

SEMI-ANNUAL REPORT

For the financial period ending 31 December 2020

**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

Hou Wey Fook (Resigned with effect from 15 January 2021)
Lim Soon Chong (Resigned with effect from 15 January 2021)
Kiyotaka Ryu
Seet Oon Hui Eleanor
Hiroki Tsujimura

TRUSTEE & REGISTRAR

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

AUDITORS

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20 Collyer Quay, #01-01
Singapore 049319

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

PERFORMANCE SUMMARY

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Short Term Bond Fund (S\$) - SGD Class ¹	0.87	2.05	2.47	2.48	2.29	2.36	2.31
Benchmark ²	0.10	0.22	0.85	1.43	1.27	0.88	1.20

Source: Nikko Asset Management Asia Limited, returns as at 31 December 2020. 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	-0.13	1.03	1.44	2.14	2.08	2.26	2.26
Benchmark ²	0.10	0.22	0.85	1.43	1.27	0.88	1.20

Source: Nikko Asset Management Asia Limited, returns as at 31 December 2020. 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	0.78	1.90	2.41	2.38	2.69	N/A	3.45
Benchmark ²	0.10	0.22	0.85	1.43	1.27	N/A	0.92

Source: Nikko Asset Management Asia Limited, returns as at 31 December 2020. 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	-0.22	0.88	1.38	2.04	2.48	N/A	3.34
Benchmark ²	0.10	0.22	0.85	1.43	1.27	N/A	0.92

Source: Nikko Asset Management Asia Limited, returns as at 31 December 2020. 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	0.89	2.05	2.32	2.46	N/A	N/A	2.12
Benchmark ²	0.10	0.22	0.85	1.43	N/A	N/A	1.30

Source: Nikko Asset Management Asia Limited, returns as at 31 December 2020. 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	-0.12	1.03	1.29	2.12	N/A	N/A	1.88
Benchmark ²	0.10	0.22	0.85	1.43	N/A	N/A	1.30

Source: Nikko Asset Management Asia Limited, returns as at 31 December 2020. 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 six months

The Nikko AM Shenton Short Term Bond Fund (S\$) (the "Fund") delivered a gain of 2.05% (in SGD terms, on a NAV-NAV basis) for the six months ending 31 December 2020, outperforming the benchmark which returned 0.22%. The 2-year US Treasury (UST) yields fell by 2.8 basis points (bps), while 1 to 3-year Singapore swap offer rates were down by about 9 bps to 10.2 bps over the same period. The outperformance was supported by positive contribution from income and spread, offset in part by negative contribution from carry.

Changes to Fund characteristics

As of 31 December 2020, the Fund's weighted average duration* and weighted average yield-to-maturity** were at 1.18 years and 1.73% (hedged in SGD terms), respectively. The average credit rating of the Fund is at A-***. The Fund is diversified across 87 bonds, with 75 issuers from 13 countries, with an average weight of 1.24% per issuer. During the month, the level of cash and cash equivalents was at 7.17%.

Market Review

The UST yield curve steepened

The period started with positive overall risk sentiment on the back of encouraging economic data released out of the US and China, which fuelled hopes the world's two largest economies are on track to recover from damage caused by the COVID-19 pandemic. At the same time, there was a big leap in US jobs growth and a firm gain in headline consumer price index. Against this backdrop, yields of long-end USTs rose, albeit modestly, as elevated tensions between US and China provided a cap. Towards the end of 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 in the latter half of the period, on the back of encouraging COVID-19 vaccine news, increased expectations of additional fiscal stimulus and reduced political uncertainty following the US Presidential elections. Overall, 2-year and 10-year yields ended the period at 0.122% and 0.916% respectively, about 2.8 bps lower, and 25.9 bps higher compared to end-June 2020.

