

# SEMI-ANNUAL REPORT

For the financial period ending 30 June 2018

**Nikko AM Shenton  
Global Opportunities Fund**

**MANAGERS**

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Company Registration No. 198202562H

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20 Collyer Quay, #01-01  
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This report is also available on our website ([www.nikkoam.com.sg](http://www.nikkoam.com.sg))

## PERFORMANCE SUMMARY

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<b>Returns (%)</b>	<b>3 Mth</b>	<b>6 Mth</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>	<b>10 Yr</b>	<b>Since Inception</b>
Nikko AM Shenton Global Opportunities Fund <sup>1</sup>	7.04	9.39	16.92	10.99	12.51	4.28	4.30
MSCI World Free Index <sup>2</sup>	5.78	2.47	10.01	7.66	9.91	4.33	1.95

Source: Nikko Asset Management Asia Limited, returns as at 30 June 2018. Returns are calculated on a NAV-NAV basis, SGD, and based on the assumption that all dividends and distributions are reinvested, if any. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

<b>Returns (%)</b>	<b>3 Mth</b>	<b>6 Mth</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>	<b>10 Yr</b>	<b>Since Inception</b>
Nikko AM Shenton Global Opportunities Fund <sup>1</sup>	1.69	3.92	11.08	9.11	11.36	3.74	4.02
MSCI World Free Index <sup>2</sup>	5.78	2.47	10.01	7.66	9.91	4.33	1.95

Source: Nikko Asset Management Asia Limited, returns as at 30 June 2018. Returns are calculated on a NAV-NAV basis, SGD, and based on the assumption that all dividends and distributions are reinvested, if any, and take into account of maximum initial sales charge and a realisation charge, currently nil, as and where applicable. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

### **Inception date: 5 March 1999**

#### **Note:**

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

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

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

(2) Prior to 1 May 2017, the performance returns of the benchmark is calculated using price index methodology. With effect from 1 May 2017, it is calculated using net total return index methodology.

### **Portfolio Review**

#### **Fund returned 9.39% in 1H2018**

For the year ended 30 June 2018, the Nikko AM Shenton Global Opportunities Fund (the “Fund”) returned 9.39% (SGD terms, on NAV-NAV basis), outperforming the MSCI World Free Index which returned 2.47% over the same period.

The main contributors to performance include Transunion, LivaNova, Silicon Valley Bank, Li Ning and Amazon. Transunion announced stronger-than-expected results, driven by accelerating organic growth (which came in at 14%, almost double the expectations). The strength in growth was widespread across the business and they also announced a strategically compelling acquisition (of a large UK credit bureau) at the same time. LivaNova performed strongly over the quarter following confirmation that the ‘Centers for Medicare & Medicaid Services’ (‘CMS’) are to look again at their decision not to

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reimburse one of the company's products for treating depression. If ultimately approved, this will be a huge revenue opportunity for the business. As for Silicon Valley Bank, the company's performance climbed almost 20% after posting far better-than-expected numbers, with loan growth and net interest margins performing strongly ahead. The company continues to focus on providing finance and services to the technology & healthcare sectors predominantly operating on the West Coast. Li Ning reported results which included a significant improvement in working capital. This increased confidence in the outlook for revenue growth and margin improvement as the company aims to close a margin gap versus its peers. Finally, Amazon's performance came in strong after another set of strong quarterly numbers – with accelerating revenue growth and better-than-expected profit margins, helped by the success of its Advertising business. The announcement of a \$20 price hike for Prime membership also underlined the business's pricing power and the increased TV content buying power suggests continued competitive advantage going forwards.

Against this, Celgene Corporation, Healthcare Services Group, Summit Materials, Occidental Petroleum and Prudential detracted from relative performance. Celgene Corporation's performance was weak at the start of the year as large-cap biotechnological companies generally performed negatively. The company's announcement that it planned to acquire Juno Therapeutics for \$9b also served to unsettle investors. Although the company is developing drugs in one of the most exciting new therapeutic areas, it is loss making at present and its acquisition will weigh on short-term profits as a result. Healthcare Services Group was in line with results but a broker downgrade witnessed some profit taking. Summit Materials was weak on expectations that poor weather will mean a slow start for the US construction season. As for Occidental Petroleum, energy prices are clearly a key driver for stocks such as Occidental and the notable rally in oil prices in the latter part of 2017 was a tailwind for the sector. In 2018 we have seen energy prices stall around prior levels, with investors appearing to conclude that further gains are dependent on notable supply disruptions in the industry, with a likely associated hike in risk premiums and concerns over ongoing demand substitution. Finally with valuations versus current profitability still relatively high, the trajectory of future energy prices will remain key to share price performance. Prudential performed well during the early part of May as investors continued to digest the potential merits of de-merging the UK business. However, the share price subsequently came under pressure, along with most European financial stocks, following political problems in Italy and the implications this may have.

