

SEMI-ANNUAL REPORT

For the financial period ending 30 June 2017

**Nikko AM Shenton
Global Opportunities Fund**

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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
MSCI World Free Index	2.35	4.78	19.14	6.85	11.11	0.78	1.53
Nikko AM Shenton Global Opportunities Fund ¹	4.84	7.11	21.56	9.37	12.45	0.57	3.65

Source: © 2017 Morningstar. All Rights Reserved. & Nikko Asset Management Asia Limited, returns as at 30 June 2017. 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
MSCI World Free Index	2.35	4.78	19.14	6.85	11.11	0.78	1.53
Nikko AM Shenton Global Opportunities Fund ¹	-0.40	1.76	15.48	7.51	11.30	0.05	3.36

Source: © 2017 Morningstar. All Rights Reserved. & Nikko Asset Management Asia Limited, returns as at 30 June 2017. 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 where applicable. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Inception date: 5 March 1999

Note:

- (1) With effect from 17 October 2011, the Fund (formerly known as "Shenton Global Opportunities Fund") has been renamed Nikko AM Shenton Global Opportunities Fund.
- (2) With effect from 16 March 2015, the appointment of Nikko Asset Management Co., Ltd ("NAM Japan") as the investment adviser for the Fund has been terminated and Nikko Asset Management Europe Ltd ("NAM Europe") has been appointed as the sub-manager of the Fund.
- (3) With effect from 16 March 2015, the Fund's base currency has been changed from Singapore dollars to United States dollars.
- (4) Prior to 1 May 2017, the performance returns of the benchmark is calculated using price index methodology. With effect from 1 May 2017, it is calculated using net total return index methodology.

Portfolio Review

Fund returned 7.11% in 1H2017

For the half year ended 30 June 2017, the Nikko AM Shenton Global Opportunities Fund (the "Fund") returned 7.11% (SGD terms, on NAV-NAV basis), outperforming the MSCI World Free Index which returned 4.78% over the same period.

At the stock level, Tencent, Geely, Ryanair and Cooper Cameron were among the key contributors to relative performance. Tencent rallied after posting strong quarterly results, which confirmed that the company's core online gaming business continues to see solid growth. Growth also remained robust in less developed Tencent franchises such as online advertising and e-payments. Geely saw a first quarter characterised by good growth in car sales and average selling prices as the company revitalised its product range after licensing in new technology from Volvo. The shares responded well to this operational momentum and the increased market cap saw the stock included in new indices, triggering fresh passive buying of the stock. Ryanair benefited from moderating capacity growth within the European short haul airline industry, which has allowed fare discounting to become less aggressive. Results towards the end of May illustrated its strong passenger growth and cost leadership. Ryanair also introduced a new USD 600m share buyback which was well received by investors. In addition, moderating competition, falling oil prices and persistent

strength in yields (passenger load factors) as European consumer confidence has increased have all boosted the stock in recent months. Cooper was buoyed by stronger-than-expected results, with profit margins expanding at its core contact lens business much more quickly than investors had been expecting. The company has also benefited from an investor rotation back into growth and from renewed investor interest in the healthcare sector.

Conversely, Advance Auto Parts, Occidental Petroleum, HD Supply Holdings and Ichigo detracted from performance. Advance Auto Parts has suffered from a number of headwinds this year – notably better weather than last winter, leading to lower collision rates and some margin pressure. Persistent fears over the long-term impact of Amazon on its business and – longer-term still - autonomous vehicles have also seen the whole auto parts supply industry de-rate aggressively in H1. Occidental Petroleum struggled as oil prices drifted lower in H1, despite the much-publicised OPEC production cuts. The short-term driver of this weakness has been stronger-than-expected crude production in the US, which has led to stubbornly high inventory levels. The longer-term impact on oil demand from electric vehicles has also been much discussed this year, with the market cap of EV-leader Tesla outstripping that of traditional internal combustion engine players like Ford. Elsewhere, HD Supply Holdings fell after announcing a softer-than-expected profit outlook on the back of additional investments in its Facilities Maintenance business. This more than offset positive newsflow on the disposal of its Waterworks division and a new USD 500m share buyback programme. Lastly, Ichigo suffered weak share price performance in January after the company's outlook statement raised concerns that their backlog of new developments were slowing.

Market Review

Growth in China and Europe have counterbalanced dissipating optimism about US growth

As we have progressed through 2017 investors have become increasingly circumspect about the trajectory of growth for the US and the global economy. Hopes for quick, material fiscal stimulus and a wave of deregulation after the US election have been dashed. Instead, the Trump legislative agenda has been delayed, economic data has become more mixed and expectations for interest rate hikes have become more muted.

In recent months we have also seen a divergence in the trends for commodities. Oil (WTI) and iron ore prices have both fallen more than 10% but copper prices rose by 1%. This may indicate that where supply was already plentiful (iron ore) or where innovation and cheap capital are driving supply (US shale), prices will remain depressed. However in products where supply is less abundant (copper), the acceleration in fixed asset investment growth in China (as a result of easier credit conditions earlier in the year) has had a greater influence on pricing. This certainly highlights the fact that China has continued to surprise from a growth perspective and, along with moderately improving growth in Europe, these major economies have acted as a counterbalance to dissipating US growth euphoria.

Innovation and sustainable growth have returned to focus

These broader macro observations have limited bearing on our stock picking process, but are highlighted here given the influence they have had on factor returns (by geography, sector and style) over the last few months. With dissipating faith that a broad cyclical upswing will engender revenue growth and positive operating leverage for most businesses, the focus has returned again to leaders of innovation, market share gainers and franchises that can deliver sustainable growth irrespective of the economic cycle. While these trends have implications in many sectors, it has become clear that Information Technology has become the poster child for these attributes, aided and abetted by the plethora of ETFs that allow investor appetites to be satisfied.

From a portfolio perspective this shift back towards companies exhibiting better growth and quality has been conducive to our stock picking style, but not necessarily due to our holdings in the Technology sector. Rather our notable overweight in Healthcare, a result of several high conviction ideas in this area of the market, was a notable positive contributor. In the case of Information Technology we actually reduced exposure over the period, with the sale of the remaining holding in Synnex being redeployed in stocks in other sectors where valuation and momentum were not an issue.

Geographically, the portfolio's relative positions resulting from our stock picks have been modest of late and have not had a significant bearing on benchmark relative returns. We would note though that the US market has started to underperform other markets, with USD weakness being a contributory factor. This has been most notable against the Euro, where the European Central Bank (ECB) now appears to be following in the footsteps of the US Federal Reserve (Fed) faster than many expected, with policy tightening as a result of quantitative easing (QE) tapering and potentially rate hikes in due course supporting the currency. Short-term political risk has abated too, following the decisive outcome of the French election. Whether higher rates are justified as a result of a sustainable pickup in activity is a moot point, but for now the US dollar is looking less attractive on a relative basis.

Market Outlook and Strategy

Debt levels could continue to drag on long term growth

Our primary focus is to seek companies that meet our future quality definition and will deliver superior returns over the longer term. When seeking these companies, the team collectively develops insights that help direct our research on existing and potential holdings for clients. The following are the key observations we think are relevant at this point in time.

The efficacy of monetary policy was much debated last year, with bond yields touching generational lows in the process. With growth having ticked higher and policy tightening now underway, that debate has been paused for now. This conclusion may be premature, however, with accumulated debt still a significant drag on long-term growth. While low interest rates have continued to support credit-driven consumption, rising incomes to ensure the ultimate settlement of these debts have become even more important. There is scant evidence that income growth has accelerated for the majority of workers in most developed economies. If we also consider that AI and the robotic revolution is still nascent rather than mature, wages will likely stay low for longer than expected. This raises the spectre of more socialist expropriation at some stage from the "haves" to the "have nots". Likely combined with expansionary fiscal policy, this would no doubt result in a disorderly shift in yield curves.

This of course could just be sentiment conditioned by living in the UK. The appointment of Mr Macron suggests a path in the opposite direction across the channel in France. We would still conclude that the amplitude of any economic upcycle will be constrained by the level of existing debt, with attempts by central banks to regain control over monetary policy only strengthening this belief. The implications for our stock selection are:

1. Returns from financial intermediation will stay subdued. Sustainable growth will only be achieved through rising credit penetration and wealth per capita (HDFC and AIA) or by gaining market share (SVB Financial, Progressive Corp, Huntington Bank).
2. Must have affordable "monopolies" will likely endure and grow – especially where they are effectively creating new markets (Facebook, Tencent, American Tower, Ryanair, TransUnion are all examples).
3. Company specific business improvements are often underestimated as a source of both growth and increased valuation potential. Livanova, Siemens, Philips, Philip Morris, and Estee Lauder are all examples of good businesses getting better.

Focus on avoiding silo mindset in stock selection

There is an interesting contradiction taking place within financial markets in our view. Experience would suggest that complexity within markets is increasing but investors increasingly require simplicity. This desire for simplification within markets has led to a proliferation of 'silo type' solutions.

By this we refer to indexing, factor specific ETFs, thematic funds, quant solutions or any products that has a prescriptive outcome based on widely available data. These products all have their merits, but the common feature they all have is an investment choice based on the assessment of historical data. This can come from a weighting decided by MSCI or from a snapshot in time based on a company's latest financial statements.

Our belief is that historical performance is part of the assessment of the future prospects of individual companies. Experience and insight are more pertinent, however, when gauging where the market is underestimating future returns and cash flows. As a result, we place a great importance on stock specific idea generation that is not constrained by a silo mindset.

From a portfolio strategy perspective, these money flows can create buying opportunities but also occasionally detach a sector's share prices from the quality of the underlying businesses. We are currently underweight the Information Technology sector, after a long period of being allocated more highly. Innovation is a powerful force in our lives and not surprisingly is also a major factor in also conditioning investor expectations. The TMT (technology, media and telecommunications) bubble may have occurred almost two decades ago, but it is worth reminding ourselves that the combination of hope and the cheap capital morphed into a supply bust for most participants. Of course, the "phoenix from the ashes" included firms such as Amazon and Apple. Since compounding is such a powerful force for returns, we should consider the probability of selecting the ultimate winners and the pain that endures from large draw-downs post initial investment before investing.

In this light, it is difficult not to become wary over the recent performance of the technology sector. The ingredients of cheap capital (thanks to QE), new acronyms AV (Autonomous Vehicle) and ICE (Internal Combustion Engine) and share prices becoming increasingly divorced from cash flow and profitability, are all warning flags to us. There are clearly still strong franchises exhibiting superior levels of profitability that we continue to own within portfolios (Facebook, Tencent, Microsoft), but over recent months the scale of gains, cumulative investor positioning and the lack of any valuation support have made new conviction ideas in this area of the market hard to come by. As we have noted above, the rotational nature of capital allocation will likely provide bouts of correction and hence our current underweight stance may change as opportunities emerge.

In summary we can best be described as tactically cautious regarding overall market direction, following long periods of large gains - with rising valuations rather than higher profits being the primary driver. However we remain very confident that the power of compounding returns from these levels will be greatest in portfolios of stocks that exhibit the Future Quality attributes we seek.

IMPORTANT INFORMATION

This document is for information only with no consideration given to the specific investment objective, financial situation and particular needs of any specific person. 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 unit trusts 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 funds may use or invest in financial derivative instruments. The value of units and income from them may fall or rise. Investments in the funds are subject to investment risks, including the possible loss of principal amount invested. You should read the relevant prospectus and product highlights sheet obtainable from appointed distributors of Nikko AM Asia or our website (www.nikkoam.com.sg) before investing.

