunities Fund.

The following changes were made to the Fund with effect from 16 March 2015:

- a. the appointment of Nikko Asset Management Co., Ltd (“NAM Japan”) as the investment adviser for the Fund has been terminated and Nikko Asset Management Europe Ltd (“NAM Europe”) has been appointed as the sub-manager of the Fund; and
- b. the base currency of the Fund was changed from Singapore dollars to United States dollars.

With effect from 22 April 2020, the Fund is included under the Central Provident Fund (“CPF”) Investment Scheme – Ordinary Account and is classified by the CPF Board under the category “Higher Risk – Broadly Diversified”.

- (2) With effect from 1 May 2019, the benchmark against which the performance of the Nikko AM Shenton Global Opportunities Fund is measured, i.e. the MSCI World Free Index (Net Total Return), has been changed to the MSCI AC World Index (Net Total Return). Prior to 1 May 2017, the performance returns of the benchmark was calculated using price index methodology. With effect from 1 May 2017, it is calculated using net total return index methodology.

Neither MSCI nor any other party involved in or related to compiling, computing or creating the MSCI data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all merchantability or fitness for a particular purpose with respect to any of such data. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in or related to compiling, computing or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the MSCI data is permitted without MSCI’s express written consent.

Portfolio Review***Fund returned 10.10% in SGD terms in 2023***

For the 12 months ended 31 December 2023, the Nikko AM Shenton Global Opportunities Fund SGD Class (the “Fund”) returned 10.10% (SGD terms, on a NAV-NAV basis), underperforming the MSCI AC World Index which returned 20.19% over the same period.

The main contributors to performance in 2023 included Booking.com, Microsoft Corporation, Burford, Schneider and Accenture. Booking.com delivered strong upgrades over the year as travel volumes continued their recovery after the disruption caused by COVID-19 and the travel restrictions introduced to curtail its spread. Booking.com has been one of the strongest performers in the travel sector as the company gained further market share in the online travel sector. The recovery in outbound tourism from China remains ahead of us which may mitigate headwinds from a softer western market in 2024, though some of the risks from a developed market slowdown are contained within Booking.com’s below average rating. Microsoft shares climbed following better-than-expected results throughout the year, delivering strong performance in both Cloud and Professional businesses. Management is confident about the outlook on earnings and demand for artificial intelligence (AI) infrastructure is already proving to be a growth tailwind. The main highlight in the results has been the re-acceleration in growth of Azure revenues, attributable to a better-than-anticipated benefit from AI workloads. The company management also added a longer duration to its Azure guidance. Burford is the global leader in litigation finance and the shares have been weighed down by a large pending court case in a claim of substantial funds against the Argentinian government owned entity, YPF.

YPF was listed on the Buenos Aires Stock Exchange and NYSE in 1993 by Argentina, with promises not to renationalise it, and in the event of renationalisation, to pay a very high price for the shares by tender offer. In 2012, the company was renationalised, without a tender offer. Burford defended a shareholder, Peterson, in their claim and the independent international judge has ruled in favour of the claimant and therefore to the benefit of Burford. The size of this victory was large enough to double the shares between the point of announcement and the end of the year. Schneider delivered both top line and profit growth ahead of market consensus and importantly lifted their mid-term revenue growth expectations (7–10% organic growth from 2023–2027) and margin objectives (50-bps improvement). It was not all clear sailing over the year, as the long standing and well-regarded CEO decided to move into the role of Chairman and was replaced by the head of the automation division from within the business. Despite these changes, the company has continued to exceed expectations and given their exposure to both AI, with data centre energy management expertise or their expertise in electrical efficiency and grid management, the company looks well positioned to continue to perform well. Accenture delivered strong results over the year as digital transformation continued and project work geared at delivering AI solutions for clients accelerated. The company along with the whole IT sector enjoyed a strong 2023 and as a beneficiary of AI, Accenture was able to participate in the gains.

2023 will be remembered by the concentration of market returns and the “Magnificent Seven”, namely Nvidia, Meta, Apple, Amazon, Alphabet, Tesla and Microsoft. At the start of the year, we owned just one—Microsoft—and it was one of our top performing stocks for the year. Not holding the others for the first half of 2023 was painful. In our view, we remain in the early stages of a major adoption cycle in AI and hence we made investments in both Nvidia and Meta in 3Q23. However, not owning the “Magnificent Seven” (excluding Microsoft) cost the fund more than 500 bps over the course of the year. Otherwise, AdaptHealth Corp, Diageo and Masimo were among the detractors from performance in 2023. AdaptHealth gave disappointing financial results during the year. Their diabetes business has continued to slow as innovation by Insulet effectively removes a revenue stream from Adapt, and management has been slow to react. The company announced that the CEO would be leaving the business because of the persistent underperformance. We sold our holding in 1H23 as our conviction in the management and franchise quality of the business waned. The shares have since materially underperformed the market. Consumer staples stocks have generally failed to keep pace with the rising market and Diageo was no different. A broker downgrade of the stock (reflecting a potential normalisation in US demand for the company’s products after a boom during COVID-19), served to further sour sentiment towards the stock which led to marked underperformance over the course of 2023. The drivers of the disappointing financial performance for Masimo impacted both their healthcare and non-healthcare businesses. In healthcare, they saw some contracts slip into the second half as hospitals continued to struggle with staffing challenges and capital budget pressures. Meanwhile, in non-healthcare, the problem was slowing US housing activity, which impacts their consumer audio business. We believe both issues to be temporary and cyclical in nature and expect the shares to deliver outperformance in 2024.

Market Review

2023 characterised by a strong market environment

What a difference a year makes. In sharp contrast to last year, 2023 delivered a strong market environment with an added Christmas bonus of strong fourth-quarter returns amid growing excitement that central banks will cut interest rates sooner than previously expected. The MSCI AC World index delivered over 22% gains over the year, with the final quarter contributing approximately half of that gain.