Asian credits registered positive total returns

Gains in Asian credits were driven by tighter spreads as UST yields rose. Global risk assets staged a strong recovery in the six months, and capital flowed into Emerging Markets (EM) including Asia. Aggressive and broad-based policy support from central banks, hopes for a pick-up in economic activity as economies eased lockdown measures, and optimism around progress towards developing a COVID-19 vaccine drove Asian credit spreads to retrace a significant portion of the spread widening seen in the first half of 2020. Notably, markets largely shrugged off the escalation in US-China tensions. Sentiment towards the EM space somewhat soured in September, following a sharp fall in US equities markets led by technology stocks, matched with a sharp rise in new COVID-19 infections in the US and Europe. Primary market activity saw a marked pick-up leading to the US Presidential elections, as issuers tried to front-load issuances on concerns of potential market volatility. Asian credits staged a strong rally post US elections, as investors were relieved to have moved past the event without any major surprises. Robust economic data from major Asian economies also reinforced signals of a broadening economic recovery. At the same time, investor confidence was significantly buoyed as markets pinned hopes on a rapid return to normalcy, with vaccine approvals progressing apace globally.

Market Outlook & Strategy

Asian credit spreads to continue tightening slowly, though downside risks remain

We expect Asian credit spreads to tighten gradually over the coming months. High-frequency indicators suggest a recovery is underway in most Asian economies, lending support to overall corporate credit fundamentals. Credit supportive fiscal and monetary policies are also expected to remain in place in most developed and EM countries, even if incremental easing measures are likely to moderate hereafter. Progress on vaccine development and better treatment for COVID-19 cases further reinforce the positive backdrop. The technical backdrop is also favourable, with inflows to EM hard currency bond funds expected to remain robust. That said, valuation is no longer cheap given the sharp rally in credit spreads over recent months, and we expect more regular episodes of market pull-back going forward.

In our view, the key downside risk to Asian credits in 2021 is US-China bilateral relations failing to stabilise under the Biden administration. US president-elect Joe Biden has repeatedly stressed multilateralism as a key foreign policy pillar, and there are hopes of US-China relations being reset after a tumultuous four-year period. However, the underlying technological and ideological tensions between Washington and Beijing could dash such hopes. In addition to geopolitical issues, a premature withdrawal of the accommodative fiscal and monetary policies currently in place is another downside risk that could derail the positive outlook for risk assets, including Asian credits.

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.

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

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 period from 01 July 2020 to 31 December 2020 (unaudited)*

	31 December 2020 S\$	31 December 2019 S\$
Income		
Interest on cash and bank balances	-	97,734
Other Income	9,365	-
	<u>9,365</u>	<u>97,734</u>
Less: Expenses		
Management fee	562,569	646,525
Registrar fee	29,444	24,147
Trustee fee	29,038	33,361
Custody fee	21,604	45,777
Audit fee	10,347	11,655
Valuation fee	83,332	96,301
Transaction costs	30,618	20,949
Other expenses	(14,411)	42,504
	<u>752,541</u>	<u>921,219</u>
Net losses	<u>(743,176)</u>	<u>(823,485)</u>
Net gains or losses on value of investments and financial derivatives		
Net (losses)/gains on investments	(4,747,090)	6,315,201
Net foreign exchange losses	(1,549,157)	(252,615)
Net gains on financial derivatives	14,575,252	442,238
	<u>8,279,005</u>	<u>6,504,824</u>
Total return for the financial period before income tax	7,535,829	5,681,339
Less: Income tax	(929)	-
Total return for the financial period after income tax	<u>7,534,900</u>	<u>5,681,339</u>

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 31 December 2020 (unaudited)

	31 December 2020 S\$	30 June 2020 S\$
ASSETS		
Portfolio of investments	337,189,589	331,221,427
Receivables	3,144,467	5,610,763
Cash and bank balances	21,517,747	43,353,697
Margin accounts	72,554	76,583
Financial derivatives at fair value	2,771,370	8,337
Total assets	364,695,727	380,270,807
LIABILITIES		
Payables	1,798,053	2,042,699
Purchases awaiting settlement	-	12,518,237
Financial derivatives at fair value	70,795	583,556
Total liabilities	1,868,848	15,144,492
EQUITY		
Net assets attributable to unitholders	362,826,879	365,126,315

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 period from 01 July 2020 to 31 December 2020 (unaudited)*

	31 December 2020 S\$	30 June 2020 S\$
Net assets attributable to unitholders at the beginning of the financial period/year	365,126,315	419,000,422
Operations		
Change in net assets attributable to unitholders resulting from operations	7,534,900	7,110,138
Unitholders' contributions/(withdrawals)		
Creation of units	167,633,691	314,744,153
Cancellation of units	(177,468,027)	(375,728,398)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(9,834,336)	(60,984,245)
Total decreases in net assets attributable to unitholders	(2,299,436)	(53,874,107)
Net assets attributable to unitholders at the end of the financial period/year	362,826,879	365,126,315