## **Market Review**

### ***Global equity markets rose marginally over 1H2018***

Global equity markets rose marginally over the six months, picking up the pace slightly in the second half of the period on the back of declines over Q1 2018.

Economic data and earnings in the US have been strong, leading to further interest rate tightening by the Federal Reserve (Fed). This tightening of US interest rates, combined with the initial bouts of trade war by means of tariffs, have combined to put pressure on emerging markets. Meanwhile, capital has fled towards the relative safety of the US. President Trump's tariffs are perhaps the first signs that synchronised growth across the globe may not continue unchecked.

While we continue to watch for signs of stress that may emerge as 'Quantitative Easing' moves towards 'Quantitative Tightening', profits remain robust in most regions of the world, and macro observations are for growth to continue. Despite the strong gains in equities since early 2017, as bottom up stock-pickers, we are still finding many good opportunities. We remain focused on Future Quality companies which are those that have a sustainable franchise, strong balance sheets and an obvious source of competitive advantage.

In a continuation from Q1, 'Growth' has generally outperformed 'Value' over the first half of the year.

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However, the distinction was less marked than earlier in the year, with 'Value' sectors such as Energy performing strongly. This can be explained by an increase in crude oil prices on the back of rising geopolitical risk, falling supplies from a number of OPEC countries e.g. Venezuela and Libya, as well as rising speculation that US sanctions on Iran will lead to further supply decreases. This has led to inventory levels falling back to long term averages.

Information Technology continues to perform above the benchmark, and not solely driven by the FANG stocks. Companies exposed to the increase in the 'cloud' or the digital transformation of industries such as Hexagon continue to grow revenues and profits aggressively and subsequently, share prices have generally been performing well over the past months.

The consumer sectors showed a divergence in performance, with the Consumer Discretionary sector returning above benchmark returns, whereas the Consumer Staples sector saw returns below the benchmark. The latter reflects the ongoing relative derating in the sector; all income generating sectors have been put under pressure as the Federal Funds Rate has moved higher.

Financials performed weakly over the first half of the year, despite rising rates. This reflects ongoing political tensions in Europe and a heavy derating in most emerging markets.

Latin America was the worst emerging market area to be hit as a result of a devaluation of the Argentinian Peso, ongoing issues caused by a combination of the rising US Dollar and poor political governance.

With regards to portfolios, our stock picking drives the overall shape of positioning with respect to geographies or sectors. Over the years these stock picks have continued to be reasonably dispersed across sectors and geographies.

## **Market Outlook and Strategy**

### ***Continue to seek companies with future quality and superior returns***

Our primary focus remains to seek companies that deliver superior returns over the longer term and we do this by selecting companies that meet our Future Quality criteria. One of the key principles of Future Quality is a comprehensive understanding of the quality of our stocks' business franchise –its sources of competitive advantage and what this should mean for their pricing power. With inflation expectations picking up from very low levels, this assessment is particularly important at present.

Costs have been on the rise for some time and Energy has at long last caught up. Despite higher rising crude oil prices, we have had difficulty finding Future Quality ideas in the Energy sector. However, we believe that exploration and production company EOG, with its focus on returns and on using technology and data to reduce costs is one example which makes it stand out and we have recently added the stock to our portfolios.

We feel that rising crude prices –whether driven by higher than expected demand or collapse in supply –will sow the seeds for a faster transition to low carbon energy sources. Hence we continue to look for high quality ideas in the renewables or general energy efficiency space that will see accelerated demand if crude is to continue its rise higher.