Simplistically, returns for the year were dominated by the rise and shape of the US ten-year yields and the acceleration in AI, which drove returns for the largest 7 stocks in the market—otherwise known as the “Magnificent Seven”.

Unsurprisingly, IT was the best performing sector, delivering 50% returns over the year. The sector started the year strongly, reversing 4Q22 losses as investors recognised some of the more defensive attributes offered by the large cap technology names, such as strength in balance sheet or in the case for companies like Apple, strong pricing power. Share price performance was then super charged in late March, when Open AI launched GPT-4 and then in 2Q23 when Nvidia confirmed a ramp-up in sales caused by significant interest in AI. That momentum spread beyond IT into the communication services sector which gained 38% and consumer discretionary sector which gained 29% over the year. These gains were largely due to the inclusion of Meta, Alphabet and Amazon within those sectors, and the AI momentum was maintained into year end.

The other major force driving returns in 2023 was interest rates. As Warren Buffet is famed for saying, “only when the tide goes out do you find out who was swimming naked”, and hence the speed and scale of rising interest rates had its first major casualty in March 2023, when there was a run on US regional banks, leading to the fall of Silicon Valley Bank and the takeover of Credit Suisse First Boston by UBS. There was a fear that this might filter into other parts of the market, but it would appear that central banks and authorities managed to control any potential contagion.

An interesting repercussion of rising interest rates was the impact on money flows out of the defensive sectors. Each of utilities, consumer staples and healthcare, all significantly underperformed the index (0%, 2.5% & 3.5% returns respectively). The main reason for this was the reversal of money flows away from these bond proxy sectors and into other asset classes, which for the first time in a while offered more secure and elevated yields.

A further casualty of rising interest rates was the continued underperformance of loss-making companies and in particular clean tech. This was despite the hottest day ever on record being recorded in July, orange smoke from Canadian wildfires seen in New York and wildfires in Hawaii, among other catastrophes. Central banks may have a semblance of control over markets but have nothing on mother nature. Fiscal authorities have stepped up in the last few years and 2023 was no exception with further guidelines being set for the Inflation Reduction Act. While records for the global production of coal have been broken, so have government debt levels, with the US deficit passing its USD 31.4 trillion ceiling in July.

The fourth quarter started with the horrific attack by Hamas on Israel and the realisation that tensions in the Middle East would escalate and likely stay raised for some time. Despite elevated risks that things might spill over into other oil producing regions within the region and impacts on crude flows through the Red Sea, energy was a poor performer, rising 5% over the year. The poor performance of the commodities space led to regions such as Canada, Australia and to a degree UK underperforming the wider market.

Finally, the year started with the end of China's zero-COVID policy and reinstatement of Xi Jinping as president for an unprecedented third term, yet the initial expectation for a China recovery that mirrored the West did not materialise. The scale of the debt-fuelled property sector has weighed on sentiment and confidence in China which led to Hong Kong being the worst performing region falling by 8%, while GEM Asia also underperformed significantly (up only 8% over the year).

Market Outlook and Strategy

The four guiding principles of our Future Quality philosophy remain our investment compass
Scotland is famous for whisky and golf. At this time of year, with New Year's Eve celebrations just passed, there is more whisky drinking than golf played, though a few hardy souls can be seen playing “Links” courses whatever the weather.

Links courses are built on sandy soil near the sea. The term “Links” comes from an Old Scots word for “ridge” and represents the barren, unproductive ground between the rough seas and the agricultural heartlands. The first such course was built in Scotland in the early 1600s, and if you know your golf, you will be well aware of famous Scottish Links courses such as St Andrews Old Course or Royal Troon, where this year’s Open will be played.

2023’s returns have largely been formed by two phenomena—the shape of interest rates and concentration in markets and in particular AI. In short, the goldilocks scenario—tamed inflation and resilient growth—appears to be upon us. However, it is easy to be tricked while standing on the first tee. The investment climate can change quickly—sometimes predictably like a storm sweeping in from the sea. Sometimes it is simply out of the blue. Our investment outlook is important as it provides a chance to reflect and then refocus on finding investments that can prosper with uncertainty—whatever the weather. As active fund managers, we do not have the luxury of being just fair-weather golfers which is why having a focus such as Future Quality is crucial.

2023’s concentration of returns in equity markets may “feel” unusual but is not unprecedented and has been supported with pricing power, healthy balance sheets and strong cashflow margins. However, perhaps in 2024, we will see a divergence within that cohort as some continue to deliver upgrades, while others falter? AI is likely to continue to dominate markets, and we have made significant changes to the portfolio to reflect what we believe remains the early stage of a major adoption cycle in AI. Major new use cases of AI innovation may be hard to identify but the “picks and shovels” beneficiaries such as Nvidia, Broadcom and Synopsys, should continue to deliver high and improving returns for some time.

2024 will also be dominated by politics, with over 40% of the world’s population going to the polls—8 of the top 10 most populous countries—such as Bangladesh, Brazil, Indonesia, India, Mexico, Russia and of course the US. These election results will undoubtedly have an impact on the future investment environment. Will the fiscal largesse continue, or shall we see a shift to greater protectionism? What will happen in Taiwan, Middle East or Ukraine?

Climate change does not stop for war or the ballot box. Security of energy has been the primary goal for most regions, and particularly those emerging markets, which rightfully look at developed market living standards with envy. Despite COP28, emerging market consumption of coal continues to grow while developed markets transition. An increasing focus on energy security is unlikely to be disrupted while the globe continues its split into regional trading blocs while policies to strengthen reshoring will undoubtedly continue.

At the other end of the 2023 performance spectrum, healthcare has suffered from bond proxy outflows and an inventory overhang caused by COVID. We believe these headwinds are largely behind us and are becoming increasingly more confident that our patience will be rewarded as investors return to the sector as they begin to appreciate a combination of strong growth and low valuations. Healthcare holdings that are set for a reversal in fortunes in 2024 includes Abbott, Bio-Techne and Danaher, to name a few.

