

SEMI-ANNUAL REPORT

For the financial period ending 31 December 2021

Nikko AM SGD Investment Grade Corporate Bond ETF

MANAGERS

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Singapore 018961
Company Registration No. 198202562H

DIRECTORS

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Seet Oon Hui Eleanor
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TRUSTEE & REGISTRAR

DBS Trustee Limited
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Marina Bay Financial Centre Tower 3
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CUSTODIAN

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Singapore 018982

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

PERFORMANCE SUMMARY

| <i>Returns (%)</i> | <i>3 Mth</i> | <i>6 Mth</i> | <i>1 Yr</i> | <i>3 Yr</i> | <i>5 Yr</i> | <i>10 Yr</i> | <i>Since Inception</i> |
|---|--------------|--------------|-------------|-------------|-------------|--------------|------------------------|
| Nikko AM SGD Investment Grade Corporate Bond ETF | -0.23 | -0.02 | -0.55 | 3.37 | N/A | N/A | 3.22 |
| iBoxx SGD Non-Sovereigns Large Cap Investment Grade Index | -0.17 | 0.07 | -0.28 | 3.74 | N/A | N/A | 3.63 |

Source: Nikko Asset Management Asia Limited & Markit Indices Limited. Returns as at 31 December 2021. Returns are calculated on a NAV-NAV¹ 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 annualized. Past performance is not indicative of future performance.

Note:

(1) Nil subscription fee or preliminary charge

Inception date: 27 August 2018

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The Index Provider makes no representation whatsoever, whether express or implied, as to the advisability of purchasing or selling the Units, the ability of the Index to track relevant markets' performances, or otherwise relating to the Index or any transaction or product with respect thereto, or of assuming any risks in connection therewith. The Index Provider has no obligation to take the needs of any party into consideration in determining, composing or calculating the Index. No party purchasing or selling the Units, nor the Index Provider, shall have any liability to any party for any act or failure to act by the Index Provider in connection with the determination, adjustment, calculation or maintenance of the Index. The Index Provider and its affiliates may deal in any obligations that compose the Index, and may, where permitted, accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with the issuers of such obligations or their affiliates, and may act with respect to such business as if the Index did not exist, regardless of whether such action might adversely affect the Index or the Fund.

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About Nikko AM SGD Investment Grade Corporate Bond ETF

The Nikko AM SGD Investment Grade Corporate Bond ETF (the "Fund") is a collective investment scheme authorised under Section 286 of the Securities and Futures Act and is established under the terms of a trust deed dated 13 July 2018 made between Nikko Asset Management Asia Limited as manager, and DBS Trustee Limited as trustee, of the Fund.

The investment objective of the Fund is to provide investors with investment returns that correspond closely to the total return of the iBoxx SGD Non-Sovereigns Large Cap Investment Grade Index (the "Index"), or upon the Manager giving three (3) months' prior written notice to the Trustee and the Holders, such other index which tracks the performance of SGD denominated investment grade bonds excluding Singapore Government Securities ("SGD-denominated Investment Grade Bonds"), before fees and expenses. There is no assurance that the Fund will achieve its investment objective or that it will be able to fully track the performance of the Index.

The Fund will seek to achieve its investment objective by adopting a representative sampling strategy or similar strategy. Representative sampling is a strategy of investing in a representative sample of securities in the Index which have a similar investment profile as that of the Index. The Manager may invest in certain securities that are not included in the Index ("non-Index Securities") but have aggregate characteristics (such as yield and duration) similar to those of the Index. The Fund can invest up to 20% of its total net asset value in such non-Index Securities, that should meet at least one of the following criteria:

- SGD denominated bonds in which the bond or its issuer are rated as investment grade by S&P, Moody's or Fitch, and have a minimum issuance size of SGD 100 million;
- SGD denominated bonds by prevailing issuers of the Index with a minimum issuance size of SGD 100 million; or
- Singapore Government Securities (SGS).

The Fund will generally not hold all the securities that are included in the Index. The Fund is designed for investors who seek an "index-based" approach to investing in a portfolio of SGD-denominated Investment Grade Bonds in a cost effective and easy to access manner. Units may also be used as an asset allocation tool or as a trading instrument.

With effect from 22 April 2020, the Fund is included under the Central Provident Fund ("CPF") Investment Scheme ("CPFIS") – Ordinary Account (the "CPF Ordinary Account") for subscription by members of the public using their CPF monies and is classified under the category of Low to Medium Risk – Narrowly Focused – Country – Singapore.

Note: Investors are advised to refer to the Fund's prospectus for more details on the Fund.

