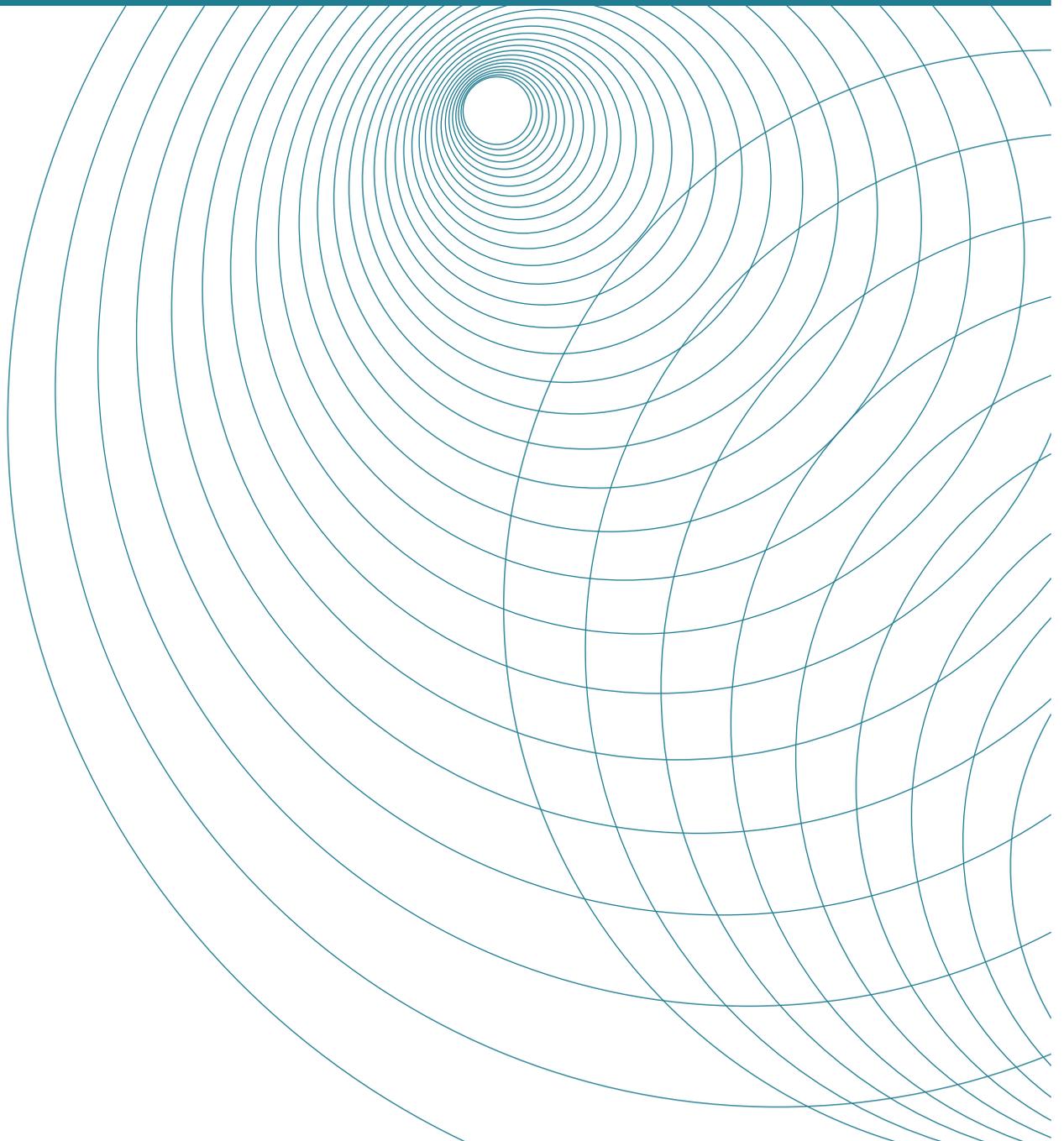

ANNUAL REPORT

Nikko AM Asia Umbrella Funds

Nikko AM Global Multi Asset Income Fund

Financial year ended 31 December 2023



MANAGERS

Nikko Asset Management Asia Limited
12 Marina View, #18-02 Asia Square Tower 2
Singapore 018961
Company Registration No. 198202562H

DIRECTORS OF THE MANAGERS

Seet Oon Hui Eleanor
Yutaka Nishida
Hiroshi Yoh
Allen Yan

INVESTMENT ADVISOR

Nikko Asset Management Europe Ltd
Level 5, City Tower,
40 Basinghall Street
London EC2V 5DE
United Kingdom

TRUSTEE & REGISTRAR

BNP Paribas Trust Services Singapore Limited
20 Collyer Quay, #01-01
Singapore 049319

AUDITORS

PricewaterhouseCoopers LLP
7 Straits View, Marina One,
East Tower, Level 12,
Singapore 018936

CUSTODIAN

BNP Paribas, acting through its Singapore Branch
20 Collyer Quay, #01-01
Singapore 049319

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 Global Multi Asset Income Fund - SGD (Acc) Class A | 4.05 | 1.48 | 1.84 | -2.36 | 2.28 | 1.89 | 1.53 |

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

| Returns (%) | 3 Mth | 6 Mth | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Since Inception |
|---|-------|-------|-------|-------|------|-------|-----------------|
| Nikko AM Global Multi Asset Income Fund - SGD (Acc) Class A | -1.15 | -3.59 | -3.25 | -4.02 | 1.23 | 1.36 | 1.32 |

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

Inception date: 21 February 2000

Note:

- (1) With effect from 17 October 2011, the umbrella unit trust (formerly known as "Eight Portfolios") has been renamed Nikko AM Shenton Eight Portfolios.
- (2) With effect from 20 February 2012, Horizon Singapore Equity Fund has been renamed Singapore Dividend Equity Fund.
- (3) With effect from 16 December 2013, Horizon Global Equity Fund was reshaped to Nikko AM Global Dividend Equity Fund.
- (4) With effect from 19 November 2015, Eight Portfolio E was terminated.
- (5) With effect from 26 November 2015, Eight Portfolio A was terminated.
- (6) With effect from 29 September 2016, Eight Portfolio D was terminated.
- (7) With effect from 27 October 2016, the appointment of Russell Investment Group Private Limited as the investment adviser for the Eight Portfolio B and Eight Portfolio C was terminated.
- (8) With effect from 31 October 2016, the publication of the benchmark returns was temporarily discontinued due to inaccuracy in the data provided by Russell Investments since May 2014.
- (9) With effect from 17 March 2017, the benchmarks for Eight Portfolio B and Eight Portfolio C have been removed as Russell Investments (which had been providing the benchmark returns) had ceased to provide the benchmark returns for Eight Portfolio B and Eight Portfolio C. As the Managers had not been able to find suitable replacement benchmarks, Eight Portfolio B and Eight Portfolio C ceased to have any benchmarks with effect from 17 March 2017.
- (10) With effect from 26 February 2018, Eight Portfolio B was terminated.
- (11) With effect from 22 October 2021, the name of the umbrella unit trust (formerly known as "Nikko AM Shenton Eight Portfolios" has been changed to "Nikko AM Asia Umbrella Funds".
- (12) With effect from 22 October 2021, Eight Portfolio C, has been renamed as "Nikko AM Global Multi Asset Income Fund" and the SGD Class of the fund has been re-classified as SGD (Acc) Class A.
- (13) With effect from 31 March 2022, the fund name has been changed from "Horizon Global Bond Fund (S\$ Hedged)" to "Nikko AM Multi Sector Credit Fund". The existing SGD Class of the Fund has been re-designated to "SGD (Acc) Class".

Portfolio Review

Fund rises 1.84% in SGD terms in 2023

For the 12-month period ended 31 December 2023, the Nikko AM Global Multi Asset Income Fund (the "Fund") returned 1.84% (SGD terms, on a NAV-NAV basis).

Market Review

Financial markets end 2023 on a positive note

Following a tough 2022, markets staged a strong rebound in 2023. Supported by an apparent end to tight monetary policy and a stronger-than-expected economy, global equities as measured by MSCI ACWI rose by 20.1% in USD terms. Returns were driven by strong performance in technology names, especially in the "Magnificent Seven". At the country level, China and Hong Kong were the only major markets to post negative returns over 2023.

Notwithstanding the rebound, there were a few events that overhung the market over the period. In March, equities gave up its year-to-date gains after a series of bank defaults weighed on sentiment. Financial stability took centre stage upon the first signs of turmoil in the US regional banking sector. Elevated stress at Silicon Valley Bank (SVB) and Signature Bank then quickly shifted to the banking sector in Europe. Credit Suisse (CS) bore the brunt of the pressure which culminated into an emergency takeover of CS by rival UBS. Equities found a firm footing after US policymakers stepped in to make depositors whole and large wall street banks lent a helping hand to further support the banking system. Equities then staged a strong rally in the fourth quarter of 2023 (4Q23), as falling inflation spurred hopes that developed market central banks will start cutting rates soon. An unusually dovish US Federal Reserve (Fed) supported the rally as officials signalled a pause in rate hikes and that rates will be cut in 2024. However, the breadth of the rally was narrow, as performance was primarily driven by the Magnificent Seven stocks.