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For Hong Kong Investors

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Nikko Asset Management Asia Limited. Registration Number 198202562H

SOFT DOLLAR COMMISSIONS/ARRANGEMENTS

Appointment of soft dollar brokers

The Managers will only appoint soft dollar brokers onto their broker panel after they have ensured that:

- a) full disclosure of the practice of accepting soft dollars is made;
- b) the commission rates charged are comparable with the market rates;
- c) there is no conflict of interest;
- d) the soft dollar credits are used only for clearly defined services;
- e) at all times trades are executed through the respective brokers only on the basis of best execution regardless whether soft dollar benefits will accrue. Best execution shall include competitive prices with smooth execution ability; and
- f) relevant regulations and guidelines are complied with.

The procedures for the appointment of the brokers shall be no different from that of normal full service brokers.

Execution and allocation

If the Trustee objects to the use of the soft dollar brokers, the trades of the Fund shall be segregated from the rest of the trades that are executed through the relevant soft dollar broker(s). The Managers will execute trades for such accounts only with authorised full service brokers.

It is the responsibility of the Managers to ensure that the allocation quotas are adhered to. In addition, the Managers will monitor the execution ability of the soft dollar brokers and assign the business strictly on a "best execution" basis.

Subject to the provisions of the Code*, in their management of the Fund, the Managers may receive soft dollar commissions from, or may enter into soft dollar arrangements with, stockbrokers who execute trades on behalf of the Fund and the soft dollars received would be restricted to the following kinds of services:

- a) specific advice as to the advisability of dealing in, or of the value of any investments;
- b) research and advisory services;
- c) economic and political analysis;
- d) portfolio analysis including valuation and portfolio measurements;
- e) market analysis;
- f) data and quotation services;
- g) computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and
- h) custodial services in relation to the investments managed for clients.

The following are, however, prohibited:

- a) travel, accommodation and entertainment expenses;
- b) general administrative goods and services including office equipment and premises;
- c) membership fees;
- d) employee salaries;
- e) direct money payments / rebates.

The Managers will retain the records of the payments made using soft dollar commissions.

The Managers of the Nikko AM Shenton Global Opportunities Fund (the "Fund") will not accept or enter into soft-dollar commissions / arrangements unless:

- such soft-dollar commissions / arrangements would in the opinion of the Managers assist the Managers in their management of the Fund;
- the Managers shall ensure at all times that best execution is carried out for the transactions; and
- no unnecessary trades are entered into in order to qualify for such soft-dollar commissions / arrangements.

The Managers will comply with applicable regulatory and industry standards on soft dollars.

The Sub-Managers of the Nikko AM Shenton Global Opportunities Fund do not receive or intend to receive soft dollars in respect of the Nikko AM Shenton Global Opportunities Fund.

* The "Code" means the Code on Collective Investment Schemes issued by the Authority pursuant to the Securities and Futures Act, as may be amended, modified, or supplemented from time to time by the Authority.

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF TOTAL RETURN***For the financial period from 01 January 2017 to 30 June 2017 (unaudited)*

	30 June 2017 US\$	30 June 2016 US\$
Income		
Dividend	225,788	242,093
Interest	134	2
	<u>225,922</u>	<u>242,095</u>
Less: Expenses		
Management fee	143,260	111,559
Registrar fee	6,890	7,719
Trustee fee	11,622	8,977
Custody fee	2,426	1,700
Audit fee	5,347	4,643
Valuation fee	5,230	4,040
Transaction costs	27,946	30,514
Other expenses	5,767	3,813
	<u>208,488</u>	<u>172,965</u>
Net income	<u>17,434</u>	69,130
Net gains or losses on value of investments		
Net gains/(losses) on investments	2,724,432	(241,250)
Net foreign exchange losses	(2,359)	(6,944)
	<u>2,722,073</u>	<u>(248,194)</u>
Total return/(deficit) for the financial period before income tax	2,739,507	(179,064)
Less: Income tax	(41,367)	(51,290)
Total return/(deficit) for the financial period after income tax	<u>2,698,140</u>	<u>(230,354)</u>

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF FINANCIAL POSITION***As at 30 June 2017 (unaudited)*

	30 June 2017	31 December 2016
	US\$	US\$
ASSETS		
Portfolio of investments	23,683,368	21,617,516
Receivables	21,732	92,110
Cash and bank balances	168,035	260,164
Total assets	23,873,135	21,969,790
LIABILITIES		
Payables	119,198	167,612
Total liabilities	119,198	167,612
EQUITY		
Net assets attributable to unitholders	23,753,937	21,802,178

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS***For the financial period from 01 January 2017 to 30 June 2017 (unaudited)*

	30 June 2017	31 December 2016
	US\$	US\$
Net assets attributable to unitholders at the beginning of the financial period/year	21,802,178	18,682,710
Operations		
Change in net assets attributable to unitholders resulting from operations	2,698,140	803,976
Unitholders' contributions/(withdrawals)		
Creation of units	708,841	4,452,165
Cancellation of units	(1,455,222)	(2,136,673)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(746,381)	2,315,492
Total increase in net assets attributable to unitholders	1,951,759	3,119,468
Net assets attributable to unitholders at the end of the financial period/year	23,753,937	21,802,178

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 30 June 2017 (unaudited)*

By Geography (Primary)	Holdings at 30 June 2017	Fair value at 30 June 2017 US\$	Percentage of total net assets attributable to unitholders at 30 June 2017 %
Quoted Equities			
AUSTRALIA			
Treasury Wine Estates Limited	52,213	527,069	2.22
Total AUSTRALIA		527,069	2.22
BRITAIN			
BAE Systems Public Listed Company	67,882	558,594	2.35
Johnson Matthey Public Listed Company	11,249	419,510	1.77
LivaNova Public Listed Company	13,154	805,156	3.39
Weir Group Public Listed Company	19,067	428,721	1.80
Whitbread Public Listed Company	8,101	417,442	1.76
Total BRITAIN		2,629,423	11.07
CAYMAN ISLANDS			
Tencent Holdings Limited	21,600	772,530	3.25
Total CAYMAN ISLANDS		772,530	3.25
CHINA			
Sinopharm Group Company Limited	108,800	491,983	2.07
Total CHINA		491,983	2.07
FRANCE			
Schneider Electric SE	5,447	417,920	1.76
Total FRANCE		417,920	1.76
GERMANY			
Henkel AG & Company KGaA	3,886	534,077	2.25
Siemens AG	4,923	676,037	2.85
Total GERMANY		1,210,114	5.10
HONG KONG SAR			
AIA Group Limited	91,000	665,033	2.80
Total Hong Kong SAR		665,033	2.80
INDIA			
Housing Development Finance Corporation Limited	20,394	508,355	2.14
Total INDIA		508,355	2.14
IRELAND			
CRH Public Listed Company	12,842	455,959	1.92
Icon Public Listed Company	6,202	606,618	2.55
Ryanair Holdings Public Listed Company	32,819	671,338	2.83
Total IRELAND		1,733,915	7.30
JAPAN			
Daiwa House Industry Company Limited	10,400	355,244	1.49
Ichigo Incorporation	96,400	287,415	1.21
Sony Corporation	15,300	583,622	2.46
Total JAPAN		1,226,281	5.16
NETHERLANDS			
Koninklijke Philips NV	17,367	615,928	2.59
Total NETHERLANDS		615,928	2.59

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 30 June 2017 (unaudited)***By Geography (Primary)** (continued)

	Holdings at 30 June 2017	Fair value at 30 June 2017 US\$	Percentage of total net assets attributable to unitholders at 30 June 2017 %
Quoted Equities (continued)			
UNITED STATES OF AMERICA			
Advance Auto Parts Incorporation	2,746	320,101	1.35
AT&T Incorporation	12,617	476,039	2.00
Celgene Corporation	5,672	736,623	3.10
Cooper Companies Incorporation	2,066	494,724	2.08
Estee Lauder Cos Incorporation	5,819	558,508	2.35
Facebook Incorporation	6,128	925,205	3.89
HD Supply Holdings Incorporation	7,236	221,639	0.94
Huntington Bancshares Incorporation	43,266	584,956	2.46
Keycorp	30,605	573,538	2.41
Laboratory Corporation of America Holdings	4,218	650,163	2.74
LKQ Corporation	17,936	590,991	2.49
Microsoft Corporation	15,553	1,072,068	4.51
Occidental Petroleum Corporation	7,011	419,889	1.77
Philip Morris International Incorporation	5,070	595,522	2.51
Progressive Corporation	16,936	746,708	3.14
ResMed Incorporation	7,683	598,122	2.52
Shire Public Listed Company	8,470	466,272	1.96
Summit Materials Incorporation	19,279	556,585	2.34
SVB Financial Group	3,049	535,984	2.26
Transunion	14,688	636,137	2.68
Total UNITED STATES OF AMERICA		11,759,774	49.50
Total Quoted Equities		22,558,325	94.96
Quoted Real Estate Investment Trusts			
SPAIN			
Merlin Properties Socimi SA	34,020	429,145	1.81
Total SPAIN		429,145	1.81
UNITED STATES OF AMERICA			
American Tower Corporation	5,260	695,898	2.93
Total UNITED STATES OF AMERICA		695,898	2.93
Total Quoted Real Estate Investment Trusts		1,125,043	4.74
Portfolio of investments		23,683,368	99.70
Other net assets		70,569	0.30
Net assets attributable to unitholders		23,753,937	100.00

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 30 June 2017 (unaudited)*

By Geography (Summary)	Percentage of total net assets attributable to unitholders at 30 June 2017 %	Percentage of total net assets attributable to unitholders at 31 December 2016 %
Quoted Equities		
Australia	2.22	3.02
Britain	11.07	7.75
Canada	-	3.78
Cayman Islands	3.25	1.81
China	2.07	3.22
Finland	-	1.37
France	1.76	3.43
Germany	5.10	4.90
Hong Kong SAR	2.80	1.68
India	2.14	-
Ireland	7.30	6.55
Japan	5.16	7.21
Netherlands	2.59	-
South Korea	-	1.53
Taiwan	-	1.68
United States of America	49.50	46.97
Total Quoted Equities	94.96	94.90
Quoted Real Estate Investment Trusts		
Spain	1.81	1.70
United States of America	2.93	2.55
Total Quoted Real Estate Investment Trusts	4.74	4.25
Portfolio of investments	99.70	99.15
Other net assets	0.30	0.85
Net assets attributable to unitholders	100.00	100.00

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 30 June 2017 (unaudited)*

By Industry (Secondary)	Fair value at 30 June 2017 US\$	Percentage of total net assets attributable to unitholders at 30 June 2017 %	Percentage of total net assets attributable to unitholders at 31 December 2016 %
Aerospace/Defense	558,594	2.35	2.55
Agriculture	595,522	2.51	-
Airlines	671,338	2.83	1.85
Auto Manufacturers	-	-	1.53
Auto Parts & Equipment	-	-	1.53
Banks	1,694,478	7.13	9.25
Beverages	527,069	2.22	1.66
Biotechnology	736,623	3.10	3.01
Building Materials	1,012,544	4.26	4.34
Chemicals	419,510	1.77	2.03
Commercial Services	636,137	2.68	-
Cosmetics/Personal Care	558,508	2.35	2.18
Distribution/Wholesale	812,630	3.42	3.77
Diversified Financial Services	795,770	3.35	1.64
Electrical Component & Equipment	417,920	1.76	2.12
Electronics	615,928	2.59	2.40
Food	-	-	1.35
Healthcare-Products	1,898,002	7.99	6.50
Healthcare-Services	1,256,781	5.29	4.62
Home Builders	355,244	1.49	1.42
Home Furnishings	583,622	2.46	1.97
Household Products/Wares	534,077	2.25	2.13
Insurance	1,411,741	5.94	3.83
Internet	1,697,735	7.15	4.82
Lodging	417,442	1.76	1.02
Machinery-Diversified	428,721	1.80	-
Miscellaneous Manufacture	676,037	2.85	2.77
Oil and Gas	419,889	1.77	5.28
Pharmaceuticals	958,255	4.03	3.94
Real Estate Investment Trusts (REITS)	1,125,043	4.74	4.25
Retail	320,101	1.35	2.13
Semiconductors	-	-	1.68
Software	1,072,068	4.51	4.59
Telecommunications	476,039	2.00	4.08
Transportation	-	-	1.60
Water	-	-	1.31
Portfolio of investments	23,683,368	99.70	99.15
Other net assets	70,569	0.30	0.85
Net assets attributable to unitholders	23,753,937	100.00	100.00

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND

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

REPORT TO UNITHOLDERS

For the financial period from 01 January 2017 to 30 June 2017 (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 14.

