

ANNUAL REPORT

For the financial year ended 30 June 2021

**Nikko AM Shenton
Short Term Bond Fund (S\$)**

MANAGERS

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

DIRECTORS

Kiyotaka Ryu
Seet Oon Hui Eleanor
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TRUSTEE & REGISTRAR

BNP Paribas Trust Services Singapore Limited
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AUDITORS

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CUSTODIAN

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

PERFORMANCE SUMMARY

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Short Term Bond Fund (S\$) - SGD Class ¹	0.16	0.63	2.69	2.63	2.10	2.28	2.29
Benchmark ²	0.11	0.21	0.43	1.26	1.20	0.88	1.18

Source: Nikko Asset Management Asia Limited, returns as at 30 June 2021. Returns are calculated on a NAV-NAV basis, SGD, and based on the assumption that all dividends and distributions are reinvested, if any. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Short Term Bond Fund (S\$) - SGD Class ¹	-0.84	-0.38	1.66	2.29	1.90	2.18	2.24
Benchmark ²	0.11	0.21	0.43	1.26	1.20	0.88	1.18

Source: Nikko Asset Management Asia Limited, returns as at 30 June 2021. 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: 29 September 2000

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Short Term Bond Fund (S\$) - AUD Hedged Class ¹	0.07	0.39	2.29	2.38	2.38	N/A	3.31
Benchmark ²	0.11	0.21	0.43	1.26	1.20	N/A	0.89

Source: Nikko Asset Management Asia Limited, returns as at 30 June 2021. Returns are calculated on a NAV-NAV basis, AUD, and based on the assumption that all dividends and distributions are reinvested, if any. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Short Term Bond Fund (S\$) - AUD Hedged Class ¹	-0.93	-0.62	1.27	2.03	2.17	N/A	3.21
Benchmark ²	0.11	0.21	0.43	1.26	1.20	N/A	0.89

Source: Nikko Asset Management Asia Limited, returns as at 30 June 2021. Returns are calculated on a NAV-NAV basis, AUD, 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: 23 September 2011

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Short Term Bond Fund (S\$) - USD Hedged Class ¹	0.14	0.55	2.61	2.77	N/A	N/A	2.01
Benchmark ²	0.11	0.21	0.43	1.26	N/A	N/A	1.21

Source: Nikko Asset Management Asia Limited, returns as at 30 June 2021. Returns are calculated on a NAV-NAV basis, USD, and based on the assumption that all dividends and distributions are reinvested, if any. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Short Term Bond Fund (S\$) - USD Hedged Class ¹	-0.86	-0.45	1.59	2.42	N/A	N/A	1.80
Benchmark ²	0.11	0.21	0.43	1.26	N/A	N/A	1.21

Source: Nikko Asset Management Asia Limited, returns as at 30 June 2021. Returns are calculated on a NAV-NAV basis, USD, and based on the assumption that all dividends and distributions are reinvested, if any, and take into account of maximum initial sales charge and a realisation charge, currently nil, as and where applicable. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Inception date: 15 September 2016**Note:**

- (1) With effect from 22 April 2020, units of the Nikko AM Shenton Short Term Bond Fund (S\$) has been reclassified as follows:

	Classification (prior to 22 April 2020)	New Classification with effect on and from 22 April 2020
Notice on the Sale of Investment Products (SFA04-N12) (the "Notice")	Specified Investment Products (as defined in the Notice) ("SIPs")	Excluded Investment Products (as defined in the Notice) ("EIPs")
Securities and Futures (Capital Markets Products) Regulations 2018 (the "Regulations")	Capital markets products other than prescribed capital markets products (as defined in the Regulations)	Prescribed capital markets products

With effect from 17 October 2011, the Trust (formerly known as "DBS Enhanced Income Funds") has been renamed "Nikko AM Shenton Short Term Bond Funds" and the Fund (formerly known as "DBS Enhanced Income Fund (S\$)") has been renamed "Nikko AM Shenton Short Term Bond Fund (S\$)".

- (2) The Fund's benchmark is 3-Months SIBOR. For hedged currency share classes only, the benchmark reflected is in the base currency.

Portfolio Review

The Fund outperformed the benchmark over the past 12 months

The Nikko AM Shenton Short Term Bond Fund (S\$) (the "Fund") delivered a gain of 2.69% (in SGD terms, on a NAV-NAV basis) for the 12 months ending 30 June 2021, outperforming the benchmark which returned 0.43%. The 2-year US Treasury (UST) yield rose by 9.9 basis points (bps), while the 2-year SGD swap rate was higher by 21.6 bps over the same period. The outperformance was derived mainly by positive contribution from income and spread. Meanwhile, our holdings in BNP Paribas S.A. 4.35% 22 Jan 2029, National Australia Bank Limited 4.15% 19 May 2028 and Australia & New Zealand Banking Group 3.75% 23 Mar 2027 were among the top contributors to performance.

Changes to Fund characteristics

As of 30 June 2021, the Fund's weighted average duration* and weighted average yield-to-maturity** were at 1.36 years and 1.67% (hedged in SGD terms), respectively. The average credit rating of the Fund is at A-***. The Fund is diversified across 87 bonds, with 73 issuers from 13 countries, with an average weight of 1.28% per issuer. During the month, the level of cash and cash equivalents was at 6.22%.

Market Review

Yields of USTs rose over the year in review

The period started with positive overall risk sentiment on the back of encouraging economic data released out of the US and China, which fueled hopes the world's two largest economies are on track to recover from damage caused by the COVID-19 outbreak. Yields of long-end USTs rose, albeit modestly, as elevated tensions between the US and China provided a cap. In August, Federal Reserve (Fed) Chairman Jerome Powell announced a major shift in the central bank's approach to achieve maximum employment and its inflation goal, as it formally adopted a flexible average inflation targeting policy. Expectations of rising inflation on the horizon placed upward pressure on long-end yields. Risk assets and UST yields rallied further on the back of encouraging COVID-19 vaccine news, increased expectations of additional fiscal stimulus, and reduced political uncertainty following the US Presidential elections.

US rates started to ease in April, trading in a relatively narrow range until early June. During this time, firmer consumer and produce price indices dominated headlines and stoked some inflation fears, although the Fed insisted that the upward price pressure was largely due to a low base effect and supply disruption by the pandemic, hence, would be transitory. The Fed's hawkish pivot in mid-June triggered the UST curve to flatten aggressively. Notably, the median interest rate forecast dot plot for 2023 suggested two rate hikes, up from none in the last projection in March. In addition, Fed Chairman Powell indicated that the committee had begun discussions on when the tapering would begin. Overall, 10-year yields ended the period at 1.47%, about 81.2 bps higher compared to end-June 2020.

Asian credits registered positive total returns as credit spreads ended tighter

Expectations of better growth and reflation prompted a meaningful rally in risk assets over the period. The Asian credit market saw some volatility in April 2021, triggered largely by concerns on a Chinese state-owned non-bank financial institution's announcement of a delayed release of its 2020 financial results. Sentiment towards other Chinese state-owned enterprises was weak as investors began to question assumptions about government support that underpinned the creditworthiness of state-owned borrowers. Subsequent reassuring comments from the China Banking and Insurance Regulatory Commission allayed some fears.