Within the fixed income market, the US 10-year Treasury yields were roughly unchanged over 2023, coming in at 3.88%. However, rates were volatile in 2023 with the 10-year yield first declining to 3.31% following the SVB fallout in April and then peaking at 5.0% in 4Q23 due to resilient economic data. 10-year yields then fell by 110 basis points on expectations of a Fed pivot. 2-year Treasury yields declined from 4.42% in 2022 to 4.25% in 2023. The shorter end of the US curve was also volatile in response to the US debt ceiling negotiations and moved higher as the Treasury will have to issue more debt in order to rebuild its Treasury General Account. An improving inflation outlook drove 2-year yields lower as markets priced in a dovish Fed. In the credit space, positive risk sentiment drove credit spreads tighter, across investment-grade and especially high-yield corporates.

Market Outlook and Strategy

Path toward Fed's two-percent inflation target not straightforward

With clearer signs of disinflation and slowing unemployment, interest rates have peaked and rate cuts are on the horizon. In the near term, this is positive for risk assets. However, in the medium term, we are cautious as the impact of high interest rates work its way in the broader macroeconomy. The path back to the Fed's 2% inflation target may also not be a straightforward one.

Within equities, we maintain our preference for dividend-paying and stable companies that have strong recurring cash flow and are aligned with long-term growth trends (e.g., energy transition). During periods of volatility, the dividend payout and resilient nature of the underlying businesses will provide more robust equity exposure. Tactically, given expectations of peak rates, we have increased our global equity exposure with a tilt towards higher beta and longer duration holdings. We are also constructive on the semiconductor industry on the back of positive news coming out of South Korea semiconductor production and shipments data.

On fixed income, we are looking to add more to long-dated duration due to the peak in rate hike cycles. However, we remain cautious due to US fiscal discipline concerns and stronger-than-expected US growth which may underpin higher rates. In credit, we continue to monitor the universe for appropriate instruments which can provide stable and high yields.

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.

The information contained herein may not be copied, reproduced or redistributed without the express consent of Nikko AM Asia. While reasonable care has been taken to ensure the accuracy of the information as at the date of publication, Nikko AM Asia does not give any warranty or representation, either express or implied, and expressly disclaims liability for any errors or omissions. Information may be subject to change without notice. Nikko AM Asia accepts no liability for any loss, indirect or consequential damages, arising from any use of or reliance on this document.

(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 ASIA UMBRELLA FUNDS

(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 the sub-fund of Nikko AM Asia Umbrella Funds, namely Nikko AM Global Multi Asset Income Fund (the "Sub-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 Sub-Fund during the financial year covered by these financial statements, set out on pages 10 to 41, 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 ASIA UMBRELLA FUNDS

(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 10 to 41, 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 the sub-fund of Nikko AM Asia Umbrella Funds, namely Nikko AM Global Multi Asset Income Fund (the "Sub-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 Sub-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 ASIA UMBRELLA FUNDS**
(Constituted under a Trust Deed registered in the Republic of Singapore)

Our Opinion

In our opinion, the accompanying financial statements of the sub-fund of Nikko AM Asia Umbrella Funds, namely Nikko AM Global Multi Asset Income Fund (the "Sub-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 Sub-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 Sub-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;
- 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 Sub-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 Sub-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.

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF NIKKO AM ASIA UMBRELLA FUNDS**
(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 Sub-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 Sub-Fund or to cease the Sub-Fund's operations, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Sub-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 Sub-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 the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Sub-Fund to cease to continue as a going concern.

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF NIKKO AM ASIA UMBRELLA FUNDS**
(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 ASIA UMBRELLA FUNDS*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF TOTAL RETURN***For the financial year ended 31 December 2023*

| | Nikko AM Global Multi Asset Income Fund | |
|--|--|------------------|
| | Note | |
| | | 2022 |
| | | S\$ |
| Income | | |
| Dividends | | 543,358 |
| Interest on cash and cash equivalents | | 64,805 |
| Other income | | 16 |
| | | <u>627,709</u> |
| Less: Expenses | | |
| Management fee | | 1,475,840 |
| Management fee rebate | | (852,828) |
| Transfer agent fee | | 38,863 |
| Trustee fee | | 38,993 |
| Custody fee | | 13,239 |
| Audit fee | | 9,024 |
| Valuation fee | | 49,164 |
| Transaction costs | | 81,107 |
| Other expenses | | 20,214 |
| | | <u>935,449</u> |
| Net losses | | <u>(307,740)</u> |
| Net gains or losses on value of investments and financial derivatives | | |
| Net gains/(losses) on investments | | (12,820,930) |
| Net foreign exchange losses | | (182,414) |
| Net losses on financial derivatives | | (908,206) |
| | | <u>1,988,673</u> |
| Total return/(deficit) for the financial year before income tax | | (14,176,987) |
| Less: Income tax | 3 | (45,159) |
| Total return/(deficit) for the financial year after income tax | | <u>1,645,225</u> |

The accompanying notes form an integral part of these financial statements

NIKKO AM ASIA UMBRELLA FUNDS

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

| | | Nikko AM Global Multi Asset Income Fund | |
|--|------|---|-------------------|
| | Note | 2023 S\$ | 2022 S\$ |
| ASSETS | | | |
| Portfolio of investments | | 86,171,117 | 82,997,003 |
| Receivables | 4 | 13,031 | 6,408 |
| Cash and cash equivalents | | 3,646,202 | 9,413,117 |
| Margin and collateral accounts | 8 | 1,450,212 | 657,944 |
| Financial derivatives at fair value | 6 | 278,167 | 352,560 |
| Total assets | | 91,558,729 | 93,427,032 |
| LIABILITIES | | | |
| Payables | 5 | 329,842 | 236,710 |
| Purchases awaiting settlement | | 336,962 | - |
| Financial derivatives at fair value | 6 | 96,710 | 118,324 |
| Total liabilities | | 763,514 | 355,034 |
| EQUITY | | | |
| Net assets attributable to unitholders | 7 | 90,795,215 | 93,071,998 |

The accompanying notes form an integral part of these financial statements

NIKKO AM ASIA UMBRELLA FUNDS

(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

| | Nikko AM Global Multi Asset Income Fund | |
|--|--|--------------|
| | Note | |
| | 2023 | 2022 |
| | S\$ | S\$ |
| Net assets attributable to unitholders at the beginning of the financial year | 93,071,998 | 109,978,462 |
| Operations | | |
| Change in net assets attributable to unitholders resulting from operations | 1,645,225 | (14,222,146) |
| Unitholders' contributions/(withdrawals) | | |
| Creation of units | 163,929 | 233,413 |
| Cancellation of units | (4,085,937) | (2,917,731) |
| Change in net assets attributable to unitholders resulting from net creation and cancellation of units | (3,922,008) | (2,684,318) |
| Total decreases in net assets attributable to unitholders | (2,276,783) | (16,906,464) |
| Net assets attributable to unitholders at the end of the financial year | 90,795,215 | 93,071,998 |

The accompanying notes form an integral part of these financial statements

NIKKO AM ASIA UMBRELLA FUNDS

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

STATEMENT OF PORTFOLIO

As at 31 December 2023

Nikko AM Global Multi Asset Income Fund

By Geography (Primary)

| | Holdings at 31 December 2023 | Fair value at 31 December 2023 S\$ | Percentage of total net assets attributable to unitholders at 31 December 2023 % |
|--|------------------------------------|---|--|
| Quoted Equities | | | |
| AUSTRALIA | | | |
| Worley Limited | 26,383 | 414,622 | 0.46 |
| Total AUSTRALIA | | 414,622 | 0.46 |
| BRITAIN | | | |
| Compass Group Public Listed Company | 12,505 | 451,257 | 0.50 |
| Haleon Public Listed Company | 82,174 | 444,456 | 0.49 |
| Total BRITAIN | | 895,713 | 0.99 |
| CHINA | | | |
| Alibaba Group Holding Limited | 10,200 | 130,265 | 0.14 |
| Baidu Incorporated | 4,150 | 81,393 | 0.09 |
| BYD Company Limited | 2,000 | 72,437 | 0.08 |
| China Oilfield Services Limited | 52,000 | 70,099 | 0.08 |
| Chongqing Zhifei Biological Products Company Limited | 2,700 | 30,566 | 0.03 |
| East Money Information Company Limited | 14,500 | 37,713 | 0.04 |
| H World Group Limited | 15,000 | 66,516 | 0.07 |
| Jiangsu Hengrui Pharmaceuticals Company Limited | 4,180 | 35,024 | 0.04 |
| Ping An Insurance Group Company of China Limited | 14,500 | 86,589 | 0.10 |
| Shenzhen Inovance Technology Company Limited | 3,400 | 39,769 | 0.04 |
| Tencent Holdings Limited | 2,500 | 123,995 | 0.14 |
| Zhejiang Sanhua Intelligent Controls Company Limited | 5,800 | 31,589 | 0.04 |
| Total CHINA | | 805,955 | 0.89 |
| HONG KONG SAR | | | |
| AIA Group Limited | 12,800 | 147,145 | 0.16 |
| Total HONG KONG SAR | | 147,145 | 0.16 |
| INDIA | | | |
| Godrej Properties Limited | 4,066 | 129,360 | 0.14 |
| Havells India Limited | 5,592 | 121,261 | 0.13 |
| ICICI Bank Limited | 22,408 | 354,146 | 0.39 |
| PB Fintech Limited | 6,228 | 78,487 | 0.09 |
| Reliance Industries Limited | 6,744 | 276,352 | 0.30 |
| Tech Mahindra Limited | 3,834 | 77,347 | 0.09 |
| Total INDIA | | 1,036,953 | 1.14 |
| INDONESIA | | | |
| Bank Central Asia TBK PT | 187,300 | 150,837 | 0.17 |
| Bank Mandiri Persero TBK PT | 148,000 | 76,712 | 0.08 |
| Medikaloka Hermina TBK PT | 981,000 | 125,227 | 0.14 |
| Total INDONESIA | | 352,776 | 0.39 |
| IRELAND | | | |
| Accenture Public Listed Company | 859 | 397,836 | 0.44 |
| PDD Holdings Incorporated | 328 | 63,303 | 0.07 |
| Total IRELAND | | 461,139 | 0.51 |

