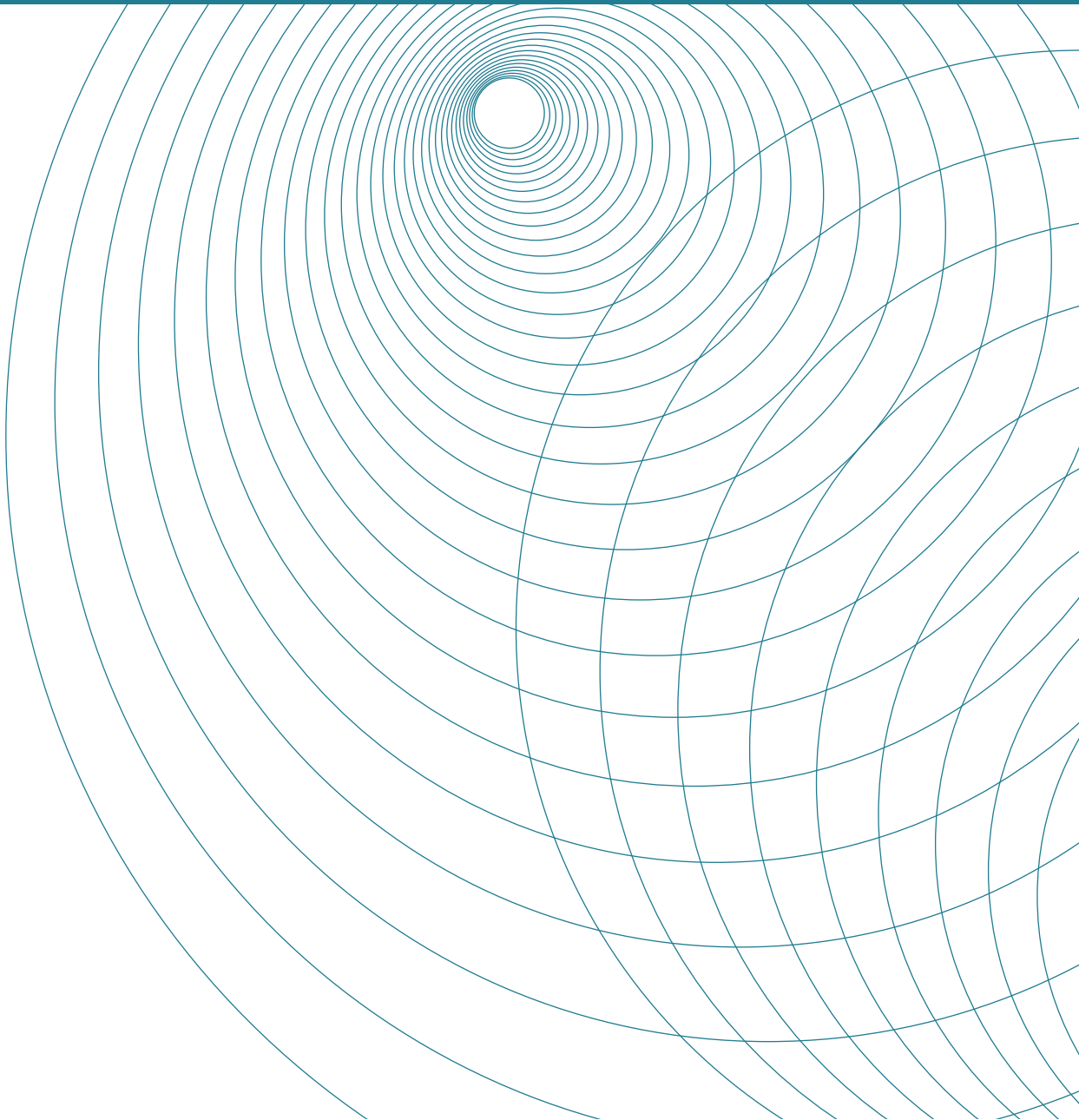


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**SEMI-ANNUAL REPORT**  
**Nikko AM Shenton Asia Dividend Equity Fund**  
Financial period ending 31 December 2024

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#### **MANAGERS**

Nikko Asset Management Asia Limited  
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Singapore 018961  
Company Registration No. 198202562H

#### **DIRECTORS OF THE MANAGERS**

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Yutaka Nishida  
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#### **AUDITORS**

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

## PERFORMANCE SUMMARY

<b>Returns (%)</b>	<b>3 Mth</b>	<b>6 Mth</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>	<b>10 Yr</b>	<b>Since Inception</b>
Nikko AM Shenton Asia Dividend Equity Fund - SGD Class <sup>1</sup>	-0.98	-0.05	6.96	-5.69	1.72	2.72	3.12

Source: Nikko Asset Management Asia Limited, returns as at 31 December 2024<sup>3</sup>. 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.