2. Credit rating of debt securities

Nil.

3. Top 10 holdings

10 Largest holdings at 30 June 2017

	Fair value US\$	Percentage of total net assets attributable to unitholders %
Microsoft Corporation	1,072,068	4.51
Facebook Incorporation	925,205	3.89
LivaNova Public Listed Company	805,156	3.39
Tencent Holdings Limited	772,530	3.25
Progressive Corporation	746,708	3.14
Celgene Corporation	736,623	3.10
American Tower Corporation	695,898	2.93
Siemens AG	676,037	2.85
Ryanair Holdings Public Listed Company	671,338	2.83
AIA Group Limited	665,033	2.80

10 Largest holdings at 30 June 2016

	Fair value US\$	Percentage of total net assets attributable to unitholders %
Facebook Incorporation	645,453	3.61
Microsoft Corporation	630,875	3.53
AT&T Incorporation	621,403	3.48
AbbVie Incorporation	553,792	3.10
Shire Public Listed Company	478,399	2.68
Laboratory Corporation of America Holdings	473,010	2.65
American Tower Corporation	457,507	2.56
Tyson Foods Incorporation	455,374	2.55
Synnex Corporation	442,525	2.48
Coca-Cola Company	438,840	2.46

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND

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

REPORT TO UNITHOLDERS

For the financial period from 01 January 2017 to 30 June 2017 (unaudited)

4. Exposure to financial derivatives

Nil.

5. Global exposure to financial derivatives

Nil.

6. Collateral

Nil.

7. Securities lending or repurchase transactions

Nil.

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

Please refer to the Statement of Portfolio on pages 11 to 14.

9. Borrowings

Nil.

10. Amount of units created and cancelled for the financial period ended 30 June 2017

	US\$
Units created	708,841
Units cancelled	(1,455,222)

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND

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

REPORT TO UNITHOLDERS

For the financial period from 01 January 2017 to 30 June 2017 (unaudited)

11. Turnover ratio

		30 June 2017	30 June 2016
Lower of total value of purchases or sales	US\$	4,944,545	6,028,912
Average daily net asset value	US\$	23,115,037	17,913,980
Total turnover ratio ^{Note}	%	21.39	33.65

Note: 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. In line with Statement of Recommended Accounting Practice 7 "Reporting framework for Unit Trusts" ("RAP 7") issued by the Institute of Singapore Chartered Accountants in June 2016, total value of purchases or sales for the current year do not include brokerage and other transaction costs.

12. Expense ratio

		30 June 2017	30 June 2016
Total operating expenses	US\$	348,915	286,351
Average daily net asset value	US\$	21,386,335	17,216,305
Total expense ratio ^{Note}	%	1.63	1.66

Note: 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.

13. Related party transactions

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

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

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND

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

REPORT TO UNITHOLDERS

For the financial period from 01 January 2017 to 30 June 2017 (unaudited)

13. Related party transactions (continued)

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 Deed:

	30 June 2017	31 December 2016
	US\$	US\$
Bank balances held with related party of the Trustee	168,035	260,164

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

Nil.

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

Company registration number 198202562H

ANNUAL REPORT

For the financial year ended 31 December 2016

Nikko AM Shenton Global Opportunities Fund

MANAGERS

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

DIRECTORS

Lim Say Boon
Lim Soon Chong
Seet Oon Hui Eleanor
David Jonathan Semaya
Yu-Ming Wang

TRUSTEE

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

PricewaterhouseCoopers LLP
8 Cross Street, #17-00 PWC Building
Singapore 048424

REGISTRAR

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

CUSTODIAN

BNP Paribas Securities Services, 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
MSCI World Free Index	7.53	13.70	7.25	6.45	10.53	1.06	1.31
Nikko AM Shenton Global Opportunities Fund ¹	4.91	13.48	6.56	7.50	11.57	1.70	3.36

Source: © 2016 Morningstar. All Rights Reserved. & Nikko Asset Management Asia Limited, returns as at 31 December 2016. 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
MSCI World Free Index	7.53	13.70	7.25	6.45	10.53	1.06	1.31
Nikko AM Shenton Global Opportunities Fund ¹	-0.33	7.81	1.23	5.68	10.42	1.18	3.06

Source: © 2016 Morningstar. All Rights Reserved. & Nikko Asset Management Asia Limited, returns as at 31 December 2016. 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 where applicable. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Inception date: 5 March 1999

Note:

- (1) With effect from 17 October 2011, the Fund (formerly known as "Shenton Global Opportunities Fund") has been renamed Nikko AM Shenton Global Opportunities Fund.
- (2) With effect from 16 March 2015, the appointment of Nikko Asset Management Co., Ltd ("NAM Japan") as the investment adviser for the Fund has been terminated and Nikko Asset Management Europe Ltd ("NAM Europe") has been appointed as the sub-manager of the Fund.
- (3) With effect from 16 March 2015, the Fund's base currency has been changed from Singapore dollars to United States dollars.

Portfolio Review

Fund returned 6.56% in 2016

For the year ended 31 December 2016, the Nikko AM Shenton Global Opportunities Fund (the "Fund") returned 6.56% (SGD terms, on NAV-NAV basis), underperforming the MSCI World Free Index which returned 7.25% over the same period.

Sector allocation was a meaningful detractor from performance, with the overweight in Healthcare the biggest drag – driven by US political risks and the recovery in more cyclical parts of the market in the second half of the year. The other major negative this year came from our preference for Real Estate over other Financials (most notably Banks) in a year when bond yields rose relatively sharply. Our underweight in Energy also detracted after OPEC finally agreed on a production decrease – leading crude prices higher. Some of this adverse allocation affect was offset by positive stock picking – notably within the Consumer, Financials and Healthcare sectors - but not enough for the portfolio to better the benchmark's return.

At the stock level, the main detractors from performance included Livanova, Nokia, and Whitbread. Poor operational performance in some of Livanova's slower growth businesses and regulatory uncertainty in another cost the CEO his job in August, and led the company to revise down its revenue growth guidance.

This more than offset encouraging new product introductions and signs of progress in new technologies like mitral valve replacement. Nokia endured a difficult year as persistent softness in telecommunication network spending and aggressive competition between network players led to pricing pressure and lower profit margins at its biggest business. Cost savings from the acquisition of Alcatel Lucent (a key part of our investment case) were difficult to retain against this backdrop. Shares in Whitbread underperformed this year driven by uncertainty over the impact of Brexit on UK consumer spending. The departure of the highly regarded CEO at the end of 2015 also increased investor concerns about a business which continues to enjoy very strong market positions.

Against this, Geely Automotive, SVB Financial Group, Keycorp, and Treasury Wine were notable contributors to relative performance. Geely Automotive had a good year, driven by the ongoing overhaul of its product offering, following the acquisition of SUV platform technology from Volvo. These new products offer much higher average selling prices than the old Geely models and should push operating margins higher. SVB Financial Group and Keycorp both benefitted in 2016 from an improving outlook for economic growth in the US. With labour markets tightening and inflation expectations beginning to be reflected in rising bond yields, the US bank sector enjoyed a period of strong outperformance in the second half. Elsewhere, Treasury Wine climbed after completing the acquisition of Diageo's US and UK wine business. Although these assets enjoyed good market positions they had been somewhat undermanaged as part of the Diageo Group. Closer management focus under Treasury's ownership and synergies with their existing business made the deal potentially transformational.

Market Review

Political developments were a major driver of market sentiment in 2016

Was 2016 the year when the experiment with Quantitative Easing finally ran its course? Time will tell. What is clear is that the year saw a rising wave of populism deliver some telling blows to the political 'establishment'. There is little doubt that substantial liquidity injections by Central Banks around the world have reduced some of the painful impacts of working through the debt accumulated in the lead up to the Global Financial Crisis. Unfortunately, what is also clear is that the asset price inflation that these injections have stoked have benefitted one section of society disproportionately – increasing inequality and fostering a sense of grievance at those left behind. With the benefit of hindsight, it is probably not surprising that these voters chose to register their frustration at the ballot box – most notably in the UK and the US. Whilst we don't yet know the political policy response to these votes, or its economic impact, inflation expectations are rising and equities have benefitted strongly so far.

Within these rising markets, there has been meaningful sector and investment style rotation. In sympathy with Government bonds, sectors offering relatively defensive cash-flows have been punished heavily as the year wore on. Healthcare, Telecoms, Utilities and Real Estate have underperformed meaningfully as a result. Cyclical sectors have been the relative winners, with Energy, Basic Materials and Bank shares all performing strongly as hopes for a reflation trade mounted. Put another way, 'value' has outperformed 'growth' – following eight years of underperformance.

Commodities rallied in the second half of 2016

Inflationary pressures have also been evident in commodities in the second half of 2016. Oil prices spiked higher after OPEC eventually managed to agree on a production cut, copper gained 16% and Iron Ore surged 46%. Part of this recovery has been due to a marked reacceleration in Chinese infrastructure investment (along with hopes for increased infrastructure investment in the US) but the role of speculation and inventory building remains unclear at this time – as is the security of some of the debt that is funding the Chinese spending.

One surprising element of this burst of commodity price inflation has been that it has been delivered against the backdrop of a rapidly appreciating USD. In recent times a strong USD has been seen as a clear negative for commodity demand – raising prices in local currency terms across the Emerging Markets

that have typically driven demand growth. With some of these countries now sitting on large piles of USD-denominated debt, increased debt servicing costs will also weigh on liquidity and demand. Emerging Market equities have not escaped these concerns and have generally underperformed recently.

Market Outlook and Strategy

Positioned for above-trend growth in the US

We don't doubt President Trump's desire to be seen to help the section of US society that has gained least from globalisation and Quantitative Easing, but questions remain. For instance, how much additional Government borrowing will Congress permit (via corporate tax cuts and increased spending) and what will the Federal Reserve do with monetary policy at the same time as any fiscal expansion? Despite these concerns, our base case remains a period of above trend growth in the US, and we are positioned for this in both US banks and domestic cyclicals.

