

# SEMI-ANNUAL REPORT

For the financial period ending 31 December 2022

**Nikko AM Singapore**  
**STI ETF**

**MANAGERS**

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

**DIRECTORS OF THE MANAGERS**

Kiyotaka Ryu  
Seet Oon Hui Eleanor  
Hiroki Tsujimura

**TRUSTEE & REGISTRAR**

HSBC Institutional Trust Services (Singapore) Limited  
10 Marina Boulevard  
Marina Bay Financial Centre Tower 2, #48-01  
Singapore 018983

**AUDITORS**

PricewaterhouseCoopers LLP  
7 Straits View, Marina One,  
East Tower, Level 12,  
Singapore 018936

**CUSTODIAN**

The Hongkong and Shanghai Banking Corporation Limited  
1 Queen's Road Central, Hong Kong

This report is also available on our website ([www.nikkoam.com.sg](http://www.nikkoam.com.sg))

## PERFORMANCE SUMMARY

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<b>Returns (%)</b>	<b>3 Mth</b>	<b>6 Mth</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>	<b>10 Yr</b>	<b>Since Inception</b>
Nikko AM Singapore STI ETF <sup>1</sup>	4.31	6.67	7.94	3.63	2.48	3.44	8.23
Straits Times Index	4.42	6.92	8.39	4.21	2.98	3.94	8.94

Source: Nikko Asset Management Asia Limited & FTSE International Ltd. Returns as at 31 December 2022. Benchmark returns are calculated on a total return basis. Returns are calculated on a NAV-NAV<sup>2</sup> 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) With effect from 17 October 2011, the Fund (formerly known as “DBS Singapore STI ETF”) has been renamed “Nikko AM Singapore STI ETF”.

(2) Nil subscription fee or preliminary charge.

### **Inception date: 24 February 2009**

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### **About Nikko AM Singapore STI ETF**

The Nikko AM Singapore STI ETF (the “Fund”) is an exchange traded fund (“ETF”) and a collective investment scheme, authorised in Singapore and listed on the Singapore Stock Exchange.

The Fund’s investment objective is to replicate as closely as possible, before expenses, the performance of the Straits Times Index (STI) 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 Singapore listed equity securities. The current benchmark for the Fund is the Straits Times Index (STI). There can be no assurance that the Fund will achieve its investment objective.

The Fund will seek to achieve its investment objective by investing all, or substantially all, of its assets in Index Shares in substantially the same weightings as reflected in the Index (i.e. using a full replication strategy). Various circumstances may make it impossible or impracticable to purchase each component Index Share 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 Shares 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.

The Fund is designed for investors who seek an “index-based” approach to investing in a portfolio of Singapore listed securities in a cost effective and easy to access manner. Units may also be used as an asset allocation tool or as a trading instrument.

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

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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](http://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 suspended or delisted from the SGX-ST. Listing of the units does not guarantee a liquid market for the units. 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.

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 SINGAPORE STI ETF***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF TOTAL RETURN***For the financial period ended 31 December 2022 (Unaudited)*

	<b>31 December 2022 S\$</b>	31 December 2021 S\$
<b>Income</b>		
Dividends	<b>12,508,646</b>	10,075,726
Other Income	<b>23,181</b>	185
	<b>12,531,827</b>	10,075,911
<b>Less: Expenses</b>		
Administrator fee	<b>70,481</b>	79,886
Audit fee	<b>9,680</b>	9,883
Management fee	<b>626,500</b>	594,597
Less: Management fee rebate	<b>(125,298)</b>	(156,917)
Trustee fee	<b>62,650</b>	67,614
Registrar fee	<b>840</b>	220
Custody fee	<b>50,693</b>	47,958
Transaction costs	<b>102,247</b>	110,528
Other expenses	<b>206,715</b>	196,645
	<b>1,004,508</b>	950,414
<b>Net income</b>	<b>11,527,319</b>	9,125,497
<b>Net gains or losses on value of investments</b>		
Net gains/(losses) on investments	<b>28,142,148</b>	(858,837)
Net foreign exchange gains/(losses)	<b>1,478</b>	(22,279)
	<b>28,143,626</b>	(881,116)
<b>Total return for the financial period before income tax</b>	<b>39,670,945</b>	8,244,381
<b>Less: Income tax</b>	<b>(236,691)</b>	(245,351)
<b>Total return for the financial period after income tax</b>	<b>39,434,254</b>	7,999,030

**NIKKO AM SINGAPORE STI ETF***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF FINANCIAL POSITION***As at 31 December 2022 (Unaudited)*

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	<b>31 December 2022 S\$</b>	30 June 2022 S\$
<b>ASSETS</b>		
Portfolio of investments	<b>635,698,297</b>	592,379,833
Sales awaiting settlement	-	1,373,414
Receivables	<b>7,373</b>	6,771
Cash and cash equivalents	<b>1,094,977</b>	197,907
<b>Total assets</b>	<b>636,800,647</b>	593,957,925
<b>LIABILITIES</b>		
Payables	<b>360,805</b>	1,691,233
Distribution payable	<b>12,103,105</b>	10,209,122
<b>Total liabilities</b>	<b>12,463,910</b>	11,900,355
<b>EQUITY</b>		
Net assets attributable to unitholders	<b>624,336,737</b>	582,057,570

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**NIKKO AM SINGAPORE STI 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 2022 (Unaudited)*

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	<b>31 December 2022 S\$</b>	<b>30 June 2022 S\$</b>
<b>Net assets attributable to unitholders at the beginning of financial period/year</b>	<b>582,057,570</b>	573,080,667
<b>Operations</b>		
Change in net assets attributable to unitholders resulting from operations	<b>39,434,254</b>	16,310,537
<b>Unitholders' contributions/(withdrawals)</b>		
Creation of units	<b>59,132,875</b>	151,230,549
Cancellation of units	<b>(44,184,854)</b>	(139,040,160)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	<b>14,948,021</b>	12,190,389
Distributions	<b>(12,103,108)</b>	(19,524,023)
Total increase in net assets attributable to unitholders	<b>42,279,167</b>	8,976,903
<b>Net assets attributable to unitholders at the end of financial period/year</b>	<b>624,336,737</b>	582,057,570

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**NIKKO AM SINGAPORE STI ETF***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2022 (Unaudited)***By Geography (Primary)**

	Holdings at 31 December 2022	Fair value at 31 December 2022 S\$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
<b>Quoted Equities</b>			
<b>HONG KONG SAR</b>			
Dairy Farm International Holdings Limited (Singapore)	627,900	2,467,469	0.39
Hongkong Land Holdings Limited	2,292,866	14,145,883	2.27
Jardine Matheson Holdings Limited	407,100	27,791,528	4.45
<b>Total Hong Kong SAR</b>		<b>44,404,880</b>	<b>7.11</b>
<b>PHILIPPINES</b>			
Emperador Incorporation	4,868,200	2,482,782	0.40
<b>Total Philippines</b>		<b>2,482,782</b>	<b>0.40</b>
<b>SINGAPORE</b>			
CapitaLand Limited	5,270,053	19,499,196	3.12
City Developments Limited	969,337	7,977,643	1.28
DBS Group Holdings Limited	3,748,191	127,138,639	20.36
Genting Singapore Limited	11,936,248	11,399,117	1.83
Jardine Cycle & Carriage Limited	206,041	5,892,773	0.94
Keppel Corporation Limited	2,877,609	20,891,441	3.35
Oversea-Chinese Banking Corporation Limited	7,283,470	88,712,665	14.21
SATS Limited	1,317,752	3,742,416	0.60
Sembcorp Industries Limited	1,881,133	6,358,229	1.02
Singapore Airlines Limited	2,635,470	14,574,149	2.33
Singapore Exchange Limited	1,699,651	15,211,876	2.44
Singapore Technologies Engineering Limited	3,143,815	10,531,780	1.69
Singapore Telecommunications Limited	15,551,077	39,966,268	6.40
United Overseas Bank Limited	2,670,507	81,984,565	13.13
UOL Group Limited	1,016,219	6,828,992	1.09
Venture Corporation Limited	543,900	9,278,934	1.49
Wilmar International Limited	4,352,315	18,149,154	2.91
Yangzijiang Shipbuilding Holdings Limited	5,253,582	7,144,871	1.14
<b>Total Singapore</b>		<b>495,282,708</b>	<b>79.33</b>

**NIKKO AM SINGAPORE STI ETF***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2022 (Unaudited)***By Geography (Primary) (continued)**

	Holdings at 31 December 2022	Fair value at 31 December 2022 S\$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
<b>Quoted Equities (continued)</b>			
<b>THAILAND</b>			
Thai Beverage Public Company Limited	20,273,816	13,887,564	2.22
<b>Total Thailand</b>		<u>13,887,564</u>	<u>2.22</u>
<b>Total Quoted Equities</b>		<u>556,057,934</u>	<u>89.06</u>
<b>Quoted Real Estate Investment Trusts (REITS)</b>			
<b>SINGAPORE</b>			
CapitaLand Ascendas Real Estate Investment Trust	7,154,854	19,604,300	3.14
CapitaLand Integrated Commercial Trust	10,568,436	21,559,609	3.45
Frasers Logistics & Commercial Trust	5,762,500	6,684,500	1.07
Keppel DC REIT	2,603,900	4,608,903	0.74
Mapletree Industrial Trust	3,878,975	8,611,325	1.38
Mapletree Logistics Trust	6,625,700	10,534,863	1.69
Mapletree Pan Asia Commercial Trust	4,812,493	8,036,863	1.29
<b>Total Singapore</b>		<u>79,640,363</u>	<u>12.76</u>
<b>Total Quoted Real Estate Investment Trusts (REITS)</b>		<u>79,640,363</u>	<u>12.76</u>
<b>Portfolio of investments</b>		635,698,297	101.82
<b>Other net liabilities</b>		(11,361,560)	(1.82)
<b>Net assets attributable to unitholders</b>		<u>624,336,737</u>	<u>100.00</u>

**NIKKO AM SINGAPORE STI ETF***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2022 (Unaudited)***By Geography (Summary)**

	<b>Percentage of total net assets attributable to unitholders at 31 December 2022 %</b>	Percentage of total net assets attributable to unitholders at 30 June 2022 %
<b>Quoted Equities</b>		
Hong Kong SAR	7.11	7.34
Philippines	0.40	-
Singapore	79.33	77.90
Thailand	2.22	2.20
<b>Total Quoted Equities</b>	<b>89.06</b>	<b>87.44</b>
<b>Quoted Real Estate Investment Trusts (REITS)</b>		
Singapore	12.76	14.33
<b>Total Quoted Real Estate Investment Trusts (REITS)</b>	<b>12.76</b>	<b>14.33</b>
<b>Portfolio of investments</b>	<b>101.82</b>	<b>101.77</b>
<b>Other net liabilities</b>	<b>(1.82)</b>	<b>(1.77)</b>
<b>Net assets attributable to unitholders</b>	<b>100.00</b>	<b>100.00</b>

**NIKKO AM SINGAPORE STI ETF***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2022 (Unaudited)***By Industry (Secondary)**

	Fair value at 31 December 2022 S\$	Percentage of total net assets attributable to unitholders at 31 December 2022 %	Percentage of total net assets attributable to unitholders at 30 June 2022 %
Agriculture	18,149,154	2.91	2.96
Airlines	14,574,149	2.33	2.27
Automotive	5,892,773	0.94	0.98
Banks & Finance	332,546,941	53.26	50.53
Brewery	16,370,346	2.62	2.20
Capital Goods	27,791,528	4.45	4.17
Electric	9,278,934	1.49	1.52
Engineering/Machine	6,358,229	1.02	0.90
Entertainment	11,399,117	1.83	1.45
Foods	2,467,469	0.39	0.43
Real Estate	28,952,518	4.64	5.33
Real Estate Investment Trust (REITS)	79,640,363	12.76	14.33
Ship Building	28,036,312	4.49	4.02
Technology	10,531,780	1.69	2.17
Telecom Service	39,966,268	6.40	6.64
Transport	-	-	1.00
Transport – Air	3,742,416	0.60	0.87
<b>Portfolio of investments</b>	<b>635,698,297</b>	<b>101.82</b>	<b>101.77</b>
<b>Other net liabilities</b>	<b>(11,361,560)</b>	<b>(1.82)</b>	<b>(1.77)</b>
<b>Net assets attributable to unitholders</b>	<b>624,336,737</b>	<b>100.00</b>	<b>100.00</b>

## NIKKO AM SINGAPORE STI ETF

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

### REPORT TO UNITHOLDERS

For the financial period ended 31 December 2022 (Unaudited)

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The following contains additional information relating to the Fund.

