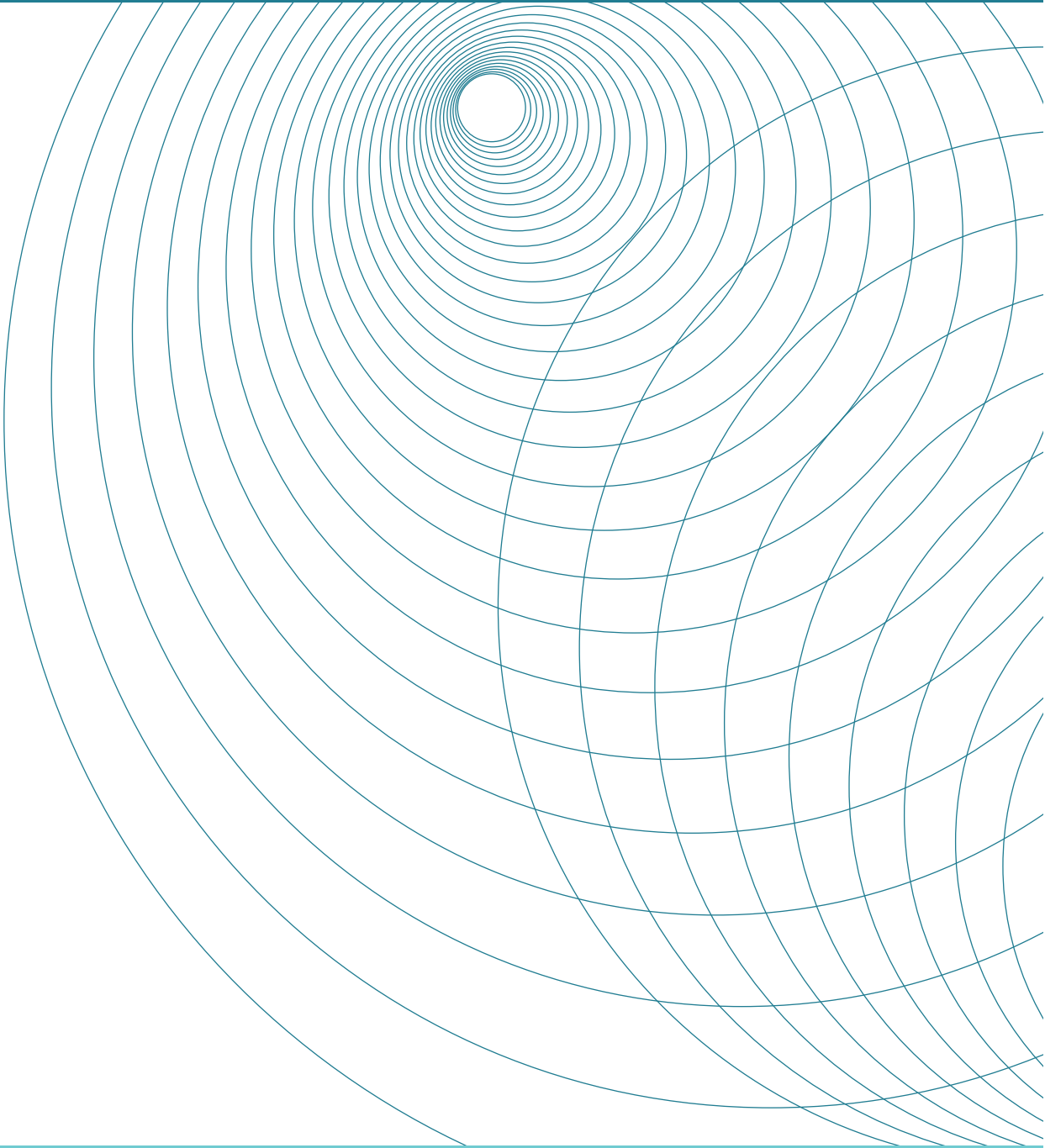

SEMI-ANNUAL REPORT

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

Financial period ending 31 December 2023



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

PERFORMANCE SUMMARY

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Short Term Bond Fund (S\$) - SGD Class ¹	1.66	2.51	4.50	1.23	1.94	1.91	2.17
Benchmark ²	1.01	2.03	4.12	2.14	1.84	1.41	1.32

Source: Nikko Asset Management Asia Limited, returns as at 31 December 2023. Returns are calculated on a NAV-NAV basis, SGD, and based on the assumption that all dividends and distributions are reinvested, if any. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Short Term Bond Fund (S\$) - SGD Class ¹	0.65	1.49	3.45	0.89	1.74	1.80	2.13
Benchmark ²	1.01	2.03	4.12	2.14	1.84	1.41	1.32

Source: Nikko Asset Management Asia Limited, returns as at 31 December 2023. Returns are calculated on a NAV-NAV basis, SGD, and based on the assumption that all dividends and distributions are reinvested, if any, and take into account of maximum initial sales charge and a realisation charge, currently nil, as and where applicable. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Inception date: 29 September 2000

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Short Term Bond Fund (S\$) - AUD Hedged Class ¹	1.67	2.49	4.15	0.69	1.49	2.26	2.77
Benchmark ²	1.01	2.03	4.12	2.14	1.84	1.41	1.22

Source: Nikko Asset Management Asia Limited, returns as at 31 December 2023. Returns are calculated on a NAV-NAV basis, AUD, and based on the assumption that all dividends and distributions are reinvested, if any. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Short Term Bond Fund (S\$) - AUD Hedged Class ¹	0.65	1.47	3.11	0.36	1.29	2.15	2.69
Benchmark ²	1.01	2.03	4.12	2.14	1.84	1.41	1.22

Source: Nikko Asset Management Asia Limited, returns as at 31 December 2023. Returns are calculated on a NAV-NAV basis, AUD, and based on the assumption that all dividends and distributions are reinvested, if any, and take into account of maximum initial sales charge and a realisation charge, currently nil, as and where applicable. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Inception date: 23 September 2011

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Short Term Bond Fund (S\$) - USD Hedged Class ¹	2.05	3.21	5.88	1.52	2.18	N/A	1.87
Benchmark ²	1.01	2.03	4.12	2.14	1.84	N/A	1.65

Source: Nikko Asset Management Asia Limited, returns as at 31 December 2023. Returns are calculated on a NAV-NAV basis, USD, and based on the assumption that all dividends and distributions are reinvested, if any. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Short Term Bond Fund (S\$) - USD Hedged Class ¹	1.03	2.17	4.82	1.18	1.97	N/A	1.73
Benchmark ²	1.01	2.03	4.12	2.14	1.84	N/A	1.65

Source: Nikko Asset Management Asia Limited, returns as at 31 December 2023. Returns are calculated on a NAV-NAV basis, USD, and based on the assumption that all dividends and distributions are reinvested, if any, and take into account of maximum initial sales charge and a realisation charge, currently nil, as and where applicable. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Inception date: 15 September 2016

Note:

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

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

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

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

Portfolio Review

The Fund outperforms the benchmark over the past six months

The Nikko AM Shenton Short Term Bond Fund (S\$) (the “Fund”) delivered a gain of 2.51% (in SGD terms, on a NAV-NAV basis) for the six months ending 31 December 2023, outperforming the benchmark which returned 2.03%. On top of returns from carry, the Fund also made gains from duration as yields rallied. Over the same period, the 2-year US Treasury (UST) yield fell 65 basis points (bps), and 1 to 3-year SORA swap rates eased between 64 and 90 bps.

Changes to Fund characteristics

As of 31 December 2023, the Fund’s weighted average duration* and weighted average yield-to-maturity** were at 1.12 years and 4.79%, respectively. The average credit rating of the Fund is at A-***. The Fund is diversified across 108 bonds, with 84 issuers from 16 countries, with an average weight of 1.08% per issuer. At the end of the year, the level of cash and cash equivalents was at 9.09%.

Market Review

A volatile six months for USTs

UST yields experienced significant volatility in the last six months of 2023. Yields initially surged, on fears that the US Federal Reserve (Fed) will keep borrowing rates elevated for a prolonged period. Higher UST funding needs and credit rating agency Fitch Ratings’ downgrade of the US government’s debt rating further sustained the upward pressure on yields. Meanwhile, Russia and Saudi Arabia announced they were extending voluntary oil supply cuts to the year-end, raising oil prices. This added to worries about inflation and economic policy, impacting demand for Treasury bonds. As data pointed to continued resiliency in the US economy, the 10-year point on the UST yield curve reached a 16-year high of 5.02%.

In November, the Fed held steady on rates for a second straight time, while various data points signalled an economic slowdown. These, together with the announcement of a smaller-than-expected UST refunding requirement, triggered a rally in risk assets and Treasury bonds. The subsequent shift in tone from Fed governors Christopher Waller and Michelle Bowman—officials who were among the most hawkish policymakers—fuelled another leg down in UST yields. The Fed held benchmark rates unchanged again in December and acknowledged that growth and inflation were slowing and suggested that the policy rate was at or close to its peak level. The dot plot also showed members expecting 75 bps worth of rate cuts over 2024, 100 bps over 2025, and an additional 75 bps over 2026. This dovish pivot, together with increased expectations of a US economic slowdown prompted UST yields to continue their sharp descent. Overall, the benchmark 10-year UST yield settled at 3.88% at the end of the period, up 4 bps compared to end-June 2023.

Asian credits rally in the second half of 2023

Asian credit spreads experienced some volatility in the first half of the review period, spurred largely by weakness in Chinese credits, especially in the high yield (HY) Chinese property sector. Concerns about the repayment abilities of a handful of Chinese property companies led to a meaningful widening in HY credit spreads. The Politburo’s acknowledgment of “new difficulties and challenges” for the economy in July and subsequent stimulus measures sparked a rally in risk assets including Asia credit, but credit spreads resumed its widening path after reports revealed that policy tools had been ineffective at rekindling Chinese growth. On top of this, news of missed payments on some of the country’s shadow banking-linked trust products further spooked markets. In response to the significantly weak data, the Chinese central bank lowered several policy rates, and the government announced measures aimed at reviving the economy and boosting investor confidence.

However, sentiment stayed weak as regulators stuck to a targeted approach. Towards end-August, policymakers announced bolder property easing measures. Markets cheered the nationwide measures, spurring a substantial rally in Chinese property credits. Positive sentiment persisted after the Chinese government announced that it would issue Chinese yuan 1 trillion additional sovereign debt, effectively lifting the 2023 fiscal deficit ratio well above the 3% set in March.

Global risk sentiment improved amid lower global rates, as markets priced in a more dovish path for the US central bank. The cooling of tensions between US and China, following the summit between US President Joe Biden and Chinese President Xi Jinping, further boosted market confidence. Reports suggesting that Chinese policymakers were preparing further measures to support the real estate industry led to a significant tightening of Asian credit spreads. Notable measures included news that officials have prepared a draft list of 50 property developers eligible for financing support and may allow banks to offer unsecured short-term loans to select property developers. Meanwhile, Beijing and Shanghai lowered downpayment ratios for select homes. Separately, the Central Economic Working Conference focused on a more forceful fiscal policy and flexible monetary policy. Ratings agency Moody's revision of the sovereign rating outlooks for both China and Hong Kong to negative was unexpected but had minimal impact on most Chinese credits. Overall, spreads of all major country segments tightened. Demand for India credits was buoyed in September by news that India government bonds will now be included in J.P. Morgan's Global Bond Index –Emerging Markets (GBI-EM) family of indices.

1H23 financial results indicate robust credit fundamentals for Asian corporates, driven by the ongoing normalisation post-COVID. Cross-border travel resumption has been a boon for retail, services and hospitality-related industries. In banking, high interest rates boosted profitability through increased net interest margins while non-performing loan formation remained muted. In commodities, resource companies have built strong balance sheets and liquidity following years of deleveraging amid high prices. Despite these positives, the strong showing in financial performance was not felt equally across sectors. Weak access to funding and declining domestic demand continue to weigh on Chinese property developers, while pockets of weakness in the technology, media and telecom (TMT) sector were evident as demand remained soft.

Market Outlook & Strategy

Favourable Asia macro backdrop and stable credit fundamentals offering decent buffer creates historical opportunity to lock in yields

The current macro and market backdrop may see little or minor change, with growth expectations for major economies remaining low and some inflation stickiness resurfacing as we head into 2024.

The fundamentals backdrop for Asian credit remains supportive. In China, the recent step-up in fiscal measures suggests that policymakers are aware of the challenging environment. This further supports expectations for Chinese policymakers to deliver additional measures to help broaden out the recovery and boost economic growth in 2024. Meanwhile, macro and corporate credit fundamentals across Asia ex-China are expected to stay resilient with fiscal buffers despite slower economic growth expectation in the first half of 2024. While non-financial corporates may experience a slight weakening in leverage and interest coverage ratios stemming from lower earnings growth and incrementally higher funding costs, we believe there is adequate ratings buffer for most, especially the investment grade (IG) corporates. Asian banking systems remain robust, with stable deposit base, robust capitalisation and strong pre-provision profitability providing buffers against moderately higher credit costs ahead.

Technically, Asia credit is expected to remain well supported with lower net new supply as issuers continue to access cheaper onshore funding. Meanwhile, demand remains strong for high quality bonds driven by strong onshore support and pension funds as well as life insurance companies looking to lock in attractive yields. Moreover, the consistent outperformance of Asia IG on a risk-adjusted basis should boost demand and make Asia credit attractive amid the region's favourable macro backdrop and sufficient fundamental buffer. Nevertheless, following the sharp rally in the past two months, these positive factors have been largely priced in, and the materialisation of some negative risk factors such as a weaker-than-expected global economy may exert some widening pressure on the valuation of Asia IG credit.

NOTE:

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

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

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

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

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(Where relevant – for funds included under CPFIS) The Central Provident Fund ("CPF") Ordinary Account ("OA") interest rate is the legislated minimum 2.5% per annum, or the 3-month average of major local banks' interest rates, whichever is higher, reviewed quarterly. The interest rate for Special Account ("SA") is currently 4% per annum or the 12-month average yield of 10-year Singapore Government Securities plus 1%, whichever is higher, reviewed quarterly. Only monies in excess of \$20,000 in OA and \$40,000 in SA can be invested under the CPF Investment Scheme ("CPFIS"). Please refer to the website of the CPF Board for further information. Investors should note that the applicable interest rates for the CPF accounts and the terms of CPFIS may be varied by the CPF Board from time to time.

For Hong Kong Investors

The Fund may only be offered to professional investors in Hong Kong and is not authorised by the Securities and Futures Commission. The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to this document. If you are in any doubt about any of the contents, you should obtain independent professional advice.

Nikko Asset Management Asia Limited. Registration Number 198202562H

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

STATEMENT OF TOTAL RETURN

For the financial period from 01 July 2023 to 31 December 2023 (unaudited)

	31 December 2023	31 December 2022
	S\$	S\$
Income		
Interest on cash and cash equivalents	512,615	352,112
Other Income	39	121
	512,654	352,233
Less: Expenses		
Management fee	605,562	710,947
Transfer agent fee	19,027	33,042
Trustee fee	31,309	36,544
Custody fee	25,570	24,725
Audit fee	13,207	10,973
Valuation fee	90,147	105,852
Transaction costs	42,332	42,530
Other expenses	46,096	41,863
	873,250	1,006,476
Net losses	(360,596)	(654,243)
Net gains or losses on value of investments and financial derivatives		
Net gains/(losses) on investments	6,128,642	(8,599,098)
Net foreign exchange losses	(41,249)	(2,571,800)
Net gains on financial derivatives	3,783,756	10,930,626
	9,871,149	(240,272)
Total return/(deficit) for the financial period before income tax	9,510,553	(894,515)
Less: Income tax	(95)	(701)
Total return/(deficit) for the financial period after income tax	9,510,458	(895,216)

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023 (unaudited)

	31 December 2023 S\$	30 June 2023 S\$
ASSETS		
Portfolio of investments	366,318,067	382,028,462
Sales awaiting settlement	-	1,348,897
Receivables	11,259,936	7,409,099
Cash and cash equivalents	31,022,124	29,227,723
Margin accounts	221,864	222,125
Financial derivatives at fair value	1,908,122	252,091
Total assets	410,730,113	420,488,397
LIABILITIES		
Payables	5,720,051	6,433,714
Purchases awaiting settlement	-	8,313,868
Financial derivatives at fair value	253,949	3,074,962
Total liabilities	5,974,000	17,822,544
EQUITY		
Net assets attributable to unitholders	404,756,113	402,665,853

NIKKO AM SHENTON SHORT TERM BOND FUND (S\$)*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS***For the financial period from 01 July 2023 to 31 December 2023 (unaudited)*

	31 December 2023 S\$	30 June 2023 S\$
Net assets attributable to unitholders at the beginning of the financial period/year	402,665,853	501,920,586
Operations		
Change in net assets attributable to unitholders resulting from operations	9,510,458	6,652,292
Unitholders' contributions/(withdrawals)		
Creation of units	283,416,307	574,795,479
Cancellation of units	(290,836,505)	(680,702,504)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(7,420,198)	(105,907,025)
Total increase/(decrease) in net assets attributable to unitholders	2,090,260	(99,254,733)
Net assets attributable to unitholders at the end of the financial period/year	404,756,113	402,665,853

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

STATEMENT OF PORTFOLIO
As at 31 December 2023 (unaudited)

By Geography (Primary)