We believe expectations are elevated in some areas of the market and shares may be susceptible to bouts of profit taking. Some stocks in the Technology hardware space are also cyclical, although are currently priced for perfection. Until we get more clarity on where we are in the market cycle and valuations become more sensible, we believe this remains a dangerous area to invest.

Consumption in Emerging Markets remains a theme that we believe offers a number of opportunities across various sectors –with several areas where there is the potential for sustainable and improving

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cash flow growth. There are parallels between the West's 'Baby Boomer' generation and the growing demographic bulge in the East which we hope to capitalise on, as the fear of trade wars offer up some attractive valuations. For example, our existing holding in the Chinese sports retailer Li Ning will benefit from the growing middle class in the region, as exercise participation rates tend to go up in tandem with rising wealth. Likewise, insurer AIA Group is gaining from the growing wealth, in addition to an ageing population and an underpenetrated life savings market, all of which are helping to drive sustainable returns and growth for the company.

Consumer Staples are starting to approach valuations of interest to us, though the threat of a secular erosion of some companies' businesses is clear to see. High quality, well-managed brands with a strong Emerging Markets footprint remain the type of Future Quality names we are looking for. Unilever is a great example of one such business we added to the portfolio over the first half of the year.

We remain excited about the businesses we hold in portfolios, due to their unique drivers or because they are exposed to areas of growth such as the Asian consumption story. We continue to stay away from unproven, less well known business models as we feel it is too early to be invested in somewhat experimental technology. Examples of this are autonomous vehicles, which are still in the rudimentary stages of development and return whilst industry structures remain unclear.

Judicious stock selection remains key for maximising returns in global equity markets.

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**Past performance or any prediction, projection or forecast is not indicative of future performance.** The funds may use or invest in financial derivative instruments. The value of units and income from them may fall or rise. Investments in the funds are subject to investment risks, including the possible loss of principal amount invested. You should read the relevant prospectus and product highlights sheet obtainable from appointed distributors of Nikko AM Asia or our website ([www.nikkoam.com.sg](http://www.nikkoam.com.sg)) before investing.

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#### **For Hong Kong Investors**

The fund is only offered to professional investors and is not authorized by the Securities and Futures Commission in Hong Kong. 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

## SOFT DOLLAR COMMISSIONS/ARRANGEMENTS

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### Appointment of soft dollar brokers

The Managers will only appoint soft dollar brokers onto their broker panel after they have ensured that:

- a) full disclosure of the practice of accepting soft dollars is made;
- b) the commission rates charged are comparable with the market rates;
- c) there is no conflict of interest;
- d) the soft dollar credits are used only for clearly defined services;
- e) at all times trades are executed through the respective brokers only on the basis of best execution regardless whether soft dollar benefits will accrue. Best execution shall include competitive prices with smooth execution ability; and
- f) relevant regulations and guidelines are complied with.

The procedures for the appointment of the brokers shall be no different from that of normal full service brokers.

### Execution and allocation

If the Trustee objects to the use of the soft dollar brokers, the trades of the Fund shall be segregated from the rest of the trades that are executed through the relevant soft dollar broker(s). The Managers will execute trades for such accounts only with authorised full service brokers.

The Managers are responsible for ensuring that the allocation quotas are adhered to. In addition, the Managers will monitor the execution ability of the soft dollar brokers and assign the business strictly on a "best execution" basis.

Subject to the provisions of the Code\*, in their management of the Fund, the Managers may receive soft dollar commissions from, or may enter into soft dollar arrangements with, stockbrokers who execute trades on behalf of the Fund and the soft dollars received would be restricted to the following kinds of services:

- a) specific advice as to the advisability of dealing in, or of the value of any investments;
- b) research and advisory services;
- c) economic and political analysis;
- d) portfolio analysis including valuation and portfolio measurements;
- e) market analysis;
- f) data and quotation services;
- g) computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and
- h) custodial services in relation to the investments managed for clients.

The following are, however, prohibited:

- a) travel, accommodation and entertainment expenses;
- b) general administrative goods and services including office equipment and premises;
- c) membership fees;
- d) employee salaries; and
- e) direct money payments / rebates.

The Managers will retain the records of the payments made using soft dollar commissions.