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 performance of the ETF's price on the Singapore Exchange Securities Trading Limited ("SGX-ST") may be different from the net asset value per unit of the ETF. The ETF may also be delisted from the SGX-ST. Transactions in units of the ETF will result in brokerage commissions. Listing of the units does not guarantee a liquid market for the units. Units of the ETF may be bought or sold throughout trading hours of the SGX-ST through any brokerage account. Investors should note that the ETF differs from a typical unit trust and units may only be created or redeemed directly by a participating dealer in large creation or redemption units. Investors may only redeem the units with Nikko AM Asia under certain specified conditions.

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.

Nikko Asset Management Asia Limited. Registration Number 198202562H

NIKKO AM SGD INVESTMENT GRADE CORPORATE BOND ETF

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

STATEMENT OF TOTAL RETURN

For the financial period ended 31 December 2021 (Unaudited)

| | 31 December 2021 | 31 December 2020 |
|---|------------------|-------------------|
| | S\$ | S\$ |
| Expenses | | |
| Management fee | 453,646 | 438,212 |
| Trustee fee | 60,486 | 58,428 |
| Custodian fee | 55,193 | 50,718 |
| Administrator fee | 32,260 | 29,721 |
| Audit fee | 17,091 | 14,241 |
| Transaction costs | 5,725 | 5,300 |
| Other expenses | 165,100 | 139,993 |
| | <u>789,501</u> | <u>736,613</u> |
| Net losses | <u>(789,501)</u> | <u>(736,613)</u> |
| Net gains on value of investments | | |
| Net gains on investments | 760,108 | 20,463,429 |
| | <u>760,108</u> | <u>20,463,429</u> |
| Total (losses)/return for the financial period before income tax | (29,393) | 19,726,816 |
| Less: Income tax | - | - |
| Total (losses)/return for the financial period after income tax | (29,393) | 19,726,816 |

NIKKO AM SGD INVESTMENT GRADE CORPORATE BOND ETF*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF FINANCIAL POSITION***As at 31 December 2021 (Unaudited)*

| | 31 December 2021 | 30 June 2021 |
|--|-------------------------|--------------------|
| | S\$ | S\$ |
| ASSETS | | |
| Portfolio of investments | 601,735,082 | 606,504,736 |
| Cash and bank balances | 9,955,960 | 5,414,243 |
| Receivables | 103,760 | 841,885 |
| Prepayments | 8,080 | 920 |
| Sales awaiting settlement | - | 5,020,209 |
| Total assets | 611,802,882 | 617,781,993 |
| LIABILITIES | | |
| Distributions payable | 8,073,117 | 8,465,951 |
| Payables | 307,932 | 323,629 |
| Purchases awaiting settlement | - | 3,016,221 |
| Total liabilities | 8,381,049 | 11,805,801 |
| EQUITY | | |
| Net assets attributable to unitholders | 603,421,833 | 605,976,192 |

NIKKO AM SGD INVESTMENT GRADE CORPORATE BOND ETF*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS***For the financial period ended 31 December 2021 (Unaudited)*

| | 31 December 2021 S\$ | 30 June 2021 S\$ |
|--|-------------------------|---------------------|
| Net assets attributable to unitholders at the beginning of financial period/year | 605,976,192 | 551,343,920 |
| Operations | | |
| Change in net assets attributable to unitholders resulting from operations | (29,393) | 16,333,740 |
| Unitholders' contributions/(withdrawals) | | |
| Creation of units | 35,122,221 | 101,801,784 |
| Cancellation of units | (29,574,070) | (38,772,181) |
| Change in net assets attributable to unitholders resulting from net creation and cancellation of units | 5,548,151 | 63,029,603 |
| Distributions | (8,073,117) | (24,731,071) |
| Total (decrease)/increase in net assets attributable to unitholders | (2,554,359) | 54,632,272 |
| Net assets attributable to unitholders at the end of financial period/year | 603,421,833 | 605,976,192 |

NIKKO AM SGD INVESTMENT GRADE CORPORATE BOND ETF

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

STATEMENT OF PORTFOLIO

As at 31 December 2021 (Unaudited)