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

STATEMENT OF PORTFOLIO

As at 31 December 2020 (unaudited)

By Geography (Primary)

	Holdings at 31 December 2020	Fair value at 31 December 2020 S\$	Percentage of total net assets attributable to unitholders at 31 December 2020 %
Quoted Fixed Income Securities			
AUSTRALIA			
Australia & New Zealand Banking Group Limited 3.75% due 23/03/2027	8,750,000	8,942,124	2.47
Commonwealth Bank of Australia 3.375% due 20/10/2026	3,079,000	4,138,956	1.14
National Australia Bank Limited 4.15% due 19/05/2028	6,500,000	6,863,463	1.89
Westpac Banking Corporation 4% due 12/08/2027	5,500,000	5,704,870	1.57
Total AUSTRALIA		25,649,413	7.07
BRITISH VIRGIN ISLANDS			
CCTI 2017 Limited 3.625% due 08/08/2022	300,000	403,061	0.11
Chinalco Capital Holdings Limited 4% due 25/08/2021	5,000,000	6,677,412	1.84
Central Plaza Development Limited 3.875% due 30/01/2021	5,000,000	6,609,884	1.82
Eastern Creation II Investment Holdings Limited 4.15% due 04/12/2021	1,350,000	1,834,434	0.51
Guangzhou Metro Investment Finance BVI Limited 4.3% due 18/12/2021	1,000,000	1,357,579	0.37
Huarong Finance 2019 Company Limited 1.45488% due 24/02/2025	1,280,000	1,637,426	0.45
Huarong Finance II Company Limited 3.25% due 03/06/2021	1,273,000	1,695,863	0.47
Huarong Finance 2017 Company Limited 3.2% due 27/04/2021	4,250,000	4,273,906	1.18
King Power Capital Limited 5.625% due 03/11/2024	2,000,000	3,023,716	0.83
Lingang Wings Incorporation 4.625% due 05/09/2021	4,000,000	5,406,195	1.49
Voyage Bonds Limited 3.375% due 28/09/2022	4,000,000	5,443,148	1.50
Yieldking Investment Limited 4.8% due 18/10/2021	5,500,000	7,438,288	2.05
Yunda Holding Investment Limited 2.25% due 19/08/2025	630,000	830,223	0.23
ZGC International Investment Limited 2.875% due 03/02/2023	1,300,000	1,728,501	0.48
Zhongyuan Sincere Investment Company Limited 4.25% due 28/06/2024	1,850,000	2,546,515	0.70
Total BRITISH VIRGIN ISLANDS		50,906,151	14.03
CANADA			
Manulife Financial Corporation 3.85% due 25/05/2026	6,500,000	6,574,375	1.81
Manulife Financial Corporation 3% due 21/11/2029	2,500,000	2,576,971	0.71
Total CANADA		9,151,346	2.52
CAYMAN ISLANDS			
AAC Technologies Holdings Incorporation 3% due 27/11/2024	1,500,000	2,023,978	0.56
ABQ Finance Limited 3.125% due 24/09/2024	1,000,000	1,389,381	0.38
Baidu Incorporation 4.375% due 14/05/2024	1,000,000	1,453,111	0.40
BOS Funding Limited 4.23% due 07/03/2022	4,289,000	5,859,855	1.62
DIB Sukuk Limited 2.95% due 20/02/2025	1,500,000	2,072,610	0.57
DIB Sukuk Limited 3.625% due 06/02/2023	2,000,000	2,772,153	0.76
QIB Sukuk Limited 1.563% due 07/02/2025	4,000,000	5,266,761	1.45
Shimao Group Holdings Limited 6.125% due 21/02/2024	2,500,000	3,504,944	0.97
Weibo Corporation 3.5% due 05/07/2024	3,000,000	4,155,133	1.14
Total CAYMAN ISLANDS		28,497,926	7.85

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

STATEMENT OF PORTFOLIO
As at 31 December 2020 (unaudited)

By Geography (Primary) (continued)