In prior years we have talked about opportunities in energy transition and travel, and although they should continue to deliver outsized returns, many of our companies do not sit neatly into such themes. However, they do display similar characteristics, such as market share gainers, like Progressive or underappreciated growth companies like Haleon. These companies form the backbone of the portfolio, each displaying future quality characteristics on their own right.

So we stand at the first tee and the sky above is clear and yet there are clouds on the horizon. The four guiding principles of our Future Quality philosophy will remain our investment compass in these challenging conditions. Our focus on franchise quality and management quality allows us to look forward with optimism, whilst balance sheet quality and valuation discipline provide something of a safety net, in case the environment changes.

Links courses are also famous for “pot bunkers”—areas of deep sand or in equity parlance profit warnings—which are famously difficult to get out of and can ruin a round of golf. Fund management, like golf, can teach you humility and 2023 was indeed one of those years, when we hit too many pot bunkers. As result we have learned a lot and increased our guard against finding more this year. We therefore tee off 2024 with confidence as we apply our Future Quality philosophy with even more rigour.

“The greatest thing about tomorrow is I’ll be better than I am today”—Tiger Woods.

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 GLOBAL OPPORTUNITIES FUND

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

REPORT OF THE TRUSTEE

For the financial year ended 31 December 2023

The Trustee is under a duty to take into custody and hold the assets of Nikko AM Shenton Global Opportunities Fund (the "Fund") in trust for the unitholders. In accordance with the Securities and Futures Act 2001, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting year and report thereon to unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Fund during the financial year covered by these financial statements, set out on pages 14 to 33, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee
BNP Paribas Trust Services Singapore Limited

Authorised signatory
27 March 2024

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND

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

STATEMENT BY THE MANAGER

For the financial year ended 31 December 2023

In the opinion of Nikko Asset Management Asia Limited, the accompanying financial statements set out on pages 14 to 33, comprising the Statement of Total Return, Statement of Financial Position, Statement of Movements of Unitholders' Funds, Statement of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position and the portfolio holdings of Nikko AM Shenton Global Opportunities Fund (the "Fund") as at 31 December 2023, and the financial performance and movements in unitholders' funds for the financial year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the Fund will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager
Nikko Asset Management Asia Limited

Authorised signatory
27 March 2024

INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND
(Constituted under a Trust Deed registered in the Republic of Singapore)

Our Opinion

In our opinion, the accompanying financial statements of Nikko AM Shenton Global Opportunities Fund (the "Fund"), are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants ("RAP 7"), so as to present fairly, in all material respects, the financial position and portfolio holdings of the Fund as at 31 December 2023, and the financial performance and movements of unitholders' funds for the financial year ended on that date.

What we have audited

The financial statements of the Fund comprise:

- the Statement of Total Return for the financial year ended 31 December 2023;
- the Statement of Financial Position as at 31 December 2023;
- the Statement of Movements of Unitholders' Funds for the financial year then ended;
- the Statement of Portfolio as at 31 December 2023; and
- the notes to the financial statements, including material accounting policy information.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

We are independent of the Fund in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Other Information

The Fund's Manager (the "Manager") is responsible for the other information. The other information comprises all sections of the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Emphasis of Matter

We draw your attention to Note 2(a) to the financial statements which states that the Manager intends to terminate the Fund on 14 May 2024. As a result, the financial statements have been prepared on a liquidation basis of accounting. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND
(Constituted under a Trust Deed registered in the Republic of Singapore)

Responsibilities of the Manager for the Financial Statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of RAP 7 and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Fund or to cease the Fund's operations, or has no realistic alternative but to do so. Note 2(a) to the financial statements refers to the intention of the Manager to terminate the Fund.

The Manager's responsibilities include overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of Manager's use of the going concern basis of accounting. When such use is inappropriate and the Manager uses an alternative basis of accounting, we conclude whether the alternative basis used by management is acceptable in the circumstances. We also evaluate the adequacy of the disclosures describing the alternative basis of accounting and reasons for its use. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND
(Constituted under a Trust Deed registered in the Republic of Singapore)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 27 March 2024

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF TOTAL RETURN***For the financial year ended 31 December 2023*

	Note	2023 US\$	2022 US\$
Income			
Dividends		1,904,678	1,559,562
Interest on cash and cash equivalents		123,921	31,548
Other income		-	304
		2,028,599	1,591,414
Less: Expenses			
Management fee		1,835,107	1,923,828
Transfer agent fee		32,237	35,854
Trustee fee		147,349	152,221
Custody fee		20,260	21,204
Audit fee		12,366	10,582
Valuation fee		66,307	68,499
Transaction costs		151,424	195,540
Other expenses*		81,916	12,627
		2,346,966	2,420,355
Net losses		(318,367)	(828,941)
Net gains or losses on value of investments			
Net gains/(losses) on investments		15,745,043	(40,092,156)
Net foreign exchange (losses)/gains		(52,027)	33,540
		15,693,016	(40,058,616)
Total return/(deficit) for the financial year before income tax		15,374,649	(40,887,557)
Less: Income tax	3	(296,282)	(410,294)
Total return/(deficit) for the financial year after income tax		15,078,367	(41,297,851)

* The balances included non-audit related fees paid to a network firm of the Fund's Auditor which amounted to Nil for 2023 (2022: USD 6,535)

The accompanying notes form an integral part of these financial statements

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

	Note	2023 US\$	2022 US\$
ASSETS			
Portfolio of investments		142,192,831	140,617,837
Receivables	4	876,552	1,145,147
Cash and cash equivalents		1,495,238	2,681,723
Total assets		144,564,621	144,444,707
LIABILITIES			
Payables	5	1,940,147	912,895
Total liabilities		1,940,147	912,895
EQUITY			
Net assets attributable to unitholders	6	142,624,474	143,531,812

The accompanying notes form an integral part of these financial statements

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS***For the financial year ended 31 December 2023*