The FY2020 full-year earnings for Asian corporates and banks were modestly weaker, but with sequential recovery already evident in the second half of 2020 (2H 2020). This also led to credit

metrics staying resilient with no significant impact on credit ratings. That said, some sectors were still experiencing residual impact from the COVID-19 restrictions, for example the consumer services sectors like airlines, gaming, and HK property companies that have large exposures to retail. Meanwhile, oil & gas and metals & mining companies saw strong recovery in 2H 2020 as commodity prices rebounded. China property developers' results were mixed, with most reporting stable to improving earnings despite generally lower gross profit margin, as well as improved credit metrics, particularly on net gearing, as they strived to comply with the "three red lines" policy on credit metrics.

Towards the end of the period, several countries in the region confronted sharp rises in new COVID-19 cases, triggering governments to re-impose mobility restrictions, although the impact on credit spreads was limited. For the 12-month period, Asian high-grade returned 2.65%, as credit spreads tightened by about 76 bps.

Market Outlook & Strategy

Fundamentals supportive of tighter Asian credit spreads, though downside risks have increased

We believe medium-term fundamentals remain supportive of moderately tighter Asian credit spreads over the second half of 2021. However, near-term downside risks have increased, which calls for a more cautious, gradual, and selective approach to adding credit risk over the next few months.

The current COVID-19 wave is likely to dampen the growth rebound across many Asian countries, although this setback is likely to just delay rather than derail the whole recovery process. Progress on vaccination, as well as supportive fiscal and monetary policies, should revive the growth momentum once the current COVID-19 wave subsides. Similarly, overall corporate credit fundamentals should remain robust, although the positive earnings momentum in the second half of 2021 may be softer and more mixed by sector. Specifically, certain service industries, such as travel and leisure, are likely to be impacted by the COVID-19 resurgence. In addition, sectors affected by regulatory changes and ongoing policy tightening in China would experience greater pressure on credit metrics. That said, the spread widening in July 2021 has likely priced in some of these weaknesses, making valuation more attractive, even though volatility is likely to remain elevated near-term.

In addition to the risk of a more pronounced economic impact from the ongoing COVID-19 wave, as well as uncertainties regarding the scope of regulatory and policy reforms in China, other key risks in the near-term include a more aggressive tightening of monetary policy in the US and a worsening in US-China bilateral relations. Uncertainties relating to offshore bonds issued by a Chinese state-owned non-bank financial institution remain, and although the contagion to other parts of Asian credit has been limited, the pending resolution for this issuer may still have an impact.

NOTE:

*Weighted Average Duration (years) is an average duration weighted with capitalisation, and the figure is for reference only and would vary from time to time due to market conditions.

**Weighted Average Yield to Maturity (%) is an average yield calculated by weighting each security presently held by the fund at time of calculation with capitalisation and duration. Yield to Maturity and Yield to Call measures are used in the calculation for non-callable and callable bonds respectively. The figure is for reference only and would vary from time to time due to market conditions and it does not represent the fund's distribution yield or actual rate of return.

***Cash is included in the calculation of the average credit rating and is rated as AAA regardless of currencies held. The credit ratings of the underlying fixed income securities are determined by S&P or Moody's, and where official credit ratings are unavailable, Nikko AM Asia's internal credit ratings are used.

This document is purely for informational purposes only with no consideration given to the specific investment objective, financial situation and particular needs of any specific person. It should not be relied upon as financial advice. Any securities mentioned herein are for illustration purposes only and should not be construed as a recommendation for investment. **You should seek advice from a financial adviser before making any investment. In the event that you choose not to do so, you should consider whether the investment selected is suitable for you.** Investments in funds are not deposits in, obligations of, or guaranteed or insured by Nikko Asset Management Asia Limited ("Nikko AM Asia").

Past performance or any prediction, projection or forecast is not indicative of future performance. The Fund or any underlying fund may use or invest in financial derivative instruments. The value of units and income from them may fall or rise. Investments in the Fund are subject to investment risks, including the possible loss of principal amount invested. You should read the relevant prospectus (including the risk warnings) and product highlights sheet of the Fund, which are available and may be obtained from appointed distributors of Nikko AM Asia or our website (www.nikkoam.com.sg) before deciding whether to invest in the Fund.

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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 be offered to professional investors in Hong Kong. Hong Kong investors should note that the contents of this document have not been reviewed by any regulatory authority in Hong Kong and are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

Nikko Asset Management Asia Limited. Registration Number 198202562H

NIKKO AM SHENTON SHORT TERM BOND FUND (S\$)

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

REPORT OF THE TRUSTEE

For the financial year ended 30 June 2021

The Trustee is under a duty to take into custody and hold the assets of Nikko AM Shenton Short Term Bond Fund (S\$) (the "Fund") in trust for the unitholders. In accordance with the Securities and Futures Act (Cap. 289), its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting year and report thereon to unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Fund during the financial year covered by these financial statements, set out on pages 12 to 37, 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
28 September 2021

NIKKO AM SHENTON SHORT TERM BOND FUND (S\$)

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

STATEMENT BY THE MANAGER

For the financial year ended 30 June 2021

In the opinion of Nikko Asset Management Asia Limited, the accompanying financial statements set out on pages 12 to 37, comprising the Statement of Total Return, Statement of Financial Position, Statement of Movements of Unitholders' Funds, Statement of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position and the portfolio holdings of Nikko AM Shenton Short Term Bond Fund (S\$) (the "Fund") as at 30 June 2021, and the financial performance and movements in unitholders' funds for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the Fund will be able to meet its financial obligations as and when they materialise.

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

Authorised signatory
28 September 2021

INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF NIKKO AM SHENTON SHORT TERM BOND FUND (S\$)
(Constituted under a Trust Deed registered in the Republic of Singapore)

Our Opinion

In our opinion, the accompanying financial statements of Nikko AM Shenton Short Term Bond Fund (S\$) (the "Fund"), are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants, so as to present fairly, in all material respects, the financial position and portfolio holdings of the Fund as at 30 June 2021, and the financial performance and movements of unitholders' funds for the financial year ended on that date.

What we have audited

The financial statements of the Fund comprise:

- the Statement of Total Return for the financial year ended 30 June 2021;
- the Statement of Financial Position as at 30 June 2021;
- the Statement of Movements of Unitholders' Funds for the financial year ended 30 June 2021;
- the Statement of Portfolio as at 30 June 2021; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

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

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

Independence

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

Other Information

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

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

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

INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF NIKKO AM SHENTON SHORT TERM BOND FUND (S\$)
(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 Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of 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 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 Fund to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF NIKKO AM SHENTON SHORT TERM BOND FUND (S\$)
(Constituted under a Trust Deed registered in the Republic of Singapore)

- 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, 28 September 2021

NIKKO AM SHENTON SHORT TERM BOND FUND (S\$)
(Constituted under a Trust Deed registered in the Republic of Singapore)