The accompanying notes form an integral part of these financial statements

NIKKO AM ASIA UMBRELLA FUNDS*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2023***Nikko AM Global Multi Asset Income Fund****By Geography (Primary) (continued)**

| | Holdings at 31 December 2023 | Fair value at 31 December 2023 S\$ | Percentage of total net assets attributable to unitholders at 31 December 2023 % |
|--|------------------------------------|---|--|
| Quoted Equities (continued) | | | |
| JAPAN | | | |
| Hoya Corporation | 2,500 | 412,279 | 0.45 |
| Sony Group Corporation | 2,600 | 326,230 | 0.36 |
| Total JAPAN | | 738,509 | 0.81 |
| SINGAPORE | | | |
| Seatrium Limited | 417,400 | 49,253 | 0.05 |
| Total SINGAPORE | | 49,253 | 0.05 |
| SOUTH KOREA | | | |
| Celltrion Incorporated | 447 | 92,253 | 0.10 |
| Samsung Biologics Company Limited | 174 | 135,444 | 0.15 |
| Samsung Electronics Company Limited | 3,493 | 280,844 | 0.31 |
| Total SOUTH KOREA | | 508,541 | 0.56 |
| SPAIN | | | |
| Amadeus IT Group SA | 3,514 | 332,213 | 0.37 |
| Total SPAIN | | 332,213 | 0.37 |
| TAIWAN | | | |
| Chalease Holding Company Limited | 12,700 | 105,351 | 0.11 |
| Lite-On Technology Corporation | 25,000 | 125,719 | 0.14 |
| Mediatek Incorporated | 3,900 | 170,140 | 0.19 |
| Taiwan Semiconductor Manufacturing Company Limited | 25,600 | 652,485 | 0.72 |
| Total TAIWAN | | 1,053,695 | 1.16 |
| UNITED STATES OF AMERICA | | | |
| Abbott Laboratories | 2,409 | 349,836 | 0.39 |
| Amphenol Corporation | 2,556 | 334,331 | 0.37 |
| Booking Holdings Incorporated | 74 | 346,258 | 0.38 |
| Broadcom Incorporated | 109 | 160,516 | 0.17 |
| Cencora Incorporated | 1,536 | 416,049 | 0.46 |
| Elevance Health Incorporated | 494 | 307,287 | 0.34 |
| Encompass Health Corporation | 4,325 | 380,647 | 0.42 |
| Intercontinental Exchange Incorporated | 2,193 | 371,522 | 0.41 |
| Meta Platforms Incorporated | 819 | 382,400 | 0.42 |
| Microsoft Corporation | 1,159 | 574,708 | 0.63 |
| Netflix Incorporated | 739 | 474,620 | 0.52 |
| NVIDIA Corporation | 565 | 369,085 | 0.41 |
| Palomar Holdings Incorporated | 4,084 | 298,991 | 0.33 |
| Ryan Specialty Holdings Incorporated | 5,115 | 290,266 | 0.32 |
| Schlumberger NV | 5,165 | 354,558 | 0.39 |
| Synopsys Incorporated | 568 | 385,798 | 0.42 |
| The Coca-Cola Company | 4,308 | 334,882 | 0.37 |
| The Progressive Corporation | 1,338 | 281,247 | 0.31 |
| Total UNITED STATES OF AMERICA | | 6,413,001 | 7.06 |
| Total Quoted Equities | | 13,209,515 | 14.55 |

The accompanying notes form an integral part of these financial statements

NIKKO AM ASIA UMBRELLA FUNDS

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

STATEMENT OF PORTFOLIO

As at 31 December 2023

Nikko AM Global Multi Asset Income Fund

By Geography (Primary) (continued)

| | Holdings at 31 December 2023 | Fair value at 31 December 2023 S\$ | Percentage of total net assets attributable to unitholders at 31 December 2023 % |
|--|------------------------------------|---|--|
| Quoted Investment Funds | | | |
| CANADA | | | |
| Sprott Physical Gold Trust | 124,400 | 2,614,062 | 2.88 |
| Total CANADA | | 2,614,062 | 2.88 |
| HONG KONG SAR | | | |
| iShares FTSE China A50 ETF | 395,600 | 805,955 | 0.89 |
| Premia China USD Property Bond ETF | 1,100 | 14,800 | 0.02 |
| Total HONG KONG SAR | | 820,755 | 0.91 |
| SINGAPORE | | | |
| Nikko AM Global Dividend Equity Fund | 13,111,409 | 20,598,023 | 22.69 |
| Nikko AM Multi Sector Credit Fund | 9,885,503 | 16,152,911 | 17.79 |
| Horizon Singapore Fixed Income Enhanced Fund | 9,743,848 | 15,531,693 | 17.11 |
| Singapore Dividend Equity Fund | 2,496,394 | 3,477,476 | 3.82 |
| Total SINGAPORE | | 55,760,103 | 61.41 |
| UNITED STATES OF AMERICA | | | |
| Alerian MLP ETF | 3,750 | 210,332 | 0.23 |
| ARK Innovation ETF | 27,800 | 1,920,468 | 2.12 |
| Energy Select Sector SPDR Fund | 2,500 | 276,485 | 0.30 |
| First Trust Nasdaq Artificial Intelligence and Robotics ETF | 3,000 | 180,177 | 0.20 |
| First Trust Nasdaq Cybersecurity ETF | 3,040 | 215,903 | 0.24 |
| Global X Blockchain ETF | 5,020 | 306,197 | 0.34 |
| Invesco KBW Bank ETF | 830 | 53,856 | 0.06 |
| Invesco Senior Loan ETF | 3,200 | 89,404 | 0.10 |
| iShares J.P. Morgan USD Emerging Markets Bond ETF | 640 | 75,187 | 0.08 |
| iShares MSCI India ETF | 11,000 | 708,241 | 0.78 |
| iShares MSCI South Korea ETF | 2,095 | 181,094 | 0.20 |
| iShares Robotics and Artificial Intelligence Multisector ETF | 4,200 | 191,139 | 0.21 |
| Vaneck Gold Miners ETF | 950 | 38,860 | 0.04 |
| Vaneck Oil Services ETF | 650 | 265,388 | 0.29 |
| Vaneck Semiconductor ETF | 664 | 153,149 | 0.17 |
| Total UNITED STATES OF AMERICA | | 4,865,880 | 5.36 |
| Total Quoted Investment Funds | | 64,060,800 | 70.56 |

The accompanying notes form an integral part of these financial statements

NIKKO AM ASIA UMBRELLA FUNDS*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2023***Nikko AM Global Multi Asset Income Fund****By Geography (Primary) (continued)**

| | Holdings at 31 December 2023 | Fair value at 31 December 2023 S\$ | Percentage of total net assets attributable to unitholders at 31 December 2023 % |
|---|------------------------------------|---|--|
| Quoted Fixed Income Securities | | | |
| AUSTRALIA | | | |
| Australia & New Zealand Banking Group Limited 2.95% due 22/07/2030 | 200,000 | 250,737 | 0.28 |
| Total AUSTRALIA | | 250,737 | 0.28 |
| BRITISH VIRGIN ISLANDS | | | |
| Yunda Holding Investment Limited 2.25% due 19/08/2025 | 200,000 | 241,611 | 0.27 |
| Total BRITISH VIRGIN ISLANDS | | 241,611 | 0.27 |
| CAYMAN ISLANDS | | | |
| China Hongqiao Group Limited 6.25% due 08/06/2024 | 200,000 | 261,273 | 0.29 |
| Melco Resorts Finance Limited 5.75% due 21/07/2028 | 200,000 | 243,338 | 0.27 |
| Total CAYMAN ISLANDS | | 504,611 | 0.56 |
| HONG KONG SAR | | | |
| Far East Horizon Limited 2.625% due 03/03/2024 | 200,000 | 261,242 | 0.29 |
| Total HONG KONG SAR | | 261,242 | 0.29 |
| INDIA | | | |
| JSW Infrastructure Limited 4.95% due 21/01/2029 | 200,000 | 244,035 | 0.27 |
| Total INDIA | | 244,035 | 0.27 |
| INDONESIA | | | |
| Indofood CBP Sukses Makmur TBK PT 3.398% due 09/06/2031 | 200,000 | 228,824 | 0.24 |
| Total INDONESIA | | 228,824 | 0.24 |
| MALAYSIA | | | |
| GENM Capital Labuan Limited 3.882% due 19/04/2031 | 200,000 | 226,103 | 0.24 |
| Total MALAYSIA | | 226,103 | 0.24 |
| NETHERLANDS | | | |
| Minejesa Capital BV 4.625% due 10/08/2030 | 200,000 | 251,263 | 0.28 |
| Total NETHERLANDS | | 251,263 | 0.28 |
| SINGAPORE | | | |
| Medco Bell Private Limited 6.375% due 30/01/2027 | 200,000 | 253,928 | 0.28 |
| Monetary Authority of Singapore Bill 0% due 05/01/2024 | 500,000 | 499,833 | 0.55 |
| Monetary Authority of Singapore Bill 0% due 12/01/2024 | 500,000 | 499,448 | 0.55 |
| Monetary Authority of Singapore Bill 0% due 19/01/2024 | 500,000 | 499,068 | 0.55 |
| Monetary Authority of Singapore Bill 0% due 26/01/2024 | 500,000 | 498,683 | 0.55 |
| Total SINGAPORE | | 2,250,960 | 2.48 |