The Managers of the Nikko AM Shenton Global Opportunities Fund (the "Fund") will not accept or enter into soft-dollar commissions / arrangements unless:

- such soft-dollar commissions / arrangements can in the opinion of the Managers, reasonably be expected to assist in the Managers' provision of investment advice or related services to the Fund or assist the Managers in their management of the Fund;
- the Managers shall ensure at all times that best execution is carried out for the transactions; and
- no unnecessary trades are entered into in order to achieve a sufficient volume of transactions to qualify for such soft-dollar commissions / arrangements.

The Managers will comply with applicable regulatory and industry standards on soft dollars.

The Sub-Managers of the Nikko AM Shenton Global Opportunities Fund do not receive or intend to receive soft dollars in respect of the Nikko AM Shenton Global Opportunities Fund.

Please note that with effect from 25 January 2018, the Managers have ceased to receive soft dollar commissions, or enter into soft dollar arrangements, in their management of the Fund.

\* The "Code" means the Code on Collective Investment Schemes issued by the Authority pursuant to the Securities and Futures Act, as may be amended, modified, or supplemented from time to time by the Authority.



**NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF TOTAL RETURN***For the financial period from 01 January 2018 to 30 June 2018 (unaudited)*

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	30 June 2018 US\$	30 June 2017 US\$
<b>Income</b>		
Dividends	239,975	225,788
Interest	2,509	134
Other Income	788	-
	<u>243,272</u>	<u>225,922</u>
<b>Less: Expenses</b>		
Management fee	199,739	143,260
Registrar fee	7,862	6,890
Trustee fee	15,949	11,622
Custody fee	3,194	2,426
Audit fee	4,922	5,347
Valuation fee	7,177	5,230
Transaction costs	44,034	27,946
Other expenses	14,657	5,767
	<u>297,534</u>	<u>208,488</u>
<b>Net (losses)/income</b>	<u>(54,262)</u>	17,434
<b>Net gains or losses on value of investments</b>		
Net gains on investments	1,961,859	2,724,432
Net foreign exchange losses	(7,225)	(2,359)
	<u>1,954,634</u>	<u>2,722,073</u>
<b>Total return for the financial period before income tax</b>	1,900,372	2,739,507
<b>Less: Income tax</b>	(41,499)	(41,367)
<b>Total return for the financial period after income tax</b>	<u>1,858,873</u>	<u>2,698,140</u>

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**NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND**  
(Constituted under a Trust Deed registered in the Republic of Singapore)

**STATEMENT OF FINANCIAL POSITION**

As at 30 June 2018 (unaudited)

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	<b>30 June 2018</b>	31 December 2017
	<b>US\$</b>	US\$
<b>ASSETS</b>		
Portfolio of investments	<b>37,059,789</b>	22,462,959
Sales awaiting settlement	<b>216,246</b>	-
Receivables	<b>313,069</b>	104,597
Cash and bank balances	<b>772,900</b>	410,621
<b>Total assets</b>	<b>38,362,004</b>	22,978,177
<b>LIABILITIES</b>		
Payables	<b>237,420</b>	153,936
Purchases awaiting settlement	<b>90,311</b>	-
<b>Total liabilities</b>	<b>327,731</b>	153,936
<b>EQUITY</b>		
Net assets attributable to unitholders	<b>38,034,273</b>	22,824,241

**NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND**  
*(Constituted under a Trust Deed registered in the Republic of Singapore)*

**STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS**

*For the financial period from 01 January 2018 to 30 June 2018 (unaudited)*

	<b>30 June 2018</b>	31 December 2017
	<b>US\$</b>	US\$
<b>Net assets attributable to unitholders at the beginning of the financial period/year</b>	<b>22,824,241</b>	21,802,178
<b>Operations</b>		
Change in net assets attributable to unitholders resulting from operations	<b>1,858,873</b>	5,058,384
<b>Unitholders' contributions/(withdrawals)</b>		
Creation of units	<b>14,650,221</b>	1,601,069
Cancellation of units	<b>(1,299,062)</b>	(5,637,390)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	<b>13,351,159</b>	(4,036,321)
Total increase in net assets attributable to unitholders	<b>15,210,032</b>	1,022,063
<b>Net assets attributable to unitholders at the end of the financial period/year</b>	<b>38,034,273</b>	22,824,241

**NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND**  
(Constituted under a Trust Deed registered in the Republic of Singapore)