By Industry (Primary)

| | Holdings at 31 December 2021 | Fair value at 31 December 2021 S\$ | Percentage of total net assets attributable to unitholders at 31 December 2021 % |
|---|------------------------------------|---|--|
| Quoted Fixed Income Securities | | | |
| AIR TRANSPORT | | | |
| Changi Airport Group 1.88% 12/05/2031 | 14,500,000 | 14,277,945 | 2.37 |
| Singapore Airlines Limited MTN 3.03% 28/03/2024 | 3,120,000 | 3,191,649 | 0.53 |
| Singapore Airlines Limited MTN 3.035% 11/04/2025 | 3,750,000 | 3,850,183 | 0.63 |
| Singapore Airlines Limited MTN 3.13% 17/11/2026 | 3,500,000 | 3,557,244 | 0.59 |
| Singapore Airlines Limited MTN 3.13% 23/08/2027 | 4,000,000 | 4,056,066 | 0.67 |
| Singapore Airlines Limited MTN 3.16% 25/10/2023 | 2,750,000 | 2,813,250 | 0.46 |
| Singapore Airlines Limited MTN 3.50% 02/12/2030 | 3,000,000 | 3,070,197 | 0.50 |
| Singapore Airlines Limited MTN 3.75% 08/04/2024 | 2,250,000 | 2,337,669 | 0.39 |
| | | 37,154,203 | 6.14 |
| BANKING | | | |
| Aviva Singlife Holdings Pte. Ltd. 3.375% 24/02/2031 | 12,000,000 | 12,222,530 | 2.03 |
| China Construction Bank Corporation Singapore Branch 1.073% 25/09/2023 | 11,000,000 | 10,927,136 | 1.81 |
| Credit Agricole SA MTN 3.80% 30/04/2031 | 7,750,000 | 8,182,821 | 1.36 |
| DBS Group Holdings Limited MTN 3.98% Perpetuity | 19,750,000 | 20,622,829 | 3.42 |
| National Australia Bank Limited 4.15% 19/05/2028 | 10,000,000 | 10,350,582 | 1.72 |
| Oversea-Chinese Banking Corporation Limited MTN 4.00% Perpetuity | 23,500,000 | 24,200,192 | 4.01 |
| Swiss Re Finance (UK) Plc 3.125% 03/07/2035 | 7,000,000 | 7,182,617 | 1.19 |
| United Overseas Bank Limited MTN 2.55% 22/06/2028 | 13,000,000 | 12,759,500 | 2.11 |
| United Overseas Bank Limited MTN 3.50% 27/02/2029 | 17,000,000 | 17,663,801 | 2.93 |
| United Overseas Bank Limited MTN 3.58% Perpetuity | 20,250,000 | 20,903,474 | 3.46 |
| | | 145,015,482 | 24.04 |
| BUILDING | | | |
| Surbana Jurong Private Limited 4.11% 03/10/2025 | 2,250,000 | 2,403,852 | 0.40 |
| | | 2,403,852 | 0.40 |
| CONGLOMERATE/DIVERSIFIED | | | |
| Keppel Corporation Limited FRN 2.90% Perpetuity | 3,500,000 | 3,400,827 | 0.56 |
| Keppel Corporation Limited FRN 3.80% 23/04/2027 | 500,000 | 503,592 | 0.08 |
| Keppel Corporation Limited MTN 3.00% 01/10/2026 | 1,000,000 | 1,034,629 | 0.17 |
| Keppel Corporation Limited MTN 3.66% 07/05/2029 | 3,250,000 | 3,416,288 | 0.57 |
| Keppel Corporation Limited MTN 4.00% 07/09/2042 | 3,250,000 | 3,321,273 | 0.55 |
| | | 11,676,609 | 1.93 |
| EDUCATION | | | |
| Nanyang Technological University MTN 2.185% 20/10/2036 | 5,250,000 | 5,263,740 | 0.87 |
| | | 5,263,740 | 0.87 |

NIKKO AM SGD INVESTMENT GRADE CORPORATE BOND ETF

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

STATEMENT OF PORTFOLIO

As at 31 December 2021 (Unaudited)

By Industry (Primary) (continued)