#### 1. Distribution of investments

Please refer to the Statement of Portfolio on pages 8 to 11.

#### 2. Credit rating of debt securities

Nil.

#### 3. Top 10 holdings

##### 10 largest holdings at 31 December 2022

	Cost S\$	Fair value S\$	Percentage of total net assets attributable to unitholders %
DBS Group Holdings Limited	94,964,921	127,138,639	20.36
Oversea-Chinese Banking Corporation Limited	77,916,472	88,712,665	14.21
United Overseas Bank Limited	64,795,843	81,984,565	13.13
Singapore Telecommunications Limited	43,648,508	39,966,268	6.40
Jardine Matheson Holdings Limited	31,177,793	27,791,528	4.45
CapitaLand Integrated Commercial Trust	21,716,721	21,559,609	3.45
Keppel Corporation Limited	17,925,180	20,891,441	3.35
CapitaLand Ascendas Real Estate Investment Trust	20,287,788	19,604,300	3.14
CapitaLand Limited	12,932,035	19,499,196	3.12
Wilmar International Limited	17,904,688	18,149,154	2.91

**NIKKO AM SINGAPORE STI ETF***(Constituted under a Trust Deed registered in the Republic of Singapore)***REPORT TO UNITHOLDERS***For the financial period ended 31 December 2022 (Unaudited)*

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**3. Top 10 holdings (continued)**

10 largest holdings at 31 December 2021

	Cost S\$	Fair value S\$	Percentage of total net assets attributable to unitholders %
DBS Group Holdings Limited	85,386,942	118,826,584	20.07
Oversea-Chinese Banking Corporation Limited	73,412,293	80,652,378	13.62
United Overseas Bank Limited	60,392,476	70,123,108	11.84
Singapore Telecommunications Limited	43,471,887	35,332,619	5.97
Jardine Matheson Holdings Limited	32,010,329	31,029,268	5.24
Ascendas Real Estate Investment Trust	19,848,290	20,321,234	3.43
CapitaLand Mall Trust Real Estate Investment Trust	19,606,782	19,695,661	3.33
CapitaLand Investment Limited	11,209,295	17,829,366	3.01
Wilmar International Limited	17,471,167	17,659,646	2.98
Hongkong Land Holdings Limited	17,068,506	16,419,474	2.77

**4. Exposure to financial derivatives**

Nil.

**5. Global exposure financial derivatives**

Nil.

**6. Collateral**

Nil.

**NIKKO AM SINGAPORE STI ETF***(Constituted under a Trust Deed registered in the Republic of Singapore)***REPORT TO UNITHOLDERS***For the financial period ended 31 December 2022 (Unaudited)***7. Securities lending or repurchase transactions**

(a) Transferable securities lent

As at 31 December 2022

Absolute amounts of the repurchase transactions - Nil

<b>Counterparty</b>	<b>Security</b>	<b>Fair value of securities lent S\$</b>	<b>Percentage of total lendable assets %</b>	<b>Percentage of total net assets attributable to unitholders %</b>
Citigroup Global Markets (International) - United Kingdom	Singapore Airlines Limited	1,706,241	0.27	0.27
Merrill - United States	City Developments Limited	106,687	0.02	0.02
Merrill - United States	Dairy Farm International Holdings Limited (Singapore)	175,622	0.03	0.03
Merrill - United States	SATS Limited	355,625	0.06	0.06
Merrill - United States	Sembcorp Industries Limited	629,610	0.10	0.10
Merrill - United States	Singapore Airlines Limited	5,390,427	0.85	0.86
Merrill - United States	Singapore Telecommunications Limited	2,930,350	0.46	0.47
Merrill - United States	Thai Beverage Public Company Limited	67,090	0.01	0.01
Merrill - United States	United Overseas Bank Limited	15,667,200	2.46	2.51
Merrill - United States	UOL Group Limited	356,425	0.06	0.06
Merrill - United States	Wilmar International Limited	897,625	0.14	0.14
UBS - Switzerland	SATS Limited	1,442,700	0.23	0.23
		<b>29,725,602</b>	<b>4.69</b>	<b>4.76</b>

**NIKKO AM SINGAPORE STI ETF***(Constituted under a Trust Deed registered in the Republic of Singapore)***REPORT TO UNITHOLDERS***For the financial period ended 31 December 2022 (Unaudited)***7. Securities lending or repurchase transactions (continued)**

(b) Collateral for securities lending transactions

As at 31 December 2022

Cash collateral	Nil
Collateral has been re-used or re-hypothecated	Nil
Collateral type	Government bonds
Proportion of cash versus non-cash collateral	Nil
Maturity tenor	Open tenor
Settlement/clearing	Bilateral

Collateral provider	Credit rating of the collateral provider by Moody's	Nature of the collateral	Fair value of collateral S\$	Percentage of total net assets attributable to unitholders %
Citigroup Global Markets (International) – United Kingdom	A1	Government bond	1,853,204	0.30
Merrill – United States	A1	Government bond	28,856,606	4.62
UBS - Switzerland	A1	Government bond	1,568,066	0.25

**Citigroup Global Markets (International)- United Kingdom**

Government bond	Credit rating of the collateral by Moody's	Currency	Fair value of collateral S\$	Percentage of total net assets attributable to unitholders %
JAPAN JPGV 0.600 03/20/23	A1	JPY	1,853,204	0.30
			1,853,204	0.30

**Merrill - United States**

Government bond	Credit rating of the collateral by Moody's	Currency	Fair value of collateral S\$	Percentage of total net assets attributable to unitholders %
JAPAN JPGV 0.600 09/20/37	A1	JPY	28,832,565	4.62
JAPAN JPGV 0.700 06/20/48	A1	JPY	24,041	-
			28,856,606	4.62



**NIKKO AM SINGAPORE STI ETF***(Constituted under a Trust Deed registered in the Republic of Singapore)***REPORT TO UNITHOLDERS***For the financial period ended 31 December 2022 (Unaudited)***7. Securities lending or repurchase transactions (continued)**

(b) Collateral for securities lending transactions (continued)

**UBS – Switzerland**

<b>Government bond</b>	<b>Credit rating of the collateral by Moody's</b>	<b>Currency</b>	<b>Fair value of collateral S\$</b>	<b>Percentage of total net assets attributable to unitholders %</b>
JAPAN JPGV 0.600 12/20/36	A1	JPY	1,568,066	0.25
			<u>1,568,066</u>	<u>0.25</u>

Top 10 collateral securities at 31 December 2022

	<b>Fair value of collateral S\$</b>	<b>Percentage of total net assets attributable to unitholders %</b>
JAPAN JPGV 0.600 09/20/37	28,832,565	4.62
JAPAN JPGV 0.600 03/20/23	1,853,204	0.30
JAPAN JPGV 0.600 12/20/36	1,568,066	0.25
JAPAN JPGV 0.700 06/20/48	24,041	-

(c) Custodians and the amount of assets held by each custodian

As at 31 December 2022

	<b>Fair value S\$</b>
Custodian of collateral securities HSBC Bank Plc	<u>32,277,876</u>
Custodian of securities lent HSBC Bank Plc	<u>29,725,602</u>

All securities lending transactions arranged and collateral held are under the fully segregated model. HSBC Bank Plc as the securities lending agent arranges the loan transactions and collateral management.

(d) Revenue earned

Security lending income of \$23,181 earned for period ended 31 December 2022.

(e) Split between the return from securities lending and repurchase transactions and the return from cash collateral reinvestment

100% from securities lending.

## NIKKO AM SINGAPORE STI ETF

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

### REPORT TO UNITHOLDERS

For the financial period ended 31 December 2022 (Unaudited)

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

Please refer to the Statement of Portfolio on pages 8 to 11.

#### 9. Borrowings

Nil.

#### 10. Amount of units created and units cancelled for the financial period ended 31 December 2022

	<b>S\$</b>
Units created	<b>59,132,875</b>
Units cancelled	<b>(44,184,854)</b>

#### 11. Financial ratios

##### Expense ratio

	<b>31 December 2022</b>	31 December 2021
Total operating expenses	S\$ <b>1,849,909</b>	1,706,311
Average daily net asset value	S\$ <b>616,304,113</b>	567,997,048
<b>Total expense ratio<sup>1</sup></b>	<b>% 0.30</b>	0.30

##### Turnover ratio

	<b>31 December 2022</b>	31 December 2021
Lower of total value of purchases or sales	S\$ <b>56,330,511</b>	61,729,340
Average daily net asset value	S\$ <b>621,976,800</b>	589,839,400
<b>Total turnover ratio<sup>2</sup></b>	<b>% 9.06</b>	10.47

<sup>1</sup> 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 31 December 2022 was based on total operating expenses divided by the average net asset value for the year. The total operating expenses do not include 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.

<sup>2</sup> 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 SINGAPORE STI ETF

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

### REPORT TO UNITHOLDERS

*For the financial period ended 31 December 2022 (Unaudited)*

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#### 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 HSBC Institutional Trust Services (Singapore) Limited (the "Trustee").