STATEMENT OF TOTAL RETURN

For the financial year ended 30 June 2021

	Note	2021 S\$	2020 S\$
Income			
Interest on cash and bank balances		-	108,232
Other income		9,365	18,250
		9,365	126,482
Less: Expenses			
Management fee		1,134,438	1,237,879
Registrar fee		51,886	50,789
Trustee fee		58,519	63,815
Custody fee		44,870	58,346
Audit fee		19,571	20,930
Valuation fee		168,058	183,923
Transaction costs		60,778	63,541
Other expenses		17,308	65,315
		1,555,428	1,744,538
Net losses		(1,546,063)	(1,618,056)
Net gains or losses on value of investments and financial derivatives			
Net gains on investments		2,612,460	22,010,664
Net foreign exchange losses		(3,926,757)	(1,405,647)
Net gains/(losses) on financial derivatives		12,714,833	(11,875,587)
		11,400,536	8,729,430
Total return for the financial year before income tax		9,854,473	7,111,374
Less: Income tax	3	(4,483)	(1,236)
Total return for the financial year after income tax		9,849,990	7,110,138

The accompanying notes form an integral part of these financial statements

NIKKO AM SHENTON SHORT TERM BOND FUND (S\$)*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF FINANCIAL POSITION***As at 30 June 2021*

	Note	2021 S\$	2020 S\$
ASSETS			
Portfolio of investments		376,929,212	331,221,427
Receivables	4	5,027,899	5,610,763
Cash and bank balances		25,889,645	43,353,697
Margin accounts	8	73,792	76,583
Financial derivatives at fair value	6	757,590	8,337
Total assets		408,678,138	380,270,807
LIABILITIES			
Payables	5	2,522,251	2,042,699
Purchases awaiting settlement		4,032,633	12,518,237
Financial derivatives at fair value	6	90,467	583,556
Total liabilities		6,645,351	15,144,492
EQUITY			
Net assets attributable to unitholders	7	402,032,787	365,126,315

The accompanying notes form an integral part of these financial statements

NIKKO AM SHENTON SHORT TERM BOND FUND (S\$)*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS***For the financial year ended 30 June 2021*

	Note	2021 S\$	2020 S\$
Net assets attributable to unitholders at the beginning of the financial year		365,126,315	419,000,422
Operations			
Change in net assets attributable to unitholders resulting from operations		9,849,990	7,110,138
Unitholders' contributions/(withdrawals)			
Creation of units		402,656,922	314,744,153
Cancellation of units		(375,600,440)	(375,728,398)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		27,056,482	(60,984,245)
Total increase/(decrease) in net assets attributable to unitholders		36,906,472	(53,874,107)
Net assets attributable to unitholders at the end of the financial year	7	402,032,787	365,126,315

The accompanying notes form an integral part of these financial statements

NIKKO AM SHENTON SHORT TERM BOND FUND (S\$)
(Constituted under a Trust Deed registered in the Republic of Singapore)

STATEMENT OF PORTFOLIO

As at 30 June 2021

By Geography (Primary)

	Holdings at 30 June 2021	Fair value at 30 June 2021 S\$	Percentage of total net assets attributable to unitholders at 30 June 2021 %
Quoted Fixed Income Securities			
AUSTRALIA			
Australia & New Zealand Banking Group Limited 3.75% due 23/03/2027	8,750,000	8,910,645	2.22
Commonwealth Bank of Australia 3.375% due 20/10/2026	3,079,000	4,171,066	1.04
National Australia Bank Limited 4.15% due 19/05/2028	9,000,000	9,432,656	2.35
Westpac Banking Corporation 4% due 12/08/2027	5,500,000	5,646,790	1.40
Total AUSTRALIA		28,161,157	7.01
BRITISH VIRGIN ISLANDS			
Chinalco Capital Holdings Limited 4% due 25/08/2021	5,000,000	6,734,546	1.67
CICC Hong Kong Finance 2016 MTN Limited 1.625% due 26/01/2024	2,000,000	2,703,541	0.67
CICC Hong Kong Finance 2016 MTN Limited 1.05513% due 18/02/2023	1,200,000	1,602,616	0.40
Eastern Creation II Investment Holdings Limited 4.15% due 04/12/2021	1,350,000	1,841,468	0.46
Guangzhou Metro Investment Finance BVI Limited 1.507% due 17/09/2025	2,000,000	2,637,749	0.66
Guangzhou Metro Investment Finance BVI Limited 4.3% due 18/12/2021	1,000,000	1,361,716	0.34
King Power Capital Limited 5.625% due 03/11/2024	2,000,000	3,060,772	0.76
Voyage Bonds Limited 3.375% due 28/09/2022	4,000,000	5,491,746	1.37
Yunda Holding Investment Limited 2.25% due 19/08/2025	2,030,000	2,694,434	0.67
Total BRITISH VIRGIN ISLANDS		28,128,588	7.00
CANADA			
Harvest Operations Corporation 1% due 26/04/2024	5,200,000	6,999,807	1.74
Manulife Financial Corporation 3% due 21/11/2029	9,250,000	9,613,997	2.39
Total CANADA		16,613,804	4.13
CAYMAN ISLANDS			
AAC Technologies Holdings Incorporation 2.625% due 02/06/2026	490,000	665,965	0.17
AAC Technologies Holdings Incorporation 3% due 27/11/2024	2,500,000	3,467,803	0.86
ABQ Finance Limited 3.125% due 24/09/2024	1,000,000	1,410,161	0.35
Baidu Incorporation 4.375% due 14/05/2024	1,000,000	1,467,952	0.36
BOS Funding Limited 4.23% due 07/03/2022	4,289,000	5,896,351	1.47
China Overseas Grand Oceans Finance Iv Cayman Limited 2.45% due 09/02/2026	2,250,000	3,030,145	0.75
Country Garden Holdings Company Limited 5.4% due 27/05/2025	5,000,000	7,211,354	1.79
DIB Sukuk Limited 3.625% due 06/02/2023	2,000,000	2,805,200	0.70
Fufeng Group Limited 5.875% due 28/08/2021	3,000,000	4,047,613	1.01
HPHT Finance 21 Limited 2% due 19/03/2026	3,367,000	4,596,000	1.14
QIB Sukuk Limited 1.512% due 07/02/2025	4,000,000	5,451,567	1.36
Shimao Group Holdings Limited 6.125% due 21/02/2024	3,250,000	4,511,857	1.12
Shimao Group Holdings Limited 5.6% due 15/07/2026	3,800,000	5,388,941	1.34
Weibo Corporation 3.5% due 05/07/2024	5,000,000	7,076,412	1.76
Total CAYMAN ISLANDS		57,027,321	14.18

The accompanying notes form an integral part of these financial statements

NIKKO AM SHENTON SHORT TERM BOND FUND (S\$)
(Constituted under a Trust Deed registered in the Republic of Singapore)

STATEMENT OF PORTFOLIO

As at 30 June 2021

By Geography (Primary) (continued)