| | Holdings at 31 December 2021 | Fair value at 31 December 2021 S\$ | Percentage of total net assets attributable to unitholders at 31 December 2021 % |
|--|------------------------------------|---|--|
| Quoted Fixed Income Securities (continued) | | | |
| FINANCE | | | |
| Eastern Air Overseas (Hong Kong) Co., Ltd. 2.00% 15/07/2026 | 8,000,000 | 8,000,000 | 1.33 |
| Housing & Development Board MTN 1.265% 24/06/2030 | 2,000,000 | 1,908,865 | 0.32 |
| Housing & Development Board MTN 1.30% 03/12/2035 | 4,000,000 | 3,528,718 | 0.58 |
| Housing & Development Board MTN 1.37% 16/03/2028 | 1,750,000 | 1,712,698 | 0.28 |
| Housing & Development Board MTN 1.54% 12/10/2028 | 2,500,000 | 2,463,955 | 0.41 |
| Housing & Development Board MTN 1.645% 23/11/2026 | 750,000 | 752,728 | 0.12 |
| Housing & Development Board MTN 1.73% 19/05/2031 | 5,500,000 | 5,410,278 | 0.90 |
| Housing & Development Board MTN 1.75% 25/11/2024 | 1,000,000 | 1,011,689 | 0.17 |
| Housing & Development Board MTN 1.76% 24/02/2027 | 3,750,000 | 3,780,003 | 0.63 |
| Housing & Development Board MTN 1.865% 21/07/2033 | 3,000,000 | 2,923,700 | 0.48 |
| Housing & Development Board MTN 1.91% 10/08/2023 | 5,250,000 | 5,324,986 | 0.88 |
| Housing & Development Board MTN 2.035% 16/09/2026 | 4,500,000 | 4,597,935 | 0.76 |
| Housing & Development Board MTN 2.164% 22/05/2024 | 3,750,000 | 3,832,237 | 0.64 |
| Housing & Development Board MTN 2.42% 21/11/2024 | 2,500,000 | 2,564,426 | 0.42 |
| Housing & Development Board MTN 2.27% 16/07/2029 | 3,750,000 | 3,872,613 | 0.64 |
| Housing & Development Board MTN 2.303% 13/03/2023 | 1,750,000 | 1,779,570 | 0.29 |
| Housing & Development Board MTN 2.315% 18/09/2034 | 2,000,000 | 2,024,772 | 0.34 |
| Housing & Development Board MTN 2.32% 24/01/2028 | 3,000,000 | 3,101,917 | 0.51 |
| Housing & Development Board MTN 2.35% 25/05/2027 | 8,000,000 | 8,294,479 | 1.37 |
| Housing & Development Board MTN 2.42% 24/07/2023 | 2,500,000 | 2,554,885 | 0.42 |
| Housing & Development Board MTN 2.495% 11/03/2026 | 4,750,000 | 4,938,655 | 0.82 |
| Housing & Development Board MTN 2.50% 29/01/2023 | 500,000 | 508,857 | 0.08 |
| Housing & Development Board MTN 2.505% 27/06/2024 | 3,000,000 | 3,091,731 | 0.51 |
| Housing & Development Board MTN 2.545% 04/07/2031 | 5,000,000 | 5,262,912 | 0.87 |
| Housing & Development Board MTN 2.55% 20/11/2023 | 1,750,000 | 1,796,843 | 0.30 |
| Housing & Development Board MTN 2.598% 30/10/2029 | 5,500,000 | 5,811,716 | 0.96 |
| Housing & Development Board MTN 2.625% 17/09/2025 | 6,750,000 | 7,033,113 | 1.17 |
| Housing & Development Board MTN 2.675% 22/01/2029 | 4,500,000 | 4,764,949 | 0.79 |
| Housing & Development Board MTN 3.08% 31/05/2030 | 4,000,000 | 4,382,880 | 0.73 |
| Housing & Development Board MTN 3.10% 24/07/2024 | 7,500,000 | 7,844,930 | 1.30 |
| Housing & Development Board MTN 3.22% 01/12/2026 | 3,500,000 | 3,771,692 | 0.63 |
| Housing & Development Board MTN 3.63% 27/02/2023 | 1,750,000 | 1,805,191 | 0.30 |
| Housing & Development Board MTN 3.948% 29/01/2029 | 2,250,000 | 2,572,014 | 0.43 |
| Huarong Finance 2017 Co Limited 3.80% 07/11/2025 | 8,500,000 | 8,293,113 | 1.37 |
| Lendlease Finance Limited MTN 3.90% 27/04/2027 | 7,000,000 | 7,297,590 | 1.21 |
| Mapletree Industrial Trust Treasury Co Pte Ltd FRN 3.15% 11/05/2026 | 11,500,000 | 11,339,038 | 1.88 |
| Mapletree Treasury Services Limited MTN 2.85% 29/08/2025 | 1,500,000 | 1,542,141 | 0.26 |
| Mapletree Treasury Services Limited MTN 3.15% 03/09/2031 | 2,000,000 | 2,033,614 | 0.34 |
| Mapletree Treasury Services Limited MTN 3.40% 03/09/2026 | 2,500,000 | 2,623,840 | 0.43 |
| Mapletree Treasury Services Limited MTN 3.58% 13/03/2029 | 500,000 | 528,848 | 0.09 |
| National Environment Agency MTN 1.67% 15/09/2031 | 5,000,000 | 4,898,889 | 0.81 |
| National Environment Agency MTN 2.50% 15/09/2051 | 10,250,000 | 10,028,951 | 1.66 |
| Nexus International School Singapore Pte Ltd 3.15% 03/12/2031 | 2,000,000 | 2,120,185 | 0.35 |
| Panther Ventures Ltd 3.38% 30/09/2024 | 6,000,000 | 5,895,389 | 0.98 |
| RCS Trust 2.60% 05/06/2023 | 7,250,000 | 7,358,116 | 1.22 |