Management fee is payable to the Manager. Administrator fee and trustee fee are payable to the Trustee. Custody fee is payable to a related company of the Trustee, The Hongkong and Shanghai Banking Corporation 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:

	<b>31 December 2022 S\$</b>	30 June 2022 S\$
Bank balances held with a related party of the Trustee	<b>1,094,977</b>	197,907

#### 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 commissions or arrangements.

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12 Marina View, #18-02 Asia Square Tower 2, Singapore 018961  
Intermediaries Hotline: 1800 535 8025 / 65 6535 8025  
Website: [www.nikkoam.com.sg](http://www.nikkoam.com.sg)

Company registration number 198202562H

# ANNUAL REPORT

For the financial year ended 30 June 2022

**Nikko AM Singapore  
STI ETF**

**MANAGERS**

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

**DIRECTORS OF THE MANAGERS**

Kiyotaka Ryu  
Seet Oon Hui Eleanor  
Hiroki Tsujimura

**TRUSTEE & REGISTRAR**

HSBC Institutional Trust Services (Singapore) Limited  
10 Marina Boulevard  
Marina Bay Financial Centre Tower 2, #48-01  
Singapore 018983

**AUDITORS**

PricewaterhouseCoopers LLP  
7 Straits View, Marina One,  
East Tower, Level 12,  
Singapore 018936

**CUSTODIAN**

The Hongkong and Shanghai Banking Corporation Limited  
1 Queen's Road Central, Hong Kong

This report is also available on our website ([www.nikkoam.com.sg](http://www.nikkoam.com.sg))



## PERFORMANCE SUMMARY

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<b>Returns (%)</b>	<b>3 Mth</b>	<b>6 Mth</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>	<b>10 Yr</b>	<b>Since Inception</b>
Nikko AM Singapore STI ETF <sup>1</sup>	-7.55	1.19	2.56	1.01	2.52	3.89	8.03
Straits Times Index	-7.49	1.37	2.93	1.57	3.05	4.40	8.75

Source: Nikko Asset Management Asia Limited & FTSE International Ltd. Returns as at 30 June 2022. Benchmark returns are calculated on a total return basis. Returns are calculated on a NAV-NAV<sup>2</sup> 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) With effect from 17 October 2011, the Fund (formerly known as “DBS Singapore STI ETF”) has been renamed “Nikko AM Singapore STI ETF”.

(2) Nil subscription fee or preliminary charge.

**Inception date: 24 February 2009**

The units of Nikko AM Singapore STI ETF are not in any way sponsored, endorsed, sold or promoted by FTSE International Limited (“FTSE”), the London Stock Exchange Plc (the “LSE”), The Financial Times Limited (“FT”), SPH Data Services Pte. Ltd. (“SPH”) or Singapore Press Holdings Ltd. (“SGP”) (collectively, the “Licensor Parties”) and none of the Licensor Parties make any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the Straits Times Index (STI) and/or the figure at which the Straits Times Index (STI) stands at any particular time on any particular day or otherwise. The Straits Times Index (STI) is compiled and calculated by FTSE. None of the Licensor Parties shall be liable (whether in negligence or otherwise) to any person for any error in the Straits Times Index (STI) and none of the Licensor Parties shall be under any obligation to advise any person of any error therein.

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### **About Nikko AM Singapore STI ETF**

The Nikko AM Singapore STI ETF (the “Fund”) is an exchange traded fund (“ETF”) and a collective investment scheme, authorised in Singapore and listed on the Singapore Stock Exchange.

The Fund’s investment objective is to replicate as closely as possible, before expenses, the performance of the Straits Times Index (STI) 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 Singapore listed equity securities. The current benchmark for the Fund is the Straits Times Index (STI). There can be no assurance that the Fund will achieve its investment objective.

The Fund will seek to achieve its investment objective by investing all, or substantially all, of its assets in Index Shares in substantially the same weightings as reflected in the Index (i.e. using a full replication strategy). Various circumstances may make it impossible or impracticable to purchase each component Index Share 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 Shares 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.

The Fund is designed for investors who seek an “index-based” approach to investing in a portfolio of Singapore listed securities in a cost effective and easy to access manner. Units may also be used as an asset allocation tool or as a trading instrument.

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

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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](http://www.nikkoam.com.sg)) before deciding whether to invest in the Fund.

The information contained herein may not be copied, reproduced or redistributed without the express consent of Nikko AM Asia. While reasonable care has been taken to ensure the accuracy of the information as at the date of publication, Nikko AM Asia does not give any warranty or representation, either express or implied, and expressly disclaims liability for any errors or omissions. Information may be subject to change without notice. Nikko AM Asia accepts no liability for any loss, indirect or consequential damages, arising from any use of or reliance on this document.

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 suspended or delisted from the SGX-ST. Listing of the units does not guarantee a liquid market for the units. 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.

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 SINGAPORE STI ETF**

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

**REPORT OF THE TRUSTEE**

*For the financial year ended 30 June 2022*

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The Trustee is under a duty to take into custody and hold the assets of Nikko AM Singapore STI ETF (the "Fund") in trust for the unitholders. In accordance with the Securities and Futures Act 2001, 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 10 to 26, 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  
HSBC Institutional Trust Services (Singapore) Limited

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Authorised signatory  
28 September 2022

**NIKKO AM SINGAPORE STI ETF**

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

**STATEMENT BY THE MANAGER**

*For the financial year ended 30 June 2022*

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In the opinion of Nikko Asset Management Asia Limited, the accompanying financial statements set out on pages 10 to 26, 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 Singapore STI ETF (the "Fund") as at 30 June 2022, and the financial performance and movements in unitholders' funds for the financial 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

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Authorised signatory  
28 September 2022

**INDEPENDENT AUDITOR'S REPORT  
TO THE UNITHOLDERS OF NIKKO AM SINGAPORE STI ETF**  
(Constituted under a Trust Deed registered in the Republic of Singapore)

***Our Opinion***

In our opinion, the accompanying financial statements of Nikko AM Singapore STI ETF (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 2022, 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 2022;
- the Statement of Financial Position as at 30 June 2022;
- the Statement of Movements of Unitholders' Funds for the financial year then ended 30 June 2022;
- the Statement of Portfolio as at 30 June 2022; 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.

***Our Audit Approach***

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

***Key Audit Matters***

We have determined that there are no key audit matters to communicate in our report.

**INDEPENDENT AUDITOR'S REPORT  
TO THE UNITHOLDERS OF NIKKO AM SINGAPORE STI ETF**  
(Constituted under a Trust Deed registered in the Republic of Singapore)

**Other Information**

The Fund's Manager (the "Manager") is responsible for the other information. The other information comprises all the 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.

**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 management 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.

**INDEPENDENT AUDITOR'S REPORT  
TO THE UNITHOLDERS OF NIKKO AM SINGAPORE STI ETF**  
(Constituted under a Trust Deed registered in the Republic of Singapore)

- 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 Funds' 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 Funds' 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.
- 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Lim Kheng Wah.

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PricewaterhouseCoopers LLP  
Public Accountants and Chartered Accountants  
Singapore, 28 September 2022



**NIKKO AM SINGAPORE STI ETF***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF TOTAL RETURN***For the financial year ended 30 June 2022*

	Note	2022 S\$	2021 S\$
<b>Income</b>			
Dividends		22,525,320	15,689,107
Interest on cash and cash equivalents		457	-
Other income		10,545	-
		<u>22,536,322</u>	<u>15,689,107</u>
<b>Less: Expenses</b>			
Administrator fee		147,988	139,464
Audit fee		19,197	21,242
Management fee		1,199,945	943,268
Expense reimbursement		(227,985)	(202,497)
Trustee fee		128,149	115,882
Custody fee		99,074	96,573
Transaction costs		230,759	218,597
Other expenses		421,166	304,957
		<u>2,018,293</u>	<u>1,637,486</u>
<b>Net income</b>		<u>20,518,029</u>	<u>14,051,621</u>
<b>Net gains or losses on value of investments</b>			
Net (losses)/gains on investments		(3,774,192)	91,030,962
Net foreign exchange losses		(4,837)	(92,592)
		<u>(3,779,029)</u>	<u>90,938,370</u>
<b>Total return for the financial year before income tax</b>		16,739,000	104,989,991
<b>Less: Income tax</b>	3	(428,463)	(419,592)
<b>Total return for the financial year after income tax</b>		<u>16,310,537</u>	<u>104,570,399</u>

*The accompanying notes form an integral part of these financial statements.*

**NIKKO AM SINGAPORE STI ETF***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF FINANCIAL POSITION***As at 30 June 2022*

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	Note	2022 S\$	2021 S\$
<b>ASSETS</b>			
Portfolio of investments		592,379,833	580,471,892
Sales awaiting settlement		1,373,414	28,876
Receivables	4	6,771	998,587
Cash and cash equivalents		197,907	2,803,153
<b>Total assets</b>		<b>593,957,925</b>	<b>584,302,508</b>
<b>LIABILITIES</b>			
Payables	5	1,691,233	389,584
Purchases awaiting settlement		-	1,654,915
Distribution payable	6	10,209,122	9,177,342
<b>Total liabilities</b>		<b>11,900,355</b>	<b>11,221,841</b>
<b>EQUITY</b>			
Net assets attributable to unitholders	7	582,057,570	573,080,667

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*The accompanying notes form an integral part of these financial statements.*

**NIKKO AM SINGAPORE STI ETF***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS***For the financial year ended 30 June 2022*

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	Note	2022 S\$	2021 S\$
<b>Net assets attributable to unitholders at the beginning of financial year</b>		<b>573,080,667</b>	339,881,279
<b>Operations</b>			
Change in net assets attributable to unitholders resulting from operations		<b>16,310,537</b>	104,570,399
<b>Unitholders' contributions/(withdrawals)</b>			
Creation of units		<b>151,230,549</b>	173,433,238
Cancellation of units		<b>(139,040,160)</b>	(26,616,380)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		<b>12,190,389</b>	146,816,858
Distributions	6	<b>(19,524,023)</b>	(18,187,869)
Total increase in net assets attributable to unitholders		<b>8,976,903</b>	233,199,388
<b>Net assets attributable to unitholders at the end of financial year</b>	7	<b>582,057,570</b>	573,080,667

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*The accompanying notes form an integral part of these financial statements.*

**NIKKO AM SINGAPORE STI ETF***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 30 June 2022***By Geography (Primary)**

	Holdings at 30 June 2022	Fair value at 30 June 2022 S\$	Percentage of total net assets attributable to unitholders at 30 June 2022 %
<b>Quoted Equities</b>			
<b>HONG KONG SAR</b>			
Dairy Farm International Holdings Limited (Singapore)	608,700	2,482,085	0.43
Hongkong Land Holdings Limited	2,286,566	15,974,714	2.74
Jardine Matheson Holdings Limited	332,100	24,292,368	4.17
<b>Total Hong Kong SAR</b>		<b>42,749,167</b>	<b>7.34</b>
<b>SINGAPORE</b>			
CapitaLand Limited	5,172,353	19,758,388	3.39
City Developments Limited	949,437	7,737,911	1.33
ComfortDelGro Corporation Limited	4,161,209	5,825,693	1.00
DBS Group Holdings Limited	3,669,391	108,907,525	18.71
Genting Singapore Limited	11,755,048	8,463,635	1.45
Jardine Cycle & Carriage Limited	200,641	5,676,134	0.98
Keppel Corporation Limited	2,869,209	18,621,166	3.20
Oversea-Chinese Banking Corporation Limited	7,135,970	81,278,698	13.96
SATS Limited	1,291,852	5,038,223	0.87
Sembcorp Industries Limited	1,830,733	5,217,589	0.90
Singapore Airlines Limited	2,587,070	13,194,057	2.27
Singapore Exchange Limited	1,663,451	15,736,246	2.70
Singapore Technologies Engineering Limited	3,089,415	12,604,813	2.17
Singapore Telecommunications Limited	15,264,877	38,620,139	6.64
United Overseas Bank Limited	2,609,507	68,499,559	11.77
UOL Group Limited	999,719	7,357,932	1.26
Venture Corporation Limited	530,800	8,827,204	1.52
Wilmar International Limited	4,263,815	17,225,813	2.96
Yangzijiang Shipbuilding Holdings Limited	5,155,782	4,794,877	0.82
<b>Total Singapore</b>		<b>453,385,602</b>	<b>77.90</b>
<b>THAILAND</b>			
Thai Beverage Public Company Limited	19,879,516	12,822,288	2.20
<b>Total Thailand</b>		<b>12,822,288</b>	<b>2.20</b>
<b>Total Quoted Equities</b>		<b>508,957,057</b>	<b>87.44</b>