	Holdings at 30 June 2021	Fair value at 30 June 2021 S\$	Percentage of total net assets attributable to unitholders at 30 June 2021 %
Quoted Fixed Income Securities (continued)			
CHINA			
China Life Insurance Overseas Company Limited of Hong Kong 3.35% due 27/07/2027	3,844,000	5,249,044	1.31
Industrial & Commercial Bank of China Limited of Hong Kong 1.11425% due 21/02/2022	1,700,000	2,291,534	0.57
PowerChina Real Estate Group Limited 4.5% due 06/12/2021	5,370,000	7,293,426	1.81
Shenzhen Expressway Company Limited 2.875% due 18/07/2021	1,500,000	2,018,332	0.50
Total CHINA		16,852,336	4.19
FRANCE			
BNP Paribas SA 4.35% due 22/01/2029	6,500,000	6,877,975	1.71
Total FRANCE		6,877,975	1.71
GERMANY			
Landesbank Baden-Wuerttemberg 3.75% due 18/05/2027	3,000,000	3,006,168	0.75
Total GERMANY		3,006,168	0.75
HONG KONG SAR			
Bank of Communications Hong Kong Limited 2.304% due 08/07/2031	3,000,000	4,028,075	1.00
The Bank of East Asia Limited 4% due 03/11/2026	2,796,000	3,784,647	0.94
Bocom Leasing Management Hong Kong Company Limited 4% due 22/01/2022	2,000,000	2,729,205	0.68
CMB Wing Lung Bank Limited 3.75% due 22/11/2027	6,500,000	8,939,167	2.22
CNAC HK Finbridge Company Limited 3.375% due 19/06/2024	2,000,000	2,813,917	0.70
CNAC HK Finbridge Company Limited 4.625% due 14/03/2023	3,000,000	4,246,886	1.06
Far East Horizon Limited 2.19975% due 05/07/2021	3,000,000	4,032,632	1.00
Far East Horizon Limited 2.625% due 03/03/2024	2,515,000	3,389,142	0.84
Huarong Leasing Management Hong Kong Company Limited 2.5% due 21/07/2021	1,500,000	1,995,523	0.51
ICBCIL Finance Company Limited 3.65% due 05/03/2022	3,000,000	4,103,661	1.02
Nanyang Commercial Bank Limited 3.8% due 20/11/2029	4,200,000	5,821,278	1.45
Shanghai Commercial Bank Limited 3.75% due 29/11/2027	7,000,000	9,623,132	2.39
Shanghai Commercial Bank Limited 5% due 17/01/2029	4,200,000	6,041,052	1.50
Total HONG KONG SAR		61,548,317	15.31
JAPAN			
Mizuho Financial Group Incorporation 1.075% due 28/02/2022	1,800,000	2,433,751	0.60
Mizuho Financial Group Incorporation 0.777% due 25/05/2024	3,000,000	4,057,382	1.01
Total JAPAN		6,491,133	1.61
LUXEMBOURG			
SPIC Luxembourg Latin America Renewable Energy Investment Company Sarl 4.25% due 30/10/2021	3,000,000	4,070,427	1.01
Total LUXEMBOURG		4,070,427	1.01

The accompanying notes form an integral part of these financial statements

NIKKO AM SHENTON SHORT TERM BOND FUND (S\$)
(Constituted under a Trust Deed registered in the Republic of Singapore)

STATEMENT OF PORTFOLIO

As at 30 June 2021

By Geography (Primary) (continued)

	Holdings at 30 June 2021	Fair value at 30 June 2021 S\$	Percentage of total net assets attributable to unitholders at 30 June 2021 %
Quoted Fixed Income Securities (continued)			
MALAYSIA			
CIMB Bank Berhad 0.97363% due 09/10/2024	3,000,000	4,055,910	1.01
Malayan Banking Berhad 3.905% due 29/10/2026	7,500,000	10,157,419	2.53
Malayan Banking Berhad 0.95588% due 16/08/2024	2,000,000	2,705,318	0.67
RHB Bank Berhad 3.766% due 19/02/2024	3,000,000	4,305,782	1.07
SSG Resources Limited 4.25% due 04/10/2022	6,550,000	9,081,228	2.26
Total MALAYSIA		30,305,657	7.54
SINGAPORE			
Ascendas Real Estate Investment Trust 3.2% due 03/06/2022	3,250,000	3,324,949	0.83
Aviva Singlife Holdings Private Limited 3.375% due 24/02/2031	5,000,000	5,230,000	1.30
CapitaLand China Trust 3.25% due 04/07/2022	4,000,000	4,087,671	1.02
CapitaMalls Asia Treasury Limited 3.7% due 29/08/2022	4,000,000	4,124,576	1.03
CCT MTN Private Limited 2.96% due 13/08/2021	4,250,000	4,257,870	1.06
CMT MTN Private Limited 2.8% due 13/03/2023	1,500,000	1,547,845	0.38
CMT MTN Private Limited 3.2% due 21/08/2025	1,250,000	1,338,420	0.33
CMT MTN Private Limited 3.48% due 06/08/2024	2,500,000	2,672,816	0.66
DBS Group Holdings Limited 4.52% due 11/12/2028	5,500,000	7,982,267	1.99
FCOT Treasury Private Limited 2.835% due 11/08/2021	2,000,000	2,005,080	0.50
Keppel Corporation Limited 3.145% due 14/02/2022	3,000,000	3,042,313	0.76
Lend Lease Retail Investments 3 Private Limited 3.28% due 03/09/2021	1,250,000	1,254,703	0.31
Mapletree Commercial Trust Treasury Company Private Limited 3.25% due 03/02/2023	1,000,000	1,036,906	0.25
Monetary Authority of Singapore Bill 0% due 16/07/2021	7,000,000	6,999,160	1.74
Monetary Authority of Singapore Bill 0% due 23/07/2021	6,000,000	5,998,980	1.49
NTUC Income Insurance Co-Operative Limited 3.65% due 23/08/2027	8,250,000	8,504,828	2.12
RCS Trust 3.2% due 14/03/2025	4,000,000	4,266,443	1.06
Starhub Limited 3.08% due 12/09/2022	5,500,000	5,635,007	1.40
United Overseas Bank Limited 2.88% due 08/03/2027	5,500,000	7,498,253	1.87
Total SINGAPORE		80,808,087	20.10
SOUTH KOREA			
Hana Bank 0.89425% due 02/10/2022	1,500,000	2,026,791	0.50
Hana Bank 0.86888% due 13/06/2024	1,330,000	1,803,229	0.45
Kookmin Bank 1.07313% due 09/06/2022	1,000,000	1,351,846	0.34
Lotte Property & Development Company Limited 0.95038% due 06/08/2022	5,000,000	6,755,835	1.68
Naver Corporation 1.5% due 29/03/2026	3,000,000	4,029,224	1.00
Shinhan Bank Company Limited 3.875% due 07/12/2026	3,000,000	4,079,743	1.02
SK Hynix Incorporation 1.5% due 19/01/2026	2,200,000	2,924,975	0.73
Woori Bank 0.91925% due 21/05/2024	1,500,000	2,029,326	0.50
Total SOUTH KOREA		25,000,969	6.22

The accompanying notes form an integral part of these financial statements

NIKKO AM SHENTON SHORT TERM BOND FUND (S\$)
(Constituted under a Trust Deed registered in the Republic of Singapore)

STATEMENT OF PORTFOLIO

As at 30 June 2021

By Geography (Primary) (continued)

	Holdings at 30 June 2021	Fair value at 30 June 2021 S\$	Percentage of total net assets attributable to unitholders at 30 June 2021 %
Quoted Fixed Income Securities (continued)			
UNITED ARAB EMIRATES			
Burgan Senior SPC Limited 3.125% due 14/09/2021	2,500,000	3,374,179	0.84
Emirates NBD Bank PJSC 3.05% due 06/03/2023	500,000	516,797	0.13
Emirates NBD Bank PJSC 3.25% due 14/11/2022	2,000,000	2,783,776	0.69
Total UNITED ARAB EMIRATES		6,674,752	1.66
UNITED STATES OF AMERICA			
BOC Aviation USA Corporation 1.625% due 29/04/2024	1,800,000	2,440,423	0.61
Total UNITED STATES OF AMERICA		2,440,423	0.61
Accrued interest receivable on quoted fixed income securities		2,922,098	0.73
Total Quoted Fixed Income Securities		376,929,212	93.76
Portfolio of investments		376,929,212	93.76
Other net assets		25,103,575	6.24
Net assets attributable to unitholders		402,032,787	100.00