**STATEMENT OF PORTFOLIO**

As at 30 June 2018 (unaudited)

By Geography (Primary)	Holdings at 30 June 2018	Fair value at 30 June 2018 US\$	Percentage of total net assets attributable to unitholders at 30 June 2018 %
<b>Quoted Equities</b>			
<b>AUSTRALIA</b>			
Treasury Wine Estates Limited	58,634	753,378	1.98
<b>Total AUSTRALIA</b>		<b>753,378</b>	<b>1.98</b>
<b>BRITAIN</b>			
Johnson Matthey Public Listed Company	19,785	945,313	2.49
LivaNova Public Listed Company	14,830	1,480,331	3.89
Prudential Public Listed Company	37,133	850,326	2.24
Unilever Public Listed Company	16,271	900,506	2.37
Weir Group Public Listed Company	31,976	844,317	2.22
<b>Total BRITAIN</b>		<b>5,020,793</b>	<b>13.21</b>
<b>CAYMAN ISLANDS</b>			
Tencent Holdings Limited	14,100	707,746	1.86
<b>Total CAYMAN ISLANDS</b>		<b>707,746</b>	<b>1.86</b>
<b>CHINA</b>			
Li Ning Company Limited	650,000	716,658	1.88
Sinopharm Group Company Limited	183,200	736,728	1.94
<b>Total CHINA</b>		<b>1,453,386</b>	<b>3.82</b>
<b>FRANCE</b>			
Altran Technologies SA	50,972	739,144	1.94
Schneider Electric SE	7,407	617,643	1.62
<b>Total FRANCE</b>		<b>1,356,787</b>	<b>3.56</b>
<b>HONG KONG SAR</b>			
AIA Group Limited	102,200	893,629	2.35
<b>Total HONG KONG SAR</b>		<b>893,629</b>	<b>2.35</b>
<b>INDIA</b>			
Housing Development Finance Corporation Limited	34,516	961,476	2.53
<b>Total INDIA</b>		<b>961,476</b>	<b>2.53</b>
<b>IRELAND</b>			
Accenture Public Listed Company	5,772	944,415	2.48
Icon Public Listed Company	6,298	834,674	2.19
<b>Total IRELAND</b>		<b>1,779,089</b>	<b>4.67</b>
<b>ITALY</b>			
Davide Campari-Milano Spa	94,928	780,820	2.05
<b>Total ITALY</b>		<b>780,820</b>	<b>2.05</b>
<b>JAPAN</b>			
Ichigo Incorporated	80,400	377,448	0.99
Keyence Corporation	1,500	847,199	2.23
Sony Corporation	24,000	1,227,247	3.23
<b>Total JAPAN</b>		<b>2,451,894</b>	<b>6.45</b>
<b>NETHERLANDS</b>			
Koninklijke Philips NV	23,617	1,004,384	2.64
<b>Total NETHERLANDS</b>		<b>1,004,384</b>	<b>2.64</b>

**NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND**  
*(Constituted under a Trust Deed registered in the Republic of Singapore)*