*The accompanying notes form an integral part of these financial statements.*

**NIKKO AM SINGAPORE STI ETF***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 30 June 2022***By Geography (Primary) (continued)**

	Holdings at 30 June 2022	Fair value at 30 June 2022 S\$	Percentage of total net assets attributable to unitholders at 30 June 2022 %
<b>Quoted Real Estate Investment Trusts (REITS)</b>			
<b>SINGAPORE</b>			
Ascendas Real Estate Investment Trust	6,913,554	19,703,629	3.39
CapitaLand Integrated Commercial Trust (formerly CapitaLand Mall Trust)	10,211,436	22,158,816	3.81
Frasers Logistics & Commercial Trust	5,702,300	7,584,059	1.30
Keppel DC REIT	2,586,500	5,095,405	0.87
Mapletree Commercial Trust	4,437,093	8,119,880	1.39
Mapletree Industrial Trust	3,782,475	9,834,435	1.69
Mapletree Logistics Trust	6,503,900	10,926,552	1.88
<b>Total Singapore</b>		<b>83,422,776</b>	<b>14.33</b>
<b>Total Quoted Real Estate Investment Trusts (REITS)</b>		<b>83,422,776</b>	<b>14.33</b>
<b>Portfolio of investments</b>		<b>592,379,833</b>	<b>101.77</b>
<b>Other net liabilities</b>		<b>(10,322,263)</b>	<b>(1.77)</b>
<b>Net assets attributable to unitholders</b>		<b>582,057,570</b>	<b>100.00</b>

**By Geography (Summary)**

	Percentage of total net assets attributable to unitholders at 30 June 2022 %	Percentage of total net assets attributable to unitholders at 30 June 2021 %
<b>Quoted Equities</b>		
Hong Kong SAR	7.34	9.10
Singapore	77.90	75.87
Thailand	2.20	2.26
<b>Total Quoted Equities</b>	<b>87.44</b>	<b>87.23</b>
<b>Quoted Real Estate Investment Trusts (REITS)</b>		
Singapore	14.33	14.06
<b>Total Quoted Real Estate Investment Trusts (REITS)</b>	<b>14.33</b>	<b>14.06</b>
<b>Portfolio of investments</b>	<b>101.77</b>	<b>101.29</b>
<b>Other net liabilities</b>	<b>(1.77)</b>	<b>(1.29)</b>
<b>Net assets attributable to unitholders</b>	<b>100.00</b>	<b>100.00</b>

*The accompanying notes form an integral part of these financial statements.*

**NIKKO AM SINGAPORE STI ETF***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 30 June 2022*

By Industry (Secondary)	Fair value at 30 June 2022 S\$	Percentage of	Percentage of
		total net assets attributable to unitholders at 30 June 2022 %	total net assets attributable to unitholders at 30 June 2021 %
Agriculture	17,225,813	2.96	3.21
Airlines	13,194,057	2.27	2.09
Automotive	5,676,134	0.98	0.72
Banks & Finance	294,180,416	50.53	46.76
Brewery	12,822,288	2.20	2.26
Capital Goods	24,292,368	4.17	6.01
Electric	8,827,204	1.52	1.70
Engineering/Machine	5,217,589	0.90	0.66
Entertainment	8,463,635	1.45	1.64
Foods	2,482,085	0.43	0.58
Real Estate	31,070,557	5.33	8.13
Real Estate Investment Trust (REITS)	83,422,776	14.33	14.06
Ship Building	23,416,043	4.02	3.66
Technology	12,604,813	2.17	1.99
Telecom Service	38,620,139	6.64	5.83
Transport	5,825,693	1.00	1.14
Transport – Air	5,038,223	0.87	0.85
<b>Portfolio of investments</b>	<b>592,379,833</b>	<b>101.77</b>	<b>101.29</b>
<b>Other net liabilities</b>	<b>(10,322,263)</b>	<b>(1.77)</b>	<b>(1.29)</b>
<b>Net assets attributable to unitholders</b>	<b>582,057,570</b>	<b>100.00</b>	<b>100.00</b>

*The accompanying notes form an integral part of these financial statements.*

## **NIKKO AM SINGAPORE STI ETF**

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

### **NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 30 June 2022*

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

#### **1. General**

Nikko AM Singapore STI ETF (the "Fund") is a Singapore domiciled fund constituted by a Trust Deed dated 30 October 2008 as amended by Supplemental Deed 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 HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"). The Manager of the Fund is Nikko Asset Management Asia Limited (the "Manager").

#### **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 at fair value through profit or loss, and in accordance with the Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" ("RAP 7") issued by the Institute of Singapore Chartered Accountants.

##### **(b) Recognition of income**

Dividend income from investment is recognised when the right to receive payment is established.

Interest income is recognised on a time-proportion basis using the effective interest rate method.

##### **(c) Foreign currency translation**

###### **(i) Functional and presentation currency**

The Fund qualifies as an authorised scheme under the Securities and Futures Act 2001 ("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 being denominated in Singapore Dollar ("SGD").

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.

## NIKKO AM SINGAPORE STI ETF

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

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

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#### 2. Significant accounting policies (continued)

##### (c) Foreign currency translation (continued)

###### (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.

##### (d) Distributions

The Manager has the absolute discretion to determine whether a distribution is to be made. In such an event, an appropriate amount will be transferred to a distribution account to be paid on the distribution date. The amount shall not be treated as part of the property of the Fund. Distributions are accrued for at the point in time when the necessary approvals have been obtained and a legal or constructive obligation has been created.

##### (e) 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 are 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.

##### (f) 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 price used for investments held by the Fund is the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of fair value.



## NIKKO AM SINGAPORE STI ETF

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

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

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#### 2. Significant accounting policies (continued)

##### (g) 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.

##### (h) 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.

##### (i) Cash and cash equivalents

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

##### (j) Payables

Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

#### 3. Income tax

The Manager and the 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 the Trustee of the Fund will ensure that the Fund fulfills its reporting obligations under the DUT Scheme.

Under the DUT Scheme, certain income of the DUT fund is not taxable in accordance with 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 fee, 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.
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**NIKKO AM SINGAPORE STI ETF**

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

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2022

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**3. Income tax (continued)**

Income tax for the financial year ended 30 June 2022 and 2021 comprises:

	<b>2022</b>	2021
	<b>S\$</b>	S\$
Overseas income tax	<b>39,176</b>	39,680
Singapore income tax	<b>389,287</b>	379,912
	<b>428,463</b>	419,592

The Singapore income tax represents tax deducted at source for Singapore sourced dividends. The overseas income tax represents tax deducted at source on dividends derived from outside Singapore.

**4. Receivables**

	<b>2022</b>	2021
	<b>S\$</b>	S\$
Amount due from unitholders	-	963,120
Dividends receivable	<b>3,451</b>	35,467
Other receivables	<b>3,320</b>	-
	<b>6,771</b>	998,587

**5. Payables**

	<b>2022</b>	2021
	<b>S\$</b>	S\$
Amount due to unitholders	<b>1,289,600</b>	-
Amount due to the Manager	<b>291,944</b>	266,694
Amount due to the Trustee	<b>9,843</b>	11,456
Valuation fee payable	<b>11,073</b>	13,819
Provision for audit fee	<b>19,199</b>	21,301
Other payables	<b>69,574</b>	76,314
	<b>1,691,233</b>	389,584

Amount due to the Manager comprises management fee payable to Nikko Asset Management Asia Limited. Amount due to the Trustee comprises trustee fee payable to HSBC Institutional Trust Services (Singapore) Limited. Valuation fee is payable to HSBC Institutional Trust Services (Singapore) Limited.

**NIKKO AM SINGAPORE STI ETF***(Constituted under a Trust Deed registered in the Republic of Singapore)***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 30 June 2022***6. Distributions**

	<b>2022</b> <b>S\$</b>	2021 S\$
Final distribution of S\$4.96 per 100 units in respect of the financial year 30 June 2021	<b>9,314,901</b>	-
Interim distribution of S\$5.50 per 100 units in respect of the financial year 30 June 2022	<b>10,209,122</b>	-
Final distribution of S\$5.51 per 100 units in respect of the financial year 30 June 2020	-	9,010,527
Interim distribution of S\$5.06 per 100 units in respect of the financial year 30 June 2021	-	9,177,342
	<b>19,524,023</b>	<b>18,187,869</b>

**7. Units in issue**

During the year ended 30 June 2022 and 30 June 2021 the number of units issued, redeemed and outstanding was as follow:

	<b>2022</b>	2021
Units at beginning of the financial year	<b>181,370,400</b>	129,182,400
Units created	<b>46,600,000</b>	60,930,000
Units cancelled	<b>(42,350,000)</b>	(8,742,000)
Units at end of the financial year	<b>185,620,400</b>	181,370,400
Net assets attributable to unitholders – S\$	<b>582,057,570</b>	573,080,667
Net asset value per unit – S\$	<b>3.1357</b>	3.1597

A reconciliation of the net asset value as reported in the Statement of Financial Position to the net asset value as determined for the purpose of processing unit subscription and redemption is provided below:

	<b>2022</b> <b>S\$</b>	2021 S\$
Net assets attributable to unitholders as per financial statements per unit	<b>3.1357</b>	3.1597
Effect of distribution per unit	<b>0.0550</b>	0.0506
Effect for movement in the net asset value between the last dealing date and the end of the reporting period <sup>^</sup>	<b>(0.0001)</b>	0.0001
Net assets attributable to unitholders for issuing/redeeming per unit	<b>3.1906</b>	3.2104

<sup>^</sup> The net asset value for the purposes of processing unit subscription and redemption was established in accordance with the methodology indicated in the Fund's Prospectus. This item reflects the movement in net asset value between the last dealing date and the end of the reporting period due to accrual of operating expenses.

## **NIKKO AM SINGAPORE STI ETF**

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

### **NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 30 June 2022*

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#### **8. Financial risk management**

The Fund's activities expose it to a variety of risk, including but not limited to market risk (including price risk, interest rate risk and currency risk), liquidity risk and credit risk. The Manager is responsible for the implementation of 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 provide investors with investment returns that correspond closely to the total return of Straits Times Index (the "Index"), or such other index which tracks the performance of Singapore listed equity securities, before fees and expenses.

The Fund's assets principally consist of investments in Index Shares in substantially the same weightings as reflected in the Index, and cash. The Manager may in its absolute discretion also invest in non-Index Shares to achieve the Fund's investment objective. The Manager will rebalance the Fund's investment from time to time to reflect any changes to the composition of, or the weighting of securities in, the Index with a view to minimise tracking error of the Fund's overall returns relative to the performance of the Index.

The 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 the 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 changes in fundamentals and valuation. 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.