Political risk could continue to drive sentiment outside the US

The picture is less clear for us outside the US. Will any pick-up in economic activity in the US pull up growth in other parts of the world, or will political instability and increased protectionism negate any such gains? With Germany-led Fiscal austerity in reverse gear in the Eurozone and the ECB still a willing lender of last resort, the backdrop for European economic growth looks fair. Survey data such as Consumer Confidence and Purchasing Managers Indices look firm too. It is probably not surprising therefore that the ECB has signalled a slower rate of asset purchases going forward.

Political rather than economic risk remains more problematic for the region. Equity markets reacted calmly to Italy losing its Prime Minister after its Constitutional Referendum in December, but there are numerous opportunities in 2017 for voters to express the populism that shaped 2016. The first risk event comes in April, with the French Presidential Election. Any sign of mounting support for nationalist candidate Marine Le Pen would likely unsettle investors and would represent a meaningful challenge to European political cohesion – already being tested by the process of the UK's departure from the EU.

Political tensions have also risen between the US and China in recent months – with President Elect Trump particularly vocal about China's currency manipulation and resultant unfair competitive advantage in global trade. How he reconciles this nationalistic rhetoric with his mercantilist nature will be very important for world trade. Any weakening of the WTO would likely not be good news for regions such as Europe and Japan, both of whom remain somewhat reliant upon international, rather than domestic economic growth.

Continue to focus on well-run businesses with improving cash-flow generation

Equity markets have now priced in a lot of good news and there is little room for disappointment – either in terms of fiscal policy announcements or company profit growth. Although President Trump's promised tax cuts could help US net profits, the strength of the USD will not, and neither will more pronounced wage inflation or any meaningful reversal of the deflationary impact of globalisation. Time will tell. Overall, we have become slightly more pro-cyclical in our positioning, but selectivity remains very important. We continue to be reluctant to rely upon short-term macroeconomic momentum in determining 'Future Quality', but where we can find well run businesses, with improving cash-flow generation and sound capital allocation we are willing to add these to the portfolio.

IMPORTANT INFORMATION

This document is for information only with no consideration given to the specific investment objective, financial situation and particular needs of any specific person. 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 unit trusts 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 funds may use or invest in financial derivative instruments. The value of units and income from them may fall or rise. Investments in the funds are subject to investment risks, including the possible loss of principal amount invested. You should read the relevant prospectus and product highlights sheet obtainable from appointed distributors of Nikko AM Asia or our website (www.nikkoam.com.sg) before investing.

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For Hong Kong Investors

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

Nikko Asset Management Asia Limited. Registration Number 198202562H

SOFT DOLLAR COMMISSIONS/ARRANGEMENTS

Appointment of soft dollar brokers

The Managers will only appoint soft dollar brokers onto their broker panel after they have ensured that:

- a) full disclosure of the practice of accepting soft dollars is made;
- b) the commission rates charged are comparable with the market rates;
- c) there is no conflict of interest;
- d) the soft dollar credits are used only for clearly defined services;
- e) at all times trades are executed through the respective brokers only on the basis of best execution regardless whether soft dollar benefits will accrue. Best execution shall include competitive prices with smooth execution ability; and
- f) relevant regulations and guidelines are complied with.

The procedures for the appointment of the brokers shall be no different from that of normal full service brokers.

Execution and allocation

If the Trustee objects to the use of the soft dollar brokers, the trades of the Fund shall be segregated from the rest of the trades that are executed through the relevant soft dollar broker(s). The Managers will execute trades for such accounts only with authorised full service brokers.

It is the responsibility of the Managers to ensure that the allocation quotas are adhered to. In addition, the Managers will monitor the execution ability of the soft dollar brokers and assign the business strictly on a "best execution" basis.

Subject to the provisions of the Code*, in their management of the Fund, the Managers may receive soft dollar commissions from, or may enter into soft dollar arrangements with, stockbrokers who execute trades on behalf of the Fund and the soft dollars received would be restricted to the following kinds of services:

- a) specific advice as to the advisability of dealing in, or of the value of any investments;
- b) research and advisory services;
- c) economic and political analysis;
- d) portfolio analysis including valuation and portfolio measurements;
- e) market analysis;
- f) data and quotation services;
- g) computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and
- h) custodial services in relation to the investments managed for clients.

The following are, however, prohibited:

- a) travel, accommodation and entertainment expenses;
- b) general administrative goods and services including office equipment and premises;
- c) membership fees;
- d) employee salaries;
- e) direct money payments / rebates.

The Managers will retain the records of the payments made using soft dollar commissions.

The Managers of the Nikko AM Shenton Global Opportunities Fund (the "Fund") will not accept or enter into soft-dollar commissions / arrangements unless:

- such soft-dollar commissions / arrangements would in the opinion of the Managers assist the Managers in their management of the Fund;
- the Managers shall ensure at all times that best execution is carried out for the transactions; and
- no unnecessary trades are entered into in order to qualify for such soft-dollar commissions / arrangements.

The Managers will comply with applicable regulatory and industry standards on soft dollars.

The Sub-Managers of the Nikko AM Shenton Global Opportunities Fund do not receive or intend to receive soft dollars in respect of the Nikko AM Shenton Global Opportunities Fund.

* The "**Code**" means the Code on Collective Investment Schemes issued by the Authority pursuant to the Securities and Futures Act, as may be amended, modified, or supplemented from time to time by the Authority.

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND

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

REPORT OF THE TRUSTEE

For the financial year ended 31 December 2016

The Trustee is under a duty to take into custody and hold the assets of Nikko AM Shenton Global Opportunities Fund (the "Fund") in trust for the unitholders. In accordance with the Securities and Futures Act (Cap. 289), 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 12 to 31, 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

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND

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

STATEMENT BY THE MANAGER

For the financial year ended 31 December 2016

In the opinion of Nikko Asset Management Asia Limited, the accompanying financial statements set out on pages 12 to 31, 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 Global Opportunities Fund (the "Fund") as at 31 December 2016, and the financial performance and movements in unitholders' funds for the financial year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" 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

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND**
(Constituted under a Trust Deed registered in the Republic of Singapore)

Our Opinion

In our opinion, the accompanying financial statements of Nikko AM Shenton Global Opportunities Fund (the "Fund"), are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" 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 31 December 2016, and of 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 Financial Position as at 31 December 2016;
- the Statement of Portfolio as at 31 December 2016;
- the Statement of Total Return for the financial year then ended;
- the Statement of Movements of Unitholders' Funds for the financial year then ended; 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 the relevant sections of the annual report included in pages 1 to 8 and 32 to 34, which we obtained prior to the date of this auditor's report, and excludes 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 and will 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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 GLOBAL OPPORTUNITIES FUND**
(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 Unit Trusts" 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.

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.
- 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.

INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND
(Constituted under a Trust Deed registered in the Republic of Singapore)

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

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND
(Constituted under a Trust Deed registered in the Republic of Singapore)

STATEMENT OF TOTAL RETURN

For the financial year ended 31 December 2016

	Note	2016 US\$	2015 US\$
Income			
Dividends		375,060	288,244
Interest		2	27
		<u>375,062</u>	<u>288,271</u>
Less: Expenses			
Management fee		235,616	213,188
Registrar fee		14,389	19,586
Trustee fee		18,674	16,843
Custody fee		3,761	3,349
Audit fee		8,840	8,443
Valuation fee		8,404	9,881
Transaction costs		57,666	75,939
Other expenses		21,176	43,519
		<u>368,526</u>	<u>390,748</u>
Net income/(losses)		<u>6,536</u>	<u>(102,477)</u>
Net gains or losses on value of investments			
Net gains on investments		895,544	1,444,515
Net foreign exchange losses		(16,452)	(19,745)
		<u>879,092</u>	<u>1,424,770</u>
Total return for the financial year before income tax		<u>885,628</u>	<u>1,322,293</u>
Less: Income tax	3	<u>(81,652)</u>	<u>(70,295)</u>
Total return for the financial year after income tax		<u>803,976</u>	<u>1,251,998</u>

The accompanying notes form an integral part of these financial statements

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND
(Constituted under a Trust Deed registered in the Republic of Singapore)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

	Note	2016 US\$	2015 US\$
ASSETS			
Portfolio of investments		21,617,516	18,444,568
Receivables	4	92,110	2,411,912
Cash and bank balances		260,164	282,895
Total assets		21,969,790	21,139,375
LIABILITIES			
Payables	5	167,612	101,709
Purchases awaiting settlement		-	2,354,956
Total liabilities		167,612	2,456,665
EQUITY			
Net assets attributable to unitholders	6	21,802,178	18,682,710

The accompanying notes form an integral part of these financial statements

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND
(Constituted under a Trust Deed registered in the Republic of Singapore)

STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS

For the financial year ended 31 December 2016

	Note	2016 US\$	2015 US\$
Net assets attributable to unitholders at the beginning of the financial year		18,682,710	17,024,843
Operations			
Change in net assets attributable to unitholders resulting from operations		803,976	1,251,998
Unitholders' contributions/(withdrawals)			
Creation of units		4,452,165	3,294,540
Cancellation of units		(2,136,673)	(2,888,671)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		2,315,492	405,869
Total increase in net assets attributable to unitholders		3,119,468	1,657,867
Net assets attributable to unitholders at the end of the financial year	6	21,802,178	18,682,710

The accompanying notes form an integral part of these financial statements

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2016***By Geography (Primary)**

	Holdings at 31 December 2016	Fair value at 31 December 2016 US\$	Percentage of total net assets attributable to unitholders at 31 December 2016 %
Quoted Equities			
AUSTRALIA			
Caltex Australia Limited	13,454	296,750	1.36
Treasury Wine Estates Limited	46,902	362,720	1.66
Total AUSTRALIA		<u>659,470</u>	<u>3.02</u>
BRITAIN			
BAE Systems Public Listed Company	76,047	555,817	2.55
Johnson Matthey Public Listed Company	11,249	442,292	2.03
LivaNova Public Listed Company	10,195	469,633	2.15
Whitbread Public Listed Company	4,765	222,326	1.02
Total BRITAIN		<u>1,690,068</u>	<u>7.75</u>
CANADA			
Intact Financial Corporation	6,546	469,095	2.15
Suncor Energy Incorporation	10,815	354,040	1.63
Total CANADA		<u>823,135</u>	<u>3.78</u>
CAYMAN ISLANDS			
Tencent Holdings Limited	16,100	393,926	1.81
Total CAYMAN ISLANDS		<u>393,926</u>	<u>1.81</u>
CHINA			
Geely Automobile Holdings Limited	350,000	334,509	1.53
Sinopharm Group Company Limited	89,200	367,584	1.69
Total CHINA		<u>702,093</u>	<u>3.22</u>
FINLAND			
Nokia OYJ	61,867	297,690	1.37
Total FINLAND		<u>297,690</u>	<u>1.37</u>
FRANCE			
Schneider Electric SE	6,632	462,446	2.12
Veolia Environnement SA	16,709	285,065	1.31
Total FRANCE		<u>747,511</u>	<u>3.43</u>
GERMANY			
Henkel AG & Company KGaA	3,886	465,209	2.13
Siemens AG	4,923	603,892	2.77
Total GERMANY		<u>1,069,101</u>	<u>4.90</u>