	Holdings at 31 December 2020	Fair value at 31 December 2020 S\$	Percentage of total net assets attributable to unitholders at 31 December 2020 %
Quoted Fixed Income Securities (continued)			
CHINA			
Anhui Provincial Investment Group Holding Company Limited 4.875% due 18/10/2021	3,000,000	4,076,453	1.12
China Life Insurance Overseas Company Limited 3.35% due 27/07/2027	3,094,000	4,172,235	1.15
Guangxi Communications Investment Group Company Limited 3.5% due 17/09/2022	4,600,000	6,166,968	1.70
Industrial & Commercial Bank of China Limited 1.17763% due 21/02/2022	1,700,000	2,253,112	0.62
Jiangxi Railway Investment Group Company Limited 4.85% due 21/02/2022	4,700,000	6,421,385	1.77
PowerChina Real Estate Group Limited 4.5% due 06/12/2021	4,570,000	6,174,106	1.70
Shenzhen Expressway Company Limited 2.875% due 18/07/2021	1,500,000	1,996,409	0.55
Sichuan Railway Investment Group Company Limited 3.8% due 27/06/2022	4,500,000	6,100,614	1.68
Sunshine Life Insurance Corporation Limited 3.15% due 20/04/2021	1,980,000	2,623,402	0.72
Xi'An Municipal Infrastructure Construction Investment Group Corporation Limited 4% due 24/06/2022	1,960,000	2,646,069	0.73
Total CHINA		42,630,753	11.74
FRANCE			
BNP Paribas SA 4.35% due 22/01/2029	6,500,000	6,874,936	1.89
Societe Generale SA 4.3% due 19/05/2026	6,000,000	6,067,500	1.68
Total FRANCE		12,942,436	3.57
GERMANY			
Landesbank Baden-Wuerttemberg 3.75% due 18/05/2027	3,000,000	3,004,534	0.83
Total GERMANY		3,004,534	0.83
HONG KONG SAR			
Bank of East Asia Limited 4% due 03/11/2026	1,796,000	2,409,045	0.66
BoCom Leasing Management Hong Kong Company Limited 4% due 22/01/2022	1,000,000	1,358,198	0.37
CMB Wing Lung Bank Limited 3.75% due 22/11/2027	5,830,000	7,913,915	2.18
Far East Horizon Limited 2.234% due 03/07/2021	3,000,000	3,964,320	1.09
ICBCIL Finance Company Limited 1.171% due 15/05/2021	1,430,000	1,888,329	0.52
ICBCIL Finance Company Limited 3.65% due 05/03/2022	3,000,000	4,069,998	1.12
Nanyang Commercial Bank Limited 3.8% due 20/11/2029	5,200,000	7,104,115	1.96
Shanghai Commercial Bank Limited 3.75% due 29/11/2027	7,000,000	9,509,412	2.62
Shanghai Commercial Bank Limited 5% due 17/01/2029	4,200,000	5,959,740	1.65
Sino Trendy Investment Limited 3.875% due 25/01/2021	4,500,000	5,954,843	1.65
Total HONG KONG SAR		50,131,915	13.82
JAPAN			
Mizuho Financial Group Incorporation 1.16438% due 28/02/2022	1,800,000	2,400,155	0.66
Mizuho Financial Group Incorporation 0.8365% due 25/05/2024	3,000,000	3,973,238	1.10
Total JAPAN		6,373,393	1.76

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

STATEMENT OF PORTFOLIO

As at 31 December 2020 (unaudited)

By Geography (Primary) (continued)