## NIKKO AM SINGAPORE STI ETF

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

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

#### 8. Financial risk management (continued)

##### (a) Market risk - Price risk (continued)

As at 30 June 2022, an increase/decrease of the Index by 17% (2021: 19%), with all other variables remaining constant, the net asset attributable to unitholders for the year would increase/decrease by approximately 17% (2021: 19%). The analysis was based on the assumptions that the index components within the Index increased/decreased by a reasonable possible shift, with all other variables held constant and that the fair value of Fund's investments moved according to the beta. Reasonable possible changes in market index percentage are revised annually depending on the Manager's current view on the market volatility and other relevant factors.

##### (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).

Investment funds that invest in equity securities may be subject to interest rate risk as any interest rate change may affect the equity risk premium though at varying degrees. To manage this risk, the Manager analyses how interest rate changes may affect different industries and securities and then seeks to adjust the Fund's portfolio investments accordingly.

However, the effects of changes in interest rates on the Fund's portfolio may not be quantified as the relationship between the interest rates and the value of equity securities is indirect. Hence, no sensitivity analysis has been presented separately.

##### (c) Market risk - Currency risk

Currency risk is the risk that the value of a 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.

	SGD S\$	USD S\$	Total S\$
<b>As at 30 June 2022</b>			
<b>Assets</b>			
Portfolio of investments	549,630,666	42,749,167	592,379,833
Sales awaiting settlement	1,284,419	88,995	1,373,414
Receivables	-	6,771	6,771
Cash and cash equivalents	196,515	1,392	197,907
<b>Total assets</b>	<b>551,111,600</b>	<b>42,846,325</b>	<b>593,957,925</b>
<b>Liabilities</b>			
Payables	1,682,316	8,917	1,691,233
Distribution payable	10,209,122	-	10,209,122
<b>Total liabilities</b>	<b>11,891,438</b>	<b>8,917</b>	<b>11,900,355</b>
<b>Net currency exposure</b>	<b>539,220,162</b>	<b>42,837,408</b>	

**NIKKO AM SINGAPORE STI ETF***(Constituted under a Trust Deed registered in the Republic of Singapore)***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 30 June 2022***8. Financial risk management (continued)****(c) Market Risk - Currency risk (continued)**

	<b>SGD S\$</b>	<b>USD S\$</b>	<b>Total S\$</b>
<b>As at 30 June 2021</b>			
<b>Assets</b>			
Portfolio of investments	528,300,293	52,171,599	580,471,892
Sales awaiting settlement	28,876	-	28,876
Receivables	998,587	-	998,587
Cash and cash equivalents	2,801,809	1,344	2,803,153
<b>Total assets</b>	<b>532,129,565</b>	<b>52,172,943</b>	<b>584,302,508</b>
<b>Liabilities</b>			
Payables	381,808	7,776	389,584
Purchases awaiting settlement	1,603,396	51,519	1,654,915
Distribution payable	9,177,342	-	9,177,342
<b>Total liabilities</b>	<b>11,162,546</b>	<b>59,295</b>	<b>11,221,841</b>
<b>Net currency exposure</b>	<b>520,967,019</b>	<b>52,113,648</b>	

Portfolio of investment, which is a significant item in the Statement of Financial Position, is exposed to currency risk and other price risk. The Manager has considered the impact of currency risk sensitivity on non-monetary assets, which include listed equities and real estate investment trusts, as part of price risk sensitivity analysis.

As of 30 June 2022 and 2021, the Fund does not hold substantial monetary assets/liabilities. Changes in foreign exchange rates on monetary assets/liabilities will not result in a significant change in the net asset value of the Fund. Therefore, no separate sensitivity analysis on foreign currency risk has been presented.

**(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, minimum holdings and 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 securities are considered readily realisable, as all the securities are listed on a recognised stock exchange.

The Fund's financial liabilities are analysed for maturity groupings using contractual undiscounted cashflows based on the remaining period at the Statement of Financial Position date to the contractual maturity date. As at 30 June 2022, all liabilities are either payable on demand or due in less than 3 months. The impact of discounting is not significant.

**NIKKO AM SINGAPORE STI ETF***(Constituted under a Trust Deed registered in the Republic of Singapore)***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 30 June 2022***8. Financial risk management (continued)****(d) Liquidity risk (continued)**

	<u>Less than 3 months</u>	
	<b>As at 30 June 2022 S\$</b>	<b>As at 30 June 2021 S\$</b>
Distribution payable	<b>10,209,122</b>	9,177,342
Payables	<b>1,691,233</b>	389,584
Purchases awaiting settlement	-	1,654,915
<b>Contractual cash outflows</b>	<b>11,900,355</b>	<b>11,221,841</b>

**(e) Credit risk**

Credit risk is the risks that counterparty will be unable to fulfil its obligation 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 its financial assets held at amortised cost. As at 30 June 2022 and 2021, the Fund's financial assets held at amortised cost as disclosed in the Statement of Financial Position are realisable within three months. 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.

All trade settlements 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 also arises from cash and cash equivalents, and outstanding and committed transactions with brokers. The table below summarises the credit rating of the bank and custodian in which the Fund's assets are held 30 June 2022 and 30 June 2021.

	<b>Credit rating as at 30 June 2022</b>	Credit rating as at 30 June 2021	<b>Source of credit rating</b>
<b>Bank and custodian</b>			
- The Hong Kong and Shanghai Banking Corporation Limited	<b>AA-</b>	AA-	Standard & Poor's

The credit ratings are based on the 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.

## NIKKO AM SINGAPORE STI ETF

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

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

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#### 8. Financial risk management (continued)

##### (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).

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 2021:

	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
<b><u>As at 30 June 2022</u></b>				
<b>Assets</b>				
Financial assets designated at fair value through profit or loss at inception:				
- Quoted equities	508,957,057	-	-	508,957,057
- Quoted real estate investment trusts	83,422,776	-	-	83,422,776
	<u>592,379,833</u>	-	-	<u>592,379,833</u>
	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
<b><u>As at 30 June 2021</u></b>				
<b>Assets</b>				
Financial assets designated at fair value through profit or loss at inception:				
- Quoted equities	499,924,036	-	-	499,924,036
- Quoted real estate investment trusts	80,547,856	-	-	80,547,856
	<u>580,471,892</u>	-	-	<u>580,471,892</u>

Investments, whose values are based on quoted market prices in active markets, and therefore classified within Level 1, include active listed equities and real estate investment trusts. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets 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.

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## NIKKO AM SINGAPORE STI ETF

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

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

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#### 8. Financial risk management (continued)

##### (g) Fair value estimation (continued)

Except for cash and cash equivalents which are classified as Level 1, the Fund's assets and liabilities not measured at fair value at 30 June 2022 and 2021 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.

#### 9. 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 a related party at terms agreed between the parties and within the provisions of the Deeds:

	2022 S\$	2021 S\$
Bank balances held with related party of the Trustee	<u>197,907</u>	<u>2,803,153</u>

#### 10. Financial ratios

##### Expense ratio

		2022	2021
Total operating expenses	S\$	1,787,534	1,418,889
Average daily net asset value	S\$	599,897,847	471,810,257
<b>Total expense ratio<sup>1</sup></b>	<b>%</b>	<u>0.30</u>	<u>0.30</u>

##### Turnover ratio

		2022	2021
Lower of total value of purchases or sales	S\$	140,273,704	66,290,965
Average daily net asset value	S\$	599,897,847	471,810,257
<b>Total turnover ratio<sup>2</sup></b>	<b>%</b>	<u>23.38</u>	<u>14.05</u>

<sup>1</sup> 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.

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

## NIKKO AM SINGAPORE STI ETF

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

### REPORT TO UNITHOLDERS

For the financial year ended 30 June 2022

The following contains additional information relating to the Fund.

#### 1. Distribution of investments

Please refer to the Statement of Portfolio on pages 13 to 15.

#### 2. Credit rating of debt securities

Nil.

#### 3. Top 10 holdings

##### 10 largest holdings at 30 June 2022

	Cost S\$	Fair value S\$	Percentage of total net assets attributable to unitholders %
DBS Group Holdings Limited	89,933,268	108,907,525	18.71
Oversea-Chinese Banking Corporation Limited	75,273,237	81,278,698	13.96
United Overseas Bank Limited	62,272,962	68,499,559	11.77
Singapore Telecommunications Limited	43,126,934	38,620,139	6.64
Jardine Matheson Holdings Limited	25,394,549	24,292,368	4.17
CapitaLand Integrated Commercial Trust (formerly CapitaLand Mall Trust)	21,000,159	22,158,816	3.81
CapitaLand Limited	12,040,184	19,758,388	3.39
Ascendas Real Estate Investment Trust	19,742,208	19,703,629	3.39
Keppel Corporation Limited	17,669,000	18,621,166	3.20
Wilmar International Limited	17,573,513	17,225,813	2.96

##### 10 largest holdings at 30 June 2021

	Cost S\$	Fair value S\$	Percentage of total net assets attributable to unitholders %
DBS Group Holdings Limited	78,246,105	104,126,062	18.17
Oversea-Chinese Banking Corporation Limited	69,056,202	81,213,037	14.17
United Overseas Bank Limited	56,942,474	64,733,503	11.30
Jardine Matheson Holdings Limited	30,602,387	34,437,243	6.01
Singapore Telecommunications Limited	42,779,160	33,425,474	5.83
Ascendas Real Estate Investment Trust	18,155,302	18,779,859	3.28
CapitaLand Limited	16,059,324	18,545,745	3.24
Wilmar International Limited	16,611,403	18,375,818	3.21
Singapore Exchange Limited	13,419,607	17,859,502	3.12
CapitaLand Mall Trust Real Estate Investment Trust	17,384,924	17,689,363	3.09

**NIKKO AM SINGAPORE STI ETF***(Constituted under a Trust Deed registered in the Republic of Singapore)***REPORT TO UNITHOLDERS***For the financial year ended 30 June 2022***4. Exposure to derivatives**

Nil

**5. Global exposure financial derivatives**

Nil

**6. Collateral**

Nil

**7. Securities lending or repurchase transactions**

(a) Transferable securities lent

As at 30 June 2022

Absolute amounts of the repurchase transactions - Nil

<b>Counterparty</b>	<b>Security</b>	<b>Fair value of securities lent S\$</b>	<b>Percentage of total lendable assets %</b>	<b>Percentage of total net assets attributable to unitholders %</b>
Citigroup Global Markets (International) - United Kingdom	Singapore Airlines Limited	4,152,795	0.70	0.71
Merrill - United States	City Developments Limited	564,097	0.10	0.10
Merrill - United States	Keppel Corporation Limited	967,721	0.16	0.17
Merrill - United States	Keppel DC REIT	2,217,235	0.37	0.38
Merrill - United States	Sembcorp Industries Limited	356,130	0.06	0.06
Merrill - United States	Singapore Airlines Limited	3,048,290	0.51	0.52
Merrill - United States	UOL Group Limited	1,222,441	0.21	0.21
The Bank of Nova Scotia - Canada	Singapore Airlines Limited	2,574,318	0.43	0.44
		<b>15,103,027</b>	<b>2.54</b>	<b>2.59</b>