NIKKO AM SGD INVESTMENT GRADE CORPORATE BOND ETF

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

STATEMENT OF PORTFOLIO

As at 31 December 2021 (Unaudited)

By Industry (Primary) (continued)

| | Holdings at 31 December 2021 | Fair value at 31 December 2021 S\$ | Percentage of total net assets attributable to unitholders at 31 December 2021 % |
|--|------------------------------------|---|--|
| Quoted Fixed Income Securities (continued) | | | |
| FINANCE (continued) | | | |
| Sembcorp Financial Services Pte Ltd 2.46% 09/06/2031 | 7,000,000 | 6,794,849 | 1.13 |
| Temasek Financial (I) Limited MTN 2.80% 17/08/2071 | 23,000,000 | 23,403,234 | 3.88 |
| Temasek Financial (I) Limited MTN 3.785% 05/03/2025 | 6,250,000 | 6,679,718 | 1.11 |
| Temasek Financial (I) Limited MTN 4.00% 07/12/2029 | 1,250,000 | 1,408,703 | 0.23 |
| Temasek Financial (I) Limited MTN 4.0475% 05/03/2035 | 11,000,000 | 12,978,856 | 2.15 |
| Temasek Financial (I) Limited MTN 4.20% 02/08/2050 | 3,000,000 | 3,912,823 | 0.65 |
| Temasek Financial IV Private Limited MTN 2.70% 25/10/2023 | 3,119,000 | 3,209,139 | 0.53 |
| UOL Treasury Services Pte Ltd 2.330% 31/08/2028 | 5,000,000 | 4,960,156 | 0.82 |
| | | 250,333,129 | 41.48 |
| INDUSTRIAL | | | |
| STT GDC Pte Ltd 3.13% 28/07/2028 | 2,500,000 | 2,503,135 | 0.41 |
| | | 2,503,135 | 0.41 |
| INSURANCE | | | |
| AIA Group Ltd 2.90% 11/06/2031 | 10,500,000 | 10,192,164 | 1.69 |
| Manulife Financial Corporation FRN 3.00% 21/11/2029 | 12,000,000 | 12,322,555 | 2.04 |
| NTUC Income Insurance Co-Operative Limited FRN 3.10% 20/07/2050 | 24,250,000 | 24,623,768 | 4.08 |
| | | 47,138,487 | 7.81 |
| REAL ESTATE INVESTMENT TRUST | | | |
| Ascendas Real Estate Investment Trust FRN 3.00% 17/09/2025 | 4,000,000 | 3,954,873 | 0.66 |
| Capitaland Treasury Limited 2.90% 21/09/2032 | 4,000,000 | 3,958,251 | 0.66 |
| Capitaland Treasury Limited 3.08% 19/10/2027 | 3,000,000 | 3,075,952 | 0.51 |
| Capitaland Treasury Limited 3.15% 29/08/2029 | 3,500,000 | 3,565,927 | 0.59 |
| Capitaland Treasury Limited 3.80% 28/08/2024 | 2,000,000 | 2,090,360 | 0.35 |
| CDL Properties Ltd 2.958% 09/05/2024 | 4,500,000 | 4,570,003 | 0.76 |
| CMT MTN Private Limited 3.17% 05/03/2024 | 7,500,000 | 7,784,014 | 1.29 |
| CMT MTN Private Limited MTN 2.10% 08/03/2028 | 9,250,000 | 9,214,968 | 1.53 |
| CMT MTN Private Limited MTN 3.48% 06/08/2024 | 7,000,000 | 7,345,407 | 1.22 |
| Mapletree Logistics Trust FRN 3.725% 02/11/2026 | 1,750,000 | 1,763,199 | 0.29 |
| | | 47,322,954 | 7.86 |
| TELECOMMUNICATIONS | | | |
| Singapore Technologies Telemedia Private Limited MTN 4.05% 02/12/2025 | 2,000,000 | 2,115,318 | 0.35 |
| Singtel Group Treasury Pte Ltd 3.30% 14/07/2031 | 10,500,000 | 10,451,935 | 1.73 |
| Starhub Limited MTN 3.55% 08/06/2026 | 2,000,000 | 2,116,169 | 0.35 |
| | | 14,683,422 | 2.43 |