The accompanying notes form an integral part of these financial statements

NIKKO AM SHENTON SHORT TERM BOND FUND (S\$)
(Constituted under a Trust Deed registered in the Republic of Singapore)

STATEMENT OF PORTFOLIO

As at 30 June 2021

By Geography (Summary)

	Percentage of total net assets attributable to unitholders at 30 June 2021 %	Percentage of total net assets attributable to unitholders at 30 June 2020 %
Quoted Fixed Income Securities		
Australia	7.01	5.75
British Virgin Islands	7.00	13.49
Canada	4.13	1.66
Cayman Islands	14.18	6.74
China	4.19	12.31
France	1.71	3.46
Germany	0.75	0.79
Hong Kong SAR	15.31	14.78
Indonesia	-	0.18
Japan	1.61	1.81
Luxembourg	1.01	1.18
Malaysia	7.54	7.30
Mauritius	-	0.77
Singapore	20.10	13.29
South Korea	6.22	4.52
United Arab Emirates	1.66	1.90
United States of America	0.61	-
Accrued interest receivables on quoted fixed income securities	0.73	0.78
Total Quoted Fixed Income Securities	93.76	90.71
Portfolio of investments	93.76	90.71
Other net assets	6.24	9.29
Net assets attributable to unitholders	100.00	100.00

The accompanying notes form an integral part of these financial statements

NIKKO AM SHENTON SHORT TERM BOND FUND (S\$)
(Constituted under a Trust Deed registered in the Republic of Singapore)

STATEMENT OF PORTFOLIO

As at 30 June 2021

By Industry (Secondary)	Fair value at 30 June 2021 S\$	Percentage of total net assets attributable to unitholders at 30 June 2021 %	Percentage of total net assets attributable to unitholders at 30 June 2020 %
Banks	168,297,373	41.86	33.41
Chemicals	11,108,416	2.76	0.77
Commercial Services	6,614,332	1.65	0.58
Distribution/Wholesale	-	-	1.17
Diversified Financial Services	37,307,971	9.28	7.40
Electric	4,070,427	1.01	1.18
Electronics	4,133,768	1.03	-
Engineering and Construction	3,042,313	0.76	3.78
Gas	-	-	0.76
Holding Companies-Diversified	-	-	2.15
Home Builders	-	-	0.58
Insurance	23,367,869	5.81	6.36
Internet	12,573,588	3.13	1.61
Investment Companies	-	-	5.34
Iron/Steel	5,491,746	1.37	1.57
Leisure Time	3,060,772	0.76	-
Metal Fabricate/Hardware	-	-	1.84
Mining	6,734,546	1.68	2.87
Oil and Gas	6,999,807	1.74	-
Real Estate	39,570,837	9.84	8.59
Real Estate Investment Trusts (REITS)	24,538,000	6.10	6.35
Sovereign	-	-	1.16
Semiconductors	2,924,975	0.73	-
Telecommunications	5,635,007	1.40	1.53
Transportation	8,535,367	2.12	0.93
Accrued interest receivables on quoted fixed income securities	2,922,098	0.73	0.78
Portfolio of investments	376,929,212	93.76	90.71
Other net assets	25,103,575	6.24	9.29
Net assets attributable to unitholders	402,032,787	100.00	100.00

The accompanying notes form an integral part of these financial statements

NIKKO AM SHENTON SHORT TERM BOND FUND (S\$)
(Constituted under a Trust Deed registered in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

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

1. General

Nikko AM Shenton Short Term Bond Fund (S\$) (the "Fund") is a Singapore domiciled fund, constituted as a sub-fund of the Nikko AM Shenton Short Term Bond Funds, pursuant to the Trust Deed dated 26 June 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 Fund is BNP Paribas Trust Services Singapore Limited (the "Trustee"). The Manager of the Fund is Nikko Asset Management Asia Limited (the "Manager").

There are currently five classes of units established within the Fund, namely SGD Class, AUD Hedged Class, USD Class, USD Hedged Class and RMB Class.

The classes differ in terms of their class currency, the management fees, the minimum subscription amounts applicable, the periods for payments of realisation proceeds and the hedging features applicable to certain classes as described below.

The NAV of each class within the Fund will be valued in its respective class currency.

For the AUD Hedged Class and the USD Hedged Class, the Manager intend to hedge the currency exposure of the assets of the Scheme attributable to (a) the AUD Hedged Class into AUD and (b) the USD Hedged Class into USD, through the use of currency forwards. Consequently, the NAV per Unit of each of the AUD Hedged Class and the USD Hedged Class will take into account any gains or losses arising from the use of the currency forwards in respect of the relevant class.

As of 30 June 2021, only units in the SGD Class, AUD Hedged Class and USD Hedged Class have been issued.

2. Significant accounting policies

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 assets held at fair value through profit or loss, and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" ("RAP 7") revised and issued by the Institute of Singapore Chartered Accountants in July 2020 for the financial year beginning on or after 1 July 2020.

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

NIKKO AM SHENTON SHORT TERM BOND FUND (S\$)
(Constituted under a Trust Deed registered in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

2. Significant accounting policies (continued)

(b) Recognition of income

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 prices used for fixed income securities held by the 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 on investments" in the Statement of Total Return.

(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.

NIKKO AM SHENTON SHORT TERM BOND FUND (S\$)
(Constituted under a Trust Deed registered in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

2. Significant accounting policies (continued)

(h) Cash and bank balances

Cash and bank balances comprise cash at banks and on hand which are subject to an insignificant risk of changes in value.

(i) Foreign currency translation

(i) *Functional and presentation currency*

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

The performance of the 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 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. 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.

(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 company or the counterparty.

(k) Margin

Cash margin provided by the 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 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.

NIKKO AM SHENTON SHORT TERM BOND FUND (S\$)
(Constituted under a Trust Deed registered in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

2. Significant accounting policies (continued)

(l) 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.

(m) Expenses charged to the Fund

Management fees are charged directly to each class as follows:

Management fee

SGD Class and USD Hedged Class: 0.3% per annum

AUD Hedged Class: 0.5% per annum.

All other expenses relate to the Fund as a whole and are further allocated to each class based on the respective asset under management proportion.

3. Income tax

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

Under the DUT Scheme, subject to certain conditions and reporting obligations being met, certain income of the DUT fund is not taxable in accordance to Sections 35(12) and 35(12A) of the Income Tax Act. 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);
- (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 SHENTON SHORT TERM BOND FUND (S\$)
(Constituted under a Trust Deed registered in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

3. Income tax (continued)

Income tax for the financial year ended 30 June 2021 and 2020 comprises:

	2021	2020
	S\$	S\$
Singapore income tax	4,483	1,236

Singapore income tax comprises of tax on other income derived from outside Singapore.