**NIKKO AM SINGAPORE STI ETF***(Constituted under a Trust Deed registered in the Republic of Singapore)***REPORT TO UNITHOLDERS***For the financial year ended 30 June 2022***7. Securities Lending or Repurchase Transactions (continued)**

## (b) Collateral for securities lending transactions

As at 30 June 2022

Cash collateral	Nil
Collateral has been re-used or re-hypothecated	Nil
Proportion of cash versus non-cash collateral	Nil
Collateral type	Government bonds
Maturity tenor	Open tenor
Settlement/clearing	Bilateral

Collateral provider	Credit rating of the collateral provider by Moody's/ Standard & Poor's	Nature of the collateral	Fair value of collateral S\$	Percentage of total net assets attributable to unitholders %
Citigroup Global Markets (International) - United Kingdom	A1	Government bond	4,362,319	0.75
Merrill – United States	A+	Government bond	8,796,510	1.51
The Bank of Nova Scotia - Canada	A2	Government bond	2,704,405	0.46

**Citigroup Global Markets (International)- United Kingdom**

Government bond	Credit rating of the collateral by Moody's	Currency	Fair value of collateral S\$	Percentage of total net assets attributable to unitholders %
JAPAN JPGV 0.100 03/20/25	A1	JPY	4,362,319	0.75
			<b>4,362,319</b>	<b>0.75</b>

**Merrill - United States**

Government bond	Credit rating of the collateral by Moody's	Currency	Fair value of collateral S\$	Percentage of total net assets attributable to unitholders %
JAPAN JPGV 0.600 03/20/23	A1	JPY	8,796,510	1.51
			<b>8,796,510</b>	<b>1.51</b>

**NIKKO AM SINGAPORE STI ETF***(Constituted under a Trust Deed registered in the Republic of Singapore)***REPORT TO UNITHOLDERS***For the financial year ended 30 June 2022***7. Securities Lending or Repurchase Transactions (continued)**

(b) Collateral for securities lending transactions (continued)

**The Bank of Nova Scotia - Canada**

<b>Government bond</b>	<b>Credit rating of the collateral by Moody's</b>	<b>Currency</b>	<b>Fair value of collateral S\$</b>	<b>Percentage of total net assets attributable to unitholders %</b>
AUSTRIA ATGV 02/20/31	AA1	EUR	539,773	0.09
BELGIUM BEGV 4.250 03/28/41	AA3	EUR	540,567	0.09
JAPAN JPGV 1.900 09/20/42	A1	JPY	1,624,065	0.28
			<b>2,704,405</b>	<b>0.46</b>

**Top 10 collateral securities at 30 June 2022**

	<b>Fair value of collateral S\$</b>	<b>Percentage of total net assets attributable to unitholders %</b>
JAPAN JPGV 0.600 03/20/23	8,796,510	1.51
JAPAN JPGV 0.100 03/20/25	4,362,319	0.75
JAPAN JPGV 1.900 09/20/42	1,624,065	0.28
BELGIUM BEGV 4.250 03/28/41	540,567	0.09
AUSTRIA ATGV 02/20/31	539,773	0.09

(c) Custodians and the amount of assets held by each custodian

As at 30 June 2022	<b>Fair value S\$</b>
Custodian of collateral securities HSBC Bank Plc	<u>15,863,234</u>
Custodian of securities lent HSBC Bank Plc	<u>15,103,027</u>

All securities lending transactions arranged and collateral held are under the fully segregated model. HSBC Bank Plc as the securities lending agent arranges the loan transactions and collateral management.

(d) Revenue earned

Securities lending income of \$10,545 earned for the financial year ended 30 June 2022.

(e) Split between the return from securities lending and repurchase transactions and the return from cash collateral reinvestment

100% from securities lending.

## NIKKO AM SINGAPORE STI ETF

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

### REPORT TO UNITHOLDERS

For the financial year ended 30 June 2022

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

Please refer to the Statement of Portfolio on pages 13 to 15.

**9. Borrowings**

Nil.

**10. Amount of units created and cancelled for the financial year ended 30 June 2022**

	<b>S\$</b>
Units created	<b>151,230,549</b>
Units cancelled	<b>(139,040,160)</b>
	<hr/>

**11. Turnover ratios**

Please refer to Note 10 of the Notes to the Financial Statements on page 26

**12. Expense ratios**

Please refer to Note 10 of the Notes to the Financial Statements on page 26

**13. Related party transactions**

Please refer to Note 9 of the Notes to the Financial Statements on page 26

**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 commissions or arrangements.

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12 Marina View, #18-02 Asia Square Tower 2, Singapore 018961  
Intermediaries Hotline: 1800 535 8025 / 65 6535 8025  
Website: [www.nikkoam.com.sg](http://www.nikkoam.com.sg)

Company registration number 198202562H



# SEMI-ANNUAL REPORT

For the financial period ending 31 December 2021

**Nikko AM Singapore**  
**STI ETF**



**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  
Hiroki Tsujimura

**TRUSTEE & REGISTRAR**

HSBC Institutional Trust Services (Singapore) Limited  
10 Marina Boulevard  
Marina Bay Financial Centre Tower 2, #48-01  
Singapore 018983

**AUDITORS**

PricewaterhouseCoopers LLP  
7 Straits View, Marina One,  
East Tower, Level 12,  
Singapore 018936

**CUSTODIAN**

The Hongkong and Shanghai Banking Corporation Limited  
1 Queen's Road Central, Hong Kong

This report is also available on our website ([www.nikkoam.com.sg](http://www.nikkoam.com.sg))

## PERFORMANCE SUMMARY

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<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 Singapore STI ETF <sup>1</sup>	1.64	1.35	13.04	3.95	4.91	4.78	8.25
Straits Times Index	1.75	1.54	13.56	4.54	5.46	5.30	8.99

Source: Nikko Asset Management Asia Limited & FTSE International Ltd. Returns as at 31 December 2021. Benchmark returns are calculated on a total return basis. Returns are calculated on a NAV-NAV<sup>2</sup> 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) With effect from 17 October 2011, the Fund (formerly known as "DBS Singapore STI ETF") has been renamed "Nikko AM Singapore STI ETF".

(2) Nil subscription fee or preliminary charge.

### **Inception date: 24 February 2009**

The units of Nikko AM Singapore STI ETF are not in any way sponsored, endorsed, sold or promoted by FTSE International Limited ("FTSE"), the London Stock Exchange Plc (the "LSE"), The Financial Times Limited ("FT"), SPH Data Services Pte. Ltd. ("SPH") or Singapore Press Holdings Ltd. ("SGP") (collectively, the "Licensor Parties") and none of the Licensor Parties make any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the Straits Times Index (STI) and/or the figure at which the Straits Times Index (STI) stands at any particular time on any particular day or otherwise. The Straits Times Index (STI) is compiled and calculated by FTSE. None of the Licensor Parties shall be liable (whether in negligence or otherwise) to any person for any error in the Straits Times Index (STI) and none of the Licensor Parties shall be under any obligation to advise any person of any error therein.

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### **About Nikko AM Singapore STI ETF**

The Nikko AM Singapore STI ETF (the "Fund") is an exchange traded fund ("ETF") and a collective investment scheme, authorised in Singapore and listed on the Singapore Stock Exchange.

The Fund's investment objective is to replicate as closely as possible, before expenses, the performance of the Straits Times Index (STI) 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 Singapore listed equity securities. The current benchmark for the Fund is the Straits Times Index (STI). There can be no assurance that the Fund will achieve its investment objective.

The Fund will seek to achieve its investment objective by investing all, or substantially all, of its assets in Index Shares in substantially the same weightings as reflected in the Index (i.e. using a full replication strategy). Various circumstances may make it impossible or impracticable to purchase each component Index Share 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 Shares 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.

The Fund is designed for investors who seek an "index-based" approach to investing in a portfolio of Singapore listed securities in a cost effective and easy to access manner. Units may also be used as an asset allocation tool or as a trading instrument.

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

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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](http://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 SINGAPORE STI 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)*

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	<b>31 December 2021 S\$</b>	31 December 2020 S\$
<b>Income</b>		
Dividends	<b>10,075,726</b>	6,778,418
Other Income	<b>185</b>	-
	<b>10,075,911</b>	<b>6,778,418</b>
<b>Less: Expenses</b>		
Administrator fee	<b>79,886</b>	60,234
Audit fee	<b>9,883</b>	10,678
Management fee	<b>594,597</b>	403,120
Less: Management fee rebate	<b>(156,917)</b>	(134,469)
Trustee fee	<b>67,614</b>	50,156
Registrar fee	<b>220</b>	-
Custodian fee	<b>47,958</b>	41,100
Transaction costs	<b>110,528</b>	113,221
Other expenses	<b>196,645</b>	121,646
	<b>950,414</b>	<b>665,686</b>
<b>Net income</b>	<b>9,125,497</b>	<b>6,112,732</b>
<b>Net gains or losses on value of investments</b>		
Net (losses)/gains on investments	<b>(858,837)</b>	42,077,517
Net foreign exchange losses	<b>(22,279)</b>	(3,179)
	<b>(881,116)</b>	<b>42,074,338</b>
<b>Total return for the financial period before income tax</b>	<b>8,244,381</b>	<b>48,187,070</b>
<b>Less: Income tax</b>	<b>(245,351)</b>	<b>(197,694)</b>
<b>Total return for the financial period after income tax</b>	<b>7,999,030</b>	<b>47,989,376</b>

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**NIKKO AM SINGAPORE STI ETF***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF FINANCIAL POSITION***As at 31 December 2021 (Unaudited)*

---

	<b>31 December 2021 S\$</b>	30 June 2021 S\$
<b>ASSETS</b>		
Portfolio of investments	<b>599,785,357</b>	580,471,892
Sales awaiting settlement	<b>22,770</b>	28,876
Receivables	<b>1,765,453</b>	998,587
Cash and bank balances	<b>57,462</b>	2,803,153
<b>Total assets</b>	<b>601,631,042</b>	584,302,508
<b>LIABILITIES</b>		
Payables	<b>292,994</b>	389,584
Purchases awaiting settlement	-	1,654,915
Distribution payable	<b>9,314,900</b>	9,177,342
<b>Total liabilities</b>	<b>9,607,894</b>	11,221,841
<b>EQUITY</b>		
Net assets attributable to unitholders	<b>592,023,148</b>	573,080,667

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**NIKKO AM SINGAPORE STI 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)*

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	<b>31 December 2021 S\$</b>	<b>30 June 2021 S\$</b>
<b>Net assets attributable to unitholders at the beginning of financial period/year</b>	<b>573,080,667</b>	339,881,279
<b>Operations</b>		
Change in net assets attributable to unitholders resulting from operations	<b>7,999,030</b>	104,570,399
<b>Unitholders' contributions/(withdrawals)</b>		
Creation of units	<b>82,975,211</b>	173,433,238
Cancellation of units	<b>(62,716,860)</b>	(26,616,380)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	<b>20,258,351</b>	146,816,858
Distributions	<b>(9,314,900)</b>	(18,187,869)
Total increase in net assets attributable to unitholders	<b>18,942,481</b>	233,199,388
<b>Net assets attributable to unitholders at the end of financial period/year</b>	<b>592,023,148</b>	573,080,667