	Holdings at 31 December 2020	Fair value at 31 December 2020 S\$	Percentage of total net assets attributable to unitholders at 31 December 2020 %
Quoted Fixed Income Securities (continued)			
LUXEMBOURG			
SPIC Luxembourg Latin America Renewable Energy Investment Company SARL 4.25% due 30/10/2021	3,000,000	4,046,069	1.12
Total LUXEMBOURG		4,046,069	1.12
MALAYSIA			
CIMB Bank Berhad 1.0095% due 09/10/2024	3,000,000	3,961,222	1.09
Danga Capital Berhad 3.035% due 01/03/2021	3,000,000	3,989,720	1.10
Malayan Banking Berhad 3.905% due 29/10/2026	3,190,000	4,304,156	1.19
Malayan Banking Berhad 1.021% due 16/08/2024	2,000,000	2,639,576	0.73
RHB Bank Berhad 3.766% due 19/02/2024	1,000,000	1,423,661	0.39
SSG Resources Limited 4.25% due 04/10/2022	6,550,000	9,080,155	2.50
Total MALAYSIA		25,398,490	7.00
SINGAPORE			
Ascendas Real Estate Investment Trust 3.2% due 03/06/2022	3,250,000	3,363,682	0.93
Capitamalls Asia Treasury Limited 3.7% due 29/08/2022	4,000,000	4,167,068	1.15
Capitaland Retail China Trust 3.25% due 04/07/2022	4,000,000	4,103,670	1.13
CCT MTN Private Limited 2.96% due 13/08/2021	4,250,000	4,289,391	1.18
CMT MTN Private Limited 2.8% due 13/03/2023	1,500,000	1,554,527	0.43
CMT MTN Private Limited 3.48% due 06/08/2024	2,500,000	2,669,461	0.74
FCOT Treasury Private Limited 2.835% due 11/08/2021	2,000,000	2,000,828	0.55
Great Eastern Life Assurance Company Limited 4.6% due 19/01/2026	3,750,000	3,752,384	1.03
Keppel Corporation Limited 3.145% due 14/02/2022	3,000,000	3,056,005	0.84
Lend Lease Retail Investments 3 Private Limited 3.28% due 03/09/2021	1,250,000	1,264,596	0.34
Mapletree Commercial Trust Treasury Company Private Limited 3.25% due 03/02/2023	1,000,000	1,037,758	0.29
Monetary Authority of Singapore Bill 0% due 15/01/2021	4,000,000	3,999,500	1.10
NTUC Income Insurance Co-Operative Limited 3.65% due 23/08/2027	8,250,000	8,593,960	2.37
South Beach Consortium Private Limited 2.83% due 17/03/2021	1,000,000	1,003,996	0.28
Starhub Limited 3.08% due 12/09/2022	5,500,000	5,684,708	1.57
United Overseas Bank Limited 2.88% due 08/03/2027	2,000,000	2,695,228	0.74
Total SINGAPORE		53,236,762	14.67
SOUTH KOREA			
KEB Hana Bank 0.934% due 02/10/2022	1,500,000	1,990,841	0.55
KEB Hana Bank 0.9695% due 13/06/2024	1,330,000	1,762,734	0.49
Kookmin Bank 1.18038% due 09/06/2022	1,000,000	1,331,037	0.37
Lotte Property & Development Company Limited 1.00725% due 06/08/2022	5,000,000	6,618,558	1.82
Shinhan Bank Company Limited 3.875% due 07/12/2026	1,500,000	2,033,221	0.56
Woori Bank 0.98263% due 21/05/2024	1,500,000	1,996,409	0.55
Total SOUTH KOREA		15,732,800	4.34

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

STATEMENT OF PORTFOLIO
As at 31 December 2020 (unaudited)

By Geography (Primary) (continued)

	Holdings at 31 December 2020	Fair value at 31 December 2020 S\$	Percentage of total net assets attributable to unitholders at 31 December 2020 %
Quoted Fixed Income Securities (continued)			
UNITED ARAB EMIRATES			
Burgan Senior SPC Limited 3.125% due 14/09/2021	2,500,000	3,368,133	0.93
Emirates NBD Bank PJSC 3.05% due 06/03/2023	500,000	508,906	0.14
Emirates NBD Bank PLSC 3.25% due 14/11/2022	2,000,000	2,764,719	0.76
Total UNITED ARAB EMIRATES		6,641,758	1.83
Accrued interest receivable on quoted fixed income securities		2,845,843	0.78
Total Quoted Fixed Income Securities		337,189,589	92.93
Portfolio of investments		337,189,589	92.93
Other net assets		25,637,290	7.07
Net assets attributable to unitholders		362,826,879	100.00

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

STATEMENT OF PORTFOLIO
As at 31 December 2020 (unaudited)

By Geography (Summary)

	Percentage of total net assets attributable to unitholders at 31 December 2020 %	Percentage of total net assets attributable to unitholders at 30 June 2020 %
Quoted Fixed Income Securities		
Australia	7.07	5.75
British Virgin Islands	14.03	13.49
Canada	2.52	1.66
Cayman Islands	7.85	6.74
China	11.74	12.31
France	3.57	3.46
Germany	0.83	0.79
Hong Kong SAR	13.82	14.78
Indonesia	-	0.18
Japan	1.76	1.81
Luxembourg	1.12	1.18
Malaysia	7.00	7.30
Mauritius	-	0.77
Singapore	14.67	13.29
South Korea	4.34	4.52
United Arab Emirates	1.83	1.90
Accrued interest receivables on quoted fixed income securities	0.78	0.78
Total Quoted Fixed Income Securities	92.93	90.71
Portfolio of investments	92.93	90.71
Other net assets	7.07	9.29
Net assets attributable to unitholders	100.00	100.00