4. Receivables

	2021	2020
	S\$	S\$
Receivable from unitholders for creation of units	5,027,899	5,596,516
Other receivables	-	14,247
	5,027,899	5,610,763

5. Payables

	2021	2020
	S\$	S\$
Payable to unitholders for cancellation of units	2,088,296	1,666,226
Amount due to the Manager	314,496	280,010
Amount due to the Trustee	16,197	14,461
Valuation fee payable	46,589	41,382
Registrar fee payable	5,335	5,321
Provision for audit fee	19,903	19,957
Custody fee payable	15,927	14,106
Provision for tax liabilities	5,101	1,236
Other payables	10,407	-
	2,522,251	2,042,699

Amount due to the Manager comprises management fee payable to Nikko Asset Management Asia Limited. Trustee fee and registrar fee are payable to BNP Paribas Trust Services Singapore Limited. Valuation fee and custody fee are payable to BNP Paribas Securities Services operating through its Singapore Branch.

NIKKO AM SHENTON SHORT TERM BOND FUND (S\$)
(Constituted under a Trust Deed registered in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

6. Financial derivatives

Financial derivatives comprise of 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 revaluation of forward foreign exchange contracts 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.

	Contract or underlying principal amount		Year-end positive fair value		Year-end negative fair value	
	2021	2020	2021	2020	2021	2020
	S\$	S\$	S\$	S\$	S\$	S\$
Forward foreign exchange contracts	278,147,102	251,905,039	757,590	8,337	90,467	583,556

The 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 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.

NIKKO AM SHENTON SHORT TERM BOND FUND (S\$)
(Constituted under a Trust Deed registered in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

6. Financial derivatives (continued)

Financial assets and financial liabilities which are subject to enforceable master netting agreements or similar agreements for the year ended 30 June 2021 and 2020 are detailed in the following table.

(i) Offsetting financial assets

	Gross amounts of recognised financial assets S\$	Gross amounts of recognised financial liabilities set-off in the Statement of Financial Position S\$	Net amounts of financial assets 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\$
2021						
Forward foreign exchange contracts	755,253	-	755,253	-	-	755,253

	Gross amounts of recognised financial assets S\$	Gross amounts of recognised financial liabilities set-off in the Statement of Financial Position S\$	Net amounts of financial assets 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\$
2020						
Forward foreign exchange contracts	8,180	-	8,180	101	-	8,079

NIKKO AM SHENTON SHORT TERM BOND FUND (S\$)*(Constituted under a Trust Deed registered in the Republic of Singapore)***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 30 June 2021***6. Financial derivatives (continued)****(ii) Offsetting financial liabilities**

	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\$
2021						
Forward foreign exchange contracts	90,467	-	90,467	-	-	90,467

	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\$
2020						
Forward foreign exchange contracts	569,325	-	569,325	101	-	569,224

NIKKO AM SHENTON SHORT TERM BOND FUND (S\$)
(Constituted under a Trust Deed registered in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

7. Units in issue

During the year ended 30 June 2021 and 2020, the number of units issued, redeemed and outstanding were as follows:

<u>SGD Class</u>	2021	2020
Units at beginning of the financial year	225,652,067	270,223,470
Units created	239,786,364	189,928,106
Units cancelled	(230,185,065)	(234,499,509)
Units at end of the financial year	235,253,366	225,652,067
Net assets attributable to unitholders - S\$	376,223,998	351,412,072
Net asset value per unit - S\$	1.59923	1.55732

<u>AUD Hedged Class</u>	2021	2020
Units at beginning of the financial year	6,464,947	3,117,840
Units created	2,425,098	8,414,774
Units cancelled	(4,021,417)	(5,067,667)
Units at end of the financial year	4,868,628	6,464,947
Net assets attributable to unitholders - S\$	6,795,057	8,395,560
Net asset value per unit - S\$	1.39568	1.29863

<u>USD Hedged Class</u>	2021	2020
Units at beginning of the financial year	3,555,798	1,180,342
Units created	12,662,632	7,123,362
Units cancelled	(3,361,927)	(4,747,906)
Units at end of the financial year	12,856,503	3,555,798
Net assets attributable to unitholders - S\$	19,013,732	5,318,683
Net asset value per unit - S\$	1.47892	1.49578

A reconciliation of the net asset value as reported in the Statement of Financial Position to net asset value as determined for the purpose of processing unit subscription and redemption is not presented as there is no difference to the net assets attributable to unitholders per unit.

8. Margin accounts

	2021	2020
	S\$	S\$
Margin accounts	73,792	76,583

Margin account represents margin deposits held in respect of open exchange-traded futures contracts held with BNP Paribas Securities Services, operating through its Singapore Branch. As of 30 June 2021 and 2020, there is no open exchange-traded futures.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

9. Financial risk management

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

The Fund's primary objective is to seek preservation of capital, liquidity and consistent with these objectives, to outperform the Singapore Interbank Offered Rate (SIBOR) by investing in a diversified portfolio of good quality, short term bonds and money market instruments.

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

The COVID-19 pandemic continues to evolve and develop. The situation is dynamic with various cities and countries around the world responding in different ways to address the pandemic. As a result of the COVID-19 pandemic, global financial markets have experienced significant volatility. Given the extent of the crisis, it is difficult to estimate the impact or duration of the volatility on the portfolio of the Fund. The Manager is closely monitoring the development of the COVID-19 pandemic and its related impact.

(a) Market risk - Price risk

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

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

The Fund's market price risk is managed through diversification of the investment portfolio across various geographies and industries globally.

The market prices of financial assets held by the Fund are dependent on prevailing market interest rates, as the Fund invests in bonds issued by governments and corporations. No separate price risk sensitivity analysis is prepared as it is covered as part of interest rate risk sensitivity analysis.

(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 Fund's overall market positions are monitored frequently and are reviewed formally on a quarterly basis by the Manager.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

9. Financial risk management (continued)

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

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

As at 30 June 2021

	<u>Floating rate</u>	<u>Fixed rate</u>		<u>Non-interest bearing</u>	
		<u>Up to 1 year</u>	<u>1-5 years</u>	<u>Over 5 years</u>	<u>Total</u>
	S\$	S\$	S\$	S\$	S\$
Assets					
Portfolio of investments	175,195,939	72,349,502	121,072,732	5,388,941	2,922,098
Receivables	-	-	-	-	5,027,899
Cash and bank balances	25,889,645	-	-	-	-
Margin accounts	73,792	-	-	-	-
Financial derivatives at fair value	-	-	-	-	757,590
Total assets	201,159,376	72,349,502	121,072,732	5,388,941	8,707,587
Liabilities					
Payables	-	-	-	-	2,522,251
Purchases awaiting settlement	-	-	-	-	4,032,633
Financial derivatives at fair value	-	-	-	-	90,467
Total liabilities	-	-	-	-	6,645,351

As at 30 June 2020

	<u>Floating rate</u>	<u>Fixed rate</u>		<u>Non-interest bearing</u>	
		<u>Up to 1 year</u>	<u>1-5 years</u>	<u>Over 5 years</u>	<u>Total</u>
	S\$	S\$	S\$	S\$	S\$
Assets					
Portfolio of investments	128,109,387	46,789,107	153,475,291	-	2,847,642
Receivables	-	-	-	-	5,610,763
Cash and bank balances	43,353,697	-	-	-	-
Margin accounts	76,583	-	-	-	-
Financial derivatives at fair value	-	-	-	-	8,337
Total assets	171,539,667	46,789,107	153,475,291	-	8,466,742
Liabilities					
Payables	-	-	-	-	2,042,699
Purchases awaiting settlement	-	-	-	-	12,518,237
Financial derivatives at fair value	-	-	-	-	583,556
Total liabilities	-	-	-	-	15,144,492