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**NIKKO AM SINGAPORE STI ETF***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2021 (Unaudited)***By Geography (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 %
<b>Quoted Equities</b>			
<b>HONG KONG SAR</b>			
Dairy Farm International Holdings Limited (Singapore)	598,200	2,306,485	0.39
Hongkong Land Holdings Limited	2,342,166	16,419,474	2.77
Jardine Matheson Holdings Limited	418,400	31,029,268	5.24
<b>Total Hong Kong SAR</b>		<b>49,755,227</b>	<b>8.40</b>
<b>SINGAPORE</b>			
CapitaLand Investment Limited	5,228,553	17,829,366	3.01
City Developments Limited	936,837	6,379,860	1.08
ComfortDelGro Corporation Limited	4,158,009	5,821,213	0.98
DBS Group Holdings Limited	3,638,291	118,826,584	20.07
Genting Singapore Limited	11,724,448	9,086,447	1.53
Jardine Cycle & Carriage Limited	199,541	4,110,545	0.70
Keppel Corporation Limited	2,880,809	14,749,742	2.49
Oversea-Chinese Banking Corporation Limited	7,074,770	80,652,378	13.62
SATS Limited	1,289,052	5,014,412	0.85
Sembcorp Industries Limited	1,825,433	3,650,866	0.62
Singapore Airlines Limited	2,563,370	12,791,216	2.16
Singapore Exchange Limited	1,655,251	15,393,834	2.60
Singapore Technologies Engineering Limited	3,068,015	11,535,736	1.95
Singapore Telecommunications Limited	15,229,577	35,332,619	5.97
United Overseas Bank Limited	2,606,807	70,123,108	11.84
UOL Group Limited	996,119	7,062,484	1.19
Venture Corporation Limited	529,000	9,685,990	1.64
Wilmar International Limited	4,265,615	17,659,646	2.98
Yangzijiang Shipbuilding Holdings Limited	4,275,982	5,729,816	0.97
<b>Total Singapore</b>		<b>451,435,862</b>	<b>76.25</b>

**NIKKO AM SINGAPORE STI ETF***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2021 (Unaudited)***By Geography (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 %
<b>Quoted Equities (continued)</b>			
<b>THAILAND</b>			
Thai Beverage Public Company Limited	19,953,816	13,169,519	2.23
<b>Total Thailand</b>		<u>13,169,519</u>	<u>2.23</u>
<b>Total Quoted Equities</b>		<u>514,360,608</u>	<u>86.88</u>
<b>Quoted Real Estate Investment Trusts (REITS)</b>			
<b>SINGAPORE</b>			
Ascendas Real Estate Investment Trust	6,888,554	20,321,234	3.43
CapitalLand Mall Trust Real Estate Investment Trust	9,654,736	19,695,661	3.33
Frasers Logistics & Commercial Trust	5,678,000	8,630,560	1.46
Keppel DC REIT	2,575,800	6,362,226	1.07
Mapletree Commercial Trust	4,434,793	8,869,586	1.50
Mapletree Industrial Trust	3,746,875	10,154,032	1.72
Mapletree Logistics Trust	5,995,500	11,391,450	1.92
<b>Total Singapore</b>		<u>85,424,749</u>	<u>14.43</u>
<b>Total Quoted Real Estate Investment Trusts (REITS)</b>		<u>85,424,749</u>	<u>14.43</u>
<b>Portfolio of investments</b>		599,785,357	101.31
<b>Other net liabilities</b>		(7,762,209)	(1.31)
<b>Net assets attributable to unitholders</b>		<u>592,023,148</u>	<u>100.00</u>

**NIKKO AM SINGAPORE STI ETF***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2021 (Unaudited)***By Geography (Summary)**

	<b>Percentage of total net assets attributable to unitholders at 31 December 2021 %</b>	Percentage of total net assets attributable to unitholders at 30 June 2021 %
<b>Quoted Equities</b>		
Hong Kong SAR	<b>8.40</b>	9.10
Singapore	<b>76.25</b>	75.87
Thailand	<b>2.23</b>	2.26
<b>Total Quoted Equities</b>	<b>86.88</b>	87.23
<b>Quoted Real Estate Investment Trusts (REITS)</b>		
Singapore	<b>14.43</b>	14.06
<b>Total Quoted Real Estate Investment Trusts (REITS)</b>	<b>14.43</b>	14.06
<b>Portfolio of investments</b>	<b>101.31</b>	101.29
<b>Other net liabilities</b>	<b>(1.31)</b>	(1.29)
<b>Net assets attributable to unitholders</b>	<b>100.00</b>	100.00

**NIKKO AM SINGAPORE STI ETF***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2021 (Unaudited)***By Industry (Secondary)**

	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 %
Agriculture	17,659,646	2.98	3.21
Airlines	12,791,216	2.16	2.09
Automotive	4,110,545	0.70	0.72
Banks & Finance	302,825,270	51.14	46.76
Brewery	13,169,519	2.23	2.26
Capital Goods	31,029,268	5.24	6.01
Electric	9,685,990	1.64	1.70
Engineering/Machine	3,650,866	0.62	0.66
Entertainment	9,086,447	1.53	1.64
Foods	2,306,485	0.39	0.58
Real Estate	29,861,818	5.04	8.13
Real Estate Investment Trust (REITS)	85,424,749	14.43	14.06
Ship Building	20,479,558	3.46	3.66
Technology	11,535,736	1.95	1.99
Telecom Service	35,332,619	5.97	5.83
Transport	5,821,213	0.98	1.14
Transport – Air	5,014,412	0.85	0.85
<b>Portfolio of investments</b>	<b>599,785,357</b>	<b>101.31</b>	<b>101.29</b>
<b>Other net liabilities</b>	<b>(7,762,209)</b>	<b>(1.31)</b>	<b>(1.29)</b>
<b>Net assets attributable to unitholders</b>	<b>592,023,148</b>	<b>100.00</b>	<b>100.00</b>

## NIKKO AM SINGAPORE STI ETF

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

### REPORT TO UNITHOLDERS

For the financial period ended 31 December 2021 (Unaudited)

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The following contains additional information relating to the Fund.

#### 1. Distribution of investments

Please refer to the Statement of Portfolio on pages 8 to 11.

#### 2. Credit rating of debt securities

Nil.

#### 3. Top 10 holdings

##### 10 largest holdings at 31 December 2021

	Cost S\$	Fair value S\$	Percentage of total net assets attributable to unitholders %
DBS Group Holdings Limited	85,386,942	118,826,584	20.07
Oversea-Chinese Banking Corporation Limited	73,412,293	80,652,378	13.62
United Overseas Bank Limited	60,392,476	70,123,108	11.84
Singapore Telecommunications Limited	43,471,887	35,332,619	5.97
Jardine Matheson Holdings Limited	32,010,329	31,029,268	5.24
Ascendas Real Estate Investment Trust	19,848,290	20,321,234	3.43
CapitaLand Mall Trust Real Estate Investment Trust	19,606,782	19,695,661	3.33
CapitaLand Investment Limited	11,209,295	17,829,366	3.01
Wilmar International Limited	17,471,167	17,659,646	2.98
Hongkong Land Holdings Limited	17,068,506	16,419,474	2.77

**NIKKO AM SINGAPORE STI 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** (continued)

10 largest holdings at 31 December 2020

	<b>Cost S\$</b>	<b>Fair value S\$</b>	<b>Percentage of total net assets attributable to unitholders %</b>
DBS Group Holdings Limited	66,646,905	78,019,407	16.58
Oversea-Chinese Banking Corporation Limited	60,662,490	61,347,590	13.03
United Overseas Bank Limited	49,970,192	50,619,830	10.76
Singapore Telecommunications Limited	39,237,133	29,957,413	6.37
Jardine Matheson Holdings Limited	27,582,014	27,073,736	5.75
Wilmar International Limited	14,385,839	17,207,395	3.66
Ascendas Real Estate Investment Trust	16,159,696	16,943,845	3.60
CapitaLand Mall Trust Real Estate Investment Trust	15,440,733	16,413,646	3.49
CapitaLand Limited	14,189,063	14,733,606	3.13
Keppel Corporation Limited	15,932,089	13,421,534	2.85

**4. Exposure to financial derivatives**

Nil.

**5. Global exposure financial derivatives**

Nil.

**6. Collateral**

Nil.

**NIKKO AM SINGAPORE STI ETF***(Constituted under a Trust Deed registered in the Republic of Singapore)***REPORT TO UNITHOLDERS***For the financial period ended 31 December 2021 (Unaudited)***7. Securities lending or repurchase transactions**

## (a) Transferable securities lent

As at 31 December 2021

Absolute amounts of the repurchase transactions - Nil

Collateral provider	Security	Fair value of securities lent S\$	Percentage of total lendable assets %	Percentage of total net assets attributable to unitholders %
The Bank of Nova Scotia	Singapore Airlines Limited	748,543	0.12	0.13
Citigroup Global Markets (International)	Dairy Farm International Holdings Limited (Singapore)	584,277	0.10	0.10
		<b>1,332,820</b>	<b>0.22</b>	<b>0.23</b>

## (b) Collateral for securities lending transactions

As at 31 December 2021

Cash collateral	Nil
Collateral has been re-used or re-hypothecated	Nil
Proportion of cash versus non-cash collateral	Nil
Collateral type	Government bonds
Maturity tenor	Open tenor
Settlement/clearing	Bilateral

Collateral provider	Credit rating of the collateral provider by Moody's	Nature of the collateral	Marked-to market value of non-cash collateral S\$	Fair value of collateral S\$
Citigroup Global Markets (International)- United Kingdom	A1	Fixed income securities	613,851	613,851
The Bank of Nova Scotia - Canada	A1	Fixed income securities	786,420	786,420



**NIKKO AM SINGAPORE STI ETF***(Constituted under a Trust Deed registered in the Republic of Singapore)***REPORT TO UNITHOLDERS***For the financial period ended 31 December 2021 (Unaudited)***7. Securities lending or repurchase transactions (continued)**

(b) Collateral for securities lending transactions (continued)

Collateral provider - Citigroup Global Markets (International)