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

STATEMENT OF PORTFOLIO

As at 31 December 2020 (unaudited)

By Industry (Secondary)

	Fair value at 31 December 2020 S\$	Percentage of total net assets attributable to unitholders at 31 December 2020 %	Percentage of total net assets attributable to unitholders at 30 June 2020 %
Banks	135,259,218	37.28	33.41
Chemicals	-	-	0.77
Commercial Services	1,996,409	0.55	0.58
Distribution/Wholesale	4,076,453	1.12	1.17
Diversified Financial Services	20,361,000	5.61	7.40
Electric	4,046,069	1.12	1.18
Electronics	2,023,978	0.56	-
Engineering and Construction	10,421,215	2.87	3.78
Gas	2,646,069	0.73	0.76
Holding Companies-Diversified	7,438,288	2.05	2.15
Home Builders	5,406,195	1.49	0.58
Insurance	28,293,327	7.80	6.36
Internet	5,608,244	1.54	1.61
Investment Companies	24,407,083	6.73	5.34
Iron/Steel	5,443,148	1.50	1.57
Leisure Time	3,023,716	0.83	-
Metal Fabricate/Hardware	6,421,385	1.77	1.84
Mining	6,677,412	1.84	2.87
Real Estate	28,078,556	7.74	8.59
Real Estate Investment Trusts (REITS)	19,019,317	5.24	6.35
Sovereign	3,989,720	1.10	1.16
Telecommunications	5,684,708	1.57	1.53
Transportation	4,022,236	1.11	0.93
Accrued interest receivables on quoted fixed income securities	2,845,843	0.78	0.78
Portfolio of investments	337,189,589	92.93	90.71
Other net assets	25,637,290	7.07	9.29
Net assets attributable to unitholders	362,826,879	100.00	100.00

NIKKO AM SHENTON SHORT TERM BOND FUND (S\$)*(Constituted under a Trust Deed registered in the Republic of Singapore)***REPORT TO UNITHOLDERS***For the financial period from 01 July 2020 to 31 December 2020 (unaudited)*

The following contains additional information relating to the Fund.

1. Distribution of investments

Please refer to the Statement of Portfolio on pages 10 to 15.

2. Credit rating of debt securities

	Fair value at 31 December 2020 S\$	Percentage of total net assets attributable to unitholders at 31 December 2020 %
AAA*	3,999,500	1.10
A+	17,430,956	4.80
A	9,789,170	2.70
A-	37,448,434	10.32
BBB+	41,659,628	11.48
BBB	4,304,156	1.19
BBB-	12,440,865	3.43
BBB *-	4,155,133	1.15
Aa3	6,618,558	1.82
A1	2,253,112	0.62
A2	7,988,703	2.20
A3	48,097,366	13.26
Baa1	15,147,174	4.17
Baa2	24,536,279	6.76
Baa3	7,104,115	1.96
Not rated	91,370,597	25.19
Accrued interest receivables on quoted fixed income securities	2,845,843	0.78
Total	337,189,589	92.93

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

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

REPORT TO UNITHOLDERS

For the financial period from 01 July 2020 to 31 December 2020 (unaudited)

3. Top 10 holdings

10 Largest holdings at 31 December 2020

	Fair value S\$	Percentage of total net assets attributable to unitholders %
Shanghai Commercial Bank Limited 3.75% due 29/11/2027	9,509,412	2.62
SSG Resources Limited 4.25% due 04/10/2022	9,080,155	2.50
Australia & New Zealand Banking Group Limited 3.75% due 23/03/2027	8,942,124	2.47
NTUC Income Insurance Co-Operative Limited 3.65% due 23/08/2027	8,593,960	2.37
CMB Wing Lung Bank Limited 3.75% due 22/11/2027	7,913,915	2.18
Yieldking Investment Limited 4.8% due 18/10/2021	7,438,288	2.05
Nanyang Commercial Bank Limited 3.8% due 20/11/2029	7,104,115	1.96
BNP Paribas SA 4.35% due 22/01/2029	6,874,936	1.89
National Australia Bank Limited 4.15% due 19/05/2028	6,863,463	1.89
Chinalco Capital Holdings Limited 4% due 25/08/2021	6,677,412	1.84