	Note	2023 US\$	2022 US\$
Net assets attributable to unitholders at the beginning of the financial year		143,531,812	246,684,754
Operations			
Change in net assets attributable to unitholders resulting from operations		15,078,367	(41,297,851)
Unitholders' contributions/(withdrawals)			
Creation of units		33,876,276	57,342,845
Cancellation of units		(49,861,981)	(119,197,936)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		(15,985,705)	(61,855,091)
Total decreases in net assets attributable to unitholders		(907,338)	(103,152,942)
Net assets attributable to unitholders at the end of the financial year	6	142,624,474	143,531,812

The accompanying notes form an integral part of these financial statements

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

	Holdings at 31 December 2023	Fair value at 31 December 2023 US\$	Percentage of total net assets attributable to unitholders at 31 December 2023 %
Quoted Equities			
AUSTRALIA			
Worley Limited	311,976	3,716,808	2.61
Total AUSTRALIA		3,716,808	2.61
BRITAIN			
Compass Group Public Listed Company	151,306	4,139,203	2.90
Diageo Public Listed Company	65,063	2,368,771	1.66
Haleon Public Listed Company	983,599	4,033,040	2.83
Linde Public Listed Company	6,973	2,864,229	2.01
Rentokil Initial Public Listed Company	398,496	2,239,218	1.57
Total BRITAIN		15,644,461	10.97
FRANCE			
Schneider Electric SE	14,234	2,858,234	2.00
Total FRANCE		2,858,234	2.00
INDIA			
HDFC Bank Limited	176,367	3,620,543	2.54
Total INDIA		3,620,543	2.54
INDONESIA			
Bank Mandiri Persero TBK PT	9,250,600	3,634,872	2.55
Total INDONESIA		3,634,872	2.55
IRELAND			
Accenture Public Listed Company	10,176	3,572,794	2.50
Total IRELAND		3,572,794	2.50
JAPAN			
Hoya Corporation	30,600	3,825,543	2.68
Sony Group Corporation	33,200	3,157,980	2.22
Total JAPAN		6,983,523	4.90
SINGAPORE			
DBS Group Holdings Limited	105,900	2,682,210	1.88
Total SINGAPORE		2,682,210	1.88
SPAIN			
Amadeus IT Group SA	42,542	3,048,972	2.14
Total SPAIN		3,048,972	2.14
SWEDEN			
Hexagon AB	260,563	3,116,822	2.18
Total SWEDEN		3,116,822	2.18
TAIWAN			
Taiwan Semiconductor Manufacturing Company Limited	185,000	3,574,560	2.51
Total TAIWAN		3,574,560	2.51

The accompanying notes form an integral part of these financial statements

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

	Holdings at 31 December 2023	Fair value at 31 December 2023 US\$	Percentage of total net assets attributable to unitholders at 31 December 2023 %
Quoted Equities (continued)			
UNITED STATES OF AMERICA			
Abbott Laboratories	32,273	3,552,935	2.49
Amphenol Corporation	31,623	3,135,737	2.20
Bio-Techne Corporation	37,387	2,884,781	2.02
Booking Holdings Incorporated	948	3,362,765	2.36
Broadcom Incorporated	3,495	3,901,748	2.74
Cencora Incorporated	18,573	3,813,780	2.67
ChampionX Corporation	62,710	1,831,759	1.28
Coca-Cola Company	59,813	3,524,780	2.47
Danaher Corporation	13,099	3,031,371	2.13
Elevance Health Incorporated	6,357	2,997,707	2.10
Encompass Health Corporation	51,285	3,421,735	2.40
Intercontinental Exchange Incorporated	27,227	3,496,764	2.45
Masimo Corporation	15,404	1,805,503	1.27
Meta Platforms Incorporated	14,449	5,114,368	3.59
Microsoft Corporation	28,889	10,859,664	7.61
Netflix Incorporated	9,664	4,705,208	3.30
Nvidia Corporation	12,006	5,945,611	4.17
O'Reilly Automotive Incorporated	2,375	2,256,440	1.58
Palomar Holdings Incorporated	43,658	2,423,019	1.70
Progressive Corporation	17,104	2,725,522	1.91
Ryan Specialty Holdings Incorporated	60,505	2,602,925	1.82
Samsonite International SA	1,023,600	3,375,478	2.37
Schlumberger Limited	64,302	3,346,276	2.35
Synopsys Incorporated	7,039	3,624,451	2.54
TransUnion	29,089	1,998,705	1.40
Total UNITED STATES OF AMERICA		89,739,032	62.92
Total Quoted Equities		142,192,831	99.70
Portfolio of investments		142,192,831	99.70
Other net assets		431,643	0.30
Net assets attributable to unitholders		142,624,474	100.00

The accompanying notes form an integral part of these financial statements

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

	Percentage of total net assets attributable to unitholders at 31 December 2023 %	Percentage of total net assets attributable to unitholders at 31 December 2022 %
Quoted Equities		
Australia	2.61	2.75
Britain	10.97	12.12
France	2.00	1.80
Hong Kong SAR	-	2.23
India	2.54	3.12
Indonesia	2.55	-
Ireland	2.50	3.60
Israel	-	1.64
Japan	4.90	1.95
Netherlands	-	0.72
Singapore	1.88	2.07
Spain	2.14	1.69
Sweden	2.18	2.10
Taiwan	2.51	2.07
United States of America	62.92	58.27
Total Quoted Equities	99.70	96.13
Quoted Real Estate Investment Trust		
United States of America	-	1.84
Total Quoted Real Estate Investment Trust	-	1.84
Portfolio of investments	99.70	97.97
Other net assets	0.30	2.03
Net assets attributable to unitholders	100.00	100.00

The accompanying notes form an integral part of these financial statements

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2023***By Industry (Secondary)**