Government bond	Rating Agencies	Credit Rating of collateral	Currency	Fair value of collateral S\$	Percentage of total net assets attributable to unitholders %
JAPAN JPGV 0.600 03/20/23	Moody's	A1	JPY	352,051	0.06
JAPAN JPGV 0.800 09/20/23	Moody's	A1	JPY	118,417	0.02
FRANCE FRGV 0.500 05/25/25	Moody's	AA2	EUR	19,040	-
JAPAN JPGV 0.700 12/20/22	Moody's	A1	JPY	18,956	-
JAPAN JPGV 0.900 06/20/22	Moody's	A1	JPY	16,537	-
FRANCE FRGV 4.250 10/25/23	Moody's	AA2	EUR	11,813	-
UK TREASURY UKT 1T 09/07/37	Moody's	AA2	GBP	5,735	-
JAPAN JPGV 1.400 12/20/22	Moody's	A1	JPY	5,368	-
JAPAN JPGV 1.000 03/20/22	Moody's	A1	JPY	5,316	-
FINLAND FIGV 0.500 09/15/29	Moody's	AA1	EUR	4,826	-
UNITED KINGDOM UKT 0 5/8 07/31/35	Moody's	AA2	GBP	4,721	-
JAPAN JPGV 2.100 03/20/30	Moody's	A1	JPY	4,164	-
JAPAN JPGV 0.100 12/20/26	Moody's	A1	JPY	4,152	-
JAPAN JPGV 2.200 09/20/26	Moody's	A1	JPY	3,928	-
UK TREASURY UKT 4 1/2 09/07/34	Moody's	AA2	GBP	3,248	-
FRANCE FRGV 4.500 04/25/41	Moody's	AA2	EUR	3,065	-
UK TREASURY UKTI 018 03/22/26	Moody's	AA2	GBP	3,049	-
JAPAN JPGV 1.700 12/20/43	Moody's	A1	JPY	2,926	-
UK TREASURY UKTI 0 3/8 03/22/62	Moody's	AA2	GBP	2,642	-
JAPAN JPGV 1.800 12/20/23	Moody's	A1	JPY	2,440	-
JAPAN JPGV 2.000 09/20/25	Moody's	A1	JPY	1,910	-
UK TREASURY UKTI 0 1/2 03/22/50	Moody's	AA2	GBP	1,857	-
UK TREASURY UKT 4 1/4 12/07/55	Moody's	AA2	GBP	1,795	-
AUSTRIA ATGV 0.750 10/20/26	Moody's	AA1	EUR	1,619	-
AUSTRIA ATGV 0.500 02/20/29	Moody's	AA1	EUR	1,608	-
AUSTRIA ATGV 0.500 04/20/27	Moody's	AA1	EUR	1,606	-
UK TREASURY UKT 3 1/2 01/22/45	Moody's	AA2	GBP	1,582	-
FINLAND FIGV 09/15/26	Moody's	AA1	EUR	1,560	-
JAPAN JPGV 0.600 12/20/23	Moody's	A1	JPY	1,192	-
JAPAN JPGV 1.800 12/20/31	Moody's	A1	JPY	688	-
JAPAN JPGV 1.800 06/20/31	Moody's	A1	JPY	685	-
JAPAN JPGV 2.100 03/20/26	Moody's	A1	JPY	645	-
JAPAN JPGV 2.100 09/20/24	Moody's	A1	JPY	626	-
JAPAN JPGV 2.400 06/20/24	Moody's	A1	JPY	624	-
JAPAN JPGV 0.400 06/20/25	Moody's	A1	JPY	598	-
JAPAN JPGV 0.800 12/20/22	Moody's	A1	JPY	593	-
JAPAN JPGV 0.900 03/20/22	Moody's	A1	JPY	590	-
JAPAN JPGV 0.200 06/20/36	Moody's	A1	JPY	582	-

**NIKKO AM SINGAPORE STI ETF***(Constituted under a Trust Deed registered in the Republic of Singapore)***REPORT TO UNITHOLDERS***For the financial period ended 31 December 2021 (Unaudited)***7. Securities lending or repurchase transactions (continued)**

(b) Collateral for securities lending transactions (continued)

Collateral provider - Citigroup Global Markets (International) (continued)

<b>Government bond</b>	<b>Rating Agencies</b>	<b>Credit Rating of collateral</b>	<b>Currency</b>	<b>Fair value of collateral S\$</b>	<b>Percentage of total net assets attributable to unitholders %</b>
UK TREASURY UKTI 0 1/8 03/22/24	Moody's	AA2	GBP	518	-
FRANCE FRGV 2.100 07/25/23	Moody's	AA2	EUR	161	-
UK TREASURY UKT 1 1/2 07/22/47	Moody's	AA2	GBP	121	-
UK TREASURY UKTI 1 7/8 11/22/22	Moody's	AA2	GBP	81	-
FRANCE FRGV 3.250 05/25/45	Moody's	AA2	EUR	70	-
UK TREASURY UKTI 0 1/8 08/10/28	Moody's	AA2	GBP	62	-
UK TREASURY UKT 1 H 07/22/26	Moody's	AA2	GBP	28	-
FRANCE FRGV 6.000 10/25/25	Moody's	AA2	EUR	21	-
UK TREASURY UKTI 0 1/8 03/22/44	Moody's	AA2	GBP	15	-
UK TREASURY UKTI 0 1/8 03/22/29	Moody's	AA2	GBP	10	-
UK TREASURY UKT 4 1/4 12/07/40	Moody's	AA2	GBP	5	-
FRANCE FRGV 5.750 10/25/32	Moody's	AA2	EUR	2	-
FRANCE FRGV 3.000 04/25/22	Moody's	AA2	EUR	2	-
UK TREASURY UKTI 1 1/4 11/22/32	Moody's	AA2	GBP	1	-
				<b>613,851</b>	<b>0.08</b>

Collateral provider - The Bank of Nova Scotia

<b>Government bond</b>	<b>Rating Agencies</b>	<b>Credit Rating of collateral</b>	<b>Currency</b>	<b>Fair value of collateral S\$</b>	<b>Percentage of total net assets attributable to unitholders %</b>
UK TREASURY UKTI 018 11/22/65	Moody's	AA2	GBP	688,628	0.12
FRANCE FRGV 0.100 03/01/28	Moody's	AA2	EUR	25,725	-
JAPAN JPGV 2.200 09/20/39	Moody's	A1	JPY	21,861	-
FRANCE FRGV 1.100 07/25/22	Moody's	AA2	EUR	13,793	-
FRANCE FRGV 2.500 05/25/30	Moody's	AA2	EUR	11,772	-
UK TREASURY UKTI 0 1/8 03/22/29	Moody's	AA2	GBP	7,585	-
UK TREASURY UKTI 0 1/8 03/22/46	Moody's	AA2	GBP	7,171	-
AUSTRIA ATGV 02/20/30	Moody's	AA1	EUR	3,349	-
FRANCE FRGV 0.100 03/01/29	Moody's	AA2	EUR	2,454	-
UK TREASURY UKTI 018 03/22/26	Moody's	AA2	GBP	2,240	-
FRANCE FRGV 0.250 07/25/24	Moody's	AA2	EUR	969	-
JAPAN JPGV 2.500 09/20/36	Moody's	A1	JPY	425	-
AUSTRIA ATGV 02/20/31	Moody's	AA1	EUR	416	-
UK TREASURY UKTI 0 1/2 03/22/50	Moody's	AA2	GBP	32	-
				<b>786,420</b>	<b>0.12</b>

**NIKKO AM SINGAPORE STI ETF***(Constituted under a Trust Deed registered in the Republic of Singapore)***REPORT TO UNITHOLDERS***For the financial period ended 31 December 2021 (Unaudited)***7. Securities lending or repurchase transactions (continued)**

## (b) Collateral for securities lending transactions (continued)

Top 10 collateral securities at 31 December 2021

	Fair value S\$	Percentage of total net assets attributable to unitholders %
UK TREASURY UKTI 018 11/22/65	688,628	0.12
JAPAN JPGV 0.600 03/20/23	352,051	0.06
JAPAN JPGV 0.800 09/20/23	118,417	0.02
FRANCE FRGV 0.100 03/01/28	25,725	-
JAPAN JPGV 2.200 09/20/39	21,861	-
FRANCE FRGV 0.500 05/25/25	19,040	-
JAPAN JPGV 0.700 12/20/22	18,956	-
JAPAN JPGV 0.900 06/20/22	16,537	-
FRANCE FRGV 1.100 07/25/22	13,793	-
FRANCE FRGV 4.250 10/25/23	11,813	-

## (c) Custodians and the amount of assets held by each custodian

As at 31 December 2021

	Fair value S\$
Custodian of collateral securities HSBC Bank Plc	<u>1,400,271</u>
Custodian of securities lent HSBC Bank Plc	<u>1,332,820</u>

All securities lending transactions arranged and collateral held are under fully segregated model. HSBC Bank Plc as the securities lending agent arranges the loan transactions and collateral management.

## (d) Revenue earned

Security lending income of \$185 earned for period ended 31 December 2021.

## (e) Split between the return from securities lending and repurchase transactions and the return from cash collateral reinvestment

100% from securities lending.

## NIKKO AM SINGAPORE STI ETF

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

### REPORT TO UNITHOLDERS

For the financial period ended 31 December 2021 (Unaudited)

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

Please refer to the Statement of Portfolio on pages 8 to 11.

#### 9. Borrowings

Nil.

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

	S\$
Units created	82,975,211
Units cancelled	<u>(62,716,860)</u>

#### 11. Financial ratios

##### Expense ratio

	31 December 2021	31 December 2020
Total operating expenses	S\$ 1,706,311	1,062,392
Average daily net asset value	S\$ 567,997,048	359,354,718
<b>Total expense ratio<sup>1</sup></b>	<b>% 0.30</b>	0.30

##### Turnover ratio

	31 December 2021	31 December 2020
Lower of total value of purchases or sales	S\$ 61,729,340	24,190,144
Average daily net asset value	S\$ 589,839,400	400,642,299
<b>Total turnover ratio<sup>2</sup></b>	<b>% 10.47</b>	6.04

<sup>(1)</sup>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 31 December 2021 was based on total operating expenses divided by the average net asset value for the year. The total operating expenses do not include 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.

<sup>(2)</sup>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 SINGAPORE STI ETF

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

### REPORT TO UNITHOLDERS

For the financial period ended 31 December 2021 (Unaudited)

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#### 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 HSBC Institutional Trust Services (Singapore) Limited (the "Trustee").

Management fee is payable to the Manager. Administrator fee and trustee fee are payable to the Trustee. Custody fee is payable to a related company of the Trustee, The Hongkong and Shanghai Banking Corporation 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\$	30 June 2021 S\$
Bank balances held with a related party of the Trustee	<u>57,462</u>	<u>2,803,153</u>

#### 13. Additional information

##### Service Providers:

Fund Manager	: Nikko Asset Management Asia Limited appointed on 30 Oct 08;
Remuneration Basis	: 0.2% p.a. on NAV
Custodian	: The Hongkong and Shanghai Banking Corporation Limited
Trustee/Registrar	
Valuation Agent	: HSBC Institutional Trust Services (Singapore) Limited
Market Makers	: Flow Traders Asia Pte Ltd and Phillip Securities (S) Pte Ltd
Participating Dealers	: DBS Vickers Securities (S) Pte Ltd, Societe Generale Bank & Trust (Hong Kong), Flow Traders Asia Pte Ltd, BNP Paribas Securities Services, ABN Amro Clearing Bank N.V.(S), CGS- CIMB Securities (S) Pte Ltd and Phillip Securities Pte Ltd
Corporate Secretariat	: Boardroom Corporate & Advisory Services Pte Ltd
Auditor	: PricewaterhouseCoopers LLP appointed on 02 Sep 08
Audit Partner	: Lim Kheng Wah
Tax Agent	: Ernst & Young Solutions LLP
Solicitors to Managers	: Chan & Goh LLP
Solicitors to Trustee	: Clifford Chance Pte Ltd

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

Nil.

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**NIKKO AM SINGAPORE STI ETF**

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

**REPORT TO UNITHOLDERS**

*For the financial period ended 31 December 2021 (Unaudited)*

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**15. Soft Dollar Commissions/Arrangements**

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

12 Marina View, #18-02 Asia Square Tower 2, Singapore 018961  
Intermediaries Hotline: 1800 535 8025 / 65 6535 8025  
Website: [www.nikkoam.com.sg](http://www.nikkoam.com.sg)

Company registration number 198202562H