10 Largest holdings at 31 December 2019

	Fair value S\$	Percentage of total net assets attributable to unitholders %
United Overseas Bank Limited 3.5% due 16/09/2026	9,431,570	2.21
SSG Resources Limited 4.25% due 04/10/2022	9,141,752	2.14
Australia & New Zealand Banking Group Limited 3.75% due 23/03/2027	7,955,547	1.87
China Construction Bank Corporation 3.875% due 13/05/2025	7,352,666	1.73
Yieldking Investment Limited 4.8% due 18/10/2021	6,890,197	1.62
Commonwealth Bank of Australia 3.375% due 20/10/2026	6,888,568	1.62
Great Eastern Life Assurance Company Limited 4.6% due 19/01/2026	6,165,600	1.45
Societe Generale SA 4.3% due 19/05/2026	6,147,583	1.44
Sino Trendy Investment Limited 3.875% due 25/01/2021	6,089,615	1.43
NTUC Income Insurance Co-Operative Limited 3.65% due 23/08/2027	5,694,966	1.34

NIKKO AM SHENTON SHORT TERM BOND FUND (S\$)*(Constituted under a Trust Deed registered in the Republic of Singapore)***REPORT TO UNITHOLDERS***For the financial period from 01 July 2020 to 31 December 2020 (unaudited)***4. Exposure to financial derivatives**

	Fair value at 31 December 2020 S\$	Percentage of total net assets attributable to unitholders 31 December 2020 %	Unrealised gains/(losses) S\$	Realised gains/(losses) S\$
Forward foreign exchange contracts	<u>2,700,575</u>	<u>0.74</u>	<u>2,700,575</u>	<u>11,874,677</u>

5. Global exposure to financial derivatives

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

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

6. Collateral

	31 December 2020 S\$	30 June 2020 S\$
Margin account	<u>72,554</u>	<u>76,583</u>

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 31 December 2020, there is no open exchange-traded futures.

7. Securities lending or repurchase transactions

Nil.

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

Nil.

9. Borrowings

Nil.

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

REPORT TO UNITHOLDERS

For the financial period from 01 July 2020 to 31 December 2020 (unaudited)

10. Amount of units created and cancelled for the financial period ended 31 December 2020

S\$

Units created	167,633,691
Units cancelled	(177,468,027)

11. Turnover ratio

		31 December 2020	31 December 2019
Lower of total value of purchases or sales	S\$	23,504,482	44,272,934
Average daily net asset value	S\$	367,356,824	424,381,041
Total turnover ratio¹	%	6.40	10.43

¹ The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the portfolio turnover ratio was based on the lower of the total value of purchases or sales of the underlying investments, divided by the average daily net asset value.

12. Expense ratio

		31 December 2020	31 December 2019
<u>SGD Class</u>			
Total operating expenses	S\$	1,439,739	1,669,481
Average daily net asset value	S\$	367,262,857	409,864,704
Total expense ratio²	%	0.39	0.41

		31 December 2020	31 December 2019
<u>AUD Hedged Class</u>			
Total operating expenses	S\$	44,027	31,521
Average daily net asset value	S\$	7,210,338	5,024,836
Total expense ratio²	%	0.61	0.63

		31 December 2020	31 December 2019
<u>USD Hedged Class</u>			
Total operating expenses	S\$	18,883	12,600
Average daily net asset value	S\$	4,828,949	2,996,874
Total expense ratio²	%	0.39	0.42

² The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the expense ratio at financial period end was based on total operating expenses divided by the average net asset value for the year. The total operating expenses do not include (where applicable) brokerage and other transactions costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fee. The average net asset value is based on the daily balances.

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

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

REPORT TO UNITHOLDERS

For the financial period from 01 July 2020 to 31 December 2020 (unaudited)

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 Deeds:

	31 December 2020 S\$	30 June 2020 S\$
Bank balances held with related party of the Trustee	21,517,747	43,353,697
Collateral account held with related party of the Trustee	72,554	76,583

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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