<b>Returns (%)</b>	<b>3 Mth</b>	<b>6 Mth</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>	<b>10 Yr</b>	<b>Since Inception</b>
Nikko AM Shenton Asia Dividend Equity Fund - SGD Class <sup>1</sup>	-5.93	-5.05	1.61	-7.29	0.68	2.19	2.90

Source: Nikko Asset Management Asia Limited, returns as at 31 December 2024<sup>3</sup>. 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: 28 April 2000

#### Note:

- (1) With effect from 17 October 2011, the Trust (formerly known as "DBSAM Investment Funds") has been renamed "Nikko AM Asia Investment Funds" and the Fund (formerly known as "DBS Asia Knowledge Fund") has been renamed "Nikko AM Shenton Asia Knowledge Fund". With effect from 17 December 2012, the Fund (formerly known as "Nikko AM Shenton Asia Knowledge Fund") has been renamed "Nikko AM Shenton Asia Dividend Equity Fund" and was restructured into an Asian High Dividend Yield fund.
- (2) With effect from 1 June 2017, the benchmark for the Fund has been removed and there is now no benchmark for the Fund. This is because pursuant to the investment objective of the Fund, the Fund is managed on a total return basis and as such, it does not seek to outperform any benchmark. With effect from 17 December 2012 in order to align the Fund's benchmark with that of its Underlying Fund, the benchmark of the Fund was changed from MSCI AC Far East Free ex Japan Index to MSCI AC Asia ex Japan Index (Net Total Return).
- (3) Fund performance returns are calculated as of the last NAV date of the fund for the reporting period.
- (4) With effect from 1 September 2025, references to "Nikko Asset Management Asia Limited", "Nikko AM Asia Investment Funds – Nikko AM Shenton Asia Dividend Equity Fund" and "Nikko Asset Management Co., Ltd." shall be deemed deleted and replaced with "Amova Asset Management Asia Limited", "Amova Asia Investment Funds - Amova Asia Dividend Equity Fund" and "Amova Asset Management Co., Ltd." respectively.

### Portfolio Review

#### **The Fund returns -0.05% over the six-month period ended 31 December 2024**

The Nikko AM Shenton Asia Dividend Equity Fund (the "Fund") returned -0.05% (in SGD terms, on a NAV-NAV basis) over the six-month period ended 31 December 2024. At the country level, holdings

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in Taiwan, China and Malaysia were key contributors to absolute performance, while exposure to South Korea and Hong Kong dented returns. At the sector level, holdings in financials and consumer discretionary contributed the most to absolute performance whereas holdings in industrials and materials were among the biggest detractors from performance.

## **Market Review**

### ***Regional stocks rise over the review period***

Asian equities, as measured by the MSCI AC Asia ex Japan Index (Net Total Return), returned 2.0% in US dollar (USD) terms over the six-month period ended 31 December 2024. Within the region, the stock markets of Singapore, Thailand and China were the best performers (as measured by the MSCI indices in USD terms), while those of South Korea, India and Indonesia underperformed.

Asian stock markets advanced over the third quarter of 2024 (3Q24). Sentiment during the period received a boost from the US Federal Reserve's (Fed) widely anticipated decision to drop interest rates, kickstarting the first in a series of cuts. The US central bank lowered the federal funds rate by a significant 50 basis points (bps) to a 4.75% to 5% range. However, investors turned cautious through 4Q24 to the year-end amid incoming US president Donald Trump's protectionist push, the pace of global central banks' policy easing and the health of the Chinese economy. Over the period, the US Federal Reserve (Fed) slashed interest rates two more times for a total of 75 bps. Fed Chairman Jerome Powell said that further cuts in the days ahead would depend on any progress in taming inflation.