The accompanying notes form an integral part of these financial statements

NIKKO AM ASIA UMBRELLA FUNDS*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2023***Nikko AM Global Multi Asset Income Fund****By Geography (Primary) (continued)**

| | Holdings at 31 December 2023 | Fair value at 31 December 2023 S\$ | Percentage of total net assets attributable to unitholders at 31 December 2023 % |
|--|------------------------------------|---|--|
| Quoted Fixed Income Securities (continued) | | | |
| SOUTH KOREA | | | |
| Kookmin Bank 4.35% due 31/12/2059 | 200,000 | 260,441 | 0.29 |
| LG Energy Solution Limited 5.75% due 25/09/2028 | 200,000 | 271,223 | 0.30 |
| Shinhan Financial Group Company Limited 2.875% due 31/12/2061 | 200,000 | 239,459 | 0.25 |
| SK Hynix Incorporation 6.5% due 17/01/2033 | 200,000 | 278,466 | 0.31 |
| Total SOUTH KOREA | | 1,049,589 | 1.15 |
| THAILAND | | | |
| GC Treasury Center Company Limited 4.4% due 30/03/2032 | 200,000 | 241,494 | 0.27 |
| Total THAILAND | | 241,494 | 0.27 |
| UNITED STATES OF AMERICA | | | |
| United States Treasury Note/Bond 3.375% due 15/05/2033 | 1,000,000 | 1,268,815 | 1.39 |
| United States Treasury Note/Bond 3.5% due 15/02/2033 | 1,400,000 | 1,794,701 | 1.98 |
| Total UNITED STATES OF AMERICA | | 3,063,516 | 3.37 |
| Accrued interest receivable on quoted fixed income securities | | 86,817 | 0.10 |
| Total Quoted Fixed Income Securities | | 8,900,802 | 9.80 |
| Portfolio of investments | | 86,171,117 | 94.91 |
| Other net assets | | 4,624,098 | 5.09 |
| Net assets attributable to unitholders | | 90,795,215 | 100.00 |

The accompanying notes form an integral part of these financial statements

NIKKO AM ASIA UMBRELLA FUNDS

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

STATEMENT OF PORTFOLIO

As at 31 December 2023

| | Nikko AM Global Multi Asset Income Fund | |
|--|---|---|
| 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 | 0.46 | 0.35 |
| Britain | 0.99 | 1.06 |
| Canada | - | 0.19 |
| China | 0.89 | 3.22 |
| Finland | - | 0.15 |
| France | - | 0.18 |
| Hong Kong SAR | 0.16 | 0.39 |
| India | 1.14 | 0.64 |
| Indonesia | 0.39 | 0.35 |
| Ireland | 0.51 | 0.12 |
| Japan | 0.81 | 0.26 |
| Philippines | - | 0.11 |
| Singapore | 0.05 | 0.23 |
| South Korea | 0.56 | 0.38 |
| Spain | 0.37 | - |
| Sweden | - | 0.26 |
| Switzerland | - | 0.33 |
| Taiwan | 1.16 | 0.58 |
| United States of America | 7.06 | 5.99 |
| Total Quoted Equities | 14.55 | 14.79 |
| Quoted Fixed Income Securities | | |
| Australia | 0.28 | - |
| British Virgin Islands | 0.27 | - |
| Cayman Islands | 0.56 | - |
| Hong Kong SAR | 0.29 | - |
| India | 0.27 | - |
| Indonesia | 0.24 | - |
| Malaysia | 0.24 | - |
| Netherlands | 0.28 | - |
| Singapore | 2.48 | - |
| South Korea | 1.15 | - |
| Thailand | 0.27 | - |
| United States of America | 3.37 | 1.33 |
| Accrued interest receivables on quoted fixed income securities | 0.10 | 0.01 |
| Total Quoted Fixed Income Securities | 9.80 | 1.34 |

The accompanying notes form an integral part of these financial statements

NIKKO AM ASIA UMBRELLA FUNDS*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2023***Nikko AM Global Multi Asset Income Fund****By Geography (Summary) (continued)**

| | 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 Investment Funds | | |
| Canada | 2.88 | 0.81 |
| Hong Kong SAR | 0.91 | 2.47 |
| Singapore | 61.41 | 69.07 |
| United States of America | 5.36 | 0.18 |
| Total Quoted Investment Funds | 70.56 | 72.53 |
| Quoted Real Estate Investment Trusts | | |
| Spain | - | 0.19 |
| United States of America | - | 0.33 |
| Total Quoted Real Estate Investment Trusts | - | 0.52 |
| Portfolio of investments | 94.91 | 89.18 |
| Other net assets | 5.09 | 10.82 |
| Net assets attributable to unitholders | 100.00 | 100.00 |

Nikko AM Global Multi Asset Income Fund**By Industry (Secondary)**

| | Fair value at 31 December 2023 S\$ | Percentage of total net assets attributable to unitholders at 31 December 2023 % | Percentage of total net assets attributable to unitholders at 31 December 2022 % |
|--------------------------------|---|--|--|
| Auto Manufacturers | 72,437 | 0.08 | - |
| Auto Parts & Equipment | 271,223 | 0.30 | - |
| Banks | 3,329,364 | 3.67 | 0.80 |
| Beverages | 334,882 | 0.37 | 0.61 |
| Biotechnology | 135,444 | 0.15 | 0.12 |
| Chemicals | 241,494 | 0.27 | 0.31 |
| Commercial Services | 576,248 | 0.63 | 0.35 |
| Commodity Fund | - | - | 0.81 |
| Computers | 397,836 | 0.44 | 0.52 |
| Cosmetics/Personal Care | 444,456 | 0.49 | 0.26 |
| Debt Fund | 31,684,604 | 34.90 | 38.58 |
| Diversified Financial Services | 738,115 | 0.81 | 0.38 |

The accompanying notes form an integral part of these financial statements

NIKKO AM ASIA UMBRELLA FUNDS*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2023***Nikko AM Global Multi Asset Income Fund****By Industry (Secondary) (continued)**

| | Fair value at 31 December 2023 S\$ | Percentage of total net assets attributable to unitholders at 31 December 2023 % | Percentage of total net assets attributable to unitholders at 31 December 2022 % |
|---|---|--|--|
| Electric | 251,263 | 0.28 | 0.11 |
| Electrical Component & Equipment | - | - | 0.48 |
| Electronics | 907,640 | 0.99 | 0.35 |
| Energy-Alternate Sources | - | - | 0.15 |
| Engineering and Construction | 414,622 | 0.46 | 0.13 |
| Entertainment | 226,103 | 0.24 | - |
| Equity Fund | 32,376,196 | 35.66 | 33.14 |
| Food | 228,824 | 0.24 | 0.61 |
| Food Service | 451,257 | 0.50 | 0.42 |
| Healthcare-Products | 349,836 | 0.39 | 0.94 |
| Healthcare-Services | 813,161 | 0.90 | 0.66 |
| Home Furnishings | 451,949 | 0.50 | 0.26 |
| Insurance | 1,104,238 | 1.22 | 1.11 |
| Internet | 1,639,947 | 1.80 | 0.88 |
| Lodging | 309,854 | 0.34 | 0.17 |
| Machinery-Diversified | - | - | 0.78 |
| Metal Fabricate/Hardware | 31,589 | 0.04 | - |
| Mining | 261,273 | 0.29 | 0.18 |
| Miscellaneous Manufacture | - | - | 0.24 |
| Oil and Gas | 530,280 | 0.58 | 0.39 |
| Oil and Gas Services | 473,910 | 0.52 | 0.34 |
| Pharmaceuticals | 573,892 | 0.63 | 0.83 |
| Real Estate | 129,360 | 0.14 | 0.08 |
| Real Estate Investment Trusts (REITS) | - | - | 0.52 |
| Retail | - | - | 0.78 |
| Semiconductors | 1,911,536 | 2.11 | 0.55 |
| Software | 1,116,340 | 1.23 | 1.00 |
| Sovereign | 3,063,516 | 3.37 | 1.33 |
| Transportation | 241,611 | 0.27 | - |
| Accrued interest receivables on quoted fixed income securities | 86,817 | 0.10 | 0.01 |
| Portfolio of investments | 86,171,117 | 94.91 | 89.18 |
| Other net assets | 4,624,098 | 5.09 | 10.82 |
| Net assets attributable to unitholders | 90,795,215 | 100.00 | 100.00 |

The accompanying notes form an integral part of these financial statements

NIKKO AM ASIA UMBRELLA FUNDS

(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 Asia Umbrella Funds, comprising 1 sub-fund, i.e. Nikko AM Global Multi Asset Income Fund (the "Sub-Fund"), is constituted as a unit trust in Singapore pursuant to the Trust Deed dated 3 January 2000 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 Sub-Fund is BNP Paribas Trust Services Singapore Limited (the "Trustee"). The Manager of the Sub-Fund is Nikko Asset Management Asia Limited (the "Manager").