	Holdings at 31 December 2023	Fair value at 31 December 2023 S\$	Percentage of total net assets attributable to unitholders at 31 December 2023 %
Quoted Fixed Income Securities			
AUSTRALIA			
AusNet Services Holdings PTY Limited 4.4% due 16/08/2027	4,580,000	4,036,557	1.00
AusNet Services Holdings PTY Limited 5.375% due 02/07/2024	2,370,000	2,128,460	0.53
Australia & New Zealand Banking Group Limited 6.3326% due 26/07/2029	6,500,000	5,878,905	1.45
Australia & New Zealand Banking Group Limited 2.95% due 22/07/2030	3,000,000	3,761,059	0.93
Australia & New Zealand Banking Group Limited 4.5% due 02/12/2032	1,250,000	1,263,125	0.31
GPT Wholesale Office Fund No1 2.525% due 12/01/2026	4,000,000	3,429,763	0.85
Macquarie Bank Limited 5.391% due 07/12/2026	3,000,000	4,013,612	0.99
NBN Company Limited 1% due 03/12/2025	5,000,000	4,199,247	1.04
Network Finance Company PTY Limited 3.5% due 06/12/2024	3,000,000	2,668,329	0.66
Optus Finance PTY Limited 1.6% due 01/07/2025	4,840,000	4,171,448	1.03
Santos Finance Limited 4.125% due 14/09/2027	1,000,000	1,256,128	0.31
Westpac Banking Corporation 2.894% due 04/02/2030	3,000,000	3,813,416	0.94
Total AUSTRALIA		40,620,049	10.04
BRITAIN			
HSBC Holdings Public Listed Company 5.25% due 27/06/2032	2,250,000	2,343,212	0.58
HSBC Holdings Public Listed Company 4.5% due 07/06/2029	1,750,000	1,786,459	0.44
HSBC Holdings Public Listed Company 5.3% due 14/03/2033	2,000,000	2,088,680	0.52
Standard Chartered Public Listed Company 1.822% due 23/11/2025	4,000,000	5,083,528	1.26
Standard Chartered Public Listed Company 7.776% due 16/11/2025	1,900,000	2,555,638	0.63
Total BRITAIN		13,857,517	3.43
BRITISH VIRGIN ISLANDS			
Beijing Gas Singapore Capital Corporation 1.875% due 18/01/2025	4,500,000	5,729,347	1.42
CICC Hong Kong Finance 2016 MTN Limited 1.625% due 26/01/2024	2,500,000	3,286,850	0.81
Guangzhou Metro Investment Finance BVI Limited 1.507% due 17/09/2025	2,000,000	2,473,918	0.61
Huarong Finance 2019 Company Limited 3.75% due 29/05/2024	1,000,000	1,301,562	0.32
King Power Capital Limited 5.625% due 03/11/2024	2,000,000	2,641,141	0.65
Sinochem Offshore Capital Company Limited 1% due 23/09/2024	1,500,000	1,915,224	0.47
Universe Trek Limited 0% due 15/06/2026	4,000,000	5,355,604	1.32
Vigorous Champion International Limited 2.75% due 02/06/2025	2,200,000	2,776,202	0.69
Total BRITISH VIRGIN ISLANDS		25,479,848	6.29

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

STATEMENT OF PORTFOLIO
As at 31 December 2023 (unaudited)

By Geography (Primary) (continued)

	Holdings at 31 December 2023	Fair value at 31 December 2023 S\$	Percentage of total net assets attributable to unitholders at 31 December 2023 %
Quoted Fixed Income Securities (continued)			
CANADA			
Harvest Operations Corporation 1% due 26/04/2024	5,200,000	6,761,401	1.67
Manulife Financial Corporation 3% due 21/11/2029	9,250,000	9,070,922	2.24
Total CANADA		15,832,323	3.91
CAYMAN ISLANDS			
ABQ Finance Limited 3.125% due 24/09/2024	1,000,000	1,296,228	0.32
Baidu Incorporation 4.125% due 30/06/2025	2,000,000	2,594,590	0.64
Baidu Incorporation 4.375% due 14/05/2024	1,000,000	1,313,302	0.32
Hongkong Land Finance Cayman Islands Company Limited 4.5% due 07/10/2025	3,000,000	3,913,582	0.97
Meituan 0% due 27/04/2027	3,000,000	3,620,947	0.89
Mizuho Financial Group Cayman 3 Limited 4.6% due 27/03/2024	2,000,000	2,628,615	0.65
PCGI Intermediate Limited 4.75% due 28/10/2024	2,435,000	3,067,482	0.76
QIB Sukuk Limited 6.99178% due 07/02/2025	4,000,000	5,328,365	1.32
Weibo Corporation 3.5% due 05/07/2024	5,000,000	6,517,836	1.61
Total CAYMAN ISLANDS		30,280,947	7.48
CHINA			
Bank of China Limited 5% due 13/11/2024	5,000,000	6,566,116	1.62
Sunshine Life Insurance Corporation Limited 4.5% due 20/04/2026	1,000,000	1,190,757	0.29
ZhongAn Online P&C Insurance Company Limited 3.125% due 16/07/2025	1,200,000	1,460,993	0.36
Total CHINA		9,217,866	2.27
FRANCE			
BNP Paribas SA 4.35% due 22/01/2029	4,500,000	4,493,194	1.11
Total FRANCE		4,493,194	1.11
HONG KONG SAR			
Beijing State-Owned Assets Management Hong Kong Company Limited 4.125% due 26/05/2025	3,000,000	3,885,827	0.96
Bank of East Asia Limited 4% due 29/05/2030	2,000,000	2,483,218	0.61
CNAC HK Finbridge Company Limited 2% due 22/09/2025	4,100,000	5,110,742	1.26
CNAC HK Finbridge Company Limited 3.375% due 19/06/2024	2,000,000	2,612,780	0.65
Dah Sing Bank Limited 7.375% due 15/11/2033	2,000,000	2,752,178	0.68
Far East Horizon Limited 2.625% due 03/03/2024	3,500,000	4,571,742	1.13
Far East Horizon Limited 3.375% due 18/02/2025	2,000,000	2,515,892	0.62
Far East Horizon Limited 4.25% due 26/10/2026	525,000	628,641	0.16
Shanghai Commercial Bank Limited 5% due 17/01/2029	4,200,000	5,537,283	1.37
Shanghai Commercial Bank Limited 6.375% due 28/02/2033	2,000,000	2,674,660	0.66
Total HONG KONG SAR		32,772,963	8.10

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

STATEMENT OF PORTFOLIO
As at 31 December 2023 (unaudited)

By Geography (Primary) (continued)

	Holdings at 31 December 2023	Fair value at 31 December 2023 S\$	Percentage of total net assets attributable to unitholders at 31 December 2023 %
Quoted Fixed Income Securities (continued)			
INDIA			
Indian Railway Finance Corporation Limited 3.73% due 29/03/2024	2,000,000	2,625,101	0.65
REC Limited 3.5% due 12/12/2024	2,000,000	2,587,480	0.64
Reliance Industries Limited 4.125% due 28/01/2025	2,000,000	2,606,831	0.64
State Bank of India 4.375% due 24/01/2024	3,000,000	3,952,234	0.98
Total INDIA		11,771,646	2.91
INDONESIA			
PT Tower Bersama Infrastructure TBK 2.75% due 20/01/2026	1,000,000	1,243,258	0.31
Total INDONESIA		1,243,258	0.31
ISLE OF MAN			
GOHL Capital Limited 4.25% due 24/01/2027	3,000,000	3,802,736	0.94
Total ISLE OF MAN		3,802,736	0.94
JAPAN			
Mitsubishi UFJ Financial Group Incorporation 5.063% due 12/09/2025	3,650,000	4,798,034	1.19
Mitsubishi UFJ Financial Group Incorporation 5.719% due 20/02/2026	1,890,000	2,504,711	0.62
Nomura Holdings Incorporation 5.099% due 03/07/2025	2,330,000	3,054,897	0.75
NTT Finance Corporation 4.142% due 26/07/2024	4,250,000	5,570,784	1.38
NTT Finance Corporation 4.239% due 25/07/2025	2,000,000	2,611,055	0.65
Sumitomo Mitsui Finance & Leasing Company Limited 5.353% due 25/04/2028	900,000	1,201,299	0.30
Total JAPAN		19,740,780	4.89
MALAYSIA			
Axiata SPV2 Berhad 4.357% due 24/03/2026	2,000,000	2,599,906	0.64
Cagamas Global Public Listed Company 4% due 29/11/2024	1,000,000	998,930	0.25
CIMB Bank Berhad 6.44835% due 09/10/2024	3,000,000	3,966,263	0.98
Malayan Banking Berhad 6.45182% due 16/08/2024	2,000,000	2,645,705	0.65
MISC Capital Two Labuan Limited 3.625% due 06/04/2025	2,000,000	2,580,634	0.64
RHB Bank Berhad 3.766% due 19/02/2024	7,950,000	10,460,101	2.58
Total MALAYSIA		23,251,539	5.74
PHILIPPINES			
Philippine National Bank 3.28% due 27/09/2024	3,000,000	3,881,264	0.96
Total PHILIPPINES		3,881,264	0.96
SINGAPORE			
Ascott REIT MTN Private Limited 4.2% due 06/09/2028	2,250,000	2,274,370	0.56
BOC Aviation Limited 3.25% due 29/04/2025	1,500,000	1,926,819	0.48
BOC Aviation Limited 4.5% due 23/05/2028	1,040,000	1,343,926	0.33
CapitaLand Ascendas REIT 3.14% due 02/03/2025	1,750,000	1,735,356	0.43
CCT MTN Private Limited 3.17% due 05/03/2024	3,500,000	3,495,428	0.86

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

STATEMENT OF PORTFOLIO
As at 31 December 2023 (unaudited)

By Geography (Primary) (continued)

	Holdings at 31 December 2023	Fair value at 31 December 2023 S\$	Percentage of total net assets attributable to unitholders at 31 December 2023 %
Quoted Fixed Income Securities (continued)			
SINGAPORE (continued)			
CDL Properties Limited 2.958% due 09/05/2024	500,000	497,456	0.12
CMT MTN Private Limited 2.1% due 08/03/2028	250,000	236,133	0.06
CMT MTN Private Limited 3.2% due 21/08/2025	1,750,000	1,735,012	0.43
CMT MTN Private Limited 3.48% due 06/08/2024	3,750,000	3,740,893	0.92
DBS Group Holdings Limited 1.822% due 10/03/2031	7,000,000	8,565,129	2.12
Indorama Ventures Investments & Holdings Private Limited 3.73% due 07/10/2025	2,000,000	1,995,565	0.49
Keppel Infrastructure Trust 3% due 01/12/2026	1,500,000	1,456,783	0.36
Mapletree Treasury Services Limited 2.85% due 29/08/2025	1,000,000	984,816	0.24
Mapletree Treasury Services Limited 3.4% due 03/09/2026	4,500,000	4,459,088	1.10
Oversea-Chinese Banking Corporation Limited 4.602% due 15/06/2032	2,000,000	2,607,398	0.64
Oversea-Chinese Banking Corporation Limited 4.25% due 19/06/2024	9,500,000	12,457,264	3.08
RCS Trust 3.2% due 14/03/2025	4,250,000	4,217,637	1.04
Singapore Life Holdings Private Limited 3.375% due 24/02/2031	3,000,000	2,910,654	0.72
Starhub Limited 3.55% due 08/06/2026	2,250,000	2,240,943	0.55
Surbana Jurong Private Limited 4.11% due 03/10/2025	3,500,000	3,513,266	0.87
United Overseas Bank Limited 3.5% due 27/02/2029	1,750,000	1,747,919	0.43
United Overseas Bank Limited 3.75% due 15/04/2029	2,182,000	2,864,253	0.71
United Overseas Bank Limited 2% due 14/10/2031	7,000,000	8,418,311	2.08
Total SINGAPORE		75,424,419	18.62
SOUTH KOREA			
Busan Bank Company Limited 3.625% due 25/07/2026	5,409,000	6,709,120	1.66
GS Caltex Corporation 1.625% due 27/07/2025	1,000,000	1,248,218	0.31
GS Caltex Corporation 4.5% due 05/01/2026	2,500,000	3,254,202	0.80
Hyundai Capital Services Incorporation 2.125% due 24/04/2025	3,500,000	4,414,353	1.09
Hyundai Capital Services Incorporation 4.25% due 12/07/2025	2,000,000	2,000,844	0.50
Hana Bank 6.39078% due 13/06/2024	1,330,000	1,757,508	0.43
KIA Corporation 1% due 16/04/2024	1,000,000	1,301,345	0.32
Korea Expressway Corporation 3.625% due 18/05/2025	3,450,000	4,471,822	1.10
Korea Gas Corporation 3.875% due 12/02/2024	4,000,000	5,270,278	1.30
LOTTE Property & Development Company Limited 4.5% due 01/08/2025	4,306,000	5,613,075	1.39
SK Hynix Incorporation 1% due 19/01/2024	2,000,000	2,631,380	0.65
Woori Bank 6.39854% due 21/05/2024	1,500,000	1,980,213	0.49
Total SOUTH KOREA		40,652,358	10.04
SWITZERLAND			
UBS AG 5.57% due 24/11/2026	2,060,000	1,885,551	0.47
Total SWITZERLAND		1,885,551	0.47

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

STATEMENT OF PORTFOLIO
As at 31 December 2023 (unaudited)

By Geography (Primary) (continued)

	Holdings at 31 December 2023	Fair value at 31 December 2023 S\$	Percentage of total net assets attributable to unitholders at 31 December 2023 %
Quoted Fixed Income Securities (continued)			
UNITED STATES OF AMERICA			
BOC Aviation USA Corporation 1.625% due 29/04/2024	1,800,000	2,345,186	0.58
JP Morgan Chase & Company 3.845% due 14/06/2025	3,500,000	4,581,575	1.13
Verizon Communications Incorporation 4.05% due 17/02/2025	2,000,000	1,787,595	0.44
Total UNITED STATES OF AMERICA		8,714,356	2.15
Accrued interest receivable on quoted fixed income securities		3,395,453	0.84
Total Quoted Fixed Income Securities		366,318,067	90.50
Portfolio of investments		366,318,067	90.50
Other net assets		38,438,046	9.50
Net assets attributable to unitholders		404,756,113	100.00

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

STATEMENT OF PORTFOLIO
As at 31 December 2023 (unaudited)

By Geography (Summary)

	Percentage of total net assets attributable to unitholders at 31 December 2023 %	Percentage of total net assets attributable to unitholders at 30 June 2023 %
Quoted Fixed Income Securities		
Australia	10.04	2.51
Britain	3.43	3.86
British Virgin Islands	6.29	8.23
Canada	3.91	3.90
Cayman Islands	7.48	9.46
China	2.27	0.66
France	1.11	1.11
Hong Kong SAR	8.10	8.60
India	2.91	3.64
Indonesia	0.31	2.94
Isle of Man	0.94	0.94
Japan	4.89	5.39
Malaysia	5.74	7.35
Philippines	0.96	0.98
Singapore	18.62	20.00
South Korea	10.04	12.03
Switzerland	0.47	-
Thailand	-	0.67
United States of America	2.15	1.73
Accrued interest receivables on quoted fixed income securities	0.84	0.87
Total Quoted Fixed Income Securities	90.50	94.87
Portfolio of investments	90.50	94.87
Other net assets	9.50	5.13
Net assets attributable to unitholders	100.00	100.00

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

STATEMENT OF PORTFOLIO
As at 31 December 2023 (unaudited)

By Industry (Secondary)

	Fair value at 31 December 2023 S\$	Percentage of total net assets attributable to unitholders at 31 December 2023 %	Percentage of total net assets attributable to unitholders at 30 June 2023 %
Auto Manufacturers	7,716,542	1.91	1.42
Banks	152,130,044	37.59	34.01
Chemicals	9,719,087	2.40	2.41
Commercial Services	4,471,822	1.09	1.12
Diversified Financial Services	29,817,266	7.37	9.01
Electric	10,290,129	2.54	2.16
Engineering and Construction	3,513,266	0.87	1.11
Gas	10,999,625	2.72	1.96
Insurance	20,477,010	5.06	5.06
Internet	14,046,675	3.47	7.29
Investment Companies	5,187,389	1.28	2.99
Iron/Steel	-	-	1.01
Leisure Time	2,641,141	0.65	0.67
Lodging	3,802,736	0.94	0.94
Mining	-	-	1.23
Oil and Gas	15,126,780	3.74	3.46
Real Estate	38,247,833	9.45	9.30
Semiconductors	2,631,380	0.65	-
Sovereign	-	-	0.67
Telecommunications	24,424,236	6.03	4.76
Transportation	7,679,653	1.90	3.42
Accrued interest receivables on quoted fixed income securities	3,395,453	0.84	0.87
Portfolio of investments	366,318,067	90.50	94.87
Other net assets	38,438,046	9.50	5.13
Net assets attributable to unitholders	404,756,113	100.00	100.00

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

REPORT TO UNITHOLDERS

For the financial period from 01 July 2023 to 31 December 2023 (unaudited)

The following contains additional information relating to the Fund.

1. Distribution of investments

Please refer to the Statement of Portfolio on pages 11 to 17.

2. Credit rating of debt securities

	Fair value at 31 December 2023 S\$	Percentage of total net assets attributable to unitholders at 31 December 2023 %
Aa2	16,503,501	4.08
Aa3	11,697,873	2.89
A1	26,059,984	6.44
A2	41,870,084	10.34
A3	58,606,859	14.48
Baa1	44,667,028	11.03
Baa2	54,142,445	13.38
Baa3	19,577,680	4.84
Ba1 *-	1,301,562	0.32
Not rated ^	88,495,598	21.86
Accrued interest receivables on quoted fixed income securities	3,395,453	0.84
Total	366,318,067	90.50

^ Not rated securities are supported by internal and other rating agencies credit ratings but are not disclosed due to licencing restrictions.