The accompanying notes form an integral part of these financial statements

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND
(Constituted under a Trust Deed registered in the Republic of Singapore)

STATEMENT OF PORTFOLIO

As at 31 December 2016

By Geography (Primary) (continued)

	Holdings at 31 December 2016	Fair value at 31 December 2016 US\$	Percentage of total net assets attributable to unitholders at 31 December 2016 %
Quoted Equities (continued)			
HONG KONG SAR			
AIA Group Limited	64,800	365,657	1.68
Total HONG KONG SAR		<u>365,657</u>	<u>1.68</u>
IRELAND			
CRH Public Listed Company	16,153	558,230	2.56
Icon Public Listed Company	6,202	466,390	2.14
Ryanair Holdings Public Listed Company	26,347	403,920	1.85
Total IRELAND		<u>1,428,540</u>	<u>6.55</u>
JAPAN			
Daiwa House Industry Company Limited	11,300	309,639	1.42
Ichigo Incorporation	96,400	357,879	1.64
Shiseido Company Limited	18,700	474,334	2.18
Sony Corporation	15,300	429,609	1.97
Total JAPAN		<u>1,571,461</u>	<u>7.21</u>
SOUTH KOREA			
Hankook Tire Company Limited	6,966	334,516	1.53
Total SOUTH KOREA		<u>334,516</u>	<u>1.53</u>
TAIWAN			
Taiwan Semiconductor Manufacturing Company Limited	65,000	366,052	1.68
Total TAIWAN		<u>366,052</u>	<u>1.68</u>

The accompanying notes form an integral part of these financial statements

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND
(Constituted under a Trust Deed registered in the Republic of Singapore)

STATEMENT OF PORTFOLIO

As at 31 December 2016

By Geography (Primary) (continued)

	Holdings at 31 December 2016	Fair value at 31 December 2016 US\$	Percentage of total net assets attributable to unitholders at 31 December 2016 %
Quoted Equities (continued)			
UNITED STATES OF AMERICA			
Advance Auto Parts Incorporation	2,746	464,513	2.13
AT&T Incorporation	13,910	591,731	2.71
C.H. Robinson Worldwide Incorporation	4,757	348,498	1.60
Celgene Corporation	5,672	656,761	3.01
Cooper Companies Incorporation	2,687	470,037	2.16
Facebook Incorporation	5,709	657,277	3.01
HD Supply Holdings Incorporation	7,236	307,602	1.41
Huntington Bancshares Incorporation	55,850	738,337	3.39
Keycorp	34,935	638,262	2.93
Laboratory Corporation of America Holdings	4,218	541,549	2.48
LKQ Corporation	16,764	513,817	2.36
Microsoft Corporation	16,118	1,001,573	4.59
Occidental Petroleum Corporation	7,011	499,394	2.29
ResMed Incorporation	7,683	476,807	2.19
Shire Public Listed Company	8,470	490,225	2.25
Summit Materials Incorporation	16,297	387,706	1.78
SVB Financial Group	3,731	640,463	2.94
Synnex Corporation	4,318	522,564	2.40
Tyson Foods Incorporation	4,776	294,584	1.34
Total UNITED STATES OF AMERICA		10,241,700	46.97
Total Quoted Equities		20,690,920	94.90
Quoted Real Estate Investment Trusts			
SPAIN			
Merlin Properties Socimi SA	34,020	370,667	1.70
Total SPAIN		370,667	1.70
UNITED STATES OF AMERICA			
American Tower Corporation	5,260	555,929	2.55
Total UNITED STATES OF AMERICA		555,929	2.55
Total Quoted Real Estate Investment Trusts		926,596	4.25
Portfolio of investments		21,617,516	99.15
Other net assets		184,662	0.85
Net assets attributable to unitholders		21,802,178	100.00

The accompanying notes form an integral part of these financial statements

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND
(Constituted under a Trust Deed registered in the Republic of Singapore)

STATEMENT OF PORTFOLIO

As at 31 December 2016

By Geography (Summary)	Percentage of total net assets attributable to unitholders at 31 December 2016 %	Percentage of total net assets attributable to unitholders at 31 December 2015 %
Quoted Equities		
Australia	3.02	5.24
Britain	7.75	6.96
Canada	3.78	1.52
Cayman Islands	1.81	1.70
China	3.22	3.52
Finland	1.37	1.51
France	3.43	2.27
Germany	4.90	6.11
Hong Kong SAR	1.68	-
India	-	1.58
Ireland	6.55	4.12
Italy	-	1.65
Japan	7.21	9.58
Netherlands	-	1.76
South Korea	1.53	-
Switzerland	-	1.61
Taiwan	1.68	-
United States of America	46.97	45.33
Total Quoted Equities	94.90	94.46
Quoted Real Estate Investment Trusts		
Spain	1.70	2.09
United States of America	2.55	2.18
Total Quoted Real Estate Investment Trusts	4.25	4.27
Portfolio of investments	99.15	98.73
Other net assets	0.85	1.27
Net assets attributable to unitholders	100.00	100.00

The accompanying notes form an integral part of these financial statements

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2016*

By Industry (Secondary)	Fair value at 31 December 2016 US\$	Percentage of total net assets attributable to unitholders at 31 December 2016 %	Percentage of total net assets attributable to unitholders at 31 December 2015 %
Aerospace/Defense	555,817	2.55	2.06
Airlines	403,920	1.85	-
Auto Manufacturers	334,509	1.53	1.87
Auto Parts & Equipment	334,516	1.53	-
Banks	2,017,062	9.25	9.26
Beverages	362,720	1.66	2.73
Biotechnology	656,761	3.01	-
Building Materials	945,936	4.34	2.06
Chemicals	442,292	2.03	1.66
Computers	-	-	2.66
Cosmetics/Personal Care	474,334	2.18	1.81
Distribution/Wholesale	821,419	3.77	1.37
Diversified Financial Services	357,879	1.64	1.43
Electrical Component & Equipment	462,446	2.12	-
Electronics	522,564	2.40	-
Food	294,584	1.35	4.26
Healthcare-Products	1,416,477	6.50	4.22
Healthcare-Services	1,007,939	4.62	2.29
Home Builders	309,639	1.42	2.01
Home Furnishings	429,609	1.97	1.86
Household Products/Wares	465,209	2.13	1.81
Insurance	834,752	3.83	1.65
Internet	1,051,203	4.82	5.74
Lodging	222,326	1.02	2.27
Media	-	-	2.14
Miscellaneous Manufacture	603,892	2.77	-
Oil and Gas	1,150,184	5.28	7.45
Pharmaceuticals	857,809	3.94	12.67
Real Estate Investment Trusts (REITS)	926,596	4.25	4.27
Retail	464,513	2.13	4.65
Semiconductors	366,052	1.68	-
Software	1,001,573	4.59	8.70
Telecommunications	889,421	4.08	1.51
Transportation	348,498	1.60	2.05
Water	285,065	1.31	2.27
Portfolio of investments	21,617,516	99.15	98.73
Other net assets	184,662	0.85	1.27
Net assets attributable to unitholders	21,802,178	100.00	100.00

The accompanying notes form an integral part of these financial statements

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

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

1. General

Nikko AM Shenton Global Opportunities Fund (the "Fund") is a Singapore domiciled fund constituted by a Trust Deed dated 10 October 1996 as amended by Supplemental Deeds and Amended and Restated Deeds (collectively referred to as the "Deeds"). The Deeds are governed by 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 three classes of units established within the Fund, namely SGD Class, USD Class and RMB Class.

The classes within the Scheme differ in terms of their Class Currency and the minimum subscription amounts applicable. The Deposited Property of the Scheme will be valued in USD. However, the NAV of each class within the Scheme will be valued in its respective class currency.

As of 31 December 2016, only SGD 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 Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" ("RAP 7") issued by the Institute of Singapore Chartered Accountants.

(b) Recognition of income

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

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

(c) 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.

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

2. Significant accounting policies (continued)

(c) Investments (continued)

(ii) *Subsequent measurement*

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

(iii) *Derecognition*

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

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

(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) Foreign currency translation

(i) *Functional and presentation currency*

The Fund qualifies as an authorised scheme under the Securities and Futures Act ("SFA") of Singapore and is offered to retail investors in Singapore.

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

(ii) *Transactions and balances*

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

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

3. Income Tax

The Fund was granted the status of a Designated Unit Trust (DUT) in Singapore. The Manager and Trustee of the Fund will ensure that the Fund fulfills its reporting obligations under the DUT Scheme.

Under the DUT Scheme, subject to certain conditions and reporting obligations being met, certain income of the DUT fund is not taxable in accordance with Sections 35(12) and 35(12A) of the Income Tax Act. Such income includes:

- (a) gains or profits derived from Singapore or elsewhere from the disposal of securities;
- (b) interest (other than interest for which tax has been deducted under section 45 of the Income Tax Act);
- (c) dividends derived from outside Singapore and received in Singapore;
- (d) gains or profits derived from foreign exchange transactions, transactions in future contracts, transactions in interest rates or currency forwards, swaps or option contracts and transactions in forwards, swaps or option contracts relating to any securities or financial index;
- (e) discount, prepayment fee, redemption premium and break cost from qualifying debt securities issued during the prescribed period; and
- (f) distributions from foreign unit trusts derived from outside Singapore and received in Singapore.

Income tax for the financial year ended on 31 December 2016 and 2015 comprises:

	2016 US\$	2015 US\$
Overseas income tax	<u>81,652</u>	<u>70,295</u>

The overseas income tax represents tax deducted at source on dividend derived from outside Singapore.

4. Receivables

	2016 US\$	2015 US\$
Receivable from unitholders for creation of units	79,601	2,400,625
Dividends receivable	12,509	7,264
Receivables on currencies purchased	-	4,023
	<u>92,110</u>	<u>2,411,912</u>

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND
(Constituted under a Trust Deed registered in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2016

5. Payables

	2016	2015
	US\$	US\$
Payable to unitholders for cancellation of units	77,697	28,590
Amount due to the Manager	69,977	55,086
Valuation fee payable	2,519	1,983
Registrar fee payable	2,103	2,108
Provision for audit fee	8,939	8,866
Amount due to custodian	780	668
Trustee fee payable	5,597	4,408
	167,612	101,709

Amount due to the Manager comprises of management fee and is payable to Nikko Asset Management Asia Limited. Trustee fee and registrar fee are payable to BNP Paribas Trust Services Singapore Limited. Valuation fee and custody fee are payable to BNP Paribas Securities Services Singapore Branch.

6. Units in issue

During the year ended 31 December 2016 and 2015, the number of shares issued, redeemed and outstanding were as follows:

	2016	2015
Units at beginning of the financial year	24,436,071	23,905,886
Units created	5,665,415	4,282,770
Units cancelled	(2,768,801)	(3,752,585)
Units at end of the financial year	27,332,685	24,436,071
Net assets attributable to unitholders - US\$	21,802,178	18,682,710
Net asset value per unit - US\$	0.798	0.765

For subscriptions and redemption and for various fee calculations, investments are stated at the last traded prices on the valuation day for purpose of determining net asset value per unit. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of fair value for reporting purpose.