There are currently five classes of units in the Sub-Fund, namely the SGD (Acc) Class A Units, SGD (Acc) Class B Units, SGD (Dist) Class A Units, USD Class Units and RMB Class Units.

The classes may differ in terms of their currency of denomination, management fee, initial sales charge, minimum initial and subsequent investment amounts, minimum realisation amount and minimum holding and distribution policy.

As of 31 December 2023 and 2022, only units in the SGD (Acc) Class A have been issued.

The Sub-Fund is single priced and the NAV of the Sub-Fund may fall as a result of the transaction costs incurred in the purchase and sale of its underlying investments and the spread between the buying and selling prices of such Investments caused by subscriptions, redemptions, switches and/or exchanges of units in the Sub-Fund. To protect unitholders' interests, the Manager shall, in consultation with the Trustee, have the discretion to apply dilution adjustment or swing pricing in certain circumstances which the Manager deem appropriate. Swing Pricing involves making upwards or downwards adjustments in the calculation of the NAV per unit of the Sub-Fund or Class on a particular Dealing Day so that such transaction costs and dealing spreads in respect of the underlying investments are, as far as practicable, passed on to the investors who are subscribing, realising, switching and/or exchanging units on that Dealing Day.

The NAV is adjusted if the net subscription or realisation (including switches and/or exchanges) on a particular Dealing Day reaches or exceeds a certain percentage (the "Swing Threshold") of the size of the Sub-Fund as of such relevant Dealing Day.

Any dilution adjustment as at the last dealing day of the year will be disclosed under Units in issue.

During the financial year ended 31 December 2023 and 2022, the Sub-Fund did not reach the swing threshold and no swing pricing has been applied.

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

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial instruments at profit or loss, 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.

NIKKO AM ASIA UMBRELLA FUNDS

(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)

(a) Basis of preparation (continued)

The adoption of the revised RAP 7 did not result in substantial changes to the accounting policies of the Sub-Fund and had no material effect on the amounts reported for the current or prior years.

(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.

(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 equities securities held by the Sub-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. The quoted market prices used for fixed income securities held by the Sub-Fund is the mid-market price for both financial asset and financial liabilities. Accrued interest or discount or premium on fixed income securities at financial year end date is included in the fair value of fixed income securities. Interest income on fixed income securities is presented within "Net gains/(losses) on investments" in the Statement of Total Return. The fair value of investments held in the underlying funds is the quoted net asset value of the underlying funds as determined by the underlying funds' administrator.

NIKKO AM ASIA UMBRELLA FUNDS

(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)

(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.

(i) Foreign currency translation

(i) *Functional and presentation currency*

The Sub-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 Sub-Fund's activities are substantially based in Singapore, with subscriptions and redemptions of the units of the Sub-Fund denominated in Singapore Dollar ("SGD").

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

(ii) *Transactions and balances*

Foreign currency monetary assets and liabilities are translated into Singapore 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 with the net foreign gain or loss. Transactions during the year are recorded in Singapore Dollar at the rates of exchange ruling on transaction dates. All realised gains or losses are recognised in the Statement of Total Return.

NIKKO AM ASIA UMBRELLA FUNDS

(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)

(j) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Sub-Fund or the counterparty.

(k) Margin and collateral accounts

Cash margin provided by the Sub-Fund is identified in the Statement of Financial Position as margin and collateral accounts and is not included as a component of cash and cash equivalents. For collateral other than cash, if the party to whom the collateral is provided has the right by contract or custom to sell or re-pledge the collateral, the Sub-Fund classifies that asset in its Statement of Financial Position separately from other assets and identifies the asset as pledged collateral. Where the party to whom the collateral is provided does not have the right to sell or re-pledge, a disclosure of the collateral provided is made in the Notes to the Financial Statements.

(l) Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes: (a) restricted activities, (b) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors, (c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support and (d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The Sub-Fund considers all of its investments in other funds (the "Underlying Funds") to be investments in unconsolidated structured entities. The Sub-Fund invests in Underlying Funds whose objectives range from achieving short to long term capital growth and whose investment strategy does not include the use of leverage. The Underlying Funds apply various investment strategies to accomplish their respective investment objectives. The Underlying Funds finance their operations by issuing redeemable units which are puttable at the unitholder's option and entitles the unitholder to a proportional stake in the respective funds' net assets. The Sub-Fund holds redeemable units in the Underlying Funds.

The change in fair value of the Underlying Funds are included in the Statement of Total Return in "Net (losses)/gains on investments".

(m) Financial derivatives

Financial derivatives are entered into for the purposes of efficient portfolio management, tactical asset allocation or specific hedging of financial assets held as determined by the Manager and in accordance with the provisions of the Deeds.

Financial derivatives outstanding at the end of the financial year are valued at forward rates or at current market prices using the "mark-to-market" method, as applicable, and the resultant gains and losses are taken up in the Statement of Total Return.

NIKKO AM ASIA UMBRELLA FUNDS

(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. Significant accounting policy information (continued)

(m) Financial derivatives (continued)

When a financial derivative expires, or is sold or terminated, the gains or losses are taken up in the Statement of Total Return.

(n) Expenses

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

(o) 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 Sub-Fund, where applicable.

(p) Creation and cancellation of units

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

3. Income tax

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

Under the DUT Scheme, certain income of the DUT fund is not taxable in accordance to 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.

NIKKO AM ASIA UMBRELLA FUNDS

(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 (continued)

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

| | Nikko AM Global Multi Asset Income Fund | |
|---------------------|---|--------|
| | 2023 | 2022 |
| | S\$ | S\$ |
| Overseas income tax | <u>35,708</u> | 45,159 |

The overseas income tax represents tax deducted at source on dividend derived from outside Singapore.

4. Receivables

| | Nikko AM Global Multi Asset Income Fund | |
|----------------------|---|-------|
| | 2023 | 2022 |
| | S\$ | S\$ |
| Dividends receivable | <u>13,031</u> | 6,408 |

5. Payables

| | Nikko AM Global Multi Asset Income Fund | |
|--|---|---------|
| | 2023 | 2022 |
| | S\$ | S\$ |
| Payable to unitholders for cancellation of units | 49,535 | 23,118 |
| Amount due to the Manager | 189,484 | 176,542 |
| Amount due to the Trustee | 30,213 | 10,104 |
| Valuation fee payable | 36,797 | 12,442 |
| Transfer agent fee payable | 8,951 | 2,966 |
| Provision for audit fee | 9,775 | 9,041 |
| Custody fee payable | 4,803 | 2,497 |
| Other payables | 284 | - |
| | <u>329,842</u> | 236,710 |

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.

NIKKO AM ASIA UMBRELLA FUNDS

(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. Financial derivatives

Financial derivatives comprise of futures contracts and options on index and forward foreign exchange contracts for purchases and sales of foreign currencies. The year-end positive and negative fair values represent the unrealised gains and losses respectively on financial derivatives at the Statement of Financial Position date. The contract or underlying principal amounts of these financial derivatives and their corresponding gross positive or negative fair values at Statement of Financial Position date are analysed below.

Nikko AM Global Multi Asset Income Fund

| | Contract or underlying principal amount | | Year-end positive fair value | | Year-end negative fair value | |
|------------------------------------|---|-----------|------------------------------|---------|------------------------------|-----------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ |
| Forward foreign exchange contracts | 10,305,292 | 7,819,882 | 139,099 | 48,803 | (41,461) | - |
| Futures contracts | 4,152,118 | 2,865,352 | 78,719 | 9,279 | (55,249) | (118,324) |
| Options | 120,204 | 214,693 | 60,349 | 294,478 | - | - |
| | | | 278,167 | 352,560 | (96,710) | (118,324) |

The Sub-Fund also restricts its exposure to credit losses on the trading derivative instruments it holds by entering into master netting arrangements with approved brokers with whom it undertakes a significant volume of transactions. Master netting arrangements do not result in an offset of Statement of Financial Position assets and liabilities, as transactions are usually settled on a gross basis. However, the credit risk is reduced by a master netting arrangement to the extent that if an event of default occurs, all amounts with the counterparty are terminated and settled on a net basis. The Sub-Fund's overall exposure to credit risk on derivative instruments, subject to a master netting arrangement, can change substantially within a short period, as it is affected by each transaction subject to the arrangement.

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For the financial year ended 31 December 2023

6. Financial derivatives (continued)

Offsetting financial assets and financial liabilities

Financial assets and financial liabilities which are subject to enforceable master netting agreements or similar agreements for the financial year ended 31 December 2023 and 2022 are detailed in the following tables.