3. Top 10 holdings

10 Largest holdings at 31 December 2023

	Fair value S\$	Percentage of total net assets attributable to unitholders %
Oversea-Chinese Banking Corporation Limited 4.25% due 19/06/2024	12,457,264	3.08
RHB Bank Berhad 3.766% due 19/02/2024	10,460,101	2.58
Manulife Financial Corporation 3% due 21/11/2029	9,070,922	2.24
DBS Group Holdings Limited 1.822% due 10/03/2031	8,565,129	2.12
United Overseas Bank Limited 2% due 14/10/2031	8,418,311	2.08
Harvest Operations Corporation 1% due 26/04/2024	6,761,401	1.67
Busan Bank Company Limited 3.625% due 25/07/2026	6,709,120	1.66
Bank of China Limited 5% due 13/11/2024	6,566,116	1.62
Weibo Corporation 3.5% due 05/07/2024	6,517,836	1.61
Australia & New Zealand Banking Group Limited 6.3326% due 26/07/2029	5,878,905	1.45

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

REPORT TO UNITHOLDERS

For the financial period from 01 July 2023 to 31 December 2023 (unaudited)

3. Top 10 holdings (continued)

10 Largest holdings at 31 December 2022	Fair value S\$	Percentage of total net assets attributable to unitholders %
DBS Group Holdings Limited 4.52% due 11/12/2028	13,044,900	3.46
Oversea-Chinese Banking Corporation Limited 4.25% due 19/06/2024	12,594,001	3.34
Hana Bank 4.625% due 24/10/2023	10,630,728	2.82
RHB Bank Berhad 3.766% due 19/02/2024	10,467,869	2.78
National Australia Bank Limited 4.15% due 19/05/2028	9,454,778	2.51
Manulife Financial Corporation 3% due 21/11/2029	8,870,526	2.35
Baidu Incorporation 3.875% due 29/09/2023	8,602,791	2.28
SK Broadband Company Limited 3.875% due 13/08/2023	7,319,782	1.94
Sinopec Capital 2013 Limited 3.125% due 24/04/2023	6,667,123	1.77
Harvest Operations Corporation 1% due 26/04/2024	6,594,824	1.75

4. Exposure to financial derivatives

	Fair value at 31 December 2023 S\$	Percentage of total net assets attributable to unitholders at 31 December 2023 %	Unrealised gains/(losses) S\$	Realised gains/(losses) S\$
Forward foreign exchange contracts	1,654,173	0.41	1,654,173	2,129,583

5. Global exposure to financial derivatives

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

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

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

REPORT TO UNITHOLDERS

For the financial period from 01 July 2023 to 31 December 2023 (unaudited)

6. Collateral

	31 December 2023	30 June 2023
	S\$	S\$
Margin accounts	221,864	222,125

Margin account represents margin deposits held in respect of open exchange-traded futures contracts held with BNP Paribas, acting through its Singapore Branch. As of 31 December 2023 and 30 June 2023, there was no open exchange-traded futures.

7. Securities lending or repurchase transactions

Nil.

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

Nil.

9. Borrowings

Nil.

10. Amount of units created and cancelled for the financial period ended 31 December 2023

	S\$
Units created	283,416,307
Units cancelled	(290,836,505)

11. Turnover ratio

		31 December	31 December
		2023	2022
Lower of total value of purchases or sales	S\$	44,074,688	102,634,268
Average daily net asset value	S\$	397,232,243	466,685,324
Total turnover ratio¹	%	11.10	21.99

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

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

REPORT TO UNITHOLDERS

For the financial period from 01 July 2023 to 31 December 2023 (unaudited)

12. Expense ratio

		31 December 2023	31 December 2022
<u>SGD Class</u>			
Total operating expenses	S\$	1,526,732	1,610,813
Average daily net asset value	S\$	367,295,064	398,015,914
Total expense ratio²	%	0.42	0.40
		31 December 2023	31 December 2022
<u>AUD Hedged Class</u>			
Total operating expenses	S\$	30,472	33,318
Average daily net asset value	S\$	4,821,581	5,385,583
Total expense ratio²	%	0.63	0.62
		31 December 2023	31 December 2022
<u>USD Hedged Class</u>			
Total operating expenses	S\$	90,573	232,751
Average daily net asset value	S\$	21,566,529	57,495,967
Total expense ratio²	%	0.42	0.40

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

13. Related party transactions

The Manager of the Fund is Nikko Asset Management Asia Limited, a subsidiary of Nikko Asset Management International Limited. The Trustee of the Fund is BNP Paribas Trust Services Singapore Limited (the "Trustee").

Management fee is payable to the Manager. Trustee fee is payable to the Trustee. Custody fee, transfer agent fee and valuation fee are payable to a related company of the Trustee, BNP Paribas, acting through its Singapore Branch.

In addition to related party information shown elsewhere in the financial statements (including the Statement of Portfolio), the following significant transactions took place during the financial period between the Fund and a related party at terms agreed between the parties and within the provisions of the Deeds:

	31 December 2023 S\$	30 June 2023 S\$
Bank balances held with related party of the Trustee	31,022,124	29,227,723
Margin balances held with related party of the Trustee	221,864	222,125

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

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

REPORT TO UNITHOLDERS

For the financial period from 01 July 2023 to 31 December 2023 (unaudited)

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

Nil.

15. Soft dollar commissions/arrangements

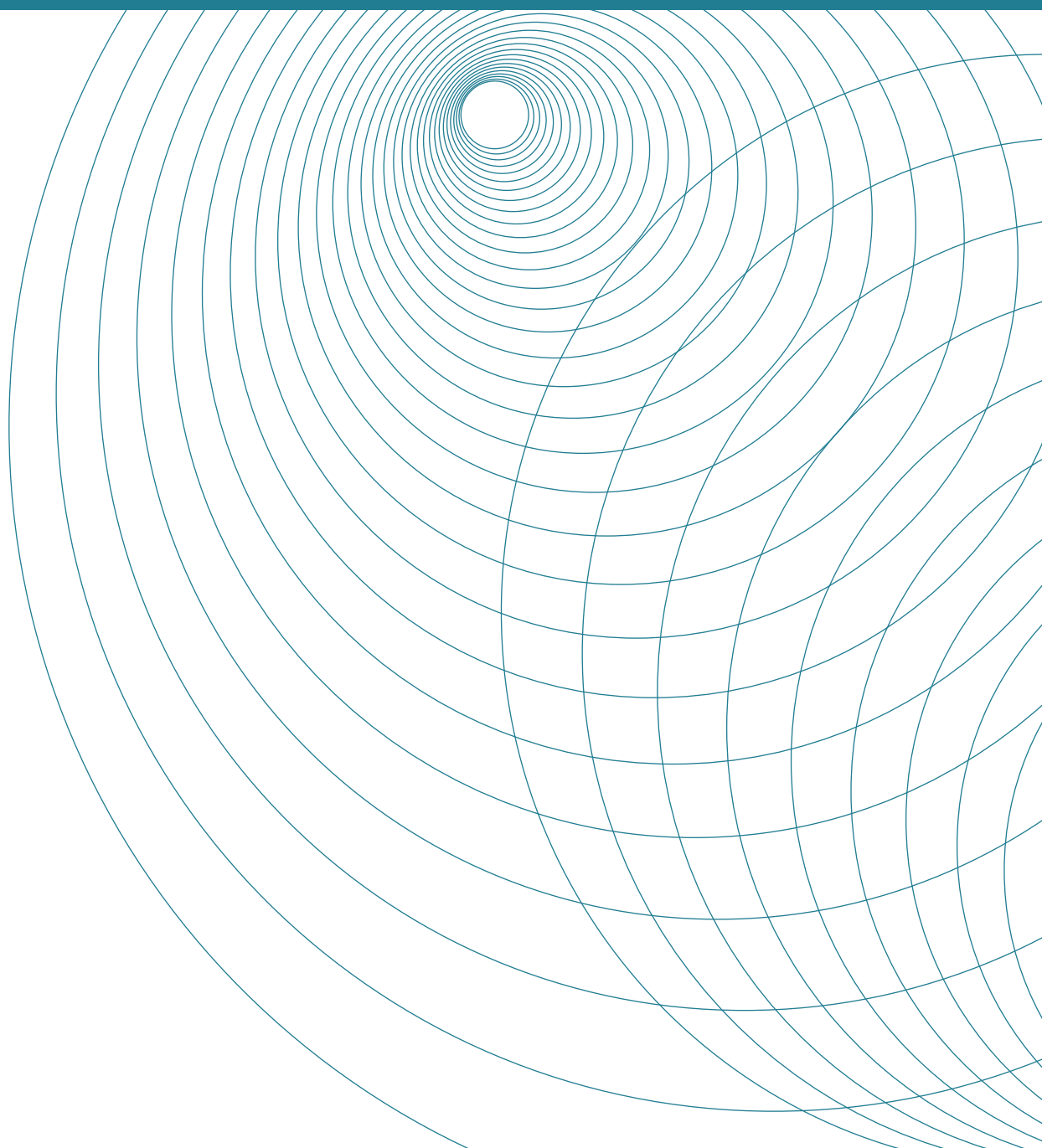
In their management of the Fund, the Managers currently do not receive or enter into any soft dollar commissions or arrangements.

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ANNUAL REPORT

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

Financial year ended 30 June 2023



MANAGERS

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

DIRECTORS OF MANAGERS

Kiyotaka Ryu (resigned with effect from 22 September 2023)
Seet Oon Hui Eleanor

TRUSTEE & REGISTRAR

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

AUDITORS

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

CUSTODIAN

BNP Paribas, acting through its Singapore Branch
20 Collyer Quay, #01-01
Singapore 049319

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

PERFORMANCE SUMMARY

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Short Term Bond Fund (S\$) - SGD Class ¹	0.75	1.94	2.28	1.08	1.69	1.82	2.11
Benchmark ²	1.01	2.05	3.60	1.54	1.59	1.22	1.26

Source: Nikko Asset Management Asia Limited, returns as at 30 June 2023. Returns are calculated on a NAV-NAV basis, SGD, and based on the assumption that all dividends and distributions are reinvested, if any. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Short Term Bond Fund (S\$) - SGD Class ¹	-0.26	0.92	1.26	0.74	1.48	1.71	2.07
Benchmark ²	1.01	2.05	3.60	1.54	1.59	1.22	1.26

Source: Nikko Asset Management Asia Limited, returns as at 30 June 2023. Returns are calculated on a NAV-NAV basis, SGD, and based on the assumption that all dividends and distributions are reinvested, if any, and take into account of maximum initial sales charge and a realisation charge, currently nil, as and where applicable. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Inception date: 29 September 2000

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Short Term Bond Fund (S\$) - AUD Hedged Class ¹	0.66	1.62	1.59	0.50	1.26	2.23	2.68
Benchmark ²	1.01	2.05	3.60	1.54	1.59	1.22	1.09

Source: Nikko Asset Management Asia Limited, returns as at 30 June 2023. Returns are calculated on a NAV-NAV basis, AUD, and based on the assumption that all dividends and distributions are reinvested, if any. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Short Term Bond Fund (S\$) - AUD Hedged Class ¹	-0.34	0.60	0.57	0.16	1.06	2.13	2.59
Benchmark ²	1.01	2.05	3.60	1.54	1.59	1.22	1.09

Source: Nikko Asset Management Asia Limited, returns as at 30 June 2023. Returns are calculated on a NAV-NAV basis, AUD, and based on the assumption that all dividends and distributions are reinvested, if any, and take into account of maximum initial sales charge and a realisation charge, currently nil, as and where applicable. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Inception date: 23 September 2011

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Short Term Bond Fund (S\$) - USD Hedged Class ¹	1.12	2.59	2.60	1.14	1.82	N/A	1.54
Benchmark ²	1.01	2.05	3.60	1.54	1.59	N/A	1.47

Source: Nikko Asset Management Asia Limited, returns as at 30 June 2023. Returns are calculated on a NAV-NAV basis, USD, and based on the assumption that all dividends and distributions are reinvested, if any. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Short Term Bond Fund (S\$) - USD Hedged Class ¹	0.10	1.56	1.57	0.80	1.61	N/A	1.39
Benchmark ²	1.01	2.05	3.60	1.54	1.59	N/A	1.47

Source: Nikko Asset Management Asia Limited, returns as at 30 June 2023. Returns are calculated on a NAV-NAV basis, USD, and based on the assumption that all dividends and distributions are reinvested, if any, and take into account of maximum initial sales charge and a realisation charge, currently nil, as and where applicable. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Inception date: 15 September 2016

Note:

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

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

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

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

Portfolio Review

The Fund underperformed the benchmark over the past 12 months

The Nikko AM Shenton Short Term Bond Fund (S\$) (the “Fund”) delivered a gain of 2.28% (in SGD terms, on a NAV-NAV basis) for the 12 months ending 30 June 2023, underperforming the benchmark which returned 3.60%. 2-year US Treasury (UST) yields rose by 194 basis points (bps), while one- to three-year SGD swap rates were higher by about 97 to 162 bps over the same period. The bulk of the Fund’s underperformance was derived mainly from duration and currency effects. This was partly offset by positive contributions from income, carry and spread effects.

Changes to Fund characteristics

As of 30 June 2023, the Fund’s weighted average duration* and weighted average yield-to-maturity** were at 1.06 years and 5.48% (hedged in SGD terms), respectively. The average credit rating of the Fund is at A-***. The Fund is diversified across 107 bonds, with 81 issuers from 16 countries, with an average weight of 1.17% per issuer. During the month, the level of cash and cash equivalents was at 5.34%.

Market Review

UST yields climbed across the curve over the year in review

The UST yield curve shifted meaningfully higher in the year. Yields climbed across the curve as persistent signs of economic strength and still elevated inflation fueled expectation that the US Federal Reserve (Fed) could maintain its restrictive monetary policy for longer than initially anticipated. Overall, the Fed hiked its policy rate by 350 bps in the year.

The period opened to hawkish surprises in both Federal Open Market Committee (FOMC) and European Central Bank (ECB) minutes for June. Soon after, Fed Chairman Jerome Powell pledged to “use our tools forcefully” to tame inflation. Further, Chairman Powell’s acknowledgment that some economic pain may be necessary to curb inflation rattled markets. Subsequently, upward pressure on yields was supported by consumer price index (CPI) prints in major countries that surpassed market consensus. Towards end-2022, monetary policy expectations quickly shifted lower after US headline and core CPI prints both moderated by more than forecast. Hopes that inflationary pressures are finally ebbing prompted a significant rally in Treasury bonds as well as risk assets. However, the rally was short-lived as the Bank of Japan’s (BOJ) surprise tweak to its yield curve control (YCC) fuelled a sell-off in Japanese Government Bonds as well as major global rates including USTs. Thereafter, the upward pressure on yields was supported as markets digested the prospects for growth and inflation amid China’s rollback of COVID-19 isolation measures.

The collapse of Silicon Valley Bank (SVB) prompted an abrupt drop in UST yields in early March 2023. Subsequently, developments on US debt ceiling negotiations were at the forefront of investor attention. As negotiations moved closer to an agreement, UST yields rose. Towards end-July 2023, three major central banks made important moves. The Fed raised interest rates by 25 bps, with Chairman Powell declaring that the FOMC will take a data-dependent approach on future hikes. The ECB raised its key interest rate in equal measure but signalled it may soon pause, whereas the BOJ decided to adjust its YCC policy to 100 bps (from 50 bps). Notably, the BOJ move was broadly unexpected and prompted global yields to move higher. At the end of the period, the benchmark 10-year UST yield settled at 3.84%, 82 bps higher compared to end-June 2022.

Asian credits registered gains over the year in review

For the 12-month period, Asian credits returned +2.58% in total return, as credit spreads tightened about 35 bps. Asian high-grade gained 1.88%, with credit spreads tightening by about 34 bps.

Asian credits experienced a challenging start to the year as investors re-priced more rate hikes by the Fed on the back of surging inflation and continued strength in the US labour market. The significant moderation in China's 2Q22 GDP growth, together with fears of the country's reversion to prohibitive measures as new COVID-19 cases crept higher, further weighed on sentiment. Risk tone softened further heading into end-September. Further monetary policy tightening by major central banks, rising global bond yields and escalation in the Russia-Ukraine war prompted credit spreads to widen significantly. Asian credits extended losses following extreme volatility in the UK gilt market, and continued signs of financial struggles of Chinese property developers.

Towards end-2022, several positive headlines triggered a reversal in risk tone and a significant move lower in spreads. The weaker-than-anticipated US October CPI print fuelled hopes that the Fed would temper its pace of monetary policy tightening. Over in China, there was a sudden policy reversal by authorities, with China removing almost all COVID-19-related restrictions, taking the market by surprise. Asian credit spreads continued to tighten at the start of 2023, buoyed by optimism that the US has moved beyond peak inflation, and on expectations of a robust Chinese economic recovery with the effective removal of essentially all COVID-19 restrictions. Chinese policymakers' resolve to provide additional support for its property sector triggered a significant narrowing in spreads of Chinese property credits.

SVB's collapse in early March prompted an abrupt reversal in sentiment. The complete write-down of Credit Suisse's Additional Tier 1 bonds (AT1s)—part of the takeover deal by UBS—initially triggered an outsized negative reaction in the financial community. A semblance of calm was subsequently restored in markets, following assurances by major banking regulators that AT1 securities are placed above common equity instruments in their jurisdictions. As global banking sector fears ebbed, sovereign bond and credit markets stabilised. Spreads subsequently stayed range-bound, on the back of mixed, but relatively benign, global macro news. Although China recorded robust first-quarter growth, concerns around the sustainability of China's recovery, together with uncertainty over US monetary policy, weighed on sentiment. Risk tone continued to soften, on concerns around a possible US default, renewed stress in US regional banks, and after data suggested China's growth momentum is rapidly slowing. The sell-off in Chinese property credits intensified amid negative issuer-specific headlines and softening new housing sales momentum, portending lingering challenges facing the sector.

Sentiment turned positive towards the end of the period, as US debt ceiling negotiations moved closer to an agreement, and speculation mounted about a potential significant stimulus package from Chinese policymakers. Although the Chinese government revived its growth-supportive stance, policy stimulus fell short of expectations.

Market Outlook & Strategy

Valuations a bit stretched but Asia macro and corporate credit fundamentals offer sufficient buffer

China's economic recovery momentum is softening. However, expectations of policy easing across fiscal, monetary and property fronts are building, particularly after the supportive tone delivered during the July 2023 Politburo meeting, and we expect policymakers to roll out more aggressive measures if signs of a cliff-like drop-off in sentiment and activity intensify. Macro and corporate credit fundamentals across Asia ex-China are expected to stay resilient despite slower economic growth in 2H23 and 1H24 as the effects of past monetary policy tightening begin to weigh, and pent-up demand for services fade. Lower earnings growth and incrementally higher funding costs mean a slight weakening in leverage and interest coverage ratios for non-financial corporates in aggregate, but we believe there is an adequate ratings buffer for most, especially the HG corporates. Asian banking systems remain strong, with stable deposit base, robust capitalisation, and strong pre-provision profitability providing buffers against moderately higher credit costs ahead.