As at 30 June 2021 and 2020, an increase/decrease of interest rates 1% (2020: 1%), with all other variables remaining constant, would result in a decrease/increase of the net assets attributable to unitholders by approximately 1% (2020: 1%). 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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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

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

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

As at 30 June 2021	USD S\$	SGD S\$	AUD S\$	Total S\$
Assets				
Portfolio of investments	266,646,283	110,282,929	-	376,929,212
Receivables	269	5,027,630	-	5,027,899
Cash and bank balances	179,405	24,950,799	759,441	25,889,645
Margin accounts	73,792	-	-	73,792
Total assets	266,899,749	140,261,358	759,441	407,920,548
Liabilities				
Payables	20,869	2,388,825	112,557	2,522,251
Purchases awaiting settlement	4,032,633	-	-	4,032,633
Total liabilities	4,053,502	2,388,825	112,557	6,554,884
Net off-balance sheet derivative financial instruments	(231,643,085)	225,399,807	6,910,401	
Net currency exposure	31,203,162	363,272,340	7,557,285	
As at 30 June 2020	USD S\$	SGD S\$	AUD S\$	Total S\$
Assets				
Portfolio of investments	236,091,219	95,130,208	-	331,221,427
Receivables	37,666	4,942,231	630,866	5,610,763
Cash and bank balances	4,141,695	38,676,024	535,978	43,353,697
Margin accounts	76,583	-	-	76,583
Total assets	240,347,163	138,748,463	1,166,844	380,262,470
Liabilities				
Payables	-	2,042,216	483	2,042,699
Purchases awaiting settlement	7,460,796	5,057,441	-	12,518,237
Total liabilities	7,460,796	7,099,657	483	14,560,936
Net off-balance sheet derivative financial instruments	(234,104,498)	225,693,164	7,836,115	
Net currency exposure	(1,218,131)	357,341,970	9,002,476	

As of 30 June 2021 and 2020, the Fund does not hold substantial monetary assets/liabilities denominated in foreign currencies. Changes in foreign exchange rates on monetary assets/liabilities will not result in a significant change in the net asset value of the Fund. Hence, no separate sensitivity analysis on foreign currency risk has been presented.

NIKKO AM SHENTON SHORT TERM BOND FUND (S\$)
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

9. Financial risk management (continued)

(d) Liquidity risk

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

The Fund is exposed to daily cash redemptions from unitholders. However, in accordance with the Fund's prospectus, there is no minimum holdings and no redemption size are set.

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

The Fund's 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 30 June 2021 and 2020, all liabilities are either payable upon demand or due in less than 3 months. The impact of discounting is not significant.

	<u>Less than 3 months</u>	
	As at	As at
	30 June 2021	30 June 2020
	S\$	S\$
Payables	2,522,251	2,042,699
Purchases awaiting settlement	4,032,633	12,518,237
Contractual cash outflows		
(excluding gross settled derivatives)	6,554,884	14,560,936

The table below analyses the 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.

	<u>Less than 3 months</u>	
	As at	As at
	30 June 2021	30 June 2020
	S\$	S\$
Currency forwards		
- Outflow	(7,483,626)	(246,958,349)
- Inflow	7,393,159	246,374,793
Net outflow	(90,467)	(583,556)

NIKKO AM SHENTON SHORT TERM BOND FUND (S\$)
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

9. Financial risk management (continued)

(e) Credit risk

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

Concentrations of credit risk are minimised primarily by:

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

The Fund is also exposed to counterparty credit risk on amounts due from brokers and other receivable balances. The Manager considers the probability of default to be insignificant as the counterparties generally have a strong capacity to meet their contractual obligations in the near term. Hence, no loss allowance has been recognised based on the 12-month expected credit losses as any such impairment would be insignificant to the Fund.

The Fund invests mostly in financial assets, which have an investment grade as rated by Standard and Poor's or Moody's or Fitch. The credit ratings are reviewed regularly.

The table below analyses the Fund's investments by credit ratings.

	Fair value at 30 June 2021		Fair value at 30 June 2020	
	Floating rate securities S\$	Fixed rate securities S\$	Floating rate securities S\$	Fixed rate securities S\$
AAA ¹	-	12,998,140	-	2,999,535
AA	-	6,999,807	-	-
A+	15,716,020	-	15,347,068	-
A	-	5,945,129	4,060,006	6,240,911
A-	21,354,174	34,461,165	17,075,754	13,001,262
BBB+	39,118,875	-	31,299,819	8,203,325
BBB	14,185,494	11,323,298	4,541,301	10,407,547
BBB-	3,784,647	10,361,730	12,713,235	2,796,960
Aa3	6,755,835	-	6,945,921	-
A1	2,291,534	-	2,376,578	-
A2	15,480,520	2,771,877	2,836,582	2,879,689
A3	22,425,412	24,137,716	14,529,368	19,665,906
Baa1	1,602,616	11,033,873	1,648,261	17,836,878
Baa2	11,945,335	16,695,676	6,488,770	12,557,440
Baa3	11,051,278	-	2,799,499	7,560,896
Baa3u	-	-	-	2,926,849
Not rated	9,484,199	60,087,241	5,447,225	93,187,200
P-3 ^{*-2}	-	1,995,523	-	-
Accrued interest receivables on quoted fixed income securities	1,118,984	1,803,114	821,184	2,026,458
	176,314,923	200,614,289	128,930,571	202,290,856

¹ The balance indicates securities that are issued by government agencies of governments that have a AAA rating as rated by Standard & Poor's.

² The balance indicates that the credit rating agency has that bond on watch. *+ indicates a possible upgrade and *- a possible downgrade.

NIKKO AM SHENTON SHORT TERM BOND FUND (S\$)
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

9. Financial risk management (continued)

(e) Credit risk (continued)

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 bank balances and outstanding and committed transactions from brokers. The table below summarises the credit rating of bank and custodians in which the Fund's assets are held as at 30 June 2021 and 2020.

	Credit rating as at 30 June 2021	Credit rating as at 30 June 2020	Source of credit rating
Bank balance			
- BNP Paribas Securities Services, operating through its Singapore Branch	A+	A+	Standard & Poor's
Financial derivatives			
Australia and New Zealand Bank	AA-	AA-	Standard & Poor's
BNP Paribas	A+	A+	Standard & Poor's
Citibank N.A Singapore	BBB+	BBB+	Standard & Poor's
ING Group	A-	A-	Standard & Poor's
JP Morgan Chase & Company	A-	A-	Standard & Poor's
Custodian			
- BNP Paribas Securities Services, operating through its Singapore Branch	A+	A+	Standard & Poor's

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

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

(f) Capital management

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

(g) Fair value estimation

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

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

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

9. Financial risk management (continued)

(g) Fair value estimation (continued)

The following table analyses within the fair value hierarchy the Fund's financial assets and liabilities (by class) measured at fair value at 30 June 2021 and 2020:

As at 30 June 2021	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
Assets				
Financial assets designated at fair value through profit or loss at inception:				
- Quoted fixed income securities	-	376,929,212	-	376,929,212
- Financial derivatives at fair value	-	757,590	-	757,590
	-	377,686,802	-	377,686,802
Liabilities				
Financial liabilities designated at fair value through profit or loss at inception:				
- Financial derivatives at fair value	-	90,467	-	90,467
As at 30 June 2020	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
Assets				
Financial assets designated at fair value through profit or loss at inception:				
- Quoted fixed income securities	-	331,221,427	-	331,221,427
- Financial derivatives at fair value	-	8,337	-	8,337
	-	331,229,764	-	331,229,764
Liabilities				
Financial liabilities designated at fair value through profit or loss at inception:				
- Financial derivatives at fair value	-	583,556	-	583,556

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 investment-grade corporate bonds, government bonds and over-the-counter derivatives.