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

6. Units in issue (continued)

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

	2016 US\$	2015 US\$
Net assets attributable to unitholders as per financial statements per unit	0.798	0.765
Effect for movement in the net asset value between the last dealing date and the end of the reporting period [^]	-	-
Effect of adopting bid prices at fair value per unit	-	(0.002)
Net assets attributable to unitholders for issuing/redeeming per unit	<u>0.798</u>	<u>0.763</u>

[^]The net asset value for the purposes of processing unit subscription and redemption was established in accordance with the methodology indicated in the Fund's Prospectus. This item reflects the movement in net asset value between the last dealing date and the end of the reporting period due to accrual of operating expenses. In 2016, the effect is less than 0.001.

7. Financial risk management

The Fund's activities expose it to a variety of risk, including but not limited to market risk (including currency risk, interest rate risk and price 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 objective is to achieve medium to long term capital appreciation by investing primarily mainly in equities of developed and emerging markets.

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 changes in fundamentals and valuation. However, events beyond reasonable control of the Manager could affect the prices of the underlying investments and hence the net asset value of the Fund.

As the Fund invests primarily in equities of developed and emerging markets across various geographies, the Manager is of the view that the price risk the Fund is best reflected by movements in its benchmark of MSCI World Free Index Composite (the "Index").

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

7. Financial risk management (continued)

(a) Market risk - Price risk (continued)

As at 31 December 2016, an increase/decrease of Index components within the Index by 10% (2015: 10%), with all other variables remaining constant, the net assets attributable to unitholders for the year would increase/decrease by approximately 10% (2015: 10%). The analysis was based on the assumptions that the Index components within the benchmark increased/decreased by a reasonable possible shift, with all other variables held constant and that the fair value of Fund's investments moved according to the beta. Reasonable possible changes in market index percentage are revised annually depending on management's current view on market volatility and other relevant factors.

(b) Market risk - Interest rate risk

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

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

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

(c) Market risk - Currency risk

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

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

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND
(Constituted under a Trust Deed registered in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2016

7. Financial risk management (continued)

(c) **Market risk - Currency risk** (continued)

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

31 December 2016	USD US\$	SGD US\$	EUR US\$	GBP US\$	JPY US\$	HKD US\$	CAD US\$	AUD US\$	Others US\$	Total US\$
Assets										
Portfolio of investments	11,243,427	-	3,447,119	1,710,660	1,571,461	1,461,676	823,135	659,470	700,568	21,617,516
Receivables	8,302	79,601	-	2,849	1,358	-	-	-	-	92,110
Cash and bank balances	105,121	129,804	6,464	8,718	5,562	-	4,394	-	101	260,164
Total assets	11,356,850	209,405	3,453,583	1,722,227	1,578,381	1,461,676	827,529	659,470	700,669	21,969,790
Liabilities										
Payables	89,915	77,697	-	-	-	-	-	-	-	167,612
Total liabilities	89,915	77,697	-	-	-	-	-	-	-	167,612
Net currency exposure	11,266,935	131,708	3,453,583	1,722,227	1,578,381	1,461,676	827,529	659,470	700,669	

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2016***7. Financial risk management** (continued)(c) **Market risk - Currency risk** (continued)

31 December 2015	USD US\$	SGD US\$	EUR US\$	JPY US\$	GBP US\$	CHF US\$	HKD US\$	AUD US\$	Others US\$	Total US\$
Assets										
Portfolio of investments	9,740,772	-	3,642,659	1,790,708	733,462	300,695	974,035	978,422	283,815	18,444,568
Receivables	1,298,740	3,276	464,155	228,063	95,124	38,157	124,113	124,706	35,578	2,411,912
Cash and bank balances	186,559	94,604	16	-	-	-	-	3	1,713	282,895
Total assets	11,226,071	97,880	4,106,830	2,018,771	828,586	338,852	1,098,148	1,103,131	321,106	21,139,375
Liabilities										
Payables	73,119	28,590	-	-	-	-	-	-	-	101,709
Purchases awaiting settlement	1,244,342	-	464,155	227,070	95,124	38,157	124,113	124,706	37,289	2,354,956
Total liabilities	1,317,461	28,590	464,155	227,070	95,124	38,157	124,113	124,706	37,289	2,456,665
Net currency exposure	9,908,610	69,290	3,642,675	1,791,701	733,462	300,695	974,035	978,425	283,817	

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND
(Constituted under a Trust Deed registered in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

7. 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.

As of 31 December 2016 and 2015, the Fund does not hold substantial monetary assets/liabilities. Changes in foreign exchange rates on monetary assets/liabilities will not result in a significant change in the net asset value of the Fund. Hence, no separate sensitivity analysis on foreign currency risk has been presented.

(d) **Liquidity risk**

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

The Fund is exposed to daily cash redemptions from unitholders. However, in accordance with the Fund's prospectus, minimum holdings and minimum redemption size are set.

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

The Fund's securities are considered readily realisable, as all the securities are listed on recognised stock exchanges.

The Fund's financial liabilities and net settled derivative financial liabilities contracted undiscounted cash flows for maturity groupings based on the remaining period at the Statement of Financial Position date to the contractual maturity date. At the year end, all liabilities are either payable on demand or due in less than 3 months. The impact of discounting is not significant.

	Less than 3 months	
	As at	As at
	31 December	31 December
	2016	2015
	US\$	US\$
Liabilities		
Payables	167,612	101,709
Purchases awaiting settlement	-	2,354,956
Contractual cash outflows	167,612	2,456,665

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

7. Financial risk management (continued)

(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.

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 bank balances and outstanding and committed transactions with brokers. The table below summarises the credit rating of bank and custodian in which the Fund's assets are held as at 31 December 2016 and 2015.

	Credit rating as at 31 December 2016	Credit rating as at 31 December 2015	Source of credit rating
Bank balance			
- BNP Paribas Securities Services Singapore Branch	A	A+	Standard & Poor's
Custodian			
- BNP Paribas Securities Services Singapore Branch	A	A+	Standard & Poor's

The credit ratings are based on Long-Term Local Issuer Ratings published by the rating Agency.

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

(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.

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND
(Constituted under a Trust Deed registered in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

7. Financial risk management (continued)

(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 or for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table analyses within the fair value hierarchy the Fund's financial assets and liabilities (by class) measured at fair value at 31 December 2016 and 2015:

31 December 2016

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Assets				
Financial assets designated at fair value through profit or loss at inception:				
- Quoted equities	20,690,920	-	-	20,690,920
- Quoted real estate investment trusts	926,596	-	-	926,596
	21,617,516	-	-	21,617,516

31 December 2015

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Assets				
Financial assets designated at fair value through profit or loss at inception:				
- Quoted equities	17,645,796	-	-	17,645,796
- Quoted real estate investment trusts	798,772	-	-	798,772
	18,444,568	-	-	18,444,568

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

Except for cash and bank balances which are classified as level 1, the Fund's assets and liabilities not measured at fair value at 31 December 2016 and 2015 have been classified as level 2. The carrying amounts of these assets and liabilities approximate their fair values as at the reporting date.

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND
(Constituted under a Trust Deed registered in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2016

8. Related party transactions

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

	2016	2015
	US\$	US\$
Bank balances held with related party of the Trustee	260,164	282,895

9. Financial ratios

Expense ratio

		2016	2015
Total operating expenses	US\$	310,849	314,311
Average daily net asset value	US\$	18,823,475	17,054,487
Total expense ratio¹	%	1.65	1.84

Turnover ratio

		2016	2015
Lower of total value of purchases or sales	US\$	11,305,443	24,155,807
Average daily net asset value	US\$	18,823,475	17,054,487
Total turnover ratio²	%	60.06	141.64

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. In line with Statement of Recommended Accounting Practice 7 "Reporting framework for Unit Trusts" ("RAP 7") issued by the institute of Singapore chartered accountants, total value of purchases or sales for the current year do not include brokerage and other transaction costs.

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND
(Constituted under a Trust Deed registered in the Republic of Singapore)

REPORT TO UNITHOLDERS

For the financial year ended 31 December 2016

The following contains additional information relating to the Fund.

1. Distribution of investments

Please refer to the Statement of Portfolio on pages 15 to 19.

2. Credit rating of debt securities

Nil.

3. Top 10 holdings

10 Largest holdings at 31 December 2016

	Fair value US\$	Percentage of total net assets attributable to unitholders %
Microsoft Corporation	1,001,573	4.59
Huntington Bancshares Incorporation	738,337	3.39
Facebook Incorporation	657,277	3.01
Celgene Corporation	656,761	3.01
SVB Financial Group	640,463	2.94
Keycorp	638,262	2.93
Siemens AG	603,892	2.77
AT&T Incorporation	591,731	2.71
CRH Public Listed Company	558,230	2.56
American Tower Corporation	555,929	2.55

10 Largest holdings at 31 December 2015

	Fair value US\$	Percentage of total net assets attributable to unitholders %
Microsoft Corporation	828,035	4.43
Facebook Incorporation	754,703	4.04
Livanova Public Limited Company	566,052	3.03
Tyson Foods Incorporation	546,686	2.93
AbbVie Incorporation	529,901	2.84
Treasury Wine Estates Limited	509,104	2.73
Apple Incorporation	497,691	2.66
Caltex Australia Limited	469,318	2.51
Huntington Bancshares Incorporation	467,264	2.50
Advance Auto Parts Incorporation	456,196	2.44

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND
(Constituted under a Trust Deed registered in the Republic of Singapore)

REPORT TO UNITHOLDERS
For the financial year ended 31 December 2016

4. Exposure to financial derivatives

Nil.

5. Global exposure to financial derivatives

Nil.

6. Collateral

Nil.

7. Securities lending or repurchase transactions

Nil.

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

Please refer to the Statement of Portfolio on pages 15 to 19.

9. Borrowings

Nil.

10. Amount of units created and cancelled for the financial year ended 31 December 2016

	US\$
Units created	4,452,165
Units cancelled	(2,136,673)

11. Turnover ratio

Please refer to Note 9 of the Notes to the Financial Statements on page 31.

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND
(Constituted under a Trust Deed registered in the Republic of Singapore)

REPORT TO UNITHOLDERS
For the financial year ended 31 December 2016

12. Expense ratio

Please refer to Note 9 of the Notes to the Financial Statements on page 31.

13. Related party transactions

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

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

Nil.

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Intermediaries Hotline: 1800 535 8025 / 65 6535 8025
Website: www.nikkoam.com.sg

Company registration number 198202562H

SEMI-ANNUAL REPORT

For the financial period ending 30 June 2016

**Nikko AM Shenton
Global Opportunities Fund**

MANAGERS

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

DIRECTORS

Lim Say Boon
Lim Soon Chong
Andrew Ross Long
Seet Oon Hui Eleanor
David Jonathan Semaya
Yu-Ming Wang

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REGISTRAR

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Singapore 049319

CUSTODIAN

BNP Paribas Securities Services, Singapore Branch
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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
MSCI World Free Index	0.26	-5.67	-4.79	6.96	6.37	0.63	0.60
Nikko AM Shenton Global Opportunities Fund ¹	-0.88	-6.10	-3.79	8.25	7.01	2.38	2.70

Source: © 2016 Morningstar, Inc. & Nikko Asset Management Asia Limited, returns as at 30 June 2016. 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
MSCI World Free Index	0.26	-5.67	-4.79	6.96	6.37	0.63	0.60
Nikko AM Shenton Global Opportunities Fund ¹	-5.83	-10.80	-8.60	6.41	5.92	1.86	2.40

Source: © 2016 Morningstar, Inc. & Nikko Asset Management Asia Limited, returns as at 30 June 2016. 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 and a realisation charge where applicable. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Inception date: 5 March 1999

Note:

- (1) With effect from 17 October 2011, the Fund (formerly known as "Shenton Global Opportunities Fund") has been renamed Nikko AM Shenton Global Opportunities Fund.
- (2) With effect from 16 March 2015, the appointment of Nikko Asset Management Co., Ltd ("NAM Japan") as the investment adviser for the Fund has been terminated and Nikko Asset Management Europe Ltd ("NAM Europe") has been appointed as the sub-manager of the Fund.
- (3) With effect from 16 March 2015, the Fund's base currency has been changed from Singapore dollars to United States dollars.