(i) Offsetting financial assets

| | Gross amounts of recognised financial assets | Gross amounts of recognised financial liabilities set-off in the Statement of Financial Position | Net amounts of financial assets presented in the Statement of Financial Position | Related accounts not set-off in the Statement of Financial Position | | Net exposure |
|------------------------------------|--|--|--|---|-----------------|--------------|
| | | | | Financial instruments | Cash collateral | |
| 2023 | S\$ | S\$ | S\$ | S\$ | S\$ | |
| Forward foreign exchange contracts | 14,254 | - | 14,254 | - | - | 14,254 |
| Future contracts | 78,719 | - | 78,719 | 55,249 | - | 23,470 |
| Options | 60,349 | - | 60,349 | - | - | 60,349 |
| Total | 153,322 | - | 153,322 | 55,249 | - | 98,073 |

| | Gross amounts of recognised financial assets | Gross amounts of recognised financial liabilities set-off in the Statement of Financial Position | Net amounts of financial assets presented in the Statement of Financial Position | Related accounts not set-off in the Statement of Financial Position | | Net exposure |
|------------------|--|--|--|---|-----------------|--------------|
| | | | | Financial instruments | Cash collateral | |
| 2022 | S\$ | S\$ | S\$ | S\$ | S\$ | |
| Future contracts | 9,279 | - | 9,279 | 9,279 | - | - |
| Options | 294,478 | - | 294,478 | - | - | 294,478 |
| Total | 303,757 | - | 303,757 | 9,279 | - | 294,478 |

NIKKO AM ASIA UMBRELLA FUNDS

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For the financial year ended 31 December 2023

6. Financial derivatives (continued)

(ii) Offsetting financial liabilities

| 2023 | Gross amounts of recognised financial liabilities S\$ | Gross amounts of recognised financial assets set-off in the Statement of Financial Position S\$ | Net amounts of financial liabilities presented in the Statement of Financial Position S\$ | Related accounts not set-off in the Statement of Financial Position | | |
|------------------------------------|--|--|--|---|------------------------|---------------------|
| | | | | Financial instruments S\$ | Cash collateral S\$ | Net exposure S\$ |
| Forward foreign exchange contracts | 3,126 | - | 3,126 | - | - | 3,126 |
| Futures contracts | 55,249 | - | 55,249 | 55,249 | - | - |
| Total | 58,375 | - | 58,375 | 55,249 | - | 3,126 |

| 2022 | Gross amounts of recognised financial liabilities S\$ | Gross amounts of recognised financial assets set-off in the Statement of Financial Position S\$ | Net amounts of financial liabilities presented in the Statement of Financial Position S\$ | Related accounts not set-off in the Statement of Financial Position | | |
|-------------------|--|--|--|---|------------------------|---------------------|
| | | | | Financial instruments S\$ | Cash collateral S\$ | Net exposure S\$ |
| Futures contracts | 118,324 | - | 118,324 | 9,279 | - | 109,045 |

7. 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 (Acc) Class A</u> | Nikko AM Global Multi Asset Income Fund | |
|--|---|-------------|
| | 2023 | 2022 |
| Units at beginning of the financial year | 65,913,172 | 67,741,909 |
| Units created | 116,190 | 156,867 |
| Units cancelled | (2,897,162) | (1,985,604) |
| Units at end of the financial year | 63,132,200 | 65,913,172 |
| Net assets attributable to unitholders - S\$ | 90,795,215 | 93,071,998 |
| Net asset value per unit - S\$ | 1.438 | 1.412 |

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:

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For the financial year ended 31 December 2023

7. Units in issue (continued)

| <u>SGD (Acc) Class A</u> | Nikko AM Global Multi Asset Income Fund | |
|--|---|--------------|
| | 2023 | 2022 |
| | S\$ | S\$ |
| Net assets attributable to unitholders per financial statements per unit | 1.438 | 1.412 |
| Effect for movement in the net assets value between the last dealing date and the end of the reporting period [^] | -* | -* |
| Net assets attributable to unitholders for issuing/redeeming per unit | <u>1.438</u> | <u>1.412</u> |

[^] The net asset value for the purposes of processing unit subscription and redemption was established in accordance with the methodology indicated in the Sub-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

8. Margin and collateral accounts

| Nikko AM Global Multi Asset Income Fund | 2023 | 2022 |
|---|------------------|----------------|
| | S\$ | S\$ |
| Margin account | <u>1,450,212</u> | <u>657,944</u> |

Margin accounts represent margin deposits in respect of open exchange traded options and futures contracts held with BNP Paribas, acting through its Singapore Branch.

9. Financial risk management

The Sub-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 Sub-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 Sub-Fund's exposures to these risks.

The investment objective of the Sub-Fund will be to achieve capital growth and income over the medium to long term by investing in a diversified portfolio of multiple asset classes globally.

The Sub-Fund will be managed on a total return basis, seeking returns from both capital appreciation and incomes received, and will invest in a diversified range of assets and markets globally.

To achieve its investment objective, the Sub-Fund will invest directly in listed equities, fixed income securities, and real estate investment trusts ("REITs"). The Sub-Fund may also invest in collective investment schemes ("CIS"), including exchange traded funds ("ETFs"). The Sub-Fund may also invest in financial derivative instruments ("FDIs") for the purposes of hedging, efficient portfolio management and/or optimizing returns.

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

NIKKO AM ASIA UMBRELLA FUNDS

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

9. Financial risk management (continued)

(a) Market risk - Price risk

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

The Sub-Fund's investment is substantially dependent on the changes of market prices. The Sub-Fund's overall market positions are monitored regularly so as to assess any deviation from the Sub-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 Sub-Fund.

The Manager has assessed that the price risk of the Sub-Fund is best reflected by movements in the MSCI AC World Net Total Return Index (2022: 60% All Country World Index and 40% Bloomberg Barclays Global Aggregate Bond Index) (the "Index").

As at 31 December 2023, an increase/decrease of the index components within the Index by 7% (2022: 7%), with all other variables remaining constant, the net assets attributable to unitholders for the year would increase/decrease by approximately 3% (2022: 6%). The analysis was based on the assumptions that the index components within the Index increased/decreased by a reasonable possible shift, with all other variables held constant and that the fair value of Sub-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.

(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).

The Manager will regularly assess the economic condition, monitor changes in interest rates outlook and take appropriate measures accordingly to control the impact of interest rate risk. The Sub-Fund's overall market positions are monitored frequently and are reviewed formally on a quarterly basis by the Manager.

The tables below summarise the Sub-Fund's exposure to interest rate risks. They include the Sub-Fund's assets and liabilities categorised by the earlier of contractual re-pricing or maturity dates.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

9. Financial risk management (continued)

(b) Market risk - Interest rate risk (continued)

Nikko AM Global Multi Asset Income Fund

As at 31 December 2023

| | Floating rate | Fixed rate | | | Non-interest bearing | Total |
|-------------------------------------|------------------|---------------------|------------------|---------------------|----------------------|-------------------|
| | S\$ | Up to 1 year S\$ | 1-5 years S\$ | Over 5 years S\$ | S\$ | |
| Assets | | | | | | |
| Portfolio of investments | 750,637 | 2,519,547 | 1,010,100 | 4,533,701 | 77,357,132 | 86,171,117 |
| Receivables | - | - | - | - | 13,031 | 13,031 |
| Cash and cash equivalents | 3,646,202 | - | - | - | - | 3,646,202 |
| Margin and collateral accounts | 1,450,212 | - | - | - | - | 1,450,212 |
| Financial derivatives at fair value | - | - | - | - | 278,167 | 278,167 |
| Total assets | 5,847,051 | 2,519,547 | 1,010,100 | 4,533,701 | 77,648,330 | 91,558,729 |
| Liabilities | | | | | | |
| Payables | - | - | - | - | 329,842 | 329,842 |
| Purchases awaiting settlement | - | - | - | - | 336,962 | 336,962 |
| Financial derivatives at fair value | - | - | - | - | 96,710 | 96,710 |
| Total liabilities | - | - | - | - | 763,514 | 763,514 |

As at 31 December 2022

| | Floating rate | Fixed rate | | | Non-interest bearing | Total |
|-------------------------------------|-------------------|---------------------|------------------|---------------------|----------------------|-------------------|
| | S\$ | Up to 1 year S\$ | 1-5 years S\$ | Over 5 years S\$ | S\$ | |
| Assets | | | | | | |
| Portfolio of investments | - | - | - | 1,240,613 | 81,756,390 | 82,997,003 |
| Receivables | - | - | - | - | 6,408 | 6,408 |
| Cash and cash equivalents | 9,413,117 | - | - | - | - | 9,413,117 |
| Margin and collateral accounts | 657,944 | - | - | - | - | 657,944 |
| Financial derivatives at fair value | - | - | - | - | 352,560 | 352,560 |
| Total assets | 10,071,061 | - | - | 1,240,613 | 82,115,358 | 93,427,032 |
| Liabilities | | | | | | |
| Payables | - | - | - | - | 236,710 | 236,710 |
| Financial derivatives at fair value | - | - | - | - | 118,324 | 118,324 |
| Total liabilities | - | - | - | - | 355,034 | 355,034 |

As at 31 December 2023, an increase/decrease of interest rates 1% (2022: 1%), with all other variables remaining constant, would result in a decrease/increase of the net assets attributable to unitholders by approximately 2% (2022: 2%). Reasonable possible changes in interest rate are revised annually depending on the Manager's current view of market volatility and other factors.