Given the slightly weaker macro backdrop and uncertainties ahead, including geopolitical tensions and the Fed's policy path, the valuation of Asia IG credit looks a bit stretched versus both historical levels as well as developed market spreads. As such, we are biased towards a more cautious risk positioning in the near-term.

NOTE:

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

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

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

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

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

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(Where relevant – for funds included under CPFIS) The Central Provident Fund ("CPF") Ordinary Account ("OA") interest rate is the legislated minimum 2.5% per annum, or the 3-month average of major local banks' interest rates, whichever is higher, reviewed quarterly. The interest rate for Special Account ("SA") is currently 4% per annum or the 12-month average yield of 10-year Singapore Government Securities plus 1%, whichever is higher, reviewed quarterly. Only monies in excess of \$20,000 in OA and \$40,000 in SA can be invested under the CPF Investment Scheme ("CPFIS"). Please refer to the website of the CPF Board for further information. Investors should note that the applicable interest rates for the CPF accounts and the terms of CPFIS may be varied by the CPF Board from time to time.

For Hong Kong Investors

The Fund may only be offered to professional investors in Hong Kong and is not authorised by the Securities and Futures Commission. The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to this document. If you are in any doubt about any of the contents, you should obtain independent professional advice.

Nikko Asset Management Asia Limited. Registration Number 198202562H

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

REPORT OF THE TRUSTEE

For the financial year ended 30 June 2023

The Trustee is under a duty to take into custody and hold the assets of Nikko AM Shenton Short Term Bond Fund (S\$) (the “Fund”) in trust for the unitholders. In accordance with the Securities and Futures Act 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 13 to 40, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee
BNP Paribas Trust Services Singapore Limited

Authorised signatory
28 September 2023

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

STATEMENT BY THE MANAGER
For the financial year ended 30 June 2023

In the opinion of Nikko Asset Management Asia Limited, the accompanying financial statements set out on pages 13 to 40, comprising the Statement of Total Return, Statement of Financial Position, Statement of Movements of Unitholders' Funds, Statement of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position and the portfolio holdings of Nikko AM Shenton Short Term Bond Fund (S\$) (the "Fund") as at 30 June 2023, and the financial performance and movements in unitholders' funds for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the Fund will be able to meet its financial obligations as and when they materialise.

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

Authorised signatory
28 September 2023

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

Our Opinion

In our opinion, the accompanying financial statements of Nikko AM Shenton Short Term Bond Fund (S\$) (the "Fund"), are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants, so as to present fairly, in all material respects, the financial position and portfolio holdings of the Fund as at 30 June 2023, 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 2023;
- the Statement of Financial Position as at 30 June 2023;
- the Statement of Movements of Unitholders' Funds for the financial year ended 30 June 2023;
- the Statement of Portfolio as at 30 June 2023; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

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

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

Independence

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

Other Information

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

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

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

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

Responsibilities of the Manager for the Financial Statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

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

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 28 September 2023

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

STATEMENT OF TOTAL RETURN
For the financial year ended 30 June 2023

	Note	2023 S\$	2022 S\$
Income			
Interest on cash and cash equivalents		737,564	14,600
Other income		1,107	1,898
		<u>738,671</u>	<u>16,498</u>
Less: Expenses			
Management fee		1,295,881	1,282,538
Transfer agent fee		70,327	47,176
Trustee fee		66,788	66,027
Custody fee		48,251	51,972
Audit fee		20,692	20,622
Valuation fee		192,863	190,580
Transaction costs		86,537	68,214
Other expenses		88,806	53,919
		<u>1,870,145</u>	<u>1,781,048</u>
Net losses		<u>(1,131,474)</u>	<u>(1,764,550)</u>
Net gains or losses on value of investments and financial derivatives			
Net gains on investments		3,737,785	4,433,475
Net foreign exchange losses		(3,097,671)	(6,395,394)
Net gains/(losses) on financial derivatives		7,142,641	(1,935,153)
		<u>7,782,755</u>	<u>(3,897,072)</u>
Total return/(deficit) for the financial year before income tax		6,651,281	(5,661,622)
Add/less: Income tax	3	1,011	(228)
Total return/(deficit) for the financial year after income tax		<u>6,652,292</u>	<u>(5,661,850)</u>

The accompanying notes form an integral part of these financial statements

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

STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Note	2023 S\$	2022 S\$
ASSETS			
Portfolio of investments		382,028,462	465,895,716
Sales awaiting settlement		1,348,897	-
Receivables	4	7,409,099	9,994,334
Cash and cash equivalents		29,227,723	36,489,489
Margin accounts	8	222,125	217,052
Financial derivatives at fair value	6	252,091	600,028
Total assets		420,488,397	513,196,619
LIABILITIES			
Payables	5	6,433,714	3,639,364
Purchases awaiting settlement		8,313,868	7,228,655
Financial derivatives at fair value	6	3,074,962	408,014
Total liabilities		17,822,544	11,276,033
EQUITY			
Net assets attributable to unitholders	7	402,665,853	501,920,586

The accompanying notes form an integral part of these financial statements

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

STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS
For the financial year ended 30 June 2023

	Note	2023 S\$	2022 S\$
Net assets attributable to unitholders at the beginning of the financial year		501,920,586	402,032,787
Operations			
Change in net assets attributable to unitholders resulting from operations		6,652,292	(5,661,850)
Unitholders' contributions/(withdrawals)			
Creation of units		574,795,479	612,372,739
Cancellation of units		(680,702,504)	(506,823,090)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		(105,907,025)	105,549,649
Total (decrease)/increase in net assets attributable to unitholders		(99,254,733)	99,887,799
Net assets attributable to unitholders at the end of the financial year	7	402,665,853	501,920,586

The accompanying notes form an integral part of these financial statements

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

STATEMENT OF PORTFOLIO

As at 30 June 2023

By Geography (Primary)

	Holdings at 30 June 2023	Fair value at 30 June 2023 S\$	Percentage of total net assets attributable to unitholders at 30 June 2023 %
Quoted Fixed Income Securities			
AUSTRALIA			
AusNet Services Holdings PTY Limited 4.4% due 16/08/2027	780,000	670,519	0.17
AusNet Services Holdings PTY Limited 5.375% due 02/07/2024	350,000	313,875	0.08
Australia & New Zealand Banking Group Limited 4.5% due 02/12/2032	1,250,000	1,246,667	0.31
Australia & New Zealand Banking Group Limited 5.6761% due 26/07/2029	5,000,000	4,527,729	1.12
NBN Company Limited 1% due 03/12/2025	2,000,000	1,630,312	0.40
Optus Finance PTY Limited 1.6% due 01/07/2025	2,040,000	1,712,466	0.43
Total AUSTRALIA		10,101,568	2.51
BRITAIN			
HSBC Holdings Public Listed Company 4.5% due 07/06/2029	1,750,000	1,750,527	0.43
HSBC Holdings Public Listed Company 5.25% due 27/06/2032	2,250,000	2,277,235	0.57
HSBC Holdings Public Listed Company 5.3% due 14/03/2033	3,750,000	3,836,478	0.95
Standard Chartered Public Listed Company 1.822% due 23/11/2025	4,000,000	5,063,564	1.26
Standard Chartered Public Listed Company 7.776% due 16/11/2025	1,900,000	2,630,989	0.65
Total BRITAIN		15,558,793	3.86
BRITISH VIRGIN ISLANDS			
Beijing Gas Singapore Capital Corporation 1.875% due 18/01/2025	2,000,000	2,549,296	0.64
CICC Hong Kong Finance 2016 MTN Limited 1.625% due 26/01/2024	2,500,000	3,303,430	0.82
Eastern Creation II Investment Holdings Limited 1% due 10/09/2023	4,500,000	6,035,485	1.50
Guangzhou Metro Investment Finance BVI Limited 1.507% due 17/09/2025	2,000,000	2,464,684	0.61
Huarong Finance 2019 Company Limited 2.125% due 30/09/2023	4,000,000	5,346,064	1.33
Huarong Finance 2019 Company Limited 3.75% due 29/05/2024	1,000,000	1,302,371	0.32
King Power Capital Limited 5.625% due 03/11/2024	2,000,000	2,703,528	0.67
Poly Real Estate Finance Limited 4.75% due 17/09/2023	3,500,000	4,722,497	1.17
Sinochem Offshore Capital Company Limited 1% due 23/09/2024	1,500,000	1,908,003	0.48
Vigorous Champion International Limited 2.75% due 02/06/2025	2,200,000	2,786,897	0.69
Total BRITISH VIRGIN ISLANDS		33,122,255	8.23
CANADA			
Harvest Operations Corporation 1% due 26/04/2024	5,200,000	6,762,125	1.68
Manulife Financial Corporation 3% due 21/11/2029	9,250,000	8,933,761	2.22
Total CANADA		15,695,886	3.90

The accompanying notes form an integral part of these financial statements

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

STATEMENT OF PORTFOLIO

As at 30 June 2023

By Geography (Primary) (continued)

	Holdings at 30 June 2023	Fair value at 30 June 2023 S\$	Percentage of total net assets attributable to unitholders at 30 June 2023 %
Quoted Fixed Income Securities (continued)			
CAYMAN ISLANDS			
ABQ Finance Limited 3.125% due 24/09/2024	1,000,000	1,309,111	0.33
Baidu Incorporation 3.875% due 29/09/2023	6,500,000	8,754,297	2.17
Baidu Incorporation 4.375% due 14/05/2024	1,000,000	1,336,442	0.33
China Overseas Grand Oceans Finance IV Cayman Limited 2.45% due 09/02/2026	1,930,000	2,309,217	0.57
Hongkong Land Finance Cayman Islands Company Limited 4.5% due 07/10/2025	3,000,000	3,965,493	0.99
PCGI Intermediate Limited 4.75% due 28/10/2024	2,435,000	3,107,158	0.77
PDD Holdings Incorporation 0% due 01/12/2025	4,000,000	5,269,648	1.31
QIB Sukuk Limited 6.67371% due 07/02/2025	4,000,000	5,474,902	1.36
Weibo Corporation 3.5% due 05/07/2024	5,000,000	6,579,895	1.63
Total CAYMAN ISLANDS		38,106,163	9.46
CHINA			
Sunshine Life Insurance Corporation Limited 4.5% due 20/04/2026	1,000,000	1,228,262	0.31
ZhongAn Online P&C Insurance Company Limited 3.125% due 16/07/2025	1,200,000	1,428,994	0.35
Total CHINA		2,657,256	0.66
FRANCE			
BNP Paribas SA 4.35% due 22/01/2029	4,500,000	4,487,738	1.11
Total FRANCE		4,487,738	1.11
HONG KONG SAR			
Beijing State-Owned Assets Management Hong Kong Company Limited 4.125% due 26/05/2025	3,000,000	3,925,160	0.97
CNAC HK Finbridge Company Limited 2% due 22/09/2025	4,100,000	5,072,246	1.26
CNAC HK Finbridge Company Limited 3.375% due 19/06/2024	2,000,000	2,636,167	0.66
Far East Horizon Limited 2.625% due 03/03/2024	6,050,000	7,937,314	1.97
Far East Horizon Limited 3.375% due 18/02/2025	2,000,000	2,535,085	0.63
Far East Horizon Limited 4.25% due 26/10/2026	525,000	637,022	0.16
Hero Asia Investment Limited 1.5% due 18/11/2023	4,700,000	6,255,870	1.55
Shanghai Commercial Bank Limited 5% due 17/01/2029	4,200,000	5,625,262	1.40
Total HONG KONG SAR		34,624,126	8.60
INDIA			
Indian Railway Finance Corporation Limited 3.73% due 29/03/2024	2,000,000	2,662,977	0.66
REC Limited 5.25% due 13/11/2023	3,955,000	5,337,572	1.33
Reliance Industries Limited 4.125% due 28/01/2025	2,000,000	2,643,380	0.65
State Bank of India 4.375% due 24/01/2024	3,000,000	4,023,372	1.00
Total INDIA		14,667,301	3.64

The accompanying notes form an integral part of these financial statements

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

STATEMENT OF PORTFOLIO

As at 30 June 2023

By Geography (Primary) (continued)

	Holdings at 30 June 2023	Fair value at 30 June 2023 S\$	Percentage of total net assets attributable to unitholders at 30 June 2023 %
Quoted Fixed Income Securities (continued)			
INDONESIA			
Bank Rakyat Indonesia Persero TBK PT 4.625% due 20/07/2023	2,000,000	2,701,276	0.67
Indonesia Asahan Aluminium PT 5.71% due 15/11/2023	3,667,000	4,957,132	1.23
Tower Bersama Infrastructure TBK PT 2.75% due 20/01/2026	1,000,000	1,255,532	0.31
Tower Bersama Infrastructure TBK PT 4.25% due 21/01/2025	2,200,000	2,914,864	0.73
Total INDONESIA		11,828,804	2.94
ISLE OF MAN			
GOHL Capital Limited 4.25% due 24/01/2027	3,000,000	3,793,412	0.94
Total ISLE OF MAN		3,793,412	0.94
JAPAN			
Mitsubishi UFJ Financial Group Incorporation 2.527% due 13/09/2023	1,247,000	1,676,194	0.42
Mitsubishi UFJ Financial Group Incorporation 5.063% due 12/09/2025	3,650,000	4,881,705	1.21
Mitsubishi UFJ Financial Group Incorporation 5.719% due 20/02/2026	1,890,000	2,545,208	0.63
Nomura Holdings Incorporation 5.099% due 03/07/2025	2,330,000	3,095,446	0.77
NTT Finance Corporation 4.142% due 26/07/2024	4,250,000	5,662,978	1.41
NTT Finance Corporation 4.239% due 25/07/2025	2,000,000	2,633,512	0.65
Sumitomo Mitsui Finance & Leasing Company Limited 5.353% due 25/04/2028	900,000	1,214,940	0.30
Total JAPAN		21,709,983	5.39
MALAYSIA			
Axiata SPV2 Berhad 4.357% due 24/03/2026	2,000,000	2,618,208	0.65
Cagamas Global Public Listed Company 3.85% due 11/09/2023	1,000,000	999,685	0.25
CIMB Bank Berhad 5.991% due 09/10/2024	3,000,000	4,064,561	1.01
Malayan Banking Berhad 6.11829% due 16/08/2024	2,000,000	2,710,898	0.67
Malayan Banking Berhad 6.23686% due 10/08/2023	4,400,000	5,957,933	1.48
MISC Capital Two Labuan Limited 3.625% due 06/04/2025	2,000,000	2,600,520	0.65
RHB Bank Berhad 3.766% due 19/02/2024	7,950,000	10,629,336	2.64
Total MALAYSIA		29,581,141	7.35
PHILIPPINES			
Philippine National Bank 3.28% due 27/09/2024	3,000,000	3,929,017	0.98
Total PHILIPPINES		3,929,017	0.98
SINGAPORE			
ABJA Investment Company Private Limited 4.45% due 24/07/2023	3,000,000	4,054,959	1.01
BOC Aviation Limited 2.75% due 02/12/2023	4,170,000	5,564,863	1.38
BOC Aviation Limited 3.25% due 29/04/2025	1,500,000	1,934,799	0.48
BOC Aviation Limited 4.5% due 23/05/2028	1,040,000	1,357,848	0.34

The accompanying notes form an integral part of these financial statements

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

STATEMENT OF PORTFOLIO

As at 30 June 2023

By Geography (Primary) (continued)

	Holdings at 30 June 2023	Fair value at 30 June 2023 S\$	Percentage of total net assets attributable to unitholders at 30 June 2023 %
Quoted Fixed Income Securities (continued)			
SINGAPORE (continued)			
CapitaLand Ascendas REIT 2.47% due 10/08/2023	1,750,000	1,746,373	0.43
CapitaLand Ascendas REIT 3.14% due 02/03/2025	1,750,000	1,723,887	0.43
CCT MTN Private Limited 3.17% due 05/03/2024	5,500,000	5,465,160	1.36
CDL Properties Limited 2.958% due 09/05/2024	500,000	492,678	0.12
CMT MTN Private Limited 3.2% due 21/08/2025	1,750,000	1,720,713	0.43
CMT MTN Private Limited 3.48% due 06/08/2024	3,750,000	3,725,030	0.93
DBS Group Holdings Limited 4.52% due 11/12/2028	9,826,000	13,201,755	3.28
Indorama Ventures Investments & Holdings Private Limited 3.73% due 07/10/2025	2,000,000	1,982,071	0.49
Keppel Corporation Limited 3% due 01/10/2026	1,000,000	957,025	0.24
Keppel Infrastructure Trust 3% due 01/12/2026	1,500,000	1,434,501	0.36
Mapletree Treasury Services Limited 2.85% due 29/08/2025	1,000,000	975,092	0.24
Mapletree Treasury Services Limited 3.4% due 03/09/2026	500,000	490,982	0.12
Oversea-Chinese Banking Corporation Limited 4.25% due 19/06/2024	9,500,000	12,641,400	3.14
Oversea-Chinese Banking Corporation Limited 4.602% due 15/06/2032	2,000,000	2,622,120	0.65
RCS Trust 3.2% due 14/03/2025	6,750,000	6,648,259	1.65
Singapore Life Holdings Private Limited 3.375% due 24/02/2031	3,000,000	2,907,750	0.72
Starhub Limited 3.55% due 08/06/2026	750,000	737,814	0.18
Surbana Jurong Private Limited 4.11% due 03/10/2025	3,500,000	3,509,784	0.87
United Overseas Bank Limited 3.5% due 27/02/2029	1,750,000	1,742,347	0.43
United Overseas Bank Limited 3.75% due 15/04/2029	2,182,000	2,893,703	0.72
Total SINGAPORE		80,530,913	20.00
SOUTH KOREA			
Busan Bank Company Limited 3.625% due 25/07/2026	2,409,000	2,948,352	0.73
GS Caltex Corporation 1.625% due 27/07/2025	1,000,000	1,238,060	0.31
GS Caltex Corporation 4.5% due 05/01/2026	2,500,000	3,272,895	0.81
Hana Bank 4.625% due 24/10/2023	8,000,000	10,760,336	2.67
Hana Bank 6.06814% due 26/07/2023	250,000	338,169	0.09
Hana Bank 6.29443% due 13/06/2024	1,330,000	1,799,805	0.45
Hyundai Capital Services Incorporation 2.125% due 24/04/2025	3,500,000	4,431,379	1.10
KIA Corporation 1% due 16/04/2024	1,000,000	1,303,954	0.32
Korea Expressway Corporation 3.625% due 18/05/2025	3,450,000	4,511,249	1.12
Korea Gas Corporation 3.875% due 12/02/2024	4,000,000	5,353,994	1.33
LOTTE Property & Development Company Limited 4.5% due 01/08/2025	2,306,000	3,036,411	0.75
SK Broadband Company Limited 3.875% due 13/08/2023	5,500,000	7,424,192	1.84
Woori Bank 6.14914% due 21/05/2024	1,500,000	2,031,834	0.51
Total SOUTH KOREA		48,450,630	12.03
THAILAND			
Export Import Bank of Thailand 6.27914% due 20/11/2023	2,000,000	2,709,017	0.67
Total THAILAND		2,709,017	0.67