NIKKO AM SGD INVESTMENT GRADE CORPORATE BOND ETF*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2021 (Unaudited)***By Industry (Primary)** (continued)

| | Holdings at 31 December 2021 | Fair value at 31 December 2021 S\$ | Percentage of total net assets attributable to unitholders at 31 December 2021 % |
|---|------------------------------------|---|--|
| Quoted Fixed Income Securities (continued) | | | |
| TRANSPORTATION | | | |
| Land Transport Authority 3.35% 19/03/2048 | 5,750,000 | 6,489,310 | 1.08 |
| Land Transport Authority 3.51% 18/09/2030 | 1,500,000 | 1,684,585 | 0.28 |
| Land Transport Authority MTN 3.09% 31/08/2027 | 500,000 | 536,287 | 0.09 |
| Land Transport Authority MTN 3.275% 29/10/2025 | 1,250,000 | 1,332,120 | 0.22 |
| Land Transport Authority MTN 3.30% 03/06/2054 | 3,000,000 | 3,357,681 | 0.56 |
| Land Transport Authority MTN 3.38% 30/01/2059 | 5,250,000 | 5,948,888 | 0.99 |
| Land Transport Authority MTN 3.43% 30/10/2053 | 1,000,000 | 1,147,030 | 0.19 |
| Land Transport Authority MTN 3.45% 30/07/2058 | 5,500,000 | 6,322,895 | 1.05 |
| | | <u>26,818,796</u> | <u>4.46</u> |
| UTILITIES-WATER | | | |
| Public Utilities Board 3.01% 18/07/2033 | 3,250,000 | 3,565,382 | 0.59 |
| Public Utilities Board 3.62% 12/10/2027 | 2,750,000 | 3,032,127 | 0.50 |
| | | <u>6,597,509</u> | <u>1.09</u> |
| Total Quoted Fixed Income Securities | | <u>596,911,318</u> | <u>98.92</u> |
| Accrued interest receivable on quoted fixed income securities | | <u>4,823,764</u> | <u>0.80</u> |
| Portfolio of investments | | 601,735,082 | 99.72 |
| Other net assets | | 1,686,751 | 0.28 |
| Net assets attributable to unitholders | | <u>603,421,833</u> | <u>100.00</u> |

NIKKO AM SGD INVESTMENT GRADE CORPORATE BOND ETF

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

STATEMENT OF PORTFOLIO

As at 31 December 2021 (Unaudited)

By Industry (Summary)

| | Fair value at 31 December 2021 S\$ | Percentage of total net assets attributable to unitholders at 31 December 2021 % | Percentage of total net assets attributable to unitholders at 30 June 2021 % |
|---|---|--|--|
| Quoted Fixed Income Securities | | | |
| Air Transport | 37,154,203 | 6.14 | 5.82 |
| Banking | 145,015,482 | 24.04 | 26.00 |
| Building | 2,403,852 | 0.40 | 0.40 |
| Conglomerate/Diversified | 11,676,609 | 1.93 | 1.95 |
| Education | 5,263,740 | 0.87 | - |
| Finance | 250,333,129 | 41.48 | 36.35 |
| Industrial | 2,503,135 | 0.41 | 0.88 |
| Insurance | 47,138,487 | 7.81 | 9.75 |
| Oil and Gas | - | - | 2.20 |
| Real Estate Investment Trust | 47,322,954 | 7.86 | 6.04 |
| Telecommunications | 14,683,422 | 2.43 | 2.74 |
| Transportation | 26,818,796 | 4.46 | 5.08 |
| Utilities-Electricity | - | - | 0.09 |
| Utilities-Water | 6,597,509 | 1.09 | 1.94 |
| Accrued interest receivable on quoted fixed income securities | 4,823,764 | 0.80 | 0.85 |
| Portfolio of investments | 601,735,082 | 99.72 | 100.09 |
| Other net assets/(liabilities) | 1,686,751 | 0.28 | (0.09) |
| Net assets attributable to unitholders | 603,421,833 | 100.00 | 100.00 |

NIKKO AM SGD INVESTMENT GRADE CORPORATE BOND ETF

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

STATEMENT OF PORTFOLIO

As at 31 December 2021 (Unaudited)

