

SEMI-ANNUAL REPORT

For the financial period from
18 October 2021 (date of incorporation) to 30 June 2022

**Nikko AM Asia Limited VCC –
NikkoAM-Straits Trading
MSCI China Electric Vehicles and
Future Mobility ETF**

THE COMPANY

Nikko AM Asia Limited VCC
(Company Registration No. T21VC0223L)
12 Marina View
#18-02, Asia Square Tower 2
Singapore 018961

DIRECTORS OF THE COMPANY

Phillip Yeo Phuay Lik
Yan Ying Ying
Lee Ken Hoon

MANAGER

Nikko Asset Management Asia Limited
(Company Registration No. 198202562H)
12 Marina View
#18-02, Asia Square Tower 2
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INVESTMENT ADVISOR

(in respect of the NikkoAM-StraitsTrading MSCI China Electric Vehicles and Future
Mobility ETF)

Straits Investment Management Pte. Ltd.
(Company Registration No. 201903974H)
1 Wallich Street, #15-01 Guoco Tower
Singapore 078881

FUND ADMINISTRATOR AND REGISTRAR

DBS Bank Limited
(Company Registration No. 196800306E)
12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982

AUDITORS

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7 Straits View, Marina One,
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Singapore 018936

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
NikkoAM-StraitsTrading MSCI China Electric Vehicles and Future Mobility ETF - SGD Share Class	18.03	-	-	-	-	-	0.30
MSCI China All Shares IMI Future Mobility Top 50 Index	18.66	-	-	-	-	-	1.28

Source: Nikko Asset Management Asia Limited & MSCI. Returns as at 30 June 2022. Returns are calculated on a NAV-NAV¹ basis, in 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.

Note:

(1) Nil subscription fee or preliminary charge.

Inception date: 20 January 2022

The MSCI China All Shares IMI Future Mobility Top 50 Index is compiled and calculated by MSCI (the “**Index Licensor**”) and aims to track the performance of Chinese companies listed in US, Hong Kong and China, and other markets from time to time, that are expected to derive significant revenues from energy storage technologies, autonomous vehicles, shared mobility and new transportation methods.

About NikkoAM-StraitsTrading MSCI China Electric Vehicles and Future Mobility ETF

The NikkoAM-StraitsTrading MSCI China Electric Vehicles and Future Mobility ETF (the “Sub-Fund”) is an authorised scheme under Section 286 of the Securities and Futures Act. It is a sub-fund established under the Nikko AM Asia Limited VCC (the “Company”), a variable capital company incorporated in Singapore on 18 October 2021 with variable capital and limited liability with the company registration number T21VC0223L, under the Variable Capital Companies Act (the “Act”).

The investment objective of the Sub-Fund is to achieve long term capital growth by replicating the returns of the MSCI China All Shares IMI Future Mobility Top 50 Index (the “Index”).

The Sub-Fund will seek to achieve its investment objective by investing all, or substantially all, of its assets in securities which are for the time being constituent securities of the Index (“Index Securities”) in substantially the same weightings as reflected in the Index (i.e. using a full replication strategy). The Manager may in its absolute discretion adopt a representative sampling strategy instead of a full replication 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. Various circumstances may make it impossible or impracticable to purchase each component Index Security in the same weightings as reflected in the Index. In those circumstances, the Manager may employ a combination of one or more investment techniques in seeking to closely track the Index. In addition, given that Index Securities may be and are added to or removed from the Index from time to time, the Manager may sell or purchase securities that are not yet represented in the Index in anticipation of their removal from or addition to the Index.

In order to achieve its investment objective, the Sub-Fund will invest and have direct access to certain eligible China A-shares through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (collectively, the “Stock Connect”) and may invest through the Manager’s status and capacity under the QFI framework in listed equities in the China A-shares market.

Note: Investors are advised to refer to the Fund’s prospectus for more details of 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.