The accompanying notes form an integral part of these financial statements

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

STATEMENT OF PORTFOLIO

As at 30 June 2023

By Geography (Primary) (continued)

	Holdings at 30 June 2023	Fair value at 30 June 2023 S\$	Percentage of total net assets attributable to unitholders at 30 June 2023 %
Quoted Fixed Income Securities (continued)			
UNITED STATES OF AMERICA			
BOC Aviation USA Corporation 1.625% due 29/04/2024	1,800,000	2,349,250	0.58
JP Morgan Chase & Company 3.845% due 14/06/2025	3,500,000	4,633,554	1.15
Total UNITED STATES OF AMERICA		6,982,804	1.73
Accrued interest receivable on quoted fixed income securities		3,491,655	0.87
Total Quoted Fixed Income Securities		382,028,462	94.87
Portfolio of investments		382,028,462	94.87
Other net assets		20,637,391	5.13
Net assets attributable to unitholders		402,665,853	100.00

The accompanying notes form an integral part of these financial statements

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

STATEMENT OF PORTFOLIO

As at 30 June 2023

By Geography (Summary)

	Percentage of total net assets attributable to unitholders at 30 June 2023 %	Percentage of total net assets attributable to unitholders at 30 June 2022 %
Quoted Fixed Income Securities		
Australia	2.51	4.44
Britain	3.86	0.45
British Virgin Islands	8.23	10.14
Canada	3.90	3.61
Cayman Islands	9.46	10.45
China	0.66	1.24
France	1.11	1.30
Hong Kong SAR	8.60	13.37
India	3.64	1.11
Indonesia	2.94	1.59
Isle of Man	0.94	-
Japan	5.39	2.65
Malaysia	7.35	4.53
Philippines	0.98	-
Singapore	20.00	28.82
South Korea	12.03	6.97
Thailand	0.67	-
United Arab Emirates	-	0.66
United States of America	1.73	0.83
Accrued interest receivables on quoted fixed income securities	0.87	0.66
Total Quoted Fixed Income Securities	94.87	92.82
Portfolio of investments	94.87	92.82
Other net assets	5.13	7.18
Net assets attributable to unitholders	100.00	100.00

The accompanying notes form an integral part of these financial statements

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

STATEMENT OF PORTFOLIO

As at 30 June 2023

By Industry (Secondary)

	Fair value at 30 June 2023 S\$	Percentage of total net assets attributable to unitholders at 30 June 2023 %	Percentage of total net assets attributable to unitholders at 30 June 2022 %
Auto Manufacturers	5,735,333	1.42	-
Banks	136,963,077	34.01	36.26
Chemicals	9,690,484	2.41	2.77
Commercial Services	4,511,249	1.12	0.14
Diversified Financial Services	36,267,254	9.01	9.94
Electric	8,674,765	2.16	3.51
Electronics	-	-	0.73
Engineering and Construction	4,466,809	1.11	1.10
Gas	7,903,290	1.96	-
Insurance	20,392,822	5.06	6.22
Internet	29,364,474	7.29	4.48
Investment Companies	12,039,669	2.99	3.12
Iron/Steel	4,054,959	1.01	2.03
Leisure Time	2,703,528	0.67	0.58
Lodging	3,793,412	0.94	-
Mining	4,957,132	1.23	1.03
Oil and Gas	13,916,460	3.46	4.87
Real Estate	37,463,721	9.30	6.84
Real Estate Investment Trusts (REITS)	-	-	6.58
Sovereign	2,709,017	0.67	-
Telecommunications	19,165,686	4.76	1.30
Transportation	13,763,666	3.42	0.66
Accrued interest receivables on quoted fixed income securities	3,491,655	0.87	0.66
Portfolio of investments	382,028,462	94.87	92.82
Other net assets	20,637,391	5.13	7.18
Net assets attributable to unitholders	402,665,853	100.00	100.00

The accompanying notes form an integral part of these financial statements

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

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

1. General

Nikko AM Shenton Short Term Bond Fund (S\$) (the "Fund") is a Singapore domiciled fund, constituted as a sub-fund of the Nikko AM Shenton Short Term Bond Funds, pursuant to the Trust Deed dated 26 June 2000 as amended by Supplemental Deeds and Amended and Restated Deeds (collectively referred to as the "Deeds"). The Deeds are governed by the laws of the Republic of Singapore. The Trustee of the Fund is BNP Paribas Trust Services Singapore Limited (the "Trustee"). The Manager of the Fund is Nikko Asset Management Asia Limited (the "Manager").

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

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

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

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

As of 30 June 2023 and 2022, only units in the SGD Class, AUD Hedged Class and USD Hedged Class have been issued.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below:

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets held at fair value through profit or loss and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" ("RAP 7") issued by the Institute of Singapore Chartered Accountants.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2. Significant accounting policies (continued)

(b) Recognition of income

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

(c) Investments

Investments are classified as financial assets at fair value through profit or loss.

(i) *Initial recognition*

Purchases of investments are recognised on the trade date. Investments are recorded at fair value on initial recognition.

(ii) *Subsequent measurement*

Investments are subsequently carried at fair value. Net change in fair value on investments is included in the Statement of Total Return in the year in which they arise.

(iii) *Derecognition*

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sales of investments are computed on the basis of the difference between the weighted average cost and selling price gross of transaction costs, and are taken up in the Statement of Total Return.

(d) Basis of valuation of investments

The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at the close of trading on the reporting date. The quoted market prices used for fixed income securities held by the Fund is the mid-market price for both financial asset and financial liabilities. Accrued interest or discount or premium on fixed income securities at financial year end date is included in the fair value of fixed income securities. Interest income on fixed income securities is presented within "Net gains on investments" in the Statement of Total Return.

(e) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are initially recognised at their fair value and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

(f) Sales and purchases awaiting settlement

Sales and purchases awaiting settlement represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the Statement of Financial Position date respectively. These amounts are recognised initially at fair value and subsequently measured at amortised cost.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2. Significant accounting policies (continued)

(g) Payables

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

(h) Cash and cash equivalents

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

(i) Foreign currency translation

(i) *Functional and presentation currency*

The Fund qualifies as an authorised scheme under the Securities and Futures Act 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 denominated in Singapore Dollar (SGD), United States Dollar (USD) and Australian Dollar (AUD).

The performance of the Fund is measured and reported to the investors in Singapore Dollar. The Manager considers the Singapore Dollar as the currency which most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are expressed in Singapore Dollar, which is the Fund's functional and presentation currency.

(ii) *Transactions and balances*

Foreign currency monetary assets and liabilities are translated into Singapore Dollar at the rates of exchange prevailing at the date of the Statement of Financial Position. The net unrealised gain or loss is taken to the Statement of Total Return. Transactions during the year are recorded in Singapore Dollar at the rates of exchange ruling on transaction dates. All realised gains or losses are recognised in the Statement of Total Return.

(j) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Fund or the counterparty.

(k) Margin

Cash margin provided by the Fund is identified in the Statement of Financial Position as margin accounts and is not included as a component of cash and cash equivalents. For collateral other than cash, if the party to whom the collateral is provided has the right by contract or custom to sell or re-pledge the collateral, the Fund classifies that asset in its Statement of Financial Position separately from other assets and identifies the asset as pledged collateral. Where the party to whom the collateral is provided does not have the right to sell or re-pledge, a disclosure of the collateral provided is made in the Notes to the Financial Statements.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

2. Significant accounting policies (continued)

(l) Financial derivatives

Financial derivatives are entered into for the purposes of efficient portfolio management, tactical asset allocation or specific hedging of financial assets held as determined by the Manager and in accordance with the provisions of the Deeds.

Financial derivatives outstanding at the end of the financial year are valued at forward rates or at current market prices using the “mark-to-market” method, as applicable, and the resultant gains and losses are taken up in the Statement of Total Return.

(m) Expenses charged to the Fund

Management fees are charged directly to each class as follows:
SGD Class and USD Hedged Class: 0.3% per annum
AUD Hedged Class: 0.5% per annum.

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

3. Income tax

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

Under the DUT Scheme, certain income of the DUT fund is not taxable in accordance to Sections 35(12) and 35(12A) of the Income Tax Act 1947. 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 1947);
- (c) dividends derived from outside Singapore and received in Singapore;
- (d) gains or profits derived from foreign exchange transactions, transactions in futures contracts, transactions in interest rate or currency forwards, swaps or option contracts and transactions in forwards, swaps or option contracts relating to any securities or financial index;
- (e) discount prepayment fees, redemption premium and break cost from qualifying debt securities issued during the prescribed period; and
- (f) distributions from foreign unit trusts derived from outside Singapore and received in Singapore.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

3. Income Tax (continued)

Income tax for the financial year ended 30 June 2023 and 2022 comprises:

	2023	2022
	S\$	S\$
Singapore income tax		
- Over provision of prior year	(1,011)	-
- Current year	-	228
	(1,011)	228

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

4. Receivables

	2023	2022
	S\$	S\$
Receivable from unitholders for creation of units	7,402,052	9,994,334
Other receivables	7,047	-
	7,409,099	9,994,334

5. Payables

	2023	2022
	S\$	S\$
Payable to unitholders for cancellation of units	5,991,309	3,102,852
Amount due to the Manager	322,996	399,416
Amount due to the Trustee	16,694	20,490
Valuation fee payable	48,062	59,470
Transfer agent fee payable	5,385	5,335
Provision for audit fee	21,070	20,972
Custody fee payable	24,244	20,180
Provision for tax liabilities	378	2,779
Other payables	3,576	7,870
	6,433,714	3,639,364

Amount due to the Manager comprises management fee payable to Nikko Asset Management Asia Limited. Trustee fee is payable to BNP Paribas Trust Services Singapore Limited. Valuation fee and custody fee are payable to BNP Paribas, acting through its Singapore Branch. Transfer agent fee is payable to BNP Paribas, acting through its Singapore Branch with effect from 1 April 2023.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

6. Financial derivatives

Financial derivatives comprise of forward foreign exchange contracts for purchases and sales of foreign currencies. The year-end positive and negative fair values represent the unrealised gains and losses respectively on revaluation of forward foreign exchange contracts at the Statement of Financial Position date. The contract or underlying principal amounts of these financial derivatives and their corresponding gross positive or negative fair values at Statement of Financial Position date are analysed below.

	Contract or underlying principal amount		Year-end positive fair value		Year-end negative fair value	
	2023	2022	2023	2022	2023	2022
	S\$	S\$	S\$	S\$	S\$	S\$
Forward foreign exchange contracts	346,802,844	406,038,632	252,091	600,028	3,074,962	290,263
Futures contracts	-	11,774,956	-	-	-	117,751
			252,091	600,028	3,074,962	408,014

The Fund also restricts its exposure to credit losses on the trading derivative instruments it holds by entering into master netting arrangements with approved brokers with whom it undertakes a significant volume of transactions. Master netting arrangements do not result in an offset of Statement of Financial Position assets and liabilities, as transactions are usually settled on a gross basis. However, the credit risk is reduced by a master netting arrangement to the extent that if an event of default occurs, all amounts with the counterparty are terminated and settled on a net basis. The Fund's overall exposure to credit risk on derivative instruments, subject to a master netting arrangement can change substantially within a short period as it is affected by each transaction subject to the arrangement.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

6. Financial derivatives (continued)

Financial assets and financial liabilities which are subject to enforceable master netting agreements or similar agreements for the year ended 30 June 2023 and 2022 are detailed in the following table.

(i) Offsetting financial assets

	Gross amounts of recognised financial assets S\$	Gross amounts of recognised financial liabilities set-off in the Statement of Financial Position S\$	Net amounts of financial assets presented in the Statement of Financial Position S\$	Related accounts not set-off in the Statement of Financial Position		
				Financial instruments S\$	Cash collateral S\$	Net exposure S\$
2023						
Forward foreign exchange contracts	97,833	-	97,833	7,246	-	90,587

	Gross amounts of recognised financial assets S\$	Gross amounts of recognised financial liabilities set-off in the Statement of Financial Position S\$	Net amounts of financial assets presented in the Statement of Financial Position S\$	Related accounts not set-off in the Statement of Financial Position		
				Financial instruments S\$	Cash collateral S\$	Net exposure S\$
2022						
Forward foreign exchange contracts	600,028	-	600,028	-	-	600,028

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

6. Financial derivatives (continued)

(ii) Offsetting financial liabilities

	Gross amounts of recognised financial liabilities S\$	Gross amounts of recognised financial assets set-off in the Statement of Financial Position S\$	Net amounts of financial liabilities presented in the Statement of Financial Position S\$	Related accounts not set-off in the Statement of Financial Position		
				Financial instruments S\$	Cash collateral S\$	Net exposure S\$
2023						
Forward foreign exchange contracts	7,246	-	7,246	7,246	-	-

	Gross amounts of recognised financial liabilities S\$	Gross amounts of recognised financial assets set-off in the Statement of Financial Position S\$	Net amounts of financial liabilities presented in the Statement of Financial Position S\$	Related accounts not set-off in the Statement of Financial Position		
				Financial instruments S\$	Cash collateral S\$	Net exposure S\$
2022						
Forward foreign exchange contracts	40,029	-	40,029	-	-	40,029
Futures contracts	117,751	-	117,751	-	117,751	-
	157,780	-	157,780	-	117,751	40,029

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

7. Units in issue

During the year ended 30 June 2023 and 2022, the number of units issued, redeemed and outstanding were as follows:

<u>SGD Class</u>	2023	2022
Units at beginning of the financial year	269,210,743	235,253,366
Units created	343,394,587	345,069,911
Units cancelled	(378,174,112)	(311,112,534)
Units at end of the financial year	234,431,218	269,210,743
Net assets attributable to unitholders - S\$	377,045,611	423,327,128
Net asset value per unit - S\$	1.60834	1.57247

<u>AUD Hedged Class</u>	2023	2022
Units at beginning of the financial year	4,114,872	4,868,628
Units created	918,135	1,731,769
Units cancelled	(1,130,679)	(2,485,525)
Units at end of the financial year	3,902,328	4,114,872
Net assets attributable to unitholders - S\$	4,824,222	5,319,317
Net asset value per unit - S\$	1.23624	1.29271

<u>USD Hedged Class</u>	2023	2022
Units at beginning of the financial year	48,703,513	12,856,503
Units created	20,567,442	41,937,567
Units cancelled	(55,416,896)	(6,090,557)
Units at end of the financial year	13,854,059	48,703,513
Net assets attributable to unitholders - S\$	20,796,020	73,274,141
Net asset value per unit - S\$	1.50108	1.50449

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 not presented as there is no difference to the net assets attributable to unitholders value per unit.

8. Margin accounts

	2023	2022
	S\$	S\$
Margin accounts	222,125	217,052

Margin account represents margin deposits held in respect of open exchange-traded futures contracts held with BNP Paribas, acting through its Singapore Branch. As of 30 June 2023, there was no open exchange-traded futures.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

9. 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 the overall risk management programme, which seeks to minimise potential adverse effects on the Fund's financial performance. Specific guidelines on exposures to individual securities and certain industries and/or countries are in place as part of the overall financial risk management to reduce the Fund's exposures to these risks.

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

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

(a) Market risk - Price risk

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

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

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

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

(b) Market risk - Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates (fair value risk).

The Manager will regularly assess the economic condition, monitor changes in interest rates outlook and take appropriate measures accordingly to control the impact of interest rate risk. The Fund's overall market positions are monitored frequently and are reviewed formally on a quarterly basis by the Manager.