Portfolio Review

Fund returned -6.10% in 1H2016

For the half year ended 30 June 2016, the Nikko AM Shenton Global Opportunities Fund (the "Fund") returned -6.10% (SGD terms, on NAV-NAV basis), underperforming the MSCI World Free Index which returned -5.67% over the same period.

Underperformance was a combination of stock specific and allocation affects. We had strong stock specific performance in the consumer sectors. The main underperforming sector was within Energy, which bounced strongly after reaching sector lows in January and February earlier this year. We remain underweight this sector, though we have recently acquired a position in Occidental.

At the stock level, the main detractors from performance included European and UK stocks such as Whitbread, Huntington Bancshares and Ryanair. Whitbread, the UK's leading low cost hotel chain, was hit sharply by the Brexit vote in anticipation of a slowdown in corporate spending while the UK negotiates an exit with Europe and new trade deals. This is a quality business with a quality franchise and strong balance sheet but is now obviously facing economic headwinds. The scale of Huntington Bancshares' future capital returns are being questioned post its recent acquisition and

regulatory stress tests. In addition the Brexit vote has led to further strengthening in bond markets and lower yields, putting further pressure on the whole banking sector. Elsewhere, Ryanair, one of Europe's leading low-cost airlines was one of our top performers in 2014 and 2015, and is currently suffering on the back of higher oil prices and the implications of a possible consumer downturn in the UK and Europe.

Against this, Tyson, Treasury Wines and Ichigo contributed to relative performance. In a world of sub-trend economic growth, self-help stories have continued to be in demand. Tyson Foods is one such example. The company acquired Hillshire Brands in August 2014, with a view to moving up the value chain, from their starting point as a commodity meat producer. This transaction has proved to be a good one and management continue to deliver strong savings from the deal. Results in the first 6 months exceeded market expectations. Treasury Wines continued to benefit from its recent acquisition from Diageo and recent results again delivered cost savings ahead of market expectations. Ichigo continues to deliver redevelopment opportunities within the Japanese office and hotel real estate markets. The development of negative interest rates ('NIRP') by Japan's central bank means the shares have been well supported over the last 6 months.

Market Review

US and emerging markets did well, while Europe and UK underperformed

Over the period, US and emerging markets performed well, whereas Europe and the UK, post the Brexit vote, underperformed. Given the 'data dependency' nature of the resumption of rate hikes in the US, it is probably not surprising that markets changed their minds on the likelihood of a rate rise, as economic data in the US (and its international trading partners) deteriorated throughout the 6 months. This put a halt to the rise of the US dollar and put further downward pressure on 10 year gilt yields. The search for bond proxies within the equity market continued, leading to outperformance within the defensive sectors of telecoms, staples & utilities. The flight to safety was also more extreme post the Brexit vote. China's move to stimulate growth by devaluing its currency, and a short term peak in the value of the US dollar, put a floor under the valuation of the material and energy sectors. In addition underperformance was notable in consumer facing sectors and financials.

Japan weighed down by move to negative interest rates

Another notable economic policy change during the period was Japan's move to negative interest rates (or 'NIRP'). This counter intuitively led to a higher Yen and further pressure on the TOPIX. A flight of capital back into Japanese Yen is a further signal that all is not well in the global economy. Further policy action out of Japan is likely in the not too distant future.

Brexit consequences will be closely watched

Arguably the most important event in the 6 months was the UK's decision to exit the European Union. Significant weakness in sterling and a new era of political turmoil for Europe appear to be the short term consequences of this action. Economic growth in the UK and across Europe is also likely to be questioned. Global markets over the last two decades have come to assume that the flow of capital across borders is ubiquitous, with central banks stepping in to resolve any challenges as required. The exit of one large economy from a major trading block such as the EU has limited precedent and may indicate that a shift to a new era is underway. The price of borrowing across borders globally will likely become even more dependent on the currency and stability of the borrowing nation. Price volatility within the United Kingdom has been particularly notable, and has led to rotational switching by investors out of cyclically exposed/domestic orientated businesses into more defensive businesses and offshore earners. As a result, equity prices are now pricing in a notable deterioration in profitability and unfortunately we have not avoided the pain. Like many we did not foresee the referendum outcome.

Market Outlook and Strategy

Stock picking is essential given uncertain global economic backdrop

There are numerous challenges to global economic growth as economies around the world deal with a multitude of issues including currency wars, fiscal austerity, overcapacity and lack of growth. Against this backdrop, the selection of companies that will succeed despite this environment is essential. We continue to look for future quality investments, which can compound their returns over time and are under appreciated by the market. These companies typically have strong and sustainable cash flows, stronger balance sheets, trusted management teams and ideally growth drivers.

The immediate devaluing of sterling and mark down for domestically focused stocks is a reminder that the tailwinds for growth can be fickle. The benefit of being invested in a global fund means that your capital can move to where growth is easier to find and to areas where future quality can be protected by strong governance and stable currencies.

IMPORTANT INFORMATION

This document is for information only with no consideration given to the specific investment objective, financial situation and particular needs of any specific person. 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 unit trusts 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 funds may use or invest in financial derivative instruments. The value of units and income from them may fall or rise. Investments in the funds are subject to investment risks, including the possible loss of principal amount invested. You should read the relevant prospectus and product highlights sheet obtainable from appointed distributors of Nikko AM Asia or our website (www.nikkoam.com.sg) before investing.

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For Hong Kong Investors

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

Nikko Asset Management Asia Limited. Registration Number 198202562H

SOFT DOLLAR COMMISSIONS/ARRANGEMENTS

Appointment of soft dollar brokers

The Managers will only appoint soft dollar brokers onto their broker panel after they have ensured that:

- a) full disclosure of the practice of accepting soft dollars is made;
- b) the commission rates charged are comparable with the market rates;
- c) there is no conflict of interest;
- d) the soft dollar credits are used only for clearly defined services;
- e) at all times trades are executed through the respective brokers only on the basis of best execution regardless whether soft dollar benefits will accrue. Best execution shall include competitive prices with smooth execution ability; and
- f) relevant regulations and guidelines are complied with.

The procedures for the appointment of the brokers shall be no different from that of normal full service brokers.

Execution and allocation

If the Trustee objects to the use of the soft dollar brokers, the trades of the Fund shall be segregated from the rest of the trades that are executed through the relevant soft dollar broker(s). The Managers will execute trades for such accounts only with authorised full service brokers.

It is the responsibility of the Managers to ensure that the allocation quotas are adhered to. In addition, the Managers will monitor the execution ability of the soft dollar brokers and assign the business strictly on a "best execution" basis.

Subject to the provisions of the Code*, in its management of the Fund, the Managers may receive soft dollar commissions from, or may enter into soft dollar arrangements with, stockbrokers who execute trades on behalf of the Fund and the soft dollars received would be restricted to the following kinds of services:

- a) specific advice as to the advisability of dealing in, or of the value of any investments;
- b) research and advisory services;
- c) economic and political analysis;
- d) portfolio analysis including valuation and portfolio measurements;
- e) market analysis;
- f) data and quotation services;
- g) computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and
- h) custodial services in relation to the investments managed for clients.

The following are, however, prohibited:

- a) travel, accommodation and entertainment expenses;
- b) general administrative goods and services including office equipment and premises;
- c) membership fees;
- d) employee salaries;
- e) direct money payments / rebates.

The Managers will retain the records of the payments made using soft dollar commissions.

The Managers of the Nikko AM Shenton Global Opportunities Fund (the "Fund") will not accept or enter into soft-dollar commissions / arrangements unless:

- such soft-dollar commissions / arrangements would in the opinion of the Managers assist the Managers in their management of the Fund;
- the Managers shall ensure at all times that best execution is carried out for the transactions; and
- no unnecessary trades are entered into in order to qualify for such soft-dollar commissions / arrangements.

The Managers of the Nikko AM Shenton Global Opportunities Fund will comply with applicable regulatory and industry standards on soft dollars.

The Sub-Managers of the Nikko AM Shenton Global Opportunities Fund do not receive or intend to receive soft dollars in respect of the Nikko AM Shenton Global Opportunities Fund.

* The "**Code**" means the Code on Collective Investment Schemes issued by the Authority pursuant to the Securities and Futures Act, as may be amended, modified, or supplemented from time to time by the Authority.

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF TOTAL RETURN***For the financial period from 01 January 2016 to 30 June 2016 (unaudited)*

	30 June 2016 US\$	30 June 2015 US\$
Income		
Dividend	242,093	187,259
Interest	2	14
	<u>242,095</u>	<u>187,273</u>
Less: Expenses		
Management fee	111,559	109,178
Registrar fee	7,719	6,794
Trustee fee	8,977	8,747
Custody fee	1,700	1,761
Audit fee	4,643	4,298
Valuation fee	4,040	3,936
Transaction costs	30,514	47,971
Other expenses	3,813	35,779
	<u>172,965</u>	<u>218,464</u>
Net income/(losses)	<u>69,130</u>	<u>(31,191)</u>
Net gains or losses on value of investments		
Net losses on investments	(241,250)	(2,095,566)
Net foreign exchange (losses)/gains	(6,944)	2,182,294
	<u>(248,194)</u>	<u>86,728</u>
Total (deficit)/return for the financial period before income tax	<u>(179,064)</u>	<u>55,537</u>
Less: Income tax	<u>(51,290)</u>	<u>(44,518)</u>
Total (deficit)/return for the financial period after income tax	<u>(230,354)</u>	<u>11,019</u>

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF FINANCIAL POSITION***As at 30 June 2016 (unaudited)*

	30 June 2016	31 December 2015
	US\$	US\$
ASSETS		
Portfolio of investments	17,815,191	18,444,568
Sales awaiting settlement	504,857	-
Receivables	54,485	2,411,912
Cash and bank balances	146,880	282,895
Total assets	18,521,413	21,139,375
LIABILITIES		
Payables	91,260	101,709
Purchases awaiting settlement	566,319	2,354,956
Total liabilities	657,579	2,456,665
EQUITY		
Net assets attributable to unitholders	17,863,834	18,682,710

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS***For the financial period from 01 January 2016 to 30 June 2016 (unaudited)*

	30 June 2016 US\$	31 December 2015 US\$
Net assets attributable to unitholders at the beginning of the financial period/year	18,682,710	17,883,436
Translation losses	-	(858,593)
Restated	18,682,710	17,024,843
Operations		
Change in net assets attributable to unitholders resulting from operations	(230,354)	1,251,998
Unitholders' contributions/(withdrawals)		
Creation of units	301,101	3,294,540
Cancellation of units	(889,623)	(2,888,671)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(588,522)	405,869
Total (decrease)/increase in net assets attributable to unitholders	(818,876)	1,657,867
Net assets attributable to unitholders at the end of the financial period/year	17,863,834	18,682,710