Nikko Asset Management Asia Limited. Registration Number 198202562H

NIKKO AM ASIA LIMITED VCC**STATEMENT OF TOTAL RETURN***For the financial period from 18 October 2021 (date of incorporation) to 30 June 2022 (Unaudited)*

	Nikko AM Asia Limited VCC	NikkoAM- StraitsTrading MSCI China Electric Vehicles and Future Mobility ETF
	For the financial period from 18 October 2021 (date of incorporation) to 30 June 2022 S\$	For the financial period from 18 October 2021 (date of incorporation) to 30 June 2022 S\$
Income		
Dividend income	-	106,680
Interest income	-	62
	<u>-</u>	<u>106,742</u>
Less: Expenses		
Management fee	-	94,399
Expenses reimbursement	-	(79,489)
Custody fee	-	5,102
Transaction costs	-	71,013
Administrator fee	-	3,988
Registrar fee	-	3,003
Directors' fee	-	4,521
Audit fee	-	8,510
Other expenses	-	93,094
	<u>-</u>	<u>204,141</u>
Net losses	<u>-</u>	<u>(97,399)</u>
Net losses on value of investments		
Net losses on investments	-	(122,734)
Net losses on foreign exchange	-	(410,800)
	<u>-</u>	<u>(533,534)</u>
Total losses for the financial period before income tax	-	(630,933)
Less: Income tax	-	(6,191)
Total losses for the financial period after income tax	<u>-</u>	<u>(637,124)</u>

NIKKO AM ASIA LIMITED VCC

STATEMENT OF FINANCIAL POSITION

As at 30 June 2022 (Unaudited)

	Nikko AM Asia Limited VCC	NikkoAM- StraitsTrading MSCI China Electric Vehicles and Future Mobility ETF
	30 June 2022 S\$	30 June 2022 S\$
ASSETS		
Portfolio of investments	-	49,221,618
Cash and cash equivalents	1	30,029
Receivables	-	76,992
Prepayment	-	13,269
Total assets	1	49,341,908
LIABILITY		
Payables	-	35,629
Total liability	-	35,629
EQUITY		
Management share	1	-
Net assets attributable to shareholders	-	49,306,279
Total equity	1	49,306,279

NIKKO AM ASIA LIMITED VCC**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS***For the financial period from 18 October 2021 (date of incorporation) to 30 June 2022 (Unaudited)***Nikko AM Asia Limited VCC****Management share and total equity**

	For the financial period from 18 October 2021 (date of incorporation) to 30 June 2022 S\$
At date of incorporation	1
Issuance during the period	-
At financial period end	1

NikkoAM-StraitsTrading MSCI China Electric Vehicles and Future Mobility ETF**Participating shares and total equity**

	For the financial period from 18 October 2021 (date of incorporation) to 30 June 2022 S\$
Net assets attributable to shareholders at the beginning of financial period	-
Proceeds from shares issued	52,263,433
Redemption of shares	(2,320,030)
Net increase from share transactions	49,943,403
Decrease in net assets attributable to shareholders from operations	(637,124)
Net assets attributable to shareholders at the end of financial period	49,306,279

NIKKO AM ASIA LIMITED VCC

STATEMENT OF PORTFOLIO

As at 30 June 2022 (Unaudited)

NikkoAM-StraitsTrading MSCI China Electric Vehicles and Future Mobility ETF

By Industry (Primary)

	Holdings at 30 June 2022	Fair value at 30 June 2022 S\$	Percentage of total net assets attributable to shareholders at 30 June 2022 %
Quoted Equities			
Automobiles			
BYD Company Limited – H shares	45,500	2,533,878	5.14
BYD Company Limited	30,272	2,098,768	4.26
Geely Automobile Holdings Limited	937,000	2,964,689	6.01
Huizhou Desay SV Automotive Co., Ltd.	12,000	369,218	0.75
Li Auto Inc.	46,580	2,483,461	5.04
NIO Inc.	167,232	5,055,043	10.24
Shenzhen Kedali Industry Co., Ltd.	10,800	356,994	0.72
XPeng Inc.	40,509	1,789,386	3.63
Yadea Group Holdings Ltd	186,000	506,698	1.03
		18,158,135	36.82
Chemicals			
Beijing Easpring Material Technology Co., Ltd.	23,400	439,477	0.88
CNGR Advanced Material Co., Ltd.	15,300	394,097	0.80
Guangzhou Tinci Materials Technology Co., Ltd.	87,800	1,132,783	2.30
Jiangsu Cnano Technology Co., Ltd.	10,725	377,882	0.77
Shanghai Putailai New Energy Tech Co., Ltd.	64,600	1,133,484	2.30
Shenzhen Capchem Technology Co., Ltd.	28,400	310,323	0.63
Shenzhen Dynanonic Co., Ltd.	7,500	637,214	1.29
Suzhou TA&A Ultra Clean Technology Co., Ltd.	18,600	337,960	0.69
Tianqi Lithium Corp.	69,000	1,790,211	3.63
		6,553,431	13.29
Commercial services and supplies			
Gem Co., Ltd.	144,700	273,748	0.56
		273,748	0.56
Containers and packaging			
Yunnan Energy New Material Co., Ltd.	33,612	1,750,072	3.55
		1,750,072	3.55