### ***China and Hong Kong rally on stimulus cheer***

Chinese (+14.0%) and Hong Kong (+12.2%) stocks climbed on the back of a slew of government measures to tackle sluggish growth. Moves included reductions to the reserve requirement ratio for banks as well as the 7-day repo and loan prime rates to improve liquidity conditions. Chinese stock markets also received assistance in the form of a renminbi (RMB) 500 billion swap facility for non-bank financial firms to purchase shares with plans for an RMB 300 billion relending programme for listed companies and majority stakeholders to conduct share buybacks. The key property sector saw cuts to existing mortgage and second home downpayment rates. President Xi Jinping reiterated these moves in a monthly Politburo meeting and pledged to stem the decline in property prices, support household income growth, boost capital markets and address rising joblessness among youths and migrant workers. Earlier in the period, the authorities raised the statutory retirement age to relieve the strain on the national pension system as the population ages rapidly. An interest rate cut by the Hong Kong monetary authority also aided risk appetite there. However, both markets pared gains due to lack of stronger policy moves to bolster the sluggish economy as well as concerns over Trump's threats to raise tariffs on Chinese goods.

### ***Artificial Intelligence (AI) boom boosts Taiwan while South Korea weighed by trade, political woes***

Taiwanese equities returned +3.8% over the period as robust demand for AI-related hardware and applications lifted the island's technology-heavy bourse. On the flip side, the South Korean market (-23.7%) was the worst performer in the region as political drama, tepid global demand and the prospect of more potential trade tariffs from a Trump presidency dented investor confidence. In December, President Yoon Suk Yeol dramatically declared martial law before reversing the decision hours later. The Bank of Korea (BOK) trimmed its 2025 GDP growth forecast to 1.9% and cut its benchmark interest rate by a quarter-percentage point in an unexpected back-to-back easing following October's policy pivot.

### ***ASEAN markets mostly higher***

Many of the markets in ASEAN advanced over the review period with Singapore (+21.3%), Thailand (+15.9%), Malaysia (+12.3%) and the Philippines (+4.8%). Indonesia was the exception, declining -2.7%. In Singapore, the US Fed's rate hike and Beijing's stimulus measures proved to be a boon for the trade-

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focused city state. It subsequently raised its growth forecast for 2024 to around 3.5%, with the economy recovering faster than anticipated. Similarly in Malaysia, investors focused on the aforementioned positive cues as well as on expectations that economic growth will accelerate toward 5% this year. The stock market in Thailand gained on hopes for political stability following the appointment of a new prime minister, Paetongtarn Shinawatra, the head of the ruling Pheu Thai party. The authorities also cut interest rates once later in the period. Meanwhile, the Philippine central bank was the first in the region to cut interest rates and followed with two more by the end of the period. Indonesian shares continued to be pressured by ongoing geopolitical uncertainties which hurt demand for trade.

### ***Sentiment in Indian market dented by slowing growth***

Decelerating domestic economic and corporate earnings growth dragged on Indian markets (-4.9%). Bribery charges against Indian conglomerate Adani Group also caused worries of a wider spillover and cast fresh doubts about corporate governance in the country. The Reserve Bank of India (RBI) maintained its key repo rate in December but cut the cash reserve ratio by 50 bps to 4%, to boost liquidity in the banking system. Additionally, the country's first budget under a new coalition government included a narrower fiscal deficit target, spending on infrastructure, and boosting employment.

### **Market Outlook and Strategy**

#### ***Loosening global monetary policy a boon for twin deficit economies***

After three years of tightening monetary policy, global central banks have started to ease, benefiting investment opportunities, particularly in twin deficit economies such as India and parts of ASEAN. However, this environment may be complicated by the unpredictable nature of Trump's return to power, which could increase market volatility due to his protectionist policies. Rate cut expectations are already being dialled back.

#### ***Trade risks from Trump presidency priced into Chinese stocks***

Despite concerns about Trump's impact on emerging markets, historical data shows that during his first term, China, South Korea and Taiwan outperformed the S&P 500—despite being the most trade-sensitive equity markets. This time around, Chinese equities already reflect a higher risk premium for trade disruptions. Investing in companies with strong management and adaptability is crucial for mitigating risks and seizing opportunities. In China, opportunities lie in self-sufficiency and industries that have consolidated. Supply chain diversification is essential, especially in regions with minimal trade balances with the US.