	Fair value at 31 December 2023 US\$	Percentage of total net assets attributable to unitholders at 31 December 2023 %	Percentage of total net assets attributable to unitholders at 31 December 2022 %
Apparel	3,375,478	2.37	-
Banks	9,937,625	6.97	2.07
Beverages	5,893,551	4.13	5.53
Chemicals	2,864,229	2.01	2.34
Commercial Services	7,286,895	5.11	7.58
Computers	3,572,794	2.51	4.42
Cosmetics/Personal Care	4,033,040	2.83	-
Diversified Financial Services	3,496,764	2.45	6.85
Electrical Component & Equipment	2,858,234	2.00	4.23
Electronics	6,961,280	4.88	-
Energy-Alternate Sources	-	-	1.64
Engineering and Construction	3,716,808	2.61	-
Food	-	-	1.87
Food Service	4,139,203	2.90	3.33
Healthcare-Products	11,274,590	7.91	10.92
Healthcare-Services	6,419,442	4.50	6.70
Home Furnishings	3,157,980	2.21	1.95
Insurance	7,751,466	5.43	6.55
Internet	13,182,341	9.24	2.29
Machinery-Diversified	3,116,822	2.19	5.81
Miscellaneous Manufacture	-	-	1.94
Oil and Gas Services	5,178,035	3.63	3.16
Pharmaceuticals	3,813,780	2.67	2.17
Real Estate Investment Trusts (REITS)	-	-	1.84
Retail	2,256,440	1.58	4.53
Semiconductors	13,421,919	9.41	2.07
Software	14,484,115	10.16	8.18
Portfolio of investments	142,192,831	99.70	97.97
Other net assets	431,643	0.30	2.03
Net assets attributable to unitholders	142,624,474	100.00	100.00

The accompanying notes form an integral part of these financial statements

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

Nikko AM Shenton Global Opportunities Fund (the "Fund") is a Singapore domiciled fund constituted by a Trust Deed dated 10 October 1996 as amended by Supplemental Deeds and Amended and Restated Deeds (collectively referred to as the "Deeds"). The Deeds are governed by the laws of the Republic of Singapore. The Trustee of the Fund is BNP Paribas Trust Services Singapore Limited (the "Trustee"). The Manager of the Fund is Nikko Asset Management Asia Limited (the "Manager"). The Sub-Manager of the Fund is Nikko Asset Management Europe Ltd (the "Sub-Manager"). The Sub-Manager has further appointed Nikko Asset Management Americas, Inc. ("NAM Americas") to carry out global equities trading for the Fund during business contingencies.

There are currently three classes of units established within the Fund, namely SGD Class, USD Class and RMB Class. The classes differ in terms of their class currency, the management fees and the minimum subscription amounts applicable. As of 31 December 2023 and 2022, only units in the SGD Class and USD Class have been issued.

2. Material accounting policy information

The principal accounting policies applied in the preparation of these financial statements are set out below:

(a) Basis of preparation

Pursuant to a notice to unitholders dated 13 December 2023, the Manager has taken a decision to merge the Fund with Nikko AM Global Umbrella Fund – Nikko AM Global Equity Fund and to terminate the Fund on 14 May 2024. The financial statements of the Fund have been prepared on a liquidation basis of accounting, and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" ("RAP 7") issued and revised by the Institute of Singapore Chartered Accountants in August 2023 for the financial year beginning on or after 1 January 2023.

The adoption of the revised RAP 7 did not result in substantial changes to the accounting policies of the Fund and had no material effect on the amounts reported for the current or prior years. Provisions have been made to write down the assets to their realisable values, as well as for all expected liabilities that may arise from the termination of the Fund.

(b) Recognition of income

Dividend income from investments is recognised when the right to receive payment is established.

Interest income is recognised on a time-proportion basis using the effective interest rate method.

(c) Investments

Investments are classified as financial assets at fair value through profit or loss.

(i) *Initial recognition*

Purchases of investments are recognised on the trade date. Investments are recorded at fair value on initial recognition.

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. Material accounting policy information (continued)

(c) Investments (continued)

(ii) *Subsequent measurement*

Investments are subsequently carried at fair value. Net change in fair value on investments is included in the Statement of Total Return in the year in which they arise.

(iii) *Derecognition*

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sales of investments are computed on the basis of the difference between the weighted average cost and selling price gross of transaction costs, and are taken up in the Statement of Total Return.

(d) Basis of valuation of investments

The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at the close of trading on the reporting date. The quoted market price used for investments held by the Fund is the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of fair value.

(e) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are initially recognised at their fair value and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

(f) Sales and purchases awaiting settlement

Sales and purchases awaiting settlement represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the Statement of Financial Position date respectively. These amounts are recognised initially at fair value and subsequently measured at amortised cost.

(g) Payables

Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks which are subject to an insignificant risk of changes in value.

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. Material accounting policy information (continued)

(i) Foreign currency translation

(i) *Functional and presentation currency*

The Fund qualifies as an authorised scheme under the Securities and Futures Act 2001 ("SFA") of Singapore and is offered to retail investors in Singapore. The Fund's activities are substantially based in Singapore, with subscriptions and redemptions of the units of the Fund denominated in United States Dollar ("USD") and Singapore Dollar ("SGD").

The performance of the Fund is measured and reported to the investors in United States Dollar. The Manager considers the United States Dollar as the currency which most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are expressed in United States Dollar, which is the Fund's functional and presentation currency.

(ii) *Transactions and balances*

Foreign currency monetary assets and liabilities are translated into United States Dollar at the rates of exchange prevailing at the date of the Statement of Financial Position. The net unrealised gain or loss is taken to the Statement of Total Return within the net foreign exchange gain or loss. Transactions during the year are recorded in United States Dollar at the rates of exchange ruling on transaction dates. All realised gains or losses are recognised in the Statement of Total Return.

(j) Expenses

Expenses are recognised in the Statement of Total Return as the related services are performed.