NIKKO AM ASIA LIMITED VCC

STATEMENT OF PORTFOLIO

As at 30 June 2022 (Unaudited)

NikkoAM-StraitsTrading MSCI China Electric Vehicles and Future Mobility ETF

By Industry (Primary) (continued)

	Holdings at 30 June 2022	Fair value at 30 June 2022 S\$	Percentage of total net assets attributable to shareholders at 30 June 2022 %
Quoted Equities (continued)			
Electrical and energy equipment			
China Railway Signal and Communication Co., Ltd.	244,956	230,689	0.47
China Zhenhua Grp Science & Technology Co., Ltd.	9,200	260,059	0.53
Eve Energy Co., Ltd.	88,600	1,795,886	3.65
Ginlong Technologies Co., Ltd.	17,150	759,424	1.54
Gotion High Tech Co., Ltd.	76,551	725,698	1.47
Hongfa Technology Co., Ltd.	21,700	188,797	0.38
Jiangxi Special Electric Motor Co., Ltd.	79,404	413,349	0.84
Ningbo Ronbay New Energy Technology Co., Ltd.	20,662	556,008	1.13
Sungrow Power Supply Co., Ltd.	48,120	982,876	1.99
Sunwoda Electric Co., Ltd.	80,300	527,525	1.07
Wuxi Lead Intelligent Equipment Co., Ltd.	32,800	430,818	0.87
Xiamen Faratronic Co., Ltd.	10,300	439,309	0.89
Zhejiang Chint Electrics Co., Ltd.	71,900	534,823	1.08
		<u>7,845,261</u>	<u>15.91</u>
Energy			
Sichuan Chuantou Energy Co., Ltd.	67,700	167,767	0.34
		<u>167,767</u>	<u>0.34</u>
Industrial Conglomerates			
Keda Industrial Group Co., Ltd.	54,500	233,855	0.47
		<u>233,855</u>	<u>0.47</u>
Machinery			
Contemporary Amperex Technology Co., Ltd.	44,970	4,992,345	10.12
Ningbo Deye Technology Co., Ltd.	2,700	157,106	0.32
Shenzhen Inovance Technology Co., Ltd.	43,100	590,208	1.20
		<u>5,739,659</u>	<u>11.64</u>
Metals and mining			
Zhejiang Huayou Cobalt Co., Ltd.	71,322	1,417,793	2.87
Ganfeng Lithium Co., Ltd.	53,600	1,656,976	3.36
Ganfeng Lithium Co., Ltd. – H shares	56,560	866,197	1.76
Pangang Group Vanadium Titanium & Resources Co., Ltd.	325,400	257,064	0.52
YOUNGY Co., Ltd.	10,600	338,704	0.69
		<u>4,536,734</u>	<u>9.20</u>

NIKKO AM ASIA LIMITED VCC**STATEMENT OF PORTFOLIO***As at 30 June 2022 (Unaudited)***NikkoAM-StraitsTrading MSCI China Electric Vehicles and Future Mobility ETF****By Industry (Primary)** (continued)

	Holdings at 30 June 2022	Fair value at 30 June 2022 S\$	Percentage of total net assets attributable to shareholders at 30 June 2022 %
Quoted Equities (continued)			
Real Estate Investment Trust			
China Baoan Group Co., Ltd.	68,100	190,985	0.39
		<u>190,985</u>	<u>0.39</u>
Semiconductors			
Amlogic Shanghai Co., Ltd.	12,637	265,342	0.54
LONGi Green Energy Technology Co., Ltd.	131,658	1,823,717	3.70
SG Micro Corp.	4,750	179,743	0.36
Western Superconducting Technologies Co.,	19,048	365,108	0.74
Will Semiconductor Co., Ltd. Shanghai	15,200	546,771	1.11
		<u>3,180,681</u>	<u>6.45</u>
Textiles			
Ningbo Shanshan Co., Ltd.	95,700	591,290	1.21
		<u>591,290</u>	<u>1.21</u>
Total Quoted Equities		<u>49,221,618</u>	<u>99.83</u>
Portfolio of investments		49,221,618	99.83
Other net assets		84,661	0.17
Net assets attributable to shareholders		<u>49,306,279</u>	<u>100.00</u>

NIKKO AM ASIA LIMITED VCC

STATEMENT OF PORTFOLIO

As at 30 June 2022 (Unaudited)

NikkoAM-StraitsTrading MSCI China Electric Vehicles and Future Mobility ETF

By Industry (Summary)