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For the financial year ended 31 December 2023

9. Financial risk management (continued)

(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 Sub-Fund mainly holds its excess cash in its functional currency. For hedging purposes, the Sub-Fund may also enter into forward foreign exchange contracts.

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

Nikko AM Global Multi Asset Income Fund

| As at 31 December 2023 | SGD S\$ | USD S\$ | EUR S\$ | HKD S\$ | GBP S\$ | JPY S\$ | Others S\$ | Total S\$ |
|---|-------------------|-------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| Assets | | | | | | | | |
| Portfolio of investments | 57,806,388 | 21,272,652 | 332,213 | 1,584,394 | 895,713 | 738,509 | 3,541,248 | 86,171,117 |
| Receivables | - | 10,103 | - | - | - | - | 2,928 | 13,031 |
| Cash and cash equivalents | 2,041,917 | 906,342 | 72,382 | 70,053 | 14,766 | 92,628 | 448,114 | 3,646,202 |
| Margin and collateral accounts | - | 721,961 | 324,563 | 228,757 | 89,907 | 85,024 | - | 1,450,212 |
| Financial derivatives at fair value – Futures contracts | - | 49,832 | - | 28,887 | - | - | - | 78,719 |
| Financial derivatives at fair value – Options | - | 60,349 | - | - | - | - | - | 60,349 |
| Total assets | 59,848,305 | 23,021,239 | 729,158 | 1,912,091 | 1,000,386 | 916,161 | 3,992,290 | 91,419,630 |
| Liabilities | | | | | | | | |
| Payables | 329,842 | - | - | - | - | - | - | 329,842 |
| Purchases awaiting settlement | - | - | - | 43,423 | - | - | 293,539 | 336,962 |
| Financial derivatives at fair value – Futures contracts | - | 55,249 | - | - | - | - | - | 55,249 |
| Total liabilities | 329,842 | 55,249 | - | 43,423 | - | - | 293,539 | 722,053 |
| Net off-balance sheet derivative financial instruments | | | | | | | | |
| | 5,621,139 | (6,692,032) | 1,317,045 | - | 336,449 | (1,340,902) | 855,939 | |
| Net currency exposure | 65,139,602 | 16,273,958 | 2,046,203 | 1,868,668 | 1,336,835 | (424,741) | 4,554,690 | |

NIKKO AM ASIA UMBRELLA FUNDS

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For the financial year ended 31 December 2023

9. Financial risk management (continued)

(c) Market risk - Currency risk (continued)

| As at 31 December 2022 | SGD S\$ | USD S\$ | EUR S\$ | HKD S\$ | GBP S\$ | JPY S\$ | Others S\$ | Total S\$ |
|---|-------------------|------------------|----------------|------------------|----------------|------------------|------------------|-------------------|
| Assets | | | | | | | | |
| Portfolio of investments | 64,439,431 | 8,532,270 | 485,682 | 3,686,139 | 696,021 | 244,811 | 4,912,649 | 82,997,003 |
| Receivables | - | 3,829 | - | - | - | - | 2,579 | 6,408 |
| Cash and cash equivalents | 8,428,019 | 137,371 | 26,111 | 119,104 | 8,362 | 56,419 | 637,731 | 9,413,117 |
| Margin and collateral accounts | - | 90,426 | 214,971 | 222,266 | 27,680 | 102,601 | - | 657,944 |
| Financial derivatives at fair value – Futures contracts | - | - | - | 9,279 | - | - | - | 9,279 |
| Financial derivatives at fair value – Options | - | 294,478 | - | - | - | - | - | 294,478 |
| Total assets | 72,867,450 | 9,058,374 | 726,764 | 4,036,788 | 732,063 | 403,831 | 5,552,959 | 93,378,229 |
| Liabilities | | | | | | | | |
| Payables | 236,710 | - | - | - | - | - | - | 236,710 |
| Financial derivatives at fair value – Futures contracts | - | 86,095 | - | - | - | 32,229 | - | 118,324 |
| Total liabilities | 236,710 | 86,095 | - | - | - | 32,229 | - | 355,034 |
| Net off-balance sheet derivative financial instruments | | | | | | | | |
| | 6,727,676 | (7,778,984) | - | - | - | 1,100,111 | - | - |
| Net currency exposure | 79,358,416 | 1,193,295 | 726,764 | 4,036,788 | 732,063 | 1,471,713 | 5,552,959 | |

NIKKO AM ASIA UMBRELLA FUNDS

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

9. 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, listed investment funds and real estate investment funds as part of the price risk sensitivity analysis.

As of 31 December 2023 and 2022, the Sub-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 Sub-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 Sub-Fund to meet its obligations as and when they fall due without incurring unacceptable cost or losses.

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

To manage the liquidity risk, a cash buffer is maintained in the Sub-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 Sub-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.

Nikko AM Global Multi Asset Income Fund Less than 3 months

| | As at 31 December 2023 S\$ | As at 31 December 2022 S\$ |
|--|-------------------------------------|-------------------------------------|
| Payables | 329,842 | 236,710 |
| Purchases awaiting settlement | 336,962 | - |
| Contractual cash outflows (excluding gross settled derivatives) | 666,804 | 236,710 |

The table below analyses the Sub-Fund's derivative financial instruments in a loss position that will be settled on a gross basis into relevant maturity groupings based on the period at the Statement of Financial Position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 3 months equal their carrying balances, as the impact of discounting is not significant.

NIKKO AM ASIA UMBRELLA FUNDS

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

9. Financial risk management (continued)

(d) Liquidity risk (continued)

Nikko AM Global Multi Asset Income Fund Less than 3 months

| | As at 31 December 2023 S\$ | As at 31 December 2022 S\$ |
|--------------------------|-------------------------------------|-------------------------------------|
| Futures contracts | | |
| - Outflow | <u>(55,249)</u> | <u>(118,324)</u> |
| Currency forwards | | |
| - Outflow | (2,206,674) | - |
| - Inflow | <u>2,165,213</u> | <u>-</u> |
| Net outflow | <u>(41,461)</u> | <u>-</u> |

(e) Credit risk

Credit risk is the risk that a counterparty will be unable to fulfil its obligations to the Sub-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 Sub-Fund is also exposed to counterparty credit risk on its financial assets held at amortised cost. As at 31 December 2023 and 2022, the Sub-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 Sub-Fund.

NIKKO AM ASIA UMBRELLA FUNDS

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9. Financial risk management (continued)

(e) Credit risk (continued)

The table below analyses the Sub-Fund's investments by credit ratings. The credit ratings are reviewed regularly.

Nikko AM Global Multi Asset Income Fund

| | Fair value at 31 December 2023 | | Fair value at 31 December 2022 | |
|---|------------------------------------|---------------------------------|------------------------------------|---------------------------------|
| | Floating rate securities S\$ | Fixed rate securities S\$ | Floating rate securities S\$ | Fixed rate securities S\$ |
| Aaa* | - | 5,060,548 | - | 1,240,613 |
| Baa1 | 250,737 | 271,223 | - | - |
| Baa2 | - | 520,077 | - | - |
| Baa3 | 499,900 | 721,581 | - | - |
| Ba1 | - | 244,035 | - | - |
| Ba3 | - | 504,611 | - | - |
| B1 | - | 253,928 | - | - |
| Not rated** | - | 487,345 | - | - |
| Accrued interest receivables on quoted fixed income securities | 10,101 | 76,716 | - | 4,900 |
| | 760,738 | 8,140,064 | - | 1,245,513 |

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

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

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 Sub-Fund's assets are held as at 31 December 2023 and 2022.

Nikko AM Global Multi Asset Income Fund

| | 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 |
| Counterparties of forward foreign exchange contracts | | | |
| - Australia and New Zealand Bank | Aa3 | Aa3 | Moody's |
| - Barclays Bank | A1 | N.A. | Moody's |
| - BNP Paribas | Aa3 | N.A. | Moody's |
| - JPMorgan Chase & Co | N.A. | A1 | Moody's |

NIKKO AM ASIA UMBRELLA FUNDS

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

9. Financial risk management (continued)

(e) Credit risk (continued)

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

(g) Fair value estimation

The Sub-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 Sub-Fund's financial assets and liabilities (by class) measured at fair value at 31 December 2023 and 2022:

Nikko AM Global Multi Asset Income Fund

| As at 31 December 2023 | Level 1 S\$ | Level 2 S\$ | Level 3 S\$ | Total S\$ |
|-------------------------------------|-------------------|------------------|----------------|-------------------|
| Assets | | | | |
| Portfolio of investments: | | | | |
| - Quoted equities | 13,209,515 | - | - | 13,209,515 |
| - Quoted investment funds | 64,060,800 | - | - | 64,060,800 |
| - Quoted fixed income securities | 1,997,032 | 6,903,770 | - | 8,900,802 |
| Financial derivatives at fair value | - | 278,167 | - | 278,167 |
| | 79,267,347 | 7,181,937 | - | 86,449,284 |
| Liabilities | | | | |
| Financial derivatives at fair value | - | 96,710 | - | 96,710 |

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

9. Financial risk management (continued)

(g) Fair value estimation (continued)

| As at 31 December 2022 | Level 1 S\$ | Level 2 S\$ | Level 3 S\$ | Total S\$ |
|--|-------------------|------------------|----------------|-------------------|
| Assets | | | | |
| Portfolio of investments: | | | | |
| - Quoted equities | 13,761,595 | - | - | 13,761,595 |
| - Quoted investment funds | 67,501,622 | - | - | 67,501,622 |
| - Quoted fixed income securities | - | 1,245,513 | - | 1,245,513 |
| - Quoted real estate investment trusts | 488,273 | - | - | 488,273 |
| Financial derivatives at fair value | - | 352,560 | - | 352,560 |
| | <u>81,751,490</u> | <u>1,598,073</u> | <u>-</u> | <u>83,349,563</u> |
| Liabilities | | | | |
| Financial derivatives at fair value | - | 118,324 | - | 118,324 |

Investments whose values are based on quoted market prices in active markets, and therefore classified within Level 1, include Singapore government bonds and treasury bills, active listed equities, investment funds and real estate investment trusts. Investments in open-ended investment funds whose net asset values are struck daily, price information is published and readily available and units are subscribed and redeemable on demand at the published price, are classified within Level 1. The Sub-Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include global bonds and over-the-counter derivatives.