(k) Management fee

Management fee expense is recognised on an accrual basis and in accordance with the Prospectus. Management fee is recognised as an expense over the period for which the service is provided. The management fee charged on any investment in other unit trusts managed by the Manager is rebated back to the Fund, where applicable.

(l) Creation and cancellation of units

Units are issued and redeemed at the prices based on the Fund's net asset value per unit at the time of issue or redemption for each respective class. The Fund's net asset value per unit is calculated by dividing the net asset attributable to the unitholders of each class of units.

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

3. Income tax

The Manager and Trustee of the Fund have assessed and are satisfied that the Fund has met the requisite conditions under the Designated Unit Trust (DUT) scheme for the current financial year. The Manager and Trustee of the Fund will ensure that the Fund fulfils its reporting obligations under the DUT Scheme.

Under the DUT Scheme, certain income of the DUT fund is not taxable in accordance with Sections 35(12) and 35(12A) of the Income Tax Act 1947. Such income includes:

- (a) gains or profits derived from Singapore or elsewhere from the disposal of securities;
- (b) interest (other than interest for which tax has been deducted under section 45 of the Income Tax Act 1947);
- (c) dividends derived from outside Singapore and received in Singapore;
- (d) gains or profits derived from foreign exchange transactions, transactions in futures contracts, transactions in interest rate or currency forwards, swaps or option contracts and transactions in forwards, swaps or option contracts relating to any securities or financial index;
- (e) discount prepayment fees, redemption premium and break cost from qualifying debt securities issued during the prescribed period; and
- (f) distributions from foreign unit trusts derived from outside Singapore and received in Singapore.

Income tax for the financial year ended 31 December 2023 and 2022 comprises:

	2023 US\$	2022 US\$
Singapore income tax	100	-
Overseas income tax	296,182	410,294
	296,282	410,294

The Singapore income tax represents mainly tax charge on other income received but derived from outside Singapore. The overseas income tax represents tax deducted at source on dividend derived from outside Singapore.

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2023***4. Receivables**

	2023	2022
	US\$	US\$
Receivable from unitholders for creation of units	833,735	1,080,628
Dividends receivable	42,817	64,519
	876,552	1,145,147

5. Payables

	2023	2022
	US\$	US\$
Payable to unitholders for cancellation of units	1,256,861	375,682
Amount due to the Manager	477,302	463,773
Amount due to the Trustee	119,358	37,175
Valuation fee payable	53,711	16,729
Transfer agent fee payable	9,371	3,015
Provision for audit fee	12,233	10,870
Custody fee payable	10,343	5,094
Provision for tax liabilities	100	-
Other payables	868	557
	1,940,147	912,895

Amount due to the Manager comprises management fee payable to Nikko Asset Management Asia Limited. Trustee fee is payable to BNP Paribas Trust Services Singapore Limited. Custody fee and valuation fee are payable to 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.

6. Units in issue

During the financial year ended 31 December 2023 and 2022, the number of units issued, redeemed and outstanding were as follows:

<u>SGD Class</u>	2023	2022
Units at beginning of the financial year	99,461,545	92,452,422
Units created	22,344,760	37,600,578
Units cancelled	(33,520,122)	(30,591,455)
Units at end of the financial year	88,286,183	99,461,545
Net assets attributable to unitholders - US\$	142,327,519	143,264,518
Net asset value per unit - US\$	1.612	1.440

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2023***6. Units in issue (continued)**

<u>USD Class</u>	2023	2022
Units at beginning of the financial year	214,007	48,406,038
Units created	33,409	358,364
Units cancelled	(34,984)	(48,550,395)
Units at end of the financial year	212,432	214,007
Net assets attributable to unitholders - US\$	296,955	267,294
Net asset value per unit - US\$	1.398	1.249

A reconciliation of the net asset value as reported in the Statement of Financial Position to the net asset value as determined for the purpose of processing unit subscription and redemption is provided below:

<u>SGD Class</u>	2023 US\$	2022 US\$
Net assets attributable to unitholders per financial statements per unit	1.612	1.440
Effect for movement in the net assets value between the last dealing date and the end of the reporting period [^]	-*	-*
Effect if adjustments of bid-ask prices per unit	-*	-*
Net assets attributable to unitholders for issuing/redeeming per unit	1.612	1.440

<u>USD Class</u>	2023 US\$	2022 US\$
Net assets attributable to unitholders per financial statements per unit	1.398	1.249
Effect for movement in the net assets value between the last dealing date and the end of the reporting period [^]	-*	-*
Effect if adjustments of bid-ask prices per unit	-*	-*
Net assets attributable to unitholders for issuing/redeeming per unit	1.398	1.249

[^] The net asset value for the purposes of processing unit subscription and redemption was established in accordance with the methodology indicated in the Fund's Prospectus. This item reflects the movement in net asset value between the last dealing date and the end of reporting period due to accrual of operating expenses.

* Effect is less than 0.001.

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

7. Financial risk management

The Fund's activities expose it to a variety of risk, including but not limited to market risk (including price risk, interest rate risk and currency risk), liquidity risk and credit risk. The Manager is responsible for the implementation of the overall risk management programme, which seeks to minimise potential adverse effects on the Fund's financial performance. Specific guidelines on exposures to individual securities and certain industries and/or countries are in place as part of the overall financial risk management to reduce the Fund's exposures to these risks.

The Fund's objective is to achieve medium to long term capital appreciation by investing primarily in equities of developed and emerging markets.

These financial instruments are held in accordance with the published investment policies of the Fund and managed accordingly to achieve the investment objectives.

(a) Market risk - Price risk

Price risk is the risk that arises from uncertainties about future prices of financial instruments.

The Fund's investment is substantially dependent on the changes of market prices. The Fund's overall market positions are monitored regularly so as to assess any deviation from the Fund's investment objective. However, events beyond reasonable control of the Manager could affect the prices of the underlying investments and hence the net asset value of the Fund.

The benchmark against which the performance of the Fund is measured is the MSCI AC World Index (Net Total Return) (the "Benchmark").