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 30 June 2016 (unaudited)***By Geography (Primary)**

	Holdings at 30 June 2016	Fair value at 30 June 2016 US\$	Percentage of total net assets attributable to unitholders at 30 June 2016 %
Quoted Equities			
AUSTRALIA			
Caltex Australia Limited	17,110	406,412	2.28
Treasury Wine Estates Limited	52,116	358,178	2.00
Total AUSTRALIA		764,590	4.28
BRITAIN			
BAE Systems Public Listed Company	54,667	382,934	2.14
BT Group Public Listed Company	52,077	285,429	1.60
Johnson Matthey Public Listed Company	7,472	279,781	1.57
Livanova Public Listed Company	8,776	434,412	2.43
Travis Perkins Public Listed Company	10,356	204,060	1.14
Whitbread Public Listed Company	5,791	270,331	1.52
Total BRITAIN		1,856,947	10.40
CANADA			
Intact Financial Corporation	4,038	286,952	1.60
Suncor Energy Incorporated	9,310	256,925	1.44
Total CANADA		543,877	3.04
CHINA			
Geely Automobile Holdings Limited	555,000	299,750	1.67
Sinopharm Group Company Limited	76,800	365,787	2.05
Tencent Holdings Limited	18,300	415,869	2.33
Total CHINA		1,081,406	6.05
FINLAND			
Nokia OYJ	65,948	372,186	2.08
Total FINLAND		372,186	2.08
FRANCE			
Veolia Environnement SA	15,749	340,654	1.91
Total FRANCE		340,654	1.91
GERMANY			
Henkel AG & Company KGaA	3,006	365,844	2.05
Total GERMANY		365,844	2.05
IRELAND			
CRH Public Listed Company	14,860	426,502	2.39
Icon Public Listed Company	5,339	373,783	2.09
Ryanair Holdings Public Listed Company	22,680	286,482	1.60
Total IRELAND		1,086,767	6.08

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 30 June 2016 (unaudited)***By Geography (Primary)** (continued)

	Holdings at 30 June 2016	Fair value at 30 June 2016 US\$	Percentage of total net assets attributable to unitholders at 30 June 2016 %
Quoted Equities (continued)			
JAPAN			
Daiwa House Industry Company Limited	9,700	281,951	1.58
Ichigo Incorporated	61,200	239,216	1.33
Shiseido Company Limited	16,100	413,838	2.32
Sony Corporation	14,100	410,671	2.30
Total JAPAN		<u>1,345,676</u>	<u>7.53</u>
TAIWAN			
Taiwan Semiconductor Manufacturing Company Limited	85,000	428,175	2.40
Total TAIWAN		<u>428,175</u>	<u>2.40</u>
UNITED STATES OF AMERICA			
AbbVie Incorporated	8,948	553,792	3.10
Advance Auto Parts Incorporated	2,364	382,188	2.14
Affiliated Managers Group Incorporated	1,422	200,019	1.12
AT&T Incorporated	14,381	621,403	3.48
C.H. Robinson Worldwide Incorporated	4,757	353,207	1.98
Cardinal Health Incorporated	3,556	277,404	1.55
Coca-Cola Company	9,681	438,840	2.46
Facebook Incorporated	5,648	645,453	3.61
HD Supply Holdings Incorporated	7,236	251,958	1.40
Huntington Bancshares Incorporation	42,363	378,725	2.12
Keycorp	23,898	264,073	1.48
Laboratory Corporation of America Holdings	3,631	473,010	2.65
Mednax Incorporated	6,045	437,718	2.45
Microsoft Corporation	12,329	630,875	3.53
Occidental Petroleum Corporation	4,730	357,399	2.00
Scotts Miracle-Gro Company	5,817	406,725	2.28
Shire Public Listed Company	7,711	478,399	2.68
Synnex Corporation	4,667	442,525	2.48
The Cooper Companies Incorporation	2,313	396,865	2.22
Tyson Foods Incorporated	6,818	455,374	2.55
Total UNITED STATES OF AMERICA		<u>8,445,952</u>	<u>47.28</u>
Total Quoted Equities		<u>16,632,074</u>	<u>93.10</u>

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 30 June 2016 (unaudited)***By Geography (Primary)** (continued)

	Holdings at 30 June 2016	Fair value at 30 June 2016 US\$	Percentage of total net assets attributable to unitholders at 30 June 2016 %
Quoted Real Estate Investment Trusts			
SPAIN			
Merlin Properties Socimi SA	31,185	326,113	1.83
Total SPAIN		326,113	1.83
UNITED STATES OF AMERICA			
American Tower Corporation	4,027	457,507	2.56
Avalonbay Communities Incorporated	2,215	399,497	2.24
Total UNITED STATES OF AMERICA		857,004	4.80
Total Quoted Real Estate Investment Trusts		1,183,117	6.63
Portfolio of investments		17,815,191	99.73
Other net assets		48,643	0.27
Net assets attributable to unitholders		17,863,834	100.00

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 30 June 2016 (unaudited)*

By Geography (Summary)	Percentage of total net assets attributable to unitholders at 30 June 2016 %	Percentage of total net assets attributable to unitholders at 31 December 2015 %
Quoted Equities		
Australia	4.28	5.24
Britain	10.40	6.96
Canada	3.04	1.52
Cayman Islands	-	1.70
China	6.05	3.52
Finland	2.08	1.51
France	1.91	2.27
Germany	2.05	6.11
India	-	1.58
Ireland	6.08	4.12
Italy	-	1.65
Japan	7.53	9.58
Netherlands	-	1.76
Switzerland	-	1.61
Taiwan	2.40	-
United States of America	47.28	45.33
Total Quoted Equities	93.10	94.46
Quoted Real Estate Investment Trusts		
Spain	1.83	2.09
United States of America	4.80	2.18
Total Quoted Real Estate Investment Trusts	6.63	4.27
Portfolio of investments	99.73	98.73
Other net assets	0.27	1.27
Net assets attributable to unitholders	100.00	100.00

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 30 June 2016 (unaudited)*

By Industry (Secondary)	Fair value at 30 June 2016 US\$	Percentage of total net assets attributable to unitholders at 30 June 2016 %	Percentage of total net assets attributable to unitholders at 31 December 2015 %
Aerospace/Defense	382,934	2.14	2.06
Airlines	286,482	1.60	-
Auto Manufacturers	299,750	1.68	1.87
Banks	642,798	3.60	9.26
Beverages	797,018	4.46	2.73
Building Materials	426,502	2.39	2.06
Chemicals	279,781	1.56	1.66
Computers	-	-	2.66
Cosmetics/Personal Care	413,838	2.32	1.81
Distribution/Wholesale	251,958	1.41	1.37
Diversified Financial Services	439,235	2.46	1.43
Food	455,374	2.55	4.26
Healthcare-Products	831,277	4.65	4.22
Healthcare-Services	1,284,511	7.19	2.29
Home Builders	281,951	1.58	2.01
Home Furnishings	410,671	2.30	1.86
Household Products/Wares	365,844	2.05	1.81
Housewares	406,725	2.28	-
Insurance	286,952	1.61	1.65
Internet	1,061,322	5.94	5.74
Lodging	270,331	1.51	2.27
Media	-	-	2.14
Oil and Gas	1,020,736	5.71	7.45
Pharmaceuticals	1,675,382	9.38	12.67
Real Estate Investment Trusts	1,183,117	6.63	4.27
Retail	586,248	3.28	4.65
Semiconductors	428,175	2.40	-
Software	1,073,400	6.01	8.70
Telecommunications	1,279,018	7.16	1.51
Transportation	353,207	1.98	2.05
Utilities	-	-	2.27
Water	340,654	1.90	-
Portfolio of investments	17,815,191	99.73	98.73
Other net assets	48,643	0.27	1.27
Net assets attributable to unitholders	17,863,834	100.00	100.00

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND

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

REPORT TO UNITHOLDERS

For the financial period from 01 January 2016 to 30 June 2016 (unaudited)

The following contains additional information relating to the Fund.

1. Distribution of investments

Please refer to the Statement of Portfolio on pages 10 to 14.

2. Credit rating of debt securities

Nil.

3. Top 10 holdings

10 Largest holdings at 30 June 2016

	Fair value US\$	Percentage of total net assets attributable to unitholders %
Facebook Incorporated	645,453	3.61
Microsoft Corporation	630,875	3.53
AT&T Incorporated	621,403	3.48
AbbVie Incorporated	553,792	3.10
Shire Public Listed Company	478,399	2.68
Laboratory Corporation of America Holdings	473,010	2.65
American Tower Corporation	457,507	2.56
Tyson Foods Incorporated	455,374	2.55
Synnex Corporation	442,525	2.48
Coca-Cola Company	438,840	2.46

10 Largest holdings at 30 June 2015

	Fair value US\$	Percentage of total net assets attributable to unitholders %
Apple Incorporated	616,966	3.60
Facebook Incorporated	604,386	3.52
Microsoft Corporation	528,564	3.08
AbbVie Incorporated	502,096	2.93
Mednax Incorporated	481,641	2.81
Advance Auto Parts Incorporated	476,824	2.78
Whitbread Public Listed Company	476,136	2.78
MTN Group Limited	464,465	2.71
Hain Celestial Group Incorporated	456,937	2.66
Huntington Bancshares Incorporated	449,018	2.62

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND

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

REPORT TO UNITHOLDERS

For the financial period from 01 January 2016 to 30 June 2016 (unaudited)

4. Exposure to financial derivatives

Nil.

5. Global exposure to financial derivatives

Nil.

6. Collateral

Nil.

7. Securities lending or repurchase transactions

Nil.

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

Please refer to the Statement of Portfolio on page 12.

9. Borrowings

Nil.

10. Amount of units created and cancelled for the financial period ended 30 June 2016

	US\$
Units created	301,101
Units cancelled	(889,623)

11. Turnover ratio

		30 June 2016	30 June 2015
Lower of total value of purchases or sales	US\$	6,028,912	17,789,940
Average daily net asset value	US\$	17,913,980	17,603,423
Total turnover ratio ^{Note}	%	33.65	101.06

Note: 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. In line with Statement of Recommended Accounting Practice 7 "Reporting framework for Unit Trusts" ("RAP 7") issued by the Institute of Singapore Chartered Accountants in June 2012, total value of purchases or sales for the current year do not include brokerage and other transaction costs.

NIKKO AM SHENTON GLOBAL OPPORTUNITIES FUND

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

REPORT TO UNITHOLDERS

For the financial period from 01 January 2016 to 30 June 2016 (unaudited)

12. Expense ratio

		30 June 2016	30 June 2015
Total operating expenses	US\$	286,351	332,615
Average daily net asset value	US\$	17,216,305	18,086,295
Total expense ratio ^{Note}	%	1.66	1.84

Note: 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.

13. Related party transactions

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

Management fee is payable to the Manager. Trustee fee and registrar fee are payable to the Trustee. Custody fee and valuation fee are payable to a related company of the Trustee, BNP Paribas Securities Services 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 Deed:

	30 June 2016	31 December 2015
	US\$	US\$
Bank balances held with related party of the Trustee	146,880	282,895

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

Nil.

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