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

9. Financial risk management (continued)

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

As at 30 June 2023

	<u>Floating rate</u>		<u>Fixed rate</u>			<u>Non-interest bearing</u>	<u>Total</u>
	<u>S\$</u>	<u>Up to 1 year</u> <u>S\$</u>	<u>1-5 years</u> <u>S\$</u>	<u>Over 5 years</u> <u>S\$</u>	<u>S\$</u>		
Assets							
Portfolio of investments	100,895,211	144,536,765	133,104,831	-	3,491,655	382,028,462	
Sales awaiting settlement	-	-	-	-	1,348,897	1,348,897	
Receivables	-	-	-	-	7,409,099	7,409,099	
Cash and cash equivalents	29,227,723	-	-	-	-	29,227,723	
Margin accounts	222,125	-	-	-	-	222,125	
Financial derivatives at fair value	-	-	-	-	252,091	252,091	
Total assets	130,345,059	144,536,765	133,104,831	-	12,501,742	420,488,397	
Liabilities							
Payables	-	-	-	-	6,433,714	6,433,714	
Purchases awaiting settlement	-	-	-	-	8,313,868	8,313,868	
Financial derivatives at fair value	-	-	-	-	3,074,962	3,074,962	
Total liabilities	-	-	-	-	17,822,544	17,822,544	

As at 30 June 2022

	<u>Floating rate</u>		<u>Fixed rate</u>			<u>Non-interest bearing</u>	<u>Total</u>
	<u>S\$</u>	<u>Up to 1 year</u> <u>S\$</u>	<u>1-5 years</u> <u>S\$</u>	<u>Over 5 years</u> <u>S\$</u>	<u>S\$</u>		
Assets							
Portfolio of investments	155,284,064	133,638,058	173,652,002	-	3,321,592	465,895,716	
Receivables	-	-	-	-	9,994,334	9,994,334	
Cash and cash equivalents	36,489,489	-	-	-	-	36,489,489	
Margin accounts	217,052	-	-	-	-	217,052	
Financial derivatives at fair value	-	-	-	-	600,028	600,028	
Total assets	191,990,605	133,638,058	173,652,002	-	13,915,954	513,196,619	
Liabilities							
Payables	-	-	-	-	3,639,364	3,639,364	
Purchases awaiting settlement	-	-	-	-	7,228,655	7,228,655	
Financial derivatives at fair value	-	-	-	-	408,014	408,014	
Total liabilities	-	-	-	-	11,276,033	11,276,033	

As at 30 June 2023, an increase/decrease of interest rates 1% (2022: 1%), with all other variables remaining constant, would result in a decrease/increase of the net assets attributable to unitholders by approximately 1% (2022: 1%). Reasonable possible changes in interest rate are revised annually depending on the Manager's current view of market volatility and other factors.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

9. Financial risk management (continued)

(c) Market risk - Currency risk

Currency risk is the risk that the value of financial instrument will fluctuate due to changes in foreign exchange rates.

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

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

As at 30 June 2023	USD S\$	SGD S\$	AUD S\$	EUR S\$	Total S\$
Assets					
Portfolio of investments	312,765,386	60,348,988	8,914,088	-	382,028,462
Sales awaiting settlement	1,180,648	-	168,249	-	1,348,897
Receivables	-	7,401,850	7,249	-	7,409,099
Cash and cash equivalents	7,125,128	18,787,193	3,312,365	3,037	29,227,723
Margin accounts	222,125	-	-	-	222,125
Total assets	321,293,287	86,538,031	12,401,951	3,037	420,236,306
Liabilities					
Payables	54,539	6,379,175	-	-	6,433,714
Purchases awaiting settlement	3,798,295	-	4,515,573	-	8,313,868
Total liabilities	3,852,834	6,379,175	4,515,573	-	14,747,582
Net off-balance sheet derivative financial instruments	(293,285,340)	295,735,456	(5,272,987)	-	
Net currency exposure	24,155,113	375,894,312	2,613,391	3,037	
As at 30 June 2022	USD S\$	SGD S\$	AUD S\$	EUR S\$	Total S\$
Assets					
Portfolio of investments	320,304,050	138,358,300	7,233,366	-	465,895,716
Receivables	445,997	9,533,690	14,647	-	9,994,334
Cash and cash equivalents	2,852,544	32,725,902	909,193	1,850	36,489,489
Margin accounts	217,052	-	-	-	217,052
Total assets	323,819,643	180,617,892	8,157,206	1,850	512,596,591
Liabilities					
Payables	-	3,625,752	13,612	-	3,639,364
Purchases awaiting settlement	3,242,655	3,986,000	-	-	7,228,655
Financial derivatives at fair value	117,751	-	-	-	117,751
Total liabilities	3,360,406	7,611,752	13,612	-	10,985,770
Net off-balance sheet derivative financial instruments	(246,571,913)	249,744,933	(2,863,255)	-	
Net currency exposure	73,887,324	422,751,073	5,280,339	1,850	

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

9. Financial risk management (continued)

(c) Market risk - Currency risk (continued)

Portfolio of investments, 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 as part of the price risk sensitivity analysis.

The following table shows the Fund's sensitivity to major foreign currencies exposure, with respect to monetary assets and liabilities, with all other variables held constant. Changes in foreign currency rate are revised annually depending on the Manager's current view of market volatility and other relevant factors.

	Increase/decrease in foreign exchange rate (%)		Increase/decrease in net asset attributable to unitholders (%)	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
USD	5%	5%	-*	1%

* Denotes amount is less than 1%

(d) Liquidity risk

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

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

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

The Fund's financial liabilities are analysed using contractual undiscounted cash flows for maturity groupings based on the remaining year at the Statement of Financial Position date to the contractual maturity date. As at 30 June 2023 and 2022, all liabilities are either payable upon demand or due in less than 3 months. The impact of discounting is not significant.

	Less than 3 months	
	As at	As at
	30 June 2023	30 June 2022
	S\$	S\$
Payables	6,433,714	3,639,364
Purchases awaiting settlement	8,313,868	7,228,655
Contractual cash outflows		
(excluding gross settled derivatives)	14,747,582	10,868,019

The tables below analyse the Fund's derivative financial instruments in a loss position that will be settled on a gross basis into relevant maturity groupings based on the period at the Statement of Financial Position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 3 months equal their carrying balances, as the impact of discounting is not significant.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

9. Financial risk management (continued)

(d) Liquidity risk (continued)

	<u>Less than 3 months</u>	
	As at	As at
	30 June 2023	30 June 2022
	S\$	S\$
Currency forwards		
- Outflow	(321,254,027)	(324,887,009)
- Inflow	318,179,065	324,596,746
Net outflow	<u>(3,074,962)</u>	<u>(290,263)</u>
	As at	As at
	30 June 2023	30 June 2022
	S\$	S\$
Futures contracts		
- Outflow	-	(117,751)
- Inflow	-	-
Net outflow	<u>-</u>	<u>(117,751)</u>

(e) Credit risk

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

Concentrations of credit risk are minimised primarily by:

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

The Fund is also exposed to counterparty credit risk on its financial assets held at amortised cost. As at 30 June 2023 and 2022, the Fund's financial assets held at amortised cost as disclosed in the Statement of Financial Position are realised 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.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

9. Financial risk management (continued)

(e) Credit risk (continued)

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

	Fair value at 30 June 2023		Fair value at 30 June 2022	
	Floating rate securities S\$	Fixed rate securities S\$	Floating rate securities S\$	Fixed rate securities S\$
AAA ¹	-	-	-	32,949,750
AA	-	-	-	20,515,095
A+	-	-	15,053,850	17,397,580
A	-	-	1,671,001	13,365,707
A-	-	-	24,323,992	57,849,390
BBB+	-	-	28,803,144	18,101,996
BBB	-	-	7,650,788	6,780,837
BBB-	-	-	-	7,689,215
Aa2	-	16,627,368	-	-
Aa3	-	4,666,723	6,961,149	-
A1	14,092,301	16,008,169	-	-
A2	20,459,925	17,916,004	15,532,202	9,142,263
A3	27,803,734	37,601,053	22,585,002	41,474,589
Baa1	14,597,126	23,958,515	12,658,751	6,382,382
Baa2	4,487,738	44,303,958	5,712,487	19,496,523
Baa3	2,907,750	20,675,435	8,744,019	13,109,495
Ba1	-	6,648,435	-	-
Not rated **	16,546,637	89,235,936	5,587,679	43,035,238
Accrued interest receivables on quoted fixed income securities	862,642	2,629,013	995,763	2,325,829
	101,757,853	280,270,609	156,279,827	309,615,889

¹ The balance includes securities that are issued by government agencies of governments that have a AAA rating as rated by a well-known rating agency.

** Not rated securities are supported by internal and other rating agencies credit ratings but are not disclosed due to licencing restrictions. Following a change in the use of credit rating agencies during the financial year ended 30 June 2023 whereby historical credit ratings cannot be retrieved, the comparative amounts for the credit ratings table above are not entirely comparable.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

9. Financial risk management (continued)

(e) Credit risk (continued)

All trade settlement with approved counterparties are on Delivery versus Payment and/or Receipt versus Payment basis, with the exception of initial public offerings, new issues and placement transactions.

Credit risk arises from cash and cash equivalents and outstanding and committed transactions from brokers. The table below summarises the credit rating of bank and custodians in which the Fund's assets are held as at 30 June 2023 and 2022.

	Credit rating as at 30 June 2023	Credit rating as at 30 June 2022
Bank and custodian		
- BNP Paribas, acting through its Singapore Branch	Aa3	A+
Counterparties of forward foreign exchange contracts		
Australia and New Zealand Bank	Aa3	N.A
Bank of America	N.A	A-
BNP Paribas	N.A	A+
Credit Agricole	Aa2	A+
ING Group	Baa1	A-
JP Morgan Chase & Company	N.A	A-
State Street Bank and Trust	A1	N.A

As at 30 June 2023, the credit ratings are based on Local Long-Term Bank Deposits from Moody's (2022: Long-Term Local Issuer Ratings from a well-known rating agency).

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

(f) Capital management

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

(g) Fair value estimation

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

9. Financial risk management (continued)

(g) Fair value estimation (continued)

The following tables analyse within the fair value hierarchy the Fund's financial assets and liabilities (by class) measured at fair value at 30 June 2023 and 2022:

As at 30 June 2023	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
Assets				
Financial assets designated at fair value through profit or loss:				
- Quoted fixed income securities	-	382,028,462	-	382,028,462
- Financial derivatives at fair value	-	252,091	-	252,091
	-	382,280,553	-	382,280,553
Liabilities				
Financial liabilities designated at fair value through profit or loss:				
- Financial derivatives at fair value	-	3,074,962	-	3,074,962
As at 30 June 2022	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
Assets				
Financial assets designated at fair value through profit or loss:				
- Quoted fixed income securities	32,949,750	432,945,966	-	465,895,716
- Financial derivatives at fair value	-	600,028	-	600,028
	32,949,750	433,545,994	-	466,495,744
Liabilities				
Financial liabilities designated at fair value through profit or loss:				
- Financial derivatives at fair value	-	408,014	-	408,014

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include Singapore government bonds. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include investment-grade corporate bonds and over-the-counter derivatives.

The assets and liabilities included in the Statement of Financial Position except portfolio of investments are carried at amortised cost; their carrying values are reasonable approximation of fair value.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

10. Related party transactions

In addition to related party information shown elsewhere in the financial statements, the following significant transactions took place during the financial year between the Fund and the related party at terms agreed between the parties and within the provisions of the Deeds:

	2023	2022
	S\$	S\$
Bank balances held with related party of the Trustee	29,227,723	36,489,489
Margin balances held with related party of the Trustee	222,125	217,052

11. Financial ratios

Expense ratio

		2023	2022
<u>SGD Class</u>			
Total operating expenses	S\$	1,571,446	1,531,076
Average daily net asset value	S\$	380,660,806	381,262,388
Total expense ratio¹	%	0.41	0.40

		2023	2022
<u>AUD Hedged Class</u>			
Total operating expenses	S\$	32,116	36,769
Average daily net asset value	S\$	5,114,882	5,974,213
Total expense ratio¹	%	0.63	0.62

		2023	2022
<u>USD Hedged Class</u>			
Total operating expenses	S\$	177,111	144,987
Average daily net asset value	S\$	43,203,848	35,790,433
Total expense ratio¹	%	0.41	0.41

Turnover ratio

		2023	2022
Lower of total value of purchases or sales	S\$	154,291,996	95,116,249
Average daily net asset value	S\$	428,979,536	423,027,034
Total turnover ratio²	%	35.97	22.48

¹ The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the expense ratio at financial year end was based on total operating expenses divided by the average net asset value for the year. The total operating expenses do not include (where applicable) brokerage and other transactions costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fee. The average net asset value is based on the daily balances.

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

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

REPORT TO UNITHOLDERS

For the financial year ended 30 June 2023

The following contains additional information relating to the Fund.

1. Distribution of investments

Please refer to the Statement of Portfolio on pages 16 to 22.

2. Credit rating of debt securities

	Fair value at 30 June 2023 S\$	Percentage of total net assets attributable to unitholders at 30 June 2023 %
Aa2	16,627,368	4.13
Aa3	4,666,723	1.16
A1	30,100,470	7.47
A2	38,375,929	9.53
A3	65,404,787	16.24
Baa1	38,555,641	9.57
Baa2	48,791,696	12.12
Baa3	23,583,185	5.86
Ba1	6,648,435	1.65
Not rated	105,782,573	26.27
Accrued interest receivables on quoted fixed income securities	3,491,655	0.87
Total	382,028,462	94.87

3. Top 10 holdings

10 largest holdings at 30 June 2023

	Fair value S\$	Percentage of total net assets attributable to unitholders %
DBS Group Holdings Limited 4.52% due 11/12/2028	13,201,755	3.28
Oversea-Chinese Banking Corporation Limited 4.25% due 19/06/2024	12,641,400	3.14
Hana Bank 4.625% due 24/10/2023	10,760,336	2.67
RHB Bank Berhad 3.766% due 19/02/2024	10,629,336	2.64
Manulife Financial Corporation 3% due 21/11/2029	8,933,761	2.22
Baidu Incorporation 3.875% due 29/09/2023	8,754,297	2.17
Far East Horizon Limited 2.625% due 03/03/2024	7,937,314	1.97
SK Broadband Company Limited 3.875% due 13/08/2023	7,424,192	1.84
Harvest Operations Corporation 1% due 26/04/2024	6,762,125	1.68
RCS Trust 3.2% due 14/03/2025	6,648,259	1.65

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

REPORT TO UNITHOLDERS

For the financial year ended 30 June 2023

3. Top 10 holdings (continued)

10 largest holdings at 30 June 2022

	Fair value S\$	Percentage of total net assets attributable to unitholders %
DBS Group Holdings Limited 4.52% due 11/12/2028	13,780,183	2.75
Oversea-Chinese Banking Corporation Limited 4.25% due 19/06/2024	11,204,757	2.23
CMB Wing Lung Bank Limited 3.75% due 22/11/2027	10,989,215	2.19
Sinopec Capital 2013 Limited 3.125% due 24/04/2023	9,749,578	1.94
Shanghai Commercial Bank Limited 3.75% due 29/11/2027	9,741,840	1.94
National Australia Bank Limited 4.15% due 19/05/2028	9,559,492	1.90
Manulife Financial Corporation 3% due 21/11/2029	9,138,252	1.82
CNAC HK Finbridge Company Limited 4.625% due 14/03/2023	9,125,322	1.82
SSG Resources Limited 4.25% due 04/10/2022	9,121,299	1.82
NTUC Income Insurance Co-Operative Limited 3.65% due 23/08/2027	9,016,246	1.80

4. Exposure to financial derivatives

	Fair value at 30 June 2023 S\$	Percentage of total net assets attributable to unitholders at 30 June 2023 %	Unrealised gains/(losses) S\$	Realised gains/(losses) S\$
Forward foreign exchange contracts	(2,822,871)	(0.70)	(2,822,871)	9,928,437
Futures contracts	-	-	-	37,075

5. Global exposure to financial derivatives

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

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

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

REPORT TO UNITHOLDERS

For the financial year ended 30 June 2023

6. Collateral

Please refer to Note 8 of the Notes to the Financial Statements on page 31.

7. Securities lending or repurchase transactions

Nil.

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

Nil.

9. Borrowings

Nil.

10. Amount of units created and cancelled for the financial year ended 30 June 2023

S\$

Units created	574,795,479
Units cancelled	(680,702,504)

11. Turnover ratio

Please refer to Note 11 of the Notes to the Financial Statements on page 40.

12. Expense ratio

Please refer to Note 11 of the Notes to the Financial Statements on page 40.

13. Related party transactions

Please refer to Note 10 of the Notes to the Financial Statements on page 40.

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

Nil.

15. Soft dollar commissions/arrangements

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

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SEMI-ANNUAL REPORT

For the financial period ending 31 December 2022

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

MANAGERS

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

DIRECTORS OF MANAGERS

Kiyotaka Ryu
Seet Oon Hui Eleanor
Hiroki Tsujimura

TRUSTEE & REGISTRAR

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

AUDITORS

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

CUSTODIAN

BNP Paribas, operating through its Singapore Branch
20 Collyer Quay, #01-01
Singapore 049319

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

PERFORMANCE SUMMARY

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Short Term Bond Fund (S\$) - SGD Class ¹	0.82	0.34	-1.15	0.57	1.33	1.65	2.07
Benchmark ²	0.93	1.52	1.92	1.06	1.32	1.04	1.20

Source: Nikko Asset Management Asia Limited, returns as at 31 December 2022. Returns are calculated on a NAV-NAV basis, SGD, and based on the assumption that all dividends and distributions are reinvested, if any. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Short Term Bond Fund (S\$) - SGD Class ¹	-0.19	-0.67	-2.14	0.24	1.13	1.55	2.02
Benchmark ²	0.93	1.52	1.92	1.06	1.32	1.04	1.20

Source: Nikko Asset Management Asia Limited, returns as at 31 December 2022. Returns are calculated on a NAV-NAV basis, SGD, and based on the assumption that all dividends and distributions are reinvested, if any, and take into account of maximum initial sales charge and a realisation charge, currently nil, as and where applicable. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Inception date: 29 September 2000

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Short Term Bond Fund (S\$) - AUD Hedged Class ¹	0.65	-0.03	-1.88	0.13	1.02	2.16	2.65
Benchmark ²	0.93	1.52	1.92	1.06	1.32	1.04	0.96

Source: Nikko Asset Management Asia Limited, returns as at 31 December 2022. Returns are calculated on a NAV-NAV basis, AUD, and based on the assumption that all dividends and distributions are reinvested, if any. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Short Term Bond Fund (S\$) - AUD Hedged Class ¹	-0.36	-1.03	-2.86	-0.21	0.81	2.05	2.56
Benchmark ²	0.93	1.52	1.92	1.06	1.32	1.04	0.96

Source: Nikko Asset Management Asia Limited, returns as at 31 December 2022. Returns are calculated on a NAV-NAV basis, AUD, and based on the assumption that all dividends and distributions are reinvested, if any, and take into account of maximum initial sales charge and a realisation charge, currently nil, as and where applicable. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Inception date: 23 September 2011

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Short Term Bond Fund (S\$) - USD Hedged Class ¹	0.48	0.01	-1.49	0.37	1.23	N/A	1.25
Benchmark ²	0.93	1.52	1.92	1.06	1.32	N/A	1.26

Source: Nikko Asset Management Asia Limited, returns as at 31 December 2022. Returns are calculated on a NAV-NAV basis, USD, and based on the assumption that all dividends and distributions are reinvested, if any. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Short Term Bond Fund (S\$) - USD Hedged Class ¹	-0.53	-0.99	-2.47	0.03	1.03	N/A	1.09
Benchmark ²	0.93	1.52	1.92	1.06	1.32	N/A	1.26

Source: Nikko Asset Management Asia Limited, returns as at 31 December 2022. Returns are calculated on a NAV-NAV basis, USD, and based on the assumption that all dividends and distributions are reinvested, if any, and take into account of maximum initial sales charge and a realisation charge, currently nil, as and where applicable. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Inception date: 15 September 2016

Note:

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

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

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

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

Portfolio Review

The Fund underperformed the benchmark over the past 6 months

The Nikko AM Shenton Short Term Bond Fund (S\$) (the "Fund") delivered a gain of 0.34% (in SGD terms, on a NAV-NAV basis) for the 6 months ending 31 December 2022, underperforming the benchmark which returned 1.52%. The 2-year US Treasury (UST) yield rose by 48.5 basis points (bps), whereas 1 to 3-year Singapore dollar (SGD) swap rates were up between 26.1 to 47.2 bps over the same period. Contributions from yield curve positioning and spread returns were negative, offset in part by positive contributions from income and carry returns. Meanwhile, our holdings in SSG Resources Ltd. 4.25% 04 Oct 2022, National Australia Bank Limited 4.15% 19 May 2028 and Huarong Finance 2017 Co. Ltd. Frn 07 Nov 2022 were among the top contributors to performance.