As at 31 December 2023, an increase/decrease of the index component within the Benchmark by 16% (2022: 19%), with all other variables remaining constant, the net assets attributable to unitholders for the year would increase/decrease by approximately 16% (2022: 18%). The analysis was based on the assumptions that the index components within the Benchmark increased/decreased by a reasonable possible shift, with all other variables held constant and that the fair value of Fund's investments moved according to the beta. Reasonable possible changes in market index percentage are revised annually depending on the Manager's current view on market volatility and other relevant factors.

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

7. Financial risk management (continued)

(b) Market risk - Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates (fair value risk).

Investment funds that invest in equity securities may be subject to interest rate risk as any interest rate change may affect the equity risk premium though at varying degrees. To manage this risk, the Manager analyses how interest rate changes may affect different industries and securities and then seeks to adjust the Fund's portfolio investments accordingly.

However, the effects of changes in interest rates on the Fund's portfolio may not be quantified as the relationship between the interest rates and the value of equity securities is indirect. Hence, no sensitivity analysis has been presented separately.

(c) Market risk - Currency risk

Currency risk is the risk that the value of financial instrument will fluctuate due to changes in foreign exchange rates.

To minimise currency risk, the Fund mainly holds its excess cash in its functional currency. For hedging purposes, the Fund may also enter into forward foreign exchange contracts.

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

7. Financial risk management (continued)

(c) Market risk - Currency risk (continued)

The tables below summarise the Fund's exposure to currency risks.

As at 31 December 2023	USD US\$	SGD US\$	EUR US\$	GBP US\$	JPY US\$	HKD US\$	TWD US\$	Others US\$	Total US\$
Assets									
Portfolio of investments	92,800,577	2,682,210	5,907,206	12,780,232	6,983,523	3,375,478	3,574,560	14,089,045	142,192,831
Receivables	28,531	833,735	-	-	-	-	14,286	-	876,552
Cash and cash equivalents	1,146,866	343,037	2,315	2,160	436	18	-	406	1,495,238
Total assets	93,975,974	3,858,982	5,909,521	12,782,392	6,983,959	3,375,496	3,588,846	14,089,451	144,564,621
Liabilities									
Payables	477,859	1,462,288	-	-	-	-	-	-	1,940,147
Total liabilities	477,859	1,462,288	-	-	-	-	-	-	1,940,147
Net currency exposure	93,498,115	2,396,694	5,909,521	12,782,392	6,983,959	3,375,496	3,588,846	14,089,451	
As at 31 December 2022	USD US\$	SGD US\$	EUR US\$	GBP US\$	JPY US\$	HKD US\$	TWD US\$	Others US\$	Total US\$
Assets									
Portfolio of investments	96,120,536	2,971,658	8,724,695	12,399,550	2,798,803	3,193,987	2,976,819	11,431,789	140,617,837
Receivables	50,312	1,080,628	-	-	-	-	14,207	-	1,145,147
Cash and cash equivalents	1,914,534	681,766	2,167	1,960	466	1	80,509	320	2,681,723
Total assets	98,085,382	4,734,052	8,726,862	12,401,510	2,799,269	3,193,988	3,071,535	11,432,109	144,444,707
Liabilities									
Payables	537,213	375,682	-	-	-	-	-	-	912,895
Total liabilities	537,213	375,682	-	-	-	-	-	-	912,895
Net currency exposure	97,548,169	4,358,370	8,726,862	12,401,510	2,799,269	3,193,988	3,071,535	11,432,109	

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

7. Financial risk management (continued)

(c) Market risk - Currency risk (continued)

Portfolio of investments, which is a significant item in the Statement of Financial Position is exposed to currency risk and other price risk. The Manager has considered the impact of currency risk sensitivity on non-monetary assets which include listed equities and real estate investment funds as part of the price risk sensitivity analysis.

As of 31 December 2023 and 2022, the Fund does not hold substantial monetary assets/liabilities denominated in foreign currencies. Changes in foreign exchange rates on monetary assets/liabilities will not result in a significant change in the net asset value of the Fund. Hence, no separate sensitivity analysis on foreign currency risk has been presented.

(d) Liquidity risk

Liquidity risk is the risk of loss arising from the inability of the Fund to meet its obligations as and when they fall due without incurring unacceptable cost or losses.

The Fund is exposed to daily cash redemptions from unitholders. However, in accordance with the Fund's prospectus, minimum holdings and redemption size are set.

To manage the liquidity risk, a cash buffer is maintained in the Fund and monitored for minimum cash balances to prevent any extensive disposition of assets which may occur at lower prices and overdraft situations to meet trade settlements and obligations.

The Fund's securities are considered readily realisable, as the majority of the securities are listed on recognised stock exchanges.

The Fund's financial liabilities are analysed using contractual undiscounted cash flows for maturity groupings based on the remaining year at the Statement of Financial Position date to the contractual maturity date. As at 31 December 2023 and 2022, all liabilities are either payable upon demand or due in less than 3 months. The impact of discounting is not significant.

	<u>Less than 3 months</u>	
	As at 31 December 2023 US\$	As at 31 December 2022 US\$
Payables	1,940,147	912,895
Contractual cash outflows	1,940,147	912,895

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

7. Financial risk management (continued)

(e) Credit risk

Credit risk is the risk that a counterparty will be unable to fulfil its obligations to the Fund in part or in full as and when they fall due.

Concentrations of credit risk are minimised primarily by:

- ensuring counterparties as well as the respective credit limits are approved;
- ensuring there are controls in place to identify and assess the creditworthiness of counterparties and review such controls on a semi-annual basis; and
- ensuring that transactions are undertaken with a large number of counterparties.

The Fund is also exposed to counterparty credit risk on its financial assets held at amortised cost. As at 31 December 2023 and 2022, the Fund's financial assets held at amortised cost as disclosed in the Statement of Financial Position are realised within three months. The Manager considers the probability of default to be insignificant as the counterparties generally have a strong capacity to meet their contractual obligations in the near term. Hence, no loss allowance has been recognised based on the 12 month expected credit losses as any such impairment would be insignificant to the Fund.