By Geography (Summary)

| | Fair value at 31 December 2021 S\$ | Percentage of total net assets attributable to unitholders at 31 December 2021 % | Percentage of total net assets attributable to unitholders at 30 June 2021 % |
|---|---|--|--|
| Australia | 17,648,172 | 2.92 | 4.71 |
| British Virgin Islands | 8,293,113 | 1.37 | 0.75 |
| Canada | 12,322,555 | 2.04 | - |
| Europe | - | - | 1.43 |
| France | 8,182,821 | 1.36 | - |
| Hong Kong | 24,087,554 | 3.99 | - |
| India | - | - | 1.19 |
| South Korea | - | - | 0.29 |
| Singapore | 519,194,486 | 86.05 | 90.87 |
| United Kingdom | 7,182,617 | 1.19 | - |
| Accrued interest receivable on quoted fixed income securities | 4,823,764 | 0.80 | 0.85 |
| Portfolio of investments | 601,735,082 | 99.72 | 100.09 |
| Other net assets/(liabilities) | 1,686,751 | 0.28 | (0.09) |
| Net assets attributable to unitholders | 603,421,833 | 100.00 | 100.00 |

NIKKO AM SGD INVESTMENT GRADE CORPORATE BOND ETF

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

REPORT TO UNITHOLDERS

For the financial period ended 31 December 2021 (Unaudited)

The following contains additional information relating to the Fund.

1. Distribution of investments

Please refer to the Statement of Portfolio on pages 8 to 13.

2. Credit rating of debt securities

| | Fair value at 31 December 2021 S\$ | Percentage of total net assets attributable to unitholders at 31 December 2021 % | Percentage of total net assets attributable to unitholders at 30 June 2021 % |
|---|---|--|--|
| AAA* | 200,034,714 | 33.15 | 31.29 |
| AA | - | - | 0.09 |
| AA- | 131,124,145 | 21.73 | 27.04 |
| A+ | 18,374,985 | 3.05 | 1.43 |
| A | 12,322,555 | 2.04 | 2.05 |
| A- | 7,358,116 | 1.22 | 1.40 |
| BBB | - | - | 1.85 |
| Not rated | 227,696,803 | 37.73 | 34.09 |
| Accrued interest receivable on quoted fixed income securities | 4,823,764 | 0.80 | 0.85 |
| Total | 601,735,082 | 99.72 | 100.09 |

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

NIKKO AM SGD INVESTMENT GRADE CORPORATE BOND ETF

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

REPORT TO UNITHOLDERS

For the financial period ended 31 December 2021 (Unaudited)

3. Top 10 holdings

10 largest holdings at 31 December 2021

| | Cost S\$ | Fair value S\$ | Percentage of total net assets attributable to unitholders % |
|--|-------------|-------------------|--|
| NTUC Income Insurance Co-Operative Limited FRN 3.10% 20/07/2050 | 25,206,720 | 24,623,768 | 4.08 |
| Oversea-Chinese Banking Corporation Limited MTN 4.00% Perpetuity | 24,298,289 | 24,200,192 | 4.01 |
| Temasek Financial (I) Limited MTN 2.80% 17/08/2071 | 23,269,530 | 23,403,234 | 3.88 |
| United Overseas Bank Limited MTN 3.58% Perpetuity | 20,673,984 | 20,903,474 | 3.46 |
| DBS Group Holdings Limited MTN 3.98% Perpetuity | 20,295,430 | 20,622,829 | 3.42 |
| United Overseas Bank Limited MTN 3.50% 27/02/2029 | 17,622,895 | 17,663,801 | 2.93 |
| Changi Airport Group 1.88% 12/05/2031 | 14,646,403 | 14,277,945 | 2.37 |
| Temasek Financial (I) Limited MTN 4.0475% 05/03/2035 | 13,338,163 | 12,978,856 | 2.15 |
| United Overseas Bank Limited MTN 2.55% 22/06/2028 | 12,985,960 | 12,759,500 | 2.11 |
| Aviva Singlife Holdings Pte. Ltd. 3.375% 24/02/2031 | 12,486,900 | 12,222,530 | 2.03 |