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

NIKKO AM ASIA UMBRELLA FUNDS

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

9. Financial risk management (continued)

(h) Interests in unconsolidated structured entities

The Sub-Fund's investments in the Underlying Funds are subject to the terms and conditions of the respective Underlying Funds' offering documentation and are susceptible to market price risk arising from uncertainties about future values of those Underlying Funds. The Manager makes investment decisions after extensive due diligence of the Underlying Funds, its strategy and the overall quality of the Underlying Funds' manager. The Underlying Funds in the Statement of Portfolio is managed by portfolio managers who are compensated by the respective Underlying Funds for their services. Such compensation generally consists of an asset based fee and is reflected in the valuation of the Sub-Fund's investments in each of the Underlying Funds.

The Sub-Fund has the right to request redemption of its investments in the Underlying Funds on a daily basis.

The exposure to investments in the Underlying Funds at fair value is disclosed under the Statement of Portfolio. These investments are included in "Portfolio of investments" in the Statement of Financial Position.

The Sub-Fund's holdings in the Underlying Fund, as a percentage of the Underlying Fund's total net asset value, will vary from time to time dependent on the volume of subscriptions and redemptions at the Underlying Fund's level. It is possible that the Sub-Fund may, at any point in time, hold a majority of the Underlying Fund's total units in issue.

The Sub-Fund's maximum exposure to loss from its interests in the Underlying Funds is equal to the total fair value of its investments in the Underlying Funds.

Once the Sub-Fund has disposed of its units in the Underlying Funds, the Sub-Fund ceases to be exposed to any risk from that Underlying Funds.

10. 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 Sub-Fund and the related party at terms agreed between the parties and within the provisions of the Deeds:

| | Nikko AM Global Multi Asset Income Fund | |
|---|--|-------------|
| | 2023 | 2022 |
| | S\$ | S\$ |
| Bank balances held with related party of the Trustee | 3,646,202 | 9,413,117 |
| Margin and collateral balances held with related party of the Trustee | 1,450,212 | 657,944 |

NIKKO AM ASIA UMBRELLA FUNDS

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

11. Financial ratios

Expense ratio

| | | 2023 | 2022 |
|---|-----|-------------------|------------|
| <u>SGD (Acc) Class A</u> | | | |
| Total operating expenses | S\$ | 833,095 | 790,466 |
| Average daily net asset value | S\$ | 91,083,791 | 98,244,134 |
| Total expense ratio¹ (including the Underlying Funds' expense ratio) | % | 1.86 | 1.84 |
| Weighted average of the Underlying Funds' unaudited expense ratio | % | 0.95 | 1.04 |

Turnover ratio

| | | 2023 | 2022 |
|--|-----|-------------------|------------|
| Lower of total value of purchases or sales | S\$ | 39,626,187 | 47,637,334 |
| Average daily net asset value | S\$ | 91,083,791 | 98,244,134 |
| Total turnover ratio² | % | 43.51 | 48.49 |

¹ The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). This is the sum of the Sub-Fund's expense ratio and the weighted average of the Underlying Sub-Fund's unaudited expense ratio. 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 back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Sub-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.

NIKKO AM ASIA UMBRELLA FUNDS

(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 Sub-Fund.

1. Distribution of investments

Please refer to the Statement of Portfolio on pages 13 to 20.

2. Credit rating of debt securities

Nikko AM Global Multi Asset Income Fund

| | Fair value at 31 December 2023 S\$ | Percentage of total net assets attributable to unitholders at 31 December 2023 % |
|--|---|--|
| Aaa | 5,060,548 | 5.57 |
| Baa1 | 521,960 | 0.57 |
| Baa2 | 520,077 | 0.57 |
| Baa3 | 1,221,481 | 1.35 |
| Ba1 | 244,035 | 0.27 |
| Ba3 | 504,611 | 0.56 |
| B1 | 253,928 | 0.28 |
| Not rated | 487,345 | 0.53 |
| Accrued interest receivables on quoted fixed income securities | 86,817 | 0.10 |
| Total | 8,900,802 | 9.80 |

3. Top 10 holdings

Nikko AM Global Multi Asset Income Fund

10 largest holdings at 31 December 2023

| | Fair value S\$ | Percentage of total net assets attributable to unitholders % |
|--|-------------------|--|
| Nikko AM Global Dividend Equity Fund | 20,598,023 | 22.69 |
| Nikko AM Multi Sector Credit Fund | 16,152,911 | 17.79 |
| Horizon Singapore Fixed Income Enhanced Fund | 15,531,693 | 17.11 |
| Singapore Dividend Equity Fund | 3,477,476 | 3.82 |
| Sprott Physical Gold Trust | 2,614,062 | 2.88 |
| ARK Innovation ETF | 1,920,468 | 2.12 |
| United States Treasury Note/Bond 3.5% due 15/02/2033 | 1,794,701 | 1.98 |
| United States Treasury Note/Bond 3.375% due 15/05/2033 | 1,268,815 | 1.39 |
| iShares FTSE China A50 ETF | 805,955 | 0.89 |
| iShares MSCI India ETF | 708,241 | 0.78 |

NIKKO AM ASIA UMBRELLA FUNDS

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

REPORT TO UNITHOLDERS

For the financial year ended 31 December 2023

3. Top 10 holdings (continued)

| 10 largest holdings at 31 December 2022 | Fair value S\$ | Percentage of total net assets attributable to unitholders % |
|--|-------------------|--|
| Nikko AM Global Dividend Equity Fund | 25,185,426 | 27.06 |
| Horizon Singapore Fixed Income Enhanced Fund | 18,944,640 | 20.35 |
| Nikko AM Multi Sector Credit Fund | 14,610,773 | 15.70 |
| Singapore Dividend Equity Fund | 3,307,781 | 3.55 |
| NikkoAM-ICBCSG China Bond ETF | 2,244,955 | 2.41 |
| iShares FTSE China A50 ETF | 1,784,421 | 1.92 |
| United States Treasury Note/Bond 2.875% due 15/05/2032 | 1,240,613 | 1.33 |
| Sprott Physical Gold Trust | 756,439 | 0.81 |
| Compass Group Public Listed Company | 387,461 | 0.42 |
| AIA Group Limited | 363,943 | 0.39 |

4. Exposure to financial derivatives

| | Fair value at 31 December 2023 S\$ | Percentage of total net assets attributable to unitholders at 31 December 2023 % | Unrealised gains/(losses) S\$ | Realised gains/(losses) S\$ |
|---------------------------------------|---|--|-------------------------------------|-----------------------------------|
| Forward foreign exchange contracts | 97,638 | 0.11 | 97,638 | (295,282) |
| Futures contracts | 23,470 | 0.03 | 23,470 | (321,946) |
| Options | 60,349 | 0.07 | (61,968) | (358,639) |

5. Global exposure to financial derivatives

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

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

NIKKO AM ASIA UMBRELLA FUNDS

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

REPORT TO UNITHOLDERS

For the financial year ended 31 December 2023

6. Collateral

Please refer to Note 8 of the Notes to the Financial Statements on page 30.

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 13 to 20.

9. Borrowings

Nil.

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

Nikko AM Global Multi Asset Income Fund
S\$

| | |
|-----------------|-------------|
| Units created | 163,929 |
| Units cancelled | (4,085,937) |

11. Turnover ratio

Please refer to Note 11 of the Notes to the Financial Statements on page 41.

12. Expense ratio

Please refer to Note 11 of the Notes to the Financial Statements on page 41.

13. Related party transactions

Please refer to Note 10 of the Notes to the Financial Statements on page 40.

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

Nil.

15. Soft dollar commissions/arrangements

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

The Managers of the Underlying Funds which the Sub-Fund invests into currently do not receive or intend to receive any soft dollars in their management of the Underlying Funds.

In respect of the Nikko AM Global Dividend Equity Fund, an Underlying Fund which the Sub-Fund invests in, the sub-managers do not receive or intend to receive any soft dollars in their management of the Nikko AM Global Dividend Equity Fund. Nikko Asset Management Americas, Inc., also does not receive or intend to receive soft dollars in respect of the global equities trading that it carries out for the Nikko AM Global Dividend Equity Fund.