Changes to Fund characteristics

As of 31 December 2022, the Fund's weighted average duration* and weighted average yield-to-maturity** were at 1.003 years and 5.113% (hedged in SGD terms), respectively. The average credit rating of the Fund is at A-***. The Fund is diversified across 95 bonds, with 79 issuers from 15 countries, with an average weight of 1.16% per issuer. At the end of the year, the level of cash and cash equivalents was at 8.37%.

Market Review

Yields of USTs rose over the period in review

The UST yield curve shifted higher in the last six months of 2022. The European Central Bank (ECB) delivered a larger-than-expected 50 bps rate hike and the US Federal Reserve (Fed) raised the Fed Funds Rate by 75 bps at the start of the period. In spite of these sizable moves, UST yields turned lower following a string of soft domestic data which quickly led markets to recalibrate recession risks in the world's largest economy. Subsequently, the US August jobs report revealed resilience in job growth and softened concerns around recession but heightened expectations of further sizable policy rate hikes by the Fed. In addition, a record increase in German producer prices stoked renewed inflation concerns. At the Jackson Hole Symposium, Fed Chairman Jerome Powell declared that the central bank might raise rates further into restrictive territory and keep them there for a longer period. This prompted markets to unwind expectations for an early pivot by the Fed. Weakness in Treasuries was exacerbated thereafter by better-than-expected US labour and consumer price index (CPI) reports for August that cemented another sizable move in the Fed Funds Rate and raised expectations for a higher terminal rate.

There was a significant rise in front-end yields following the September Federal Open Market Committee (FOMC) meeting. Although the 75-bps increase was largely expected by markets, upward revisions to the policy rate and unemployment rate projections, together with downward revisions to growth estimates, signalled that the Fed would likely embark on a more protracted and/or aggressive monetary tightening cycle to combat rising inflation. Further, the Fed Chairman's acknowledgment that some economic pain might be necessary to curb inflation, rattled markets. Risk sentiment turned decisively bearish towards end-September as markets focused on events unfolding in the UK. Gilt yields surged and the British pound hit an all-time low against the US dollar (USD) on concerns over the UK government's medium-term fiscal sustainability after the new administration unveiled its growth plan which included extensive tax cuts.

The Fed delivered a well-telegraphed 75 bps rate hike in November. Monetary policy expectations quickly shifted lower after US October CPI prints moderated by more than forecast. Hopes that inflationary pressures are finally ebbing prompted a significant rally in Treasury bonds as well as risk assets. The Fed raised rates by another 50 bps in December, with the accompanying statement

and the upward revision in the interest rate forecast dots being more hawkish than anticipated. Separately, the Bank of Japan (BOJ) made a surprise tweak to its yield curve control (YCC)—widening the tolerance band around its 10-year Japanese government bond (JGB) yield target to $\pm 0.5\%$ (from $\pm 0.25\%$), fuelling a sell-off in JGBs as well as major global rates including USTs. Thereafter, the upward pressure to yields was supported as markets digested the prospects for growth and inflation amid China's rollback of COVID isolation measures. At end-2022, the benchmark 10-year UST yield was at 3.877%, 86 bps higher compared to end-June 2022.

Asian credits weakened in the second half of 2022

Asian credits opened the period to weak risk sentiment as investors re-priced more rate hikes by the Fed on the back of surging inflation and continued strength in the US labour market. The significant moderation in China's 2Q22 gross domestic product (GDP) growth, together with fears of the country's reversion to prohibitive measures as new COVID cases crept higher, further weighed on sentiment. With reports coming in that Chinese homebuyers were suspending mortgage payments in response to delayed delivery of pre-sold properties, credit spreads—led by Chinese credits—pushed wider. Payment suspensions remained the focal point for investors for the rest of July. In end-July, China's Politburo vowed to stand its ground on the zero-Covid strategy and made clear the intention to strike a balance between COVID control and economic growth. Top leaders also called for efforts to stabilise property markets and ensure the delivery of pre-sold homes. This notwithstanding, the lack of concrete details, particularly around central government support, prompted markets to fixate on the negative effects of sustained stresses in the property sector, on the broader economy.

Risk sentiment improved subsequently after resilient US jobs growth softened concerns around an imminent recession. Moderation in US inflation prints further encouraged demand for risk assets. Over in China, reacting to disappointing economic data, authorities unveiled more measures to support growth. Apart from trimming key policy rates, policymakers declared additional stimulus measures totaling Chinese yuan (CNY) 1 trillion. Support was also on hand for the property sector with select developers being allowed to issue bonds that would be guaranteed and underwritten by state-owned firms. On top of this, policymakers introduced a joint program that would offer special loans to ensure the delivery of select property projects to home buyers. Notably, spreads of Chinese property credits tightened significantly post the announcement of liquidity support from the central government. Headlines of US and China reaching a preliminary agreement for US officials being able to review audit documents of Chinese corporates listed in US was another positive development. Subsequently, unofficial reports that Chinese authorities intend to significantly relax measures to arrest the property slump further improved sentiment, particularly towards Chinese property credits. Demand for the sector was also buoyed by news that select cities had allowed property developers to provide bigger reductions in home prices.

There was a reversal in overall risk tone heading into end-September. Further monetary policy tightening by major central banks, rising global bond yields and escalation in the Russia-Ukraine war prompted credit spreads to reverse higher. Risk assets including Asian credits extended losses following extreme volatility in the UK gilt market. This notwithstanding, Chinese property credits experienced a boost after regulators stepped up support for the sector, albeit offset in part by concerns surrounding missed payments by a property developer which had recently issued a state-guaranteed bond. However, this rally was short-lived after another Chinese property developer defaulted. The event rocked the markets as the entity was among those approved earlier on to issue state-guaranteed debt. In the Chinese high-grade (HG) space, news that the US added more companies to its list of those identified as 'Chinese military companies' weighed on selected names. The weakness in Asian credits reflected further weakening in risk tone as markets priced in the possibility of the Fed Funds Rate exceeding 5%. China concluded its 20th Party Congress on 22 October, with the Party Congress report essentially focusing on continuity in its policy(s).

Asian credit spreads traded within a relatively tight range in early November. Spreads were pressured upward by hawkish comments from the US Fed chairman, together with a South Korean insurance company's decision of not calling its perpetual capital security at the first call date (although this decision was subsequently reversed after the event caused significant stress to the subordinated capital instruments issued by Korean financial institutions, which were already in a fragile state due to the stresses in the onshore credit and short-term funding markets). Meanwhile, expectations of relaxation to China's COVID measures provided some offset. Subsequently, several positive headlines triggered a significant move lower in spreads. The weaker-than-anticipated US October CPI print fuelled hopes that the Fed would temper its pace of monetary policy tightening. Over in China, authorities further eased COVID-19 restrictions despite rising infection cases and amplified their commitment to containing the property crisis. Regulators unveiled a 16-point rescue package to ensure the 'stable and healthy development' of the sector. Following this, several of the largest banks pledged to provide at least CNY 1.28 trillion in funding for property developers, and policymakers reopened the equity financing channel for property companies. Moreover, China Bond Insurance Co.—the state-backed company which launched a program guaranteeing local bond sales of cash-strapped developers—reportedly loosened requirements for developers to access such funding, while the Chinese central bank announced a reduction in the reserve requirement ratio (RRR) for most banks. The buoyant market sentiment encouraged fund inflows into emerging market (EM) bond funds.

Investors' excitement over China's reopening and several positive headlines in China property sector continued for the remainder of the year. China announced significant further relaxation of its COVID containment policies, with ten new measures including the removal of broad testing requirements and the introduction of home quarantine. Towards end-2022, China announced it will reopen its borders in early January where inbound travellers would no longer be subject to any mandatory quarantine requirements upon arrival. Both Hong Kong and Macau also announced meaningful COVID control relaxations. The faster-than-expected relaxation of COVID-related policies by China boosted market sentiment. In the China property sector, China Securities Regulatory Commission's (CSRC) announcement of resuming onshore equity financing channels for developers triggered the year-end rally in the sector.

Market Outlook & Strategy

Technicals and resilient fundamentals to support Asian credit spreads at start of new year

We believe there is room for Asian credit spreads to tighten in the early part of 2023 given global investors' light positioning, as well as the potential for fresh capital and risk allocation to the asset class at the start of the year. This comes against the backdrop of some positive catalysts, including a potential slowdown in Fed rate hikes and China's policy shifts in certain key areas including COVID management, property sector and internet platforms. Once the initial wave of inflows and deployment are over, the evolution of Asian credit spreads could become more tentative and there might be more volatility from second quarter of 2023 onwards depending on the developments of growth and inflation, and consequently monetary policy, in the developed markets.

In our base case, disinflation is likely to become a stronger narrative in the US as we move through 2023. The US economy is likely to experience a mild recession sometime in 2023, although the timing is uncertain. The balance of risk between a soft (very weak growth but no recession) and hard landing (more severe recession) scenarios seems even at this point. In our base case, UST yields should move lower gradually through 2023.

China's policy shifts should support growth recovery in 2023, although risks around implementation and policy predictability remain. To be sure, China's exit path from zero-COVID approach is likely to be stop-start in nature given the population's low natural immunity and the country's less than well-

equipped healthcare system. China's determination to follow-through on the relaxation of COVID measures and expansion of support to the property sector beyond just financing to demand-oriented measures to revive new home sales growth will be critical for sustaining positive investor sentiment towards China credits. At the same, while geopolitical tensions seem to have stabilised, latent risks remain, particularly around technology and the Taiwan issue.

Macro and corporate credit fundamentals across Asia ex-China are expected to stay robust, albeit weaker given the softness in exports, tighter global financial conditions and higher domestic interest rates. Indian and ASEAN economies, supported by tourism rebound and domestic reopening, are expected to fare better than export-dependent North Asia. Given the backdrop of declining UST yields and still resilient fundamentals, we expect Asian credit spreads to stay within a range after the initial tightening at the start of the year.

There are nevertheless downside risks to the base case scenario, key of which are more persistent than expected inflation across major economies which would lead to a more protracted hiking cycle and a higher terminal policy rate, a more severe economic downturn in the developed economies, backtracking of China's easing policies on COVID and property sector, and local funding and credit market stress, such as the one experienced by South Korea in early fourth quarter 2022. The materialisation of one or more of these downside risks could lead to the widening of Asian credit spreads from current levels.

NOTE:

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

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

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

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

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The Central Provident Fund ("CPF") Ordinary Account ("OA") interest rate is the legislated minimum 2.5% per annum, or the 3-month average of major local banks' interest rates, whichever is higher, reviewed quarterly. The interest rate for Special Account ("SA") is currently 4% per annum or the 12-month average yield of 10-year Singapore Government Securities plus 1%, whichever is higher, reviewed quarterly. Only monies in excess of \$20,000 in OA and \$40,000 in SA can be invested under the CPF Investment Scheme ("CPFIS"). Please refer to the website of the CPF Board for further information. Investors should note that the applicable interest rates for the CPF accounts and the terms of CPFIS may be varied by the CPF Board from time to time.

For Hong Kong Investors

The Fund may only be offered to professional investors in Hong Kong and is not authorised by the Securities and Futures Commission. The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to this document. If you are in any doubt about any of the contents, you should obtain independent professional advice.

Nikko Asset Management Asia Limited. Registration Number 198202562H

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

STATEMENT OF TOTAL RETURN

For the financial period from 01 July 2022 to 31 December 2022 (unaudited)

	31 December 2022	31 December 2021
	S\$	S\$
Income		
Interest on cash and cash equivalents	352,112	-
Other Income	121	-
	352,233	-
Less: Expenses		
Management fee	710,947	600,497
Registrar fee	33,042	22,342
Trustee fee	36,544	30,963
Custody fee	24,725	23,212
Audit fee	10,973	10,810
Valuation fee	105,852	89,107
Transaction costs	42,530	32,372
Other expenses	41,863	22,810
	1,006,476	832,113
Net losses	(654,243)	(832,113)
Net gains or losses on value of investments and financial derivatives		
Net (losses)/gains on investments	(8,599,098)	592,933
Net foreign exchange losses	(2,571,800)	(3,004,124)
Net gains on financial derivatives	10,930,626	2,291,130
	(240,272)	(120,061)
Total deficit for the financial period before income tax	(894,515)	(952,174)
Less: Income tax	(701)	(1,286)
Total deficit for the financial period after income tax	(895,216)	(953,460)

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022 (unaudited)

	31 December 2022 S\$	30 June 2022 S\$
ASSETS		
Portfolio of investments	346,458,166	465,895,716
Receivables	4,437,149	9,994,334
Cash and cash equivalents	27,442,974	36,489,489
Margin accounts	215,488	217,052
Financial derivatives at fair value	3,638,457	600,028
Total assets	382,192,234	513,196,619
LIABILITIES		
Payables	4,393,309	3,639,364
Purchases awaiting settlement	-	7,228,655
Financial derivatives at fair value	783,077	408,014
Total liabilities	5,176,386	11,276,033
EQUITY		
Net assets attributable to unitholders	377,015,848	501,920,586

NIKKO AM SHENTON SHORT TERM BOND FUND (S\$)*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS***For the financial period from 01 July 2022 to 31 December 2022 (unaudited)*

	31 December 2022 S\$	30 June 2022 S\$
Net assets attributable to unitholders at the beginning of the financial period/year	501,920,586	402,032,787
Operations		
Change in net assets attributable to unitholders resulting from operations	(895,216)	(5,661,850)
Unitholders' contributions/(withdrawals)		
Creation of units	303,729,848	612,372,739
Cancellation of units	(427,739,370)	(506,823,090)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(124,009,522)	105,549,649
Total (decrease)/increase in net assets attributable to unitholders	(124,904,738)	99,887,799
Net assets attributable to unitholders at the end of the financial period/year	377,015,848	501,920,586

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

STATEMENT OF PORTFOLIO
As at 31 December 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 %
Quoted Fixed Income Securities			
AUSTRALIA			
Australia & New Zealand Banking Group Limited 5.0289% due 26/07/2029	5,000,000	4,561,220	1.21
National Australia Bank Limited 4.15% due 19/05/2028	9,500,000	9,454,778	2.51
Westpac Banking Corporation 5.01% due 22/06/2028	2,500,000	2,271,114	0.60
Total AUSTRALIA		16,287,112	4.32
BRITAIN			
HSBC Holdings Public Listed Company 5.25% due 27/06/2032	2,250,000	2,281,439	0.60
Standard Chartered Public Listed Company 1.822% due 23/11/2025	2,000,000	2,453,048	0.65
Standard Chartered Public Listed Company 7.776% due 16/11/2025	1,900,000	2,627,642	0.70
Total BRITAIN		7,362,129	1.95
BRITISH VIRGIN ISLANDS			
1MDB Global Investments Limited 4.4% due 09/03/2023	2,000,000	2,627,880	0.70
CICC Hong Kong Finance 2016 MTN Limited 1.625% due 26/01/2024	2,500,000	3,225,041	0.85
Eastern Creation II Investment Holdings Limited 1% due 10/09/2023	4,500,000	5,863,346	1.55
Guangzhou Metro Investment Finance BVI Limited 1.507% due 17/09/2025	2,000,000	2,409,781	0.64
Huarong Finance 2019 Company Limited 2.125% due 30/09/2023	3,000,000	3,877,302	1.03
Huarong Finance 2019 Company Limited 2.5% due 24/02/2023	2,978,000	3,989,111	1.06
Huarong Finance 2019 Company Limited 3.75% due 29/05/2024	1,000,000	1,277,590	0.34
Inventive Global Investments Limited 1.5% due 15/07/2023	1,800,000	2,367,396	0.63
King Power Capital Limited 5.625% due 03/11/2024	2,000,000	2,697,617	0.71
Poly Real Estate Finance Limited 4.75% due 17/09/2023	2,500,000	3,302,714	0.88
Sinochem Offshore Capital Company Limited 1% due 23/09/2024	1,500,000	1,864,430	0.49
Sinopec Capital 2013 Limited 3.125% due 24/04/2023	5,000,000	6,667,123	1.77
Total BRITISH VIRGIN ISLANDS		40,169,331	10.65
CANADA			
Harvest Operations Corporation 1% due 26/04/2024	5,200,000	6,594,824	1.75
Harvest Operations Corporation 4.2% due 01/06/2023	1,500,000	2,005,639	0.52
Manulife Financial Corporation 3% due 21/11/2029	9,250,000	8,870,526	2.35
Total CANADA		17,470,989	4.62
CAYMAN ISLANDS			
ABQ Finance Limited 3.125% due 24/09/2024	1,000,000	1,290,291	0.34
Baidu Incorporation 3.875% due 29/09/2023	6,500,000	8,602,791	2.28
Baidu Incorporation 4.375% due 14/05/2024	1,000,000	1,316,934	0.36
China Overseas Grand Oceans Finance IV Cayman Limited 2.45% due 09/02/2026	1,930,000	2,046,383	0.54
DIB Sukuk Limited 3.625% due 06/02/2023	2,000,000	2,676,707	0.71
PCGI Intermediate Limited 4.75% due 28/10/2024	1,435,000	1,763,055	0.47