10 largest holdings at 31 December 2020

| | Cost S\$ | Fair value S\$ | Percentage of total net assets attributable to unitholders % |
|--|-------------|-------------------|--|
| Oversea-Chinese Banking Corporation Limited MTN 4.00% Perpetuity | 27,369,895 | 27,983,703 | 4.69 |
| DBS Group Holdings Limited MTN 3.98% Perpetuity | 26,391,375 | 27,367,553 | 4.58 |
| NTUC Income Insurance Co-Operative Limited FRN 3.10% 20/07/2050 | 25,622,440 | 26,210,250 | 4.39 |
| United Overseas Bank Limited MTN 3.58% Perpetuity | 20,606,422 | 21,371,018 | 3.58 |
| NTUC Income Insurance Co-Operative Limited FRN 3.65% 23/08/2027 | 19,871,830 | 19,921,825 | 3.34 |
| United Overseas Bank Limited MTN 3.50% 27/02/2029 | 19,147,018 | 19,688,877 | 3.30 |
| Manulife Financial Corporation FRN 3.00% 21/11/2029 | 14,967,343 | 15,398,880 | 2.58 |
| National Australia Bank Limited MTN 4.15% 19/05/2028 | 13,463,925 | 13,573,616 | 2.27 |
| Land Transport Authority 3.35% 19/03/2048 | 10,918,705 | 13,050,000 | 2.19 |
| Australia And New Zealand Banking Group Limited MTN 3.75% 23/03/2027 | 12,440,069 | 12,430,378 | 2.08 |

NIKKO AM SGD INVESTMENT GRADE CORPORATE BOND ETF

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

REPORT TO UNITHOLDERS

For the financial period ended 31 December 2021 (Unaudited)

4. Exposure to derivatives

Nil

5. Global exposure to financial derivatives

Nil

6. Collateral

Nil

7. Securities Lending or Repurchase Transactions

Nil

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

Nil

9. Borrowings

Nil

10. Amount of units created and cancelled for the financial period ended 31 December 2021

S\$

| | |
|-----------------|--------------|
| Units created | 35,122,221 |
| Units cancelled | (29,574,070) |

11. Financial ratios

Expense ratio

| | | 31 December 2021 | 31 December 2020 |
|--|----------|------------------|------------------|
| Total operating expenses | S\$ | 1,557,911 | 1,408,997 |
| Average daily net asset value | S\$ | 603,816,110 | 555,322,790 |
| Total expense ratio¹ | % | 0.26 | 0.25 |

Turnover ratio

| | | 31 December 2021 | 31 December 2020 |
|--|----------|------------------|------------------|
| Lower of total value of purchases or sales | S\$ | 162,491,488 | 94,484,685 |
| Average daily net asset value | S\$ | 599,946,630 | 581,354,342 |
| Total turnover ratio² | % | 27.08 | 16.25 |

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 period end was based on total operating expenses divided by the average net asset value for the period. 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 and sales of the underlying investments, divided by the average daily net asset value.

NIKKO AM SGD INVESTMENT GRADE CORPORATE BOND ETF

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

REPORT TO UNITHOLDERS

For the financial period ended 31 December 2021 (Unaudited)

12. 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 DBS Trustee Limited (the "Trustee").

Management fee is payable to the Manager. Trustee fee is payable to the Trustee. Custody fee and administrator fee are payable to a related company of the Trustee, DBS Bank Limited.

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 2021 S\$ | 31 December 2020 S\$ |
|--|----------------------------|----------------------------|
| Bank balances held with a related party of the Trustee | <u>9,955,960</u> | <u>4,942,837</u> |

13. Additional information

Service Providers:

| | | |
|-----------------------------|---|--|
| Fund Manager | : | Nikko Asset Management Asia Limited appointed on 13 July 2018; any retirement or removal per Clause 29 of Trust Deed |
| Remuneration basis Trustee/ | : | 0.15% per annum of the Deposited Property |
| Fund Registrar | : | DBS Trustee Limited |
| Valuation Agent/ | : | |
| Custodian | : | DBS Bank Limited |
| Market Makers | : | Flow Traders Asia Pte Ltd, Phillip Securities Pte Ltd |
| Participating Dealers | : | DBS Vickers Securities, CGS-CIMB Securities, Flow Traders Asia Pte Ltd, OCBC Securities, Phillip Securities Pte Ltd, UOB Kay Hian, iFast Financial |
| Corporate Secretariat | : | Boardroom Corporate & Advisory Services Pte Ltd |
| Auditor | : | PricewaterhouseCoopers LLP appointed on 13 July 2018 |
| Audit Partner | : | Lim Kheng Wah |
| Tax Agent | : | Ernst & Young Solutions LLP |
| Solicitors to Managers | : | Chan & Goh LLP |
| Solicitors to Trustee | : | Dentons Rodyk & Davidson LLP |

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

Nil

15. Soft Dollar Commissions/ Arrangements

In its management of the Fund, the Manager currently does not receive or enter into any soft dollar commission or arrangements.

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Company registration number 198202562H