	Fair value at 30 June 2022 S\$	Percentage of total net assets attributable to shareholders at 30 June 2022 %
Quoted Equities		
Automobiles	18,158,135	36.82
Chemicals	6,553,431	13.29
Commercial services and supplies	273,748	0.56
Containers and packaging	1,750,072	3.55
Electrical and energy equipment	7,845,261	15.91
Energy	167,767	0.34
Industrial conglomerates	233,855	0.47
Machinery	5,739,659	11.64
Metals and mining	4,536,734	9.20
Real Estate Investment Trust	190,985	0.39
Semiconductors	3,180,681	6.45
Textiles	591,290	1.21
Portfolio of investments	49,221,618	99.83
Other net assets	84,661	0.17
Net assets attributable to shareholders	49,306,279	100.00

As the Sub-Fund invests wholly into equities which operations are based in China (including Hong Kong as a special administrative region of China), it is not meaningful to classify the investments into geography.

NIKKO AM ASIA LIMITED VCC

REPORT TO SHAREHOLDERS

For the financial period from 18 October 2021 (date of incorporation) to 30 June 2022 (Unaudited)

The following contains additional information relating to the Sub-Fund.

1. Distribution of investments

Please refer to the Statement of Portfolio on pages 7 to 10.

2. Top 10 holdings

10 largest holdings at 30 June 2022

	Fair value S\$	Percentage of total net assets attributable to shareholders %
NIO Inc.	5,055,043	10.24
Contemporary Amperex Technology Co., Ltd.	4,992,345	10.12
Geely Automobile Holdings Limited	2,964,689	6.01
BYD Company Limited – H shares	2,533,878	5.14
Li Auto Inc.	2,483,461	5.04
BYD Company Limited	2,098,768	4.26
LONGi Green Energy Technology Co., Ltd.	1,823,717	3.70
Eve Energy Co., Ltd.	1,795,886	3.65
Tianqi Lithium Corp.	1,790,211	3.63
XPeng Inc.	1,789,386	3.63

3. Exposure to derivatives

Nil

4. Global exposure to financial derivatives

Nil

5. Collateral

Nil

6. Securities Lending or Repurchase Transactions

Nil

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

Nil

8. Borrowings

Nil

NIKKO AM ASIA LIMITED VCC

REPORT TO SHAREHOLDERS

For the financial period from 18 October 2021 (date of incorporation) to 30 June 2022 (Unaudited)

9. Amount of shares issued and redeemed for the financial period ended 30 June 2022

	S\$
Shares issued	52,263,433
Shares redeemed	<u>(2,320,030)</u>

10. Financial ratios

Expense ratio

		For the financial period from 18 October 2021 (date of incorporation) to 30 June 2022
Total operating expenses	S\$	133,128
Average daily net asset value	S\$	41,952,464
Total expense ratio¹ (annualised)	%	<u>0.70</u>

Turnover ratio

		For the financial period from 18 October 2021 (date of incorporation) to 30 June 2022
Lower of total value of purchases or sales	S\$	9,262,332
Average daily net asset value	S\$	41,952,464
Total turnover ratio²	%	<u>22.08</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 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 shareholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Sub-Fund does not pay any performance fee. The average net asset value is based on the daily balances.

² The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the portfolio turnover ratio was based on the lower of the total value of purchases and sales of the underlying investments, divided by the average daily net asset value.

NIKKO AM ASIA LIMITED VCC

REPORT TO SHAREHOLDERS

For the financial period from 18 October 2021 (date of incorporation) to 30 June 2022 (Unaudited)

11. Related party transactions

The Manager of the Sub-Fund is Nikko Asset Management Asia Limited, a subsidiary of Nikko Asset Management International Limited. The Custodian of the Sub-Fund is DBS Trustee Limited (the "Custodian").

Management fee is payable to the Manager. Custodian fee is payable to the Custodian. Registrar fee and administrator fee are payable to a related company of the Custodian, 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 Sub-Fund and a related party at terms agreed between the parties and within the provisions of the Deeds:

	30 June 2022 S\$
Bank balances held with the Custodian	<u>30,029</u>

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

Nil

13. Soft Dollar Commissions/ Arrangements

In its management of the Sub-Fund, the Manager the Directors and their respective Associates currently do not receive or enter into any soft dollar commissions or arrangements, including any part of any brokerage charged to the Sub-Fund, or any part of any fees, allowances or other benefits received on purchases charged to the Sub-Fund.

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Company registration number 198202562H