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

STATEMENT OF PORTFOLIO
As at 31 December 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 %
Quoted Fixed Income Securities (continued)			
CAYMAN ISLANDS (continued)			
QIB Sukuk Limited 5.88157% due 07/02/2025	4,000,000	5,362,561	1.42
Weibo Corporation 3.5% due 05/07/2024	5,000,000	6,488,407	1.72
Total CAYMAN ISLANDS		29,547,129	7.84
CHINA			
ZhongAn Online P&C Insurance Company Limited 3.125% due 16/07/2025	1,200,000	1,380,984	0.37
Total CHINA		1,380,984	0.37
FRANCE			
BNP Paribas SA 4.35% due 22/01/2029	4,500,000	4,469,625	1.19
Total FRANCE		4,469,625	1.19
HONG KONG SAR			
Beijing State-Owned Assets Management Hong Kong Company Limited 4.125% due 26/05/2025	3,000,000	3,885,188	1.03
BoCom Leasing Management Hong Kong Company Limited 1.75% due 14/07/2023	4,875,000	6,414,504	1.70
CNAC HK Finbridge Company Limited 3.375% due 19/06/2024	2,000,000	2,592,184	0.69
CNAC HK Finbridge Company Limited 4.625% due 14/03/2023	4,500,000	6,027,208	1.60
Far East Horizon Limited 4.375% due 27/02/2023	2,000,000	2,665,253	0.71
Hero Asia Investment Limited 1.5% due 18/11/2023	4,700,000	6,092,484	1.62
ICBCIL Finance Company Limited 5.70614% due 15/05/2023	1,200,000	1,608,265	0.43
Shanghai Commercial Bank Limited 5% due 17/01/2029	4,200,000	5,551,473	1.47
Vanke Real Estate Hong Kong Company Limited 6.30729% due 25/05/2023	2,500,000	3,327,861	0.88
Westwood Group Holdings Limited 5.375% due 19/10/2023	1,000,000	1,330,722	0.35
Total HONG KONG SAR		39,495,142	10.48
INDIA			
Indian Railway Finance Corporation Limited 3.73% due 29/03/2024	2,000,000	2,622,858	0.70
REC Limited 5.25% due 13/11/2023	3,955,000	5,283,587	1.40
State Bank of India 4.375% due 24/01/2024	3,000,000	3,970,660	1.05
Total INDIA		11,877,105	3.15
INDONESIA			
Bank Rakyat Indonesia Persero TBK PT 4.625% due 20/07/2023	2,000,000	2,677,378	0.71
Indonesia Asahan Aluminium Persero PT 5.71% due 15/11/2023	3,667,000	4,927,415	1.31
Total INDONESIA		7,604,793	2.02
ISLE OF MAN			
GOHL Capital Limited 4.25% due 24/01/2027	1,000,000	1,198,463	0.32
Total ISLE OF MAN		1,198,463	0.32

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

STATEMENT OF PORTFOLIO
As at 31 December 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 %
Quoted Fixed Income Securities (continued)			
JAPAN			
Mitsubishi UFJ Financial Group Incorporation 2.527% due 13/09/2023	1,247,000	1,641,107	0.44
Mitsubishi UFJ Financial Group Incorporation 5.063% due 12/09/2025	3,650,000	4,866,405	1.29
Mizuho Financial Group Incorporation 5.38729% due 25/05/2024	3,000,000	4,002,036	1.06
Nomura Holdings Incorporation 5.099% due 03/07/2025	2,330,000	3,095,429	0.82
NTT Finance Corporation 4.142% due 26/07/2024	4,250,000	5,615,548	1.49
NTT Finance Corporation 4.239% due 25/07/2025	2,000,000	2,638,706	0.70
Total JAPAN		21,859,231	5.80
MALAYSIA			
Cagamas Global Public Listed Company 3.85% due 11/09/2023	1,000,000	994,335	0.26
CIMB Bank Berhad 4.68871% due 09/10/2024	3,000,000	4,016,278	1.07
Malayan Banking Berhad 5.44386% due 16/08/2024	2,000,000	2,682,045	0.71
RHB Bank Berhad 3.766% due 19/02/2024	7,950,000	10,467,869	2.78
Total MALAYSIA		18,160,527	4.82
SINGAPORE			
ABJA Investment Company Private Limited 4.45% due 24/07/2023	3,000,000	4,000,978	1.06
BOC Aviation Limited 2.75% due 02/12/2023	4,170,000	5,452,692	1.45
BOC Aviation Limited 3.25% due 29/04/2025	1,500,000	1,909,555	0.51
BOC Aviation Limited 3.5% due 31/01/2023	2,700,000	3,621,249	0.96
CapitaLand Ascendas REIT 2.47% due 10/08/2023	2,750,000	2,719,863	0.72
CapitaLand Ascendas REIT 3.14% due 02/03/2025	1,750,000	1,706,741	0.45
CCT MTN Private Limited 3.17% due 05/03/2024	5,500,000	5,418,750	1.44
CDL Properties Limited 2.958% due 09/05/2024	500,000	486,257	0.13
CMT MTN Private Limited 3.2% due 21/08/2025	1,750,000	1,697,673	0.45
CMT MTN Private Limited 3.48% due 06/08/2024	3,750,000	3,695,865	0.98
DBS Group Holdings Limited 4.52% due 11/12/2028	9,826,000	13,044,900	3.46
Indorama Ventures Investments & Holdings Private Limited 3.73% due 07/10/2025	2,000,000	1,970,348	0.52
Keppel Corporation Limited 3% due 01/10/2026	1,000,000	939,790	0.25
Keppel Infrastructure Trust 3% due 01/12/2026	2,500,000	2,327,721	0.62
Mapletree Treasury Services Limited 2.85% due 29/08/2025	1,000,000	961,252	0.25
Mapletree Treasury Services Limited 3.4% due 03/09/2026	500,000	478,924	0.13
Monetary Authority of Singapore Bill 0% due 20/01/2023	3,000,000	2,994,165	0.79
Oversea-Chinese Banking Corporation Limited 4.25% due 19/06/2024	9,500,000	12,594,001	3.34
RCS Trust 3.2% due 14/03/2025	6,750,000	6,572,519	1.74
Singapore Life Holdings Private Limited 3.375% due 24/02/2031	3,000,000	2,816,880	0.75
Singpost Group Treasury Private Limited 3.23% due 29/03/2027	750,000	718,188	0.19
Starhub Limited 3.55% due 08/06/2026	750,000	723,637	0.19
Surbana Jurong Private Limited 4.11% due 03/10/2025	3,500,000	3,451,300	0.91

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

STATEMENT OF PORTFOLIO
As at 31 December 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 %
Quoted Fixed Income Securities (continued)			
SINGAPORE (continued)			
United Overseas Bank Limited 3.5% due 27/02/2029	1,750,000	1,721,906	0.46
United Overseas Bank Limited 3.75% due 15/04/2029	2,182,000	2,852,910	0.76
Total SINGAPORE		84,878,064	22.51
SOUTH KOREA			
Hana Bank 4.625% due 24/10/2023	8,000,000	10,630,728	2.82
Hana Bank 5.48314% due 13/06/2024	1,330,000	1,781,535	0.47
Korea East-West Power Company Limited 3.875% due 19/07/2023	2,000,000	2,661,276	0.71
Korea Expressway Corporation 3.625% due 18/05/2025	500,000	647,476	0.17
Korea Gas Corporation 3.875% due 12/02/2024	4,000,000	5,295,393	1.40
Korea Western Power Company Limited 3.75% due 07/06/2023	2,000,000	2,663,563	0.71
Lotte Property & Development Company Limited 4.5% due 01/08/2025	430,000	555,346	0.15
SK Broadband Company Limited 3.875% due 13/08/2023	5,500,000	7,319,782	1.94
Woori Bank 5.44543% due 21/05/2024	1,500,000	2,005,800	0.53
Total SOUTH KOREA		33,560,899	8.90
UNITED ARAB EMIRATES			
Emirates NBD Bank PJSC 3.05% due 06/03/2023	500,000	499,063	0.13
Total UNITED ARAB EMIRATES		499,063	0.13
UNITED STATES OF AMERICA			
BOC Aviation USA Corporation 1.625% due 29/04/2024	1,800,000	2,289,790	0.61
Citigroup Incorporation 4.14% due 24/05/2025	2,000,000	2,631,650	0.69
JPMorgan Chase & Company 3.845% due 14/06/2025	2,000,000	2,625,177	0.70
Total UNITED STATES OF AMERICA		7,546,617	2.00
Accrued interest receivable on quoted fixed income securities		3,090,963	0.82
Total Quoted Fixed Income Securities		346,458,166	91.89
Portfolio of investments		346,458,166	91.89
Other net assets		30,557,682	8.11
Net assets attributable to unitholders		377,015,848	100.00

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

STATEMENT OF PORTFOLIO
As at 31 December 2022 (unaudited)

By Geography (Summary)

	Percentage of total net assets attributable to unitholders at 31 December 2022 %	Percentage of total net assets attributable to unitholders at 30 June 2022 %
Quoted Fixed Income Securities		
Australia	4.32	4.44
Britain	1.95	0.45
British Virgin Islands	10.65	10.14
Canada	4.62	3.61
Cayman Islands	7.84	10.45
China	0.37	1.24
France	1.19	1.30
Hong Kong SAR	10.48	13.37
India	3.15	1.11
Indonesia	2.02	1.59
Isle of Man	0.32	-
Japan	5.80	2.65
Malaysia	4.82	4.53
Singapore	22.51	28.82
South Korea	8.90	6.97
United Arab Emirates	0.13	0.66
United States of America	2.00	0.83
Accrued interest receivables on quoted fixed income securities	0.82	0.66
Total Quoted Fixed Income Securities	91.89	92.82
Portfolio of investments	91.89	92.82
Other net assets	8.11	7.18
Net assets attributable to unitholders	100.00	100.00

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

STATEMENT OF PORTFOLIO
As at 31 December 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 %
Banks	130,705,511	34.67	36.26
Chemicals	10,589,740	2.81	2.77
Commercial Services	647,476	0.17	0.14
Diversified Financial Services	38,927,096	10.33	9.94
Electric	13,745,044	3.65	3.51
Electronics	-	-	0.73
Engineering and Construction	4,391,090	1.15	1.10
Gas	5,295,393	1.39	-
Insurance	14,831,445	3.93	6.22
Internet	23,727,914	6.29	4.48
Investment Companies	14,469,367	3.84	3.12
Iron/Steel	4,000,978	1.06	2.03
Leisure Time	2,697,617	0.72	0.58
Lodging	1,198,463	0.32	-
Mining	4,927,415	1.31	1.03
Oil and Gas	15,267,586	4.05	4.87
Real Estate	12,913,713	3.43	6.84
Real Estate Investment Trusts (REITS)	21,811,411	5.79	6.58
Sovereign	2,627,880	0.70	-
Telecommunications	8,977,891	2.38	1.30
Transportation	11,614,173	3.08	0.66
Accrued interest receivables on quoted fixed income securities	3,090,963	0.82	0.66
Portfolio of investments	346,458,166	91.89	92.82
Other net assets	30,557,682	8.11	7.18
Net assets attributable to unitholders	377,015,848	100.00	100.00

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

REPORT TO UNITHOLDERS

For the financial period from 01 July 2022 to 31 December 2022 (unaudited)

The following contains additional information relating to the Fund.

1. Distribution of investments

Please refer to the Statement of Portfolio on pages 12 to 17.

2. Credit rating of debt securities

	Fair value at 31 December 2022 S\$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
Aaa*	2,994,165	0.79
Aa2	19,868,171	5.27
Aa3	555,346	0.15
A1	35,925,248	9.53
A2	35,978,732	9.54
A3	62,953,035	16.70
Baa1	35,519,749	9.42
Baa2	29,108,700	7.72
Baa3	28,471,424	7.55
Not rated**	91,992,633	24.40
Accrued interest receivables on quoted fixed income securities	3,090,963	0.82
Total	346,458,166	91.89

* The balance includes securities that are issued by government agencies of governments that have a Aaa rating as rated by Moody's.

** Not rated securities are supported by internal and other rating agencies credit ratings but are not disclosed due to licencing restrictions.

3. Top 10 holdings

10 Largest holdings at 31 December 2022

	Fair value S\$	Percentage of total net assets attributable to unitholders %
DBS Group Holdings Limited 4.52% due 11/12/2028	13,044,900	3.46
Oversea-Chinese Banking Corporation Limited 4.25% due 19/06/2024	12,594,001	3.34
Hana Bank 4.625% due 24/10/2023	10,630,728	2.82
RHB Bank Berhad 3.766% due 19/02/2024	10,467,869	2.78
National Australia Bank Limited 4.15% due 19/05/2028	9,454,778	2.51
Manulife Financial Corporation 3% due 21/11/2029	8,870,526	2.35
Baidu Incorporation 3.875% due 29/09/2023	8,602,791	2.28
SK Broadband Company Limited 3.875% due 13/08/2023	7,319,782	1.94
Sinopec Capital 2013 Limited 3.125% due 24/04/2023	6,667,123	1.77
Harvest Operations Corporation 1% due 26/04/2024	6,594,824	1.75

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

REPORT TO UNITHOLDERS

For the financial period from 01 July 2022 to 31 December 2022 (unaudited)

3. Top 10 holdings (continued)

10 Largest holdings at 31 December 2021	Fair value S\$	Percentage of total net assets attributable to unitholders %
DBS Group Holdings Limited 4.52% due 11/12/2028	14,004,812	3.63
United Overseas Bank Limited 2.88% due 08/03/2027	11,896,379	3.09
CMB Wing Lung Bank Limited 3.75% due 22/11/2027	10,773,010	2.79
National Australia Bank Limited 4.15% due 19/05/2028	9,852,528	2.56
Sinopec Capital 2013 Limited 3.125% due 24/04/2023	9,677,121	2.51
Shanghai Commercial Bank Limited 3.75% due 29/11/2027	9,562,177	2.48
Manulife Financial Corporation 3% due 21/11/2029	9,519,895	2.47
CNAC HK Finbridge Company Limited 4.625% due 14/03/2023	9,084,043	2.36
SSG Resources Limited 4.25% due 04/10/2022	8,973,915	2.33
NTUC Income Insurance Co-Operative Limited 3.65% due 23/08/2027	8,899,809	2.31

4. Exposure to financial derivatives

	Fair value at 31 December 2022 S\$	Percentage of total net assets attributable to unitholders 31 December 2022 %	Unrealised gains/(losses) S\$	Realised gains/(losses) S\$
Forward foreign exchange contracts	2,855,380	0.76	2,855,380	8,038,172
Futures contracts	-	-	-	37,074

5. Global exposure to financial derivatives

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

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

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

REPORT TO UNITHOLDERS

For the financial period from 01 July 2022 to 31 December 2022 (unaudited)

6. Collateral

	31 December 2022 S\$	30 June 2022 S\$
Margin accounts	215,488	217,052

Margin account represents margin deposits held in respect of open exchange-traded futures contracts held with BNP Paribas, operating through its Singapore Branch. As of 31 December 2022 and 30 June 2022, there was no open exchange-traded futures.

7. Securities lending or repurchase transactions

Nil.

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

Nil.

9. Borrowings

Nil.

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

	S\$
Units created	303,729,848
Units cancelled	(427,739,370)

11. Turnover ratio

		31 December 2022	31 December 2021
Lower of total value of purchases or sales	S\$	102,634,268	57,255,191
Average daily net asset value	S\$	466,685,324	392,616,148
Total turnover ratio¹	%	21.99	14.58

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

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

REPORT TO UNITHOLDERS

For the financial period from 01 July 2022 to 31 December 2022 (unaudited)

12. Expense ratio

		31 December 2022	31 December 2021
<u>SGD Class</u>			
Total operating expenses	S\$	1,610,813	1,464,205
Average daily net asset value	S\$	398,015,914	363,035,433
Total expense ratio²	%	0.40	0.40
		31 December 2022	31 December 2021
<u>AUD Hedged Class</u>			
Total operating expenses	S\$	33,318	41,864
Average daily net asset value	S\$	5,385,583	6,768,358
Total expense ratio²	%	0.62	0.62
		31 December 2022	31 December 2021
<u>USD Hedged Class</u>			
Total operating expenses	S\$	232,751	66,399
Average daily net asset value	S\$	57,495,967	16,556,780
Total expense ratio²	%	0.40	0.40

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

13. Related party transactions

The Manager of the Fund is Nikko Asset Management Asia Limited, a subsidiary of Nikko Asset Management International Limited. The Trustee of the Fund is BNP Paribas Trust Services Singapore Limited (the "Trustee").

Management fee is payable to the Manager. Trustee fee and registrar fee are payable to the Trustee. Custody fee and valuation fee are payable to a related company of the Trustee, BNP Paribas, operating through its Singapore Branch.

In addition to related party information shown elsewhere in the financial statements (including the Statement of Portfolio), the following significant transactions took place during the financial period between the Fund and a related party at terms agreed between the parties and within the provisions of the Deeds:

	31 December 2022	30 June 2022
	S\$	S\$
Bank balances held with related party of the Trustee	27,442,974	36,489,489
Margin accounts held with related party of the Trustee	215,488	217,052

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

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

REPORT TO UNITHOLDERS

For the financial period from 01 July 2022 to 31 December 2022 (unaudited)

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

Nil.

15. Soft Dollar Commissions/Arrangements

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

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