**STATEMENT OF PORTFOLIO**

*As at 30 June 2018 (unaudited)*

By Geography (Primary) (continued)	Holdings at 30 June 2018	Fair value at 30 June 2018 US\$	Percentage of total net assets attributable to unitholders at 30 June 2018 %
<b>Quoted Equities (continued)</b>			
<b>SWEDEN</b>			
Hexagon AB	13,260	755,343	1.99
<b>Total SWEDEN</b>		<b>755,343</b>	<b>1.99</b>
<b>UNITED STATES OF AMERICA</b>			
Amazon.com Incorporated	1,016	1,725,889	4.54
Anthem Incorporated	4,275	1,017,664	2.68
Celgene Corporation	7,508	596,285	1.57
Dolby Laboratories Incorporated	13,160	811,840	2.13
EOG Resources Incorporated	6,475	805,814	2.12
Estee Lauder Companies Incorporation	6,154	878,114	2.31
Healthcare Services Group Incorporated	15,747	680,113	1.79
Huntington Bancshares Incorporation	58,840	868,478	2.28
Laboratory Corporation of America Holdings	4,257	764,259	2.01
Microsoft Corporation	21,152	2,085,799	5.48
Progressive Corporation	22,063	1,305,026	3.43
Red Hat Incorporated	7,100	954,169	2.51
ResMed Incorporated	10,450	1,082,411	2.85
Shire Public Listed Company	11,520	648,668	1.71
Summit Materials Incorporated	26,585	697,856	1.83
SVB Financial Group	3,548	1,024,556	2.69
Transunion	17,242	1,236,596	3.25
Verisk Analytics Incorporated	8,604	926,135	2.44
<b>Total UNITED STATES OF AMERICA</b>		<b>18,109,672</b>	<b>47.62</b>
<b>Total Quoted Equities</b>		<b>36,028,397</b>	<b>94.73</b>
<b>Quoted Real Estate Investment Trusts</b>			
<b>UNITED STATES OF AMERICA</b>			
American Tower Corporation	7,154	1,031,392	2.71
<b>Total UNITED STATES OF AMERICA</b>		<b>1,031,392</b>	<b>2.71</b>
<b>Total Quoted Real Estate Investment Trusts</b>		<b>1,031,392</b>	<b>2.71</b>
<b>Portfolio of investments</b>		<b>37,059,789</b>	<b>97.44</b>
<b>Other net assets</b>		<b>974,484</b>	<b>2.56</b>
<b>Net assets attributable to unitholders</b>		<b>38,034,273</b>	<b>100.00</b>

**NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND**  
*(Constituted under a Trust Deed registered in the Republic of Singapore)*

**STATEMENT OF PORTFOLIO**

*As at 30 June 2018 (unaudited)*

<b>By Geography (Summary)</b>	<b>Percentage of total net assets attributable to unitholders at 30 June 2018 %</b>	<b>Percentage of total net assets attributable to unitholders at 31 December 2017 %</b>
<b>Quoted Equities</b>		
Australia	1.98	2.08
Britain	13.21	8.53
Cayman Islands	1.86	2.55
China	3.82	4.08
France	3.56	1.79
Germany	-	3.75
Hong Kong SAR	2.35	3.00
India	2.53	2.63
Ireland	4.67	5.96
Italy	2.05	-
Japan	6.45	6.77
Netherlands	2.64	2.55
Sweden	1.99	-
United States of America	47.62	51.82
<b>Total Quoted Equities</b>	<b>94.73</b>	<b>95.51</b>
<b>Quoted Real Estate Investment Trusts</b>		
United States of America	2.71	2.91
<b>Total Quoted Real Estate Investment Trusts</b>	<b>2.71</b>	<b>2.91</b>
<b>Portfolio of investments</b>	<b>97.44</b>	<b>98.42</b>
<b>Other net assets</b>	<b>2.56</b>	<b>1.58</b>
<b>Net assets attributable to unitholders</b>	<b>100.00</b>	<b>100.00</b>

**NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND**  
*(Constituted under a Trust Deed registered in the Republic of Singapore)*

**STATEMENT OF PORTFOLIO**

*As at 30 June 2018 (unaudited)*

<b>By Industry (Secondary)</b>	<b>Fair value at 30 June 2018 US\$</b>	<b>Percentage of total net assets attributable to unitholders at 30 June 2018 %</b>	<b>Percentage of total net assets attributable to unitholders at 31 December 2017 %</b>
Agriculture	-	-	2.34
Airlines	-	-	2.14
Banks	1,893,034	4.98	7.27
Beverages	1,534,198	4.03	2.08
Biotechnology	1,244,953	3.27	2.23
Building Materials	697,856	1.84	4.52
Chemicals	945,313	2.49	2.34
Commercial Services	2,842,844	7.48	5.17
Computers	944,415	2.48	-
Cosmetics/Personal Care	1,778,620	4.68	2.87
Diversified Financial Services	1,338,924	3.52	4.60
Electrical Component and Equipment	617,643	1.62	1.79
Electronics	1,004,384	2.64	4.76
Engineering and Construction	739,144	1.94	-
Entertainment	811,840	2.13	1.71
Healthcare-Products	2,562,742	6.74	8.33
Healthcare-Services	2,616,597	6.88	4.09
Home Furnishings	1,227,247	3.23	2.59
Household Products/Wares	-	-	1.09
Insurance	3,048,981	8.02	6.54
Internet	2,433,635	6.40	6.57
Machinery-Diversified	2,446,859	6.43	2.12
Miscellaneous Manufacture	-	-	2.66
Oil and Gas	805,814	2.12	2.00
Pharmaceuticals	736,728	1.94	3.99
Real Estate Investment Trusts (REITS)	1,031,392	2.71	2.91
Retail	716,658	1.88	1.82
Software	3,039,968	7.99	8.00
Telecommunications	-	-	1.90
<b>Portfolio of investments</b>	<b>37,059,789</b>	<b>97.44</b>	<b>98.42</b>
<b>Other net assets</b>	<b>974,484</b>	<b>2.56</b>	<b>1.58</b>
<b>Net assets attributable to unitholders</b>	<b>38,034,273</b>	<b>100.00</b>	<b>100.00</b>

## NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND

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

### REPORT TO UNITHOLDERS

For the financial period from 01 January 2018 to 30 June 2018 (unaudited)

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The following contains additional information relating to the Fund.

#### 1. Distribution of investments

Please refer to the Statement of Portfolio on pages 11 to 14.

#### 2. Credit rating of debt securities

Nil.

#### 3. Top 10 holdings

##### 10 Largest holdings at 30 June 2018

	Fair value US\$	Percentage of total net assets attributable to unitholders %
Microsoft Corporation	2,085,799	5.48
Amazon.com Incorporated	1,725,889	4.54
LivaNova Public Listed Company	1,480,331	3.89
Progressive Corporation	1,305,026	3.43
Transunion	1,236,596	3.25
Sony Corporation	1,227,247	3.23
ResMed Incorporated	1,082,411	2.85
American Tower Corporation	1,031,392	2.71
SVB Financial Group	1,024,556	2.69
Anthem Incorporated	1,017,664	2.68

##### 10 Largest holdings at 30 June 2017

	Fair value US\$	Percentage of total net assets attributable to unitholders %
Microsoft Corporation	1,072,068	4.51
Facebook Incorporation	925,205	3.89
LivaNova Public Listed Company	805,156	3.39
Tencent Holdings Limited	772,530	3.25
Progressive Corporation	746,708	3.14
Celgene Corporation	736,623	3.10
American Tower Corporation	695,898	2.93
Siemens AG	676,037	2.85
Ryanair Holdings Public Listed Company	671,338	2.83
AIA Group Limited	665,033	2.80

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## NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND

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

### REPORT TO UNITHOLDERS

For the financial period from 01 January 2018 to 30 June 2018 (unaudited)

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#### 4. Exposure to financial derivatives

Nil.

#### 5. Global exposure to financial derivatives

Nil.

#### 6. Collateral

Nil.

#### 7. Securities lending or repurchase transactions

Nil.

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

Please refer to the Statement of Portfolio on pages 11 to 14.

#### 9. Borrowings

Nil.

#### 10. Amount of units created and cancelled for the financial period ended 30 June 2018

	US\$
Units created	14,650,221
Units cancelled	(1,299,062)

#### 11. Turnover ratio

		30 June 2018	30 June 2017
Lower of total value of purchases or sales	US\$	<b>8,527,136</b>	4,944,545
Average daily net asset value	US\$	<b>32,189,261</b>	23,115,037
<b>Total turnover ratio</b> <sup>Note</sup>	%	<b>26.49</b>	21.39

Note: 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 SHENTON GLOBAL OPPORTUNITIES FUND

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

### REPORT TO UNITHOLDERS

For the financial period from 01 January 2018 to 30 June 2018 (unaudited)

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#### 12. Expense ratio

		30 June 2018	30 June 2017
Total operating expenses	US\$	448,261	348,915
Average daily net asset value	US\$	27,984,704	21,386,335
<b>Total expense ratio</b> <sup>Note</sup>	%	<b>1.60</b>	1.63

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

#### 13. Related party transactions

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

Management fee is payable to the Manager. Trustee fee and registrar fee are payable to the Trustee. Custody fee and valuation fee are payable to a related company of the Trustee, BNP Paribas Securities Services operating through its Singapore Branch.

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

	30 June 2018	31 December 2017
	US\$	US\$
Bank balances held with related party of the Trustee	<b>772,900</b>	410,621

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

Nil.

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