All trade settlement with approved counterparties are on Delivery versus Payment and/or Receipt versus Payment basis, with the exception of initial public offerings, new issues and placement transactions.

Credit risk arises from cash and cash equivalents and outstanding and committed transactions from brokers. The table below summarises the credit rating of bank and custodian in which the Fund's assets are held as at 31 December 2023 and 2022.

	Credit rating as at 31 December 2023	Credit rating as at 31 December 2022	Source of credit rating
Bank and custodian			
- BNP Paribas, acting through its Singapore Branch	Aa3	Aa3	Moody's

The credit ratings are based on Local Long-Term Bank Deposits published by the rating agency.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial instruments.

(f) Capital management

The Fund's capital is represented by the net assets attributable to unitholders. The Fund strives to invest the subscriptions of redeemable participating units in investments that meet the Fund's investment objectives while maintaining sufficient liquidity to meet unitholder redemptions.

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2023***7. Financial risk management (continued)****(g) Fair value estimation**

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table analyses within the fair value hierarchy the Fund's financial assets and liabilities (by class) measured at fair value at 31 December 2023 and 2022:

As at 31 December 2023	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Assets				
Portfolio of investments:				
- Quoted equities	142,192,831	-	-	142,192,831
As at 31 December 2022	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Assets				
Portfolio of investments:				
- Quoted equities	137,975,519	-	-	137,975,519
- Quoted real estate investment trust	2,642,318	-	-	2,642,318
	140,617,837	-	-	140,617,837

Investments whose values are based on quoted market prices in active markets, and therefore classified within Level 1, include active listed equities and real estate investment trust. The Fund does not adjust the quoted price for these instruments.

The assets and liabilities included in the Statement of Financial Position except portfolio of investments are carried at amortised cost; their carrying values are reasonable approximation of fair value.

8. Related party transactions

In addition to related party information shown elsewhere in the financial statements, the following significant transactions took place during the financial year between the Fund and the related party at terms agreed between the parties and within the provisions of the Deeds:

	2023 US\$	2022 US\$
Bank balances held with related party of the Trustee	1,495,238	2,681,723

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2023***9. Financial ratios****Expense ratio**

		2023	2022
<u>SGD Class</u>			
Total operating expenses	US\$	2,191,184	1,995,821
Average daily net asset value	US\$	146,600,045	137,983,768
Total expense ratio¹	%	1.49	1.45

		2023	2022
<u>USD Class</u>			
Total operating expenses	US\$	4,266	228,978
Average daily net asset value	US\$	284,490	15,551,062
Total expense ratio¹	%	1.50	1.47

Turnover ratio

		2023	2022
Lower of total value of purchases or sales	US\$	63,068,450	78,802,465
Average daily net asset value	US\$	146,884,535	153,534,830
Total turnover ratio²	%	42.94	51.33

¹ 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 year 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 backend 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.

² 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.

10. Subsequent events

Pursuant to the Notice of Meeting (the "Notice") dated 13 December 2023 issued to unitholders of the Fund, the extraordinary resolution set out in the Notice was duly passed at the Extraordinary General Meeting of Holders that was held on 4 January 2024. Therefore, the Fund will merge with the Nikko AM Global Umbrella Fund – Nikko AM Global Equity Fund and be terminated on 14 May 2024.

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***REPORT TO UNITHOLDERS***For the financial year ended 31 December 2023*

The following contains additional information relating to the Fund.

1. Distribution of investments

Please refer to the Statement of Portfolio on pages 17 to 20.

2. Credit rating of debt securities

Nil.

3. Top 10 holdings**10 largest holdings at 31 December 2023**

	Fair value US\$	Percentage of total net assets attributable to unitholders %
Microsoft Corporation	10,859,664	7.61
Nvidia Corporation	5,945,611	4.17
Meta Platforms Incorporated	5,114,368	3.59
Netflix Incorporated	4,705,208	3.30
Compass Group Public Listed Company	4,139,203	2.90
Haleon Public Listed Company	4,033,040	2.83
Broadcom Incorporated	3,901,748	2.74
Hoya Corporation	3,825,543	2.68
Cencora Incorporated	3,813,780	2.67
Worley Limited	3,716,808	2.61

10 largest holdings at 31 December 2022

	Fair value US\$	Percentage of total net assets attributable to unitholders %
Microsoft Corporation	6,367,701	4.44
Compass Group Public Listed Company	4,776,186	3.33
Danaher Corporation	4,610,408	3.21
Schlumberger Limited	4,528,642	3.16
Housing Development Finance Corporation Limited	4,474,285	3.12
Intercontinental Exchange Incorporated	4,456,274	3.10
Encompass Health Corporation	4,277,611	2.98
Diageo Public Listed Company	4,027,442	2.81
Worley Limited	3,942,176	2.75
Progressive Corporation	3,922,473	2.73

4. Exposure to financial derivatives

Nil.

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND

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

REPORT TO UNITHOLDERS

For the financial year ended 31 December 2023

5. Global exposure to financial derivatives

Nil.

6. Collateral

Nil.

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 17 to 20.

9. Borrowings

Nil.

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

US\$

Units created	33,876,276
Units cancelled	(49,861,981)

11. Turnover ratio

Please refer to Note 9 of the Notes to the Financial Statements on page 33.

12. Expense ratio

Please refer to Note 9 of the Notes to the Financial Statements on page 33.

13. Related party transactions

Please refer to Note 8 of the Notes to the Financial Statements on page 32.

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.

The Sub-Managers of the Fund do not receive or intend to receive any soft dollars commissions, or enter into soft dollars arrangements, in respect of the Fund. NAM Americas also does not receive or intend to receive soft dollars in respect of the global equities trading that it carries out for the Fund.

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