Except for cash and bank balances and margin account which are classified as level 1, the Fund's assets and liabilities not measured at fair value at 30 June 2021 and 2020 have been classified as level 2. The carrying amounts of these assets and liabilities approximate their fair values as at the Statement of Financial Position date.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

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 Fund and related party at terms agreed between the parties and within the provisions of the Deeds:

	2021 S\$	2020 S\$
Bank balances held with related party of the Trustee	25,889,645	43,353,697
Margin accounts held with related party of the Trustee	<u>73,792</u>	<u>76,583</u>

11. Financial ratios

Expense ratio

		2021	2020
<u>SGD Class</u>			
Total operating expenses	S\$	1,412,873	1,627,112
Average daily net asset value	S\$	356,838,026	398,275,616
Total expense ratio¹	%	<u>0.40</u>	<u>0.41</u>

		2021	2020
<u>AUD Hedged Class</u>			
Total operating expenses	S\$	43,345	37,183
Average daily net asset value	S\$	7,117,378	5,931,696
Total expense ratio¹	%	<u>0.61</u>	<u>0.63</u>

		2021	2020
<u>USD Hedged Class</u>			
Total operating expenses	S\$	38,432	16,612
Average daily net asset value	S\$	9,550,211	4,059,514
Total expense ratio¹	%	<u>0.40</u>	<u>0.41</u>

Turnover ratio

		2021	2020
Lower of total value of purchases or sales	S\$	96,886,005	208,986,258
Average daily net asset value	S\$	373,505,615	408,266,826
Total turnover ratio²	%	<u>25.94</u>	<u>51.19</u>

¹ The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the expense ratio at financial year end was based on total operating expenses divided by the average net asset value for the year. The total operating expenses do not include (where applicable) brokerage and other transactions costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or 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.

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.

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REPORT TO UNITHOLDERS

For the financial year ended 30 June 2021

The following contains additional information relating to the Fund.

1. Distribution of investments

Please refer to the Statement of Portfolio on pages 15 to 20.

2. Credit rating of debt securities

	Fair value at 30 June 2021 S\$	Percentage of total net assets attributable to unitholders at 30 June 2021 %
AAA	12,998,140	3.23
AA	6,999,807	1.74
A+	15,716,020	3.91
A	5,945,129	1.48
A-	55,815,339	13.88
BBB+	39,118,875	9.73
BBB	25,508,792	6.35
BBB-	14,146,377	3.52
Aa3	6,755,835	1.68
A1	2,291,534	0.57
A2	18,252,397	4.54
A3	46,563,128	11.58
Baa1	12,636,489	3.14
Baa2	28,641,011	7.12
Baa3	11,051,278	2.75
Not rated	69,571,440	17.31
P-3 *-	1,995,523	0.50
Accrued interest receivables on quoted fixed income securities	2,922,098	0.73
Total	376,929,212	93.76

NIKKO AM SHENTON SHORT TERM BOND FUND (S\$)
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REPORT TO UNITHOLDERS

For the financial year ended 30 June 2021

3. Top 10 holdings

10 Largest holdings at 30 June 2021

	Fair value S\$	Percentage of total net assets attributable to unitholders %
Malayan Banking Berhad 3.905% due 29/10/2026	10,157,419	2.53
Shanghai Commercial Bank Limited 3.75% due 29/11/2027	9,623,132	2.39
Manulife Financial Corporation 3% due 21/11/2029	9,613,997	2.39
National Australia Bank Limited 4.15% due 19/05/2028	9,432,656	2.35
SSG Resources Limited 4.25% due 04/10/2022	9,081,228	2.26
CMB Wing Lung Bank Limited 3.75% due 22/11/2027	8,939,167	2.22
Australia & New Zealand Banking Group Limited 3.75% due 23/03/2027	8,910,645	2.22
NTUC Income Insurance Co-Operative Limited 3.65% due 23/08/2027	8,504,828	2.12
DBS Group Holdings Limited 4.52% due 11/12/2028	7,982,267	1.99
United Overseas Bank Limited 2.88% due 08/03/2027	7,498,253	1.87

10 Largest holdings at 30 June 2020

	Fair value S\$	Percentage of total net assets attributable to unitholders %
SSG Resources Limited 4.25% due 04/10/2022	9,577,326	2.62
Australia & New Zealand Banking Group Limited 3.75% due 23/03/2027	7,879,092	2.16
Yieldking Investment Limited 4.8% due 18/10/2021	7,862,199	2.15
Shanghai Commercial Bank Limited 3.75% due 29/11/2027	7,710,294	2.11
Chinalco Capital Holdings Limited 4% due 25/08/2021	7,039,555	1.93
Central Plaza Development Limited 3.875% due 30/01/2021	6,999,177	1.92
Lotte Property & Development Company Limited 1.27588% due 06/08/2022	6,945,921	1.90
Jiangxi Railway Investment Group Company Limited 4.85% due 21/02/2022	6,733,973	1.84
National Australia Bank Limited 4.15% due 19/05/2028	6,721,701	1.84
PowerChina Real Estate Group Limited 4.5% due 06/12/2021	6,591,926	1.80

NIKKO AM SHENTON SHORT TERM BOND FUND (S\$)
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REPORT TO UNITHOLDERS

For the financial year ended 30 June 2021

4. Exposure to financial derivatives

	Fair value at 30 June 2021 S\$	Percentage of total net assets attributable to unitholders 30 June 2021 %	Unrealised gains/(losses) S\$	Realised gains/(losses) S\$
Forward foreign exchange contracts	667,123	0.17	667,123	12,047,710

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.

6. Collateral

Please refer to Note 8 of the Notes to the Financial Statements on page 29.

7. Securities lending or repurchase transactions

Nil.

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

Nil.

9. Borrowings

Nil.

10. Amount of units created and cancelled for the financial year ended 30 June 2021

	S\$
Units created	402,656,922
Units cancelled	(375,600,440)

NIKKO AM SHENTON SHORT TERM BOND FUND (S\$)
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REPORT TO UNITHOLDERS

For the financial year ended 30 June 2021

11. Turnover ratio

Please refer to Note 11 of the Notes to the Financial Statements on page 37.

12. Expense ratio

Please refer to Note 11 of the Notes to the Financial Statements on page 37.

13. Related party transactions

Please refer to Note 10 of the Notes to the Financial Statements on page 37.

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

Nil.

15. Soft Dollar Commissions/Arrangements

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

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