#### ***Still positive on India in the long run***

India remains a compelling long-term investment opportunity despite short-term reservations regarding rich valuations. Fortunately for patient investors, opportunities at more reasonable prices are emerging. Near-term challenges include Prime Minister Modi's coalition government limiting significant reforms and proactive regulation by the RBI and the Securities and Exchange Board of India (SEBI), which may slow growth in some sectors. The digitisation of the Indian economy profoundly impacts long-established traditional distribution channels and brand moats—elements that have benefited several companies for decades.

#### ***Seeking out quality Korean names amid market volatility***

South Korea's recent political turmoil, characterised by leadership instability and public protests, has led to increased volatility in its equity market. Investors are cautious as political uncertainty affects economic policies and investor confidence, resulting in fluctuating stock prices and a slowdown in capital inflows. Most Korean presidents have historically been impeached or incarcerated, but some Korean companies continue to grow globally and deliver good returns. The political turmoil presents an opportunity to select good companies at lower valuations.

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***Sustained US policy easing supportive of ASEAN economies***

Buoyed by expectations of lower rates, ASEAN has outperformed the US and Asia ex-Japan markets since mid-2024 and trails China only narrowly. Despite likely inflationary policies under Trump's second term, we believe that the US monetary easing cycle will continue into 2025. This is supportive for ASEAN markets, especially those with positive domestic fundamental change, namely Malaysia, Singapore and the Philippines, in our opinion. Under the Trump administration, we anticipate added impetus for "China plus one", as manufacturers—including those from China—continue to seek low-cost and low-tariff production locations.

***Focus on Asian companies able to harness change to grow sustainably***

While geopolitical uncertainties persist, Asian markets can still offer attractive returns. A sustained shift towards lower interest rates could benefit economies like India and China if accompanied by supportive policies and structural reforms. Investors should focus on companies capable of harnessing these changes for sustainable growth in 2025 and beyond.

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

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

#### **For Hong Kong Investors**

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

Nikko Asset Management Asia Limited. Registration Number 198202562H



**NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF TOTAL RETURN***For the financial period from 01 July 2024 to 31 December 2024 (unaudited)*

	<b>31 December 2024</b>	31 December 2023
	<b>S\$</b>	<b>S\$</b>
<b>Income</b>		
Dividends	<b>82,044</b>	88,160
Interest on cash and cash equivalents	<b>2,621</b>	2,202
	<b>84,665</b>	90,362
<b>Less: Expenses</b>		
Management fee	<b>50,225</b>	50,395
Transfer agent fee	<b>9,293</b>	2,873
Trustee fee	<b>1,679</b>	1,680
Custody fee	<b>1,075</b>	905
Audit fee	<b>3,680</b>	4,599
Valuation fee	<b>5,041</b>	5,041
Transaction costs	<b>33,061</b>	22,820
Other expenses	<b>15,632</b>	8,580
	<b>119,686</b>	96,893
<b>Net (losses)/income</b>	<b>(35,021)</b>	(6,531)
<b>Net gains or losses on value of investments</b>		
Net gains/(losses) on investments	<b>74,371</b>	(229,823)
Net foreign exchange losses	<b>(5,613)</b>	(7,671)
	<b>68,758</b>	(237,494)
<b>Total return/(deficit) for the financial period before income tax</b>	<b>33,737</b>	(244,025)
<b>Less: Income tax</b>	<b>(41,359)</b>	(8,918)
<b>Total (deficit) for the financial period after income tax</b>	<b>(7,622)</b>	(252,943)

**NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF FINANCIAL POSITION***As at 31 December 2024 (unaudited)*

	<b>31 December 2024</b>	30 June 2024
	<b>S\$</b>	S\$
<b>ASSETS</b>		
Portfolio of investments	<b>6,032,608</b>	6,753,084
Sales awaiting settlement	<b>449</b>	44,964
Receivables	<b>5,794</b>	12,083
Cash and cash equivalents	<b>220,699</b>	174,266
<b>Total assets</b>	<b>6,259,550</b>	6,984,397
<b>LIABILITIES</b>		
Payables	<b>62,838</b>	65,547
Distributions payable	<b>20,420</b>	22,919
<b>Total liabilities</b>	<b>83,258</b>	88,466
<b>EQUITY</b>		
Net assets attributable to unitholders	<b>6,176,292</b>	6,895,931

**NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS***For the financial period from 01 July 2024 to 31 December 2024 (unaudited)*

	<b>31 December 2024</b> <b>S\$</b>	30 June 2024 S\$
<b>Net assets attributable to unitholders at the beginning of the financial period/year</b>	<b>6,895,931</b>	6,646,625
<b>Operations</b>		
Change in net assets attributable to unitholders resulting from operations	<b>(7,622)</b>	216,489
<b>Unitholders' contributions/(withdrawals)</b>		
Creation of units	<b>591,247</b>	1,396,993
Cancellation of units	<b>(1,171,941)</b>	(1,094,772)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	<b>(580,694)</b>	302,221
Distributions	<b>(131,323)</b>	(269,404)
Total (decrease)/increase in net assets attributable to unitholders	<b>(719,639)</b>	249,306
<b>Net assets attributable to unitholders at the end of the financial period/year</b>	<b>6,176,292</b>	6,895,931

**NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2024 (unaudited)***By Geography (Primary)**

	Holdings at 31 December 2024	Fair value at 31 December 2024 S\$	Percentage of total net assets attributable to unitholders at 31 December 2024 %
<b>Quoted Equities</b>			
<b>BRITAIN</b>			
Standard Chartered Public Listed Company	4,050	67,962	1.10
<b>Total BRITAIN</b>		<b>67,962</b>	<b>1.10</b>
<b>CHINA</b>			
Alibaba Group Holding Limited	4,300	62,226	1.01
Anta Sports Products Limited	5,600	76,564	1.24
China Merchants Bank Company Limited	17,500	122,935	1.99
Easyhome New Retail Group Company Limited	84,500	56,056	0.91
Haidilao International Holding Limited	32,000	89,356	1.45
JD.Com Incorporated	2,500	59,711	0.97
Longfor Group Holdings Limited	37,500	65,858	1.06
Midea Group Company Limited	7,600	106,229	1.72
Nari Technology Company Limited	16,100	75,452	1.22
Ping An Insurance Group Company Of China Limited	17,960	145,250	2.35
Shenzhen New Industries Biomedical Engineering Company Limited	5,000	65,828	1.07
Tencent Holdings Limited	6,106	447,169	7.24
Zhejiang Weixing Industrial Development Company Limited	27,300	71,884	1.16
Zijin Mining Group Company Limited	34,000	84,432	1.37
<b>Total CHINA</b>		<b>1,528,950</b>	<b>24.76</b>
<b>HONG KONG SAR</b>			
AIA Group Limited	7,200	71,190	1.15
ASMPT Limited	3,900	51,301	0.83
China Medical System Holdings Limited	96,271	127,650	2.07
Hong Kong Exchanges & Clearing Limited	1,700	88,015	1.43
Sun Hung Kai Properties Limited	8,500	111,436	1.80
<b>Total HONG KONG SAR</b>		<b>449,592</b>	<b>7.28</b>
<b>INDIA</b>			
360 One Wam Limited	4,272	85,418	1.38
HDFC Bank Limited	5,529	156,192	2.53
ICICI Bank Limited	5,004	102,302	1.66
Infosys Limited	5,815	174,724	2.83
Mahindra & Mahindra Financial Services Limited	16,691	70,481	1.14
Mahindra & Mahindra Limited	1,879	90,063	1.46
Persistent Systems Limited	710	73,150	1.18
Tech Mahindra Limited	6,729	182,817	2.96
<b>Total INDIA</b>		<b>935,147</b>	<b>15.14</b>
<b>INDONESIA</b>			
Bank Negara Indonesia Persero TBK PT	271,116	99,963	1.62
Mastersystem Infotama PT	476,900	68,112	1.10
<b>Total INDONESIA</b>		<b>168,075</b>	<b>2.72</b>
<b>MALAYSIA</b>			
CIMB Group Holdings Berhad	54,800	137,096	2.22
Nationgate Holdings Berhad	74,700	57,660	0.93
<b>Total MALAYSIA</b>		<b>194,756</b>	<b>3.15</b>

**NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2024 (unaudited)***By Geography (Primary)**

	Holdings at 31 December 2024	Fair value at 31 December 2024 S\$	Percentage of total net assets attributable to unitholders at 31 December 2024 %
<b>Quoted Equities</b>			
<b>PHILIPPINES</b>			
Manila Electric Company	5,200	58,866	0.96
Metropolitan Bank & Trust Company	59,070	104,553	1.69
<b>Total PHILIPPINES</b>		<b>163,419</b>	<b>2.65</b>
<b>SINGAPORE</b>			
Sembcorp Industries Limited	12,300	67,896	1.10
Singapore Technologies Engineering Limited	22,300	103,918	1.68
Singapore Telecommunications Limited	33,400	102,872	1.66
United Overseas Bank Limited	4,500	163,485	2.65
<b>Total SINGAPORE</b>		<b>438,171</b>	<b>7.09</b>
<b>SOUTH KOREA</b>			
Korea Investment Holdings Company Limited	1,386	91,577	1.48
LG Electronics Incorporated	396	30,642	0.50
Samsung Electronics Company Limited	193	239,598	3.88
St Pharm Company Limited	1,578	129,999	2.10
<b>Total SOUTH KOREA</b>		<b>491,816</b>	<b>7.96</b>
<b>TAIWAN</b>			
Accton Technology Corporation	5,000	160,829	2.60
Ememory Technology Incorporated	500	69,804	1.13
Lite-On Technology Corporation	24,000	99,369	1.61
Mediatek Incorporated	2,000	117,761	1.91
Taiwan Semiconductor Manufacturing Company Limited	5,000	223,663	3.62
Taiwan Semiconductor Manufacturing Company Limited – SP ADR	1,954	526,686	8.53
Unimicron Technology Corporation	11,000	64,540	1.04
<b>Total TAIWAN</b>		<b>1,262,652</b>	<b>20.44</b>
<b>THAILAND</b>			
True Corporation Public Company Limited	179,400	79,678	1.29
<b>Total THAILAND</b>		<b>79,678</b>	<b>1.29</b>
<b>Total Quoted Equities</b>		<b>5,780,218</b>	<b>93.58</b>

**NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2024 (unaudited)***By Geography (Primary) (continued)**

	Holdings at 31 December 2024	Fair value at 31 December 2024 S\$	Percentage of total net assets attributable to unitholders at 31 December 2024 %
<b>Quoted Real Estate Investment Trusts</b>			
<b>INDIA</b>			
Embassy Office Parks REIT	20,803	122,654	1.99
<b>Total INDIA</b>		<b>122,654</b>	<b>1.99</b>
<b>SINGAPORE</b>			
Keppel DC REIT	59,512	129,736	2.10
<b>Total SINGAPORE</b>		<b>129,736</b>	<b>2.10</b>
<b>Total Quoted Real Estate Investment Trusts</b>		<b>252,390</b>	<b>4.09</b>
<b>Portfolio of investments</b>		<b>6,032,608</b>	<b>97.67</b>
<b>Other net assets</b>		<b>143,684</b>	<b>2.33</b>
<b>Net assets attributable to unitholders</b>		<b>6,176,292</b>	<b>100.00</b>

**NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2024 (unaudited)***By Geography (Summary)**

	<b>Percentage of total net assets attributable to unitholders at 31 December 2024 %</b>	<b>Percentage of total net assets attributable to unitholders at 30 June 2024 %</b>
<b>Quoted Equities</b>		
Britain	<b>1.10</b>	-
China	<b>24.76</b>	23.66
Hong Kong SAR	<b>7.28</b>	4.36
India	<b>15.14</b>	16.85
Indonesia	<b>2.72</b>	3.29
Malaysia	<b>3.15</b>	2.63
Philippines	<b>2.65</b>	2.61
Singapore	<b>7.09</b>	4.62
South Korea	<b>7.96</b>	13.05
Taiwan	<b>20.44</b>	23.42
Thailand	<b>1.29</b>	0.81
<b>Total Quoted Equities</b>	<b>93.58</b>	95.30
<b>Quoted Real Estate Investment Trusts</b>		
India	<b>1.99</b>	1.79
Singapore	<b>2.10</b>	0.84
<b>Total Quoted Real Estate Investment Trusts</b>	<b>4.09</b>	2.63
<b>Portfolio of investments</b>	<b>97.67</b>	97.93
<b>Other net assets</b>	<b>2.33</b>	2.07
<b>Net assets attributable to unitholders</b>	<b>100.00</b>	100.00

**NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2024 (unaudited)***By Industry (Secondary)**

	Fair value at 31 December 2024 S\$	Percentage of total net assets attributable to unitholders at 31 December 2024 %	Percentage of total net assets attributable to unitholders at 30 June 2024 %
Aerospace/Defense	103,918	1.68	-
Apparel	71,884	1.16	0.92
Auto Manufacturers	90,063	1.46	3.52
Banks	954,488	15.45	12.92
Beverages	-	-	1.15
Computers	315,986	5.12	0.98
Diversified Financial Services	335,491	5.43	4.80
Electric	126,762	2.05	-
Electronics	122,200	1.98	2.42
Food	-	-	0.81
Healthcare-Products	193,478	3.13	1.55
Home Furnishings	236,240	3.82	2.56
Household Products/Wares	-	-	1.22
Insurance	216,440	3.50	2.40
Internet	625,162	10.12	8.53
Leisure Time	-	-	1.03
Lodging	-	-	0.84
Machinery-Diversified	75,452	1.22	4.36
Mining	84,432	1.37	3.90
Miscellaneous Manufacture	-	-	1.71
Oil and Gas	-	-	0.88
Pharmaceuticals	129,999	2.11	3.42
Real Estate	177,294	2.87	1.01
Real Estate Investment Trusts (REITS)	252,390	4.09	2.63
Retail	165,920	2.69	0.98
Semiconductors	1,228,813	19.90	26.15
Software	182,817	2.96	3.41
Telecommunications	343,379	5.56	3.83
<b>Portfolio of investments</b>	<b>6,032,608</b>	<b>97.67</b>	<b>97.93</b>
<b>Other net assets</b>	<b>143,684</b>	<b>2.33</b>	<b>2.07</b>
<b>Net assets attributable to unitholders</b>	<b>6,176,292</b>	<b>100.00</b>	<b>100.00</b>



**NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND***(Constituted under a Trust Deed registered in the Republic of Singapore)***REPORT TO UNITHOLDERS***For the financial period from 01 July 2024 to 31 December 2024 (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 31 December 2024**

	Fair value S\$	Percentage of total net assets attributable to unitholders %
Taiwan Semiconductor Manufacturing Company Limited – SP ADR	526,686	8.53
Tencent Holdings Limited	447,169	7.24
Samsung Electronics Company Limited	239,598	3.88
Taiwan Semiconductor Manufacturing Company Limited	223,663	3.62
Tech Mahindra Limited	182,817	2.96
Infosys Limited	174,724	2.83
United Overseas Bank Limited	163,485	2.65
Accton Technology Corporation	160,829	2.60
HDFC Bank Limited	156,192	2.53
Ping An Insurance Group Company Of China Limited	145,250	2.35

**10 Largest holdings at 31 December 2023**

	Fair value S\$	Percentage of total net assets attributable to unitholders %
Samsung Electronics Company Limited – SP ADR	444,605	6.62
Taiwan Semiconductor Manufacturing Company Limited – SP ADR	379,414	5.65
Tencent Holdings Limited	307,805	4.58
AIA Group Limited	262,631	3.91
Bank Negara Indonesia Persero TBK PT	226,293	3.37
Mediatek Incorporated	174,503	2.60
Indusind Bank Limited	173,499	2.58
ICICI Bank Limited – SP ADR	160,382	2.39
China Medical System Holdings Limited	159,617	2.38
CIMC Enric Holdings Limited	135,962	2.02

## NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND

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

### REPORT TO UNITHOLDERS

For the financial period from 01 July 2024 to 31 December 2024 (unaudited)

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**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 10 to 14.

**9. Borrowings**

Nil.

**10. Amount of units created and cancelled for the financial period ended 31 December 2024**

**S\$**

Units created	591,247
Units cancelled	(1,171,941)

**11. Turnover ratio**

		<b>31 December 2024</b>	31 December 2023
Lower of total value of purchases or sales	S\$	<b>2,823,022</b>	2,359,550
Average daily net asset value	S\$	<b>6,667,986</b>	6,663,850
<b>Total turnover ratio<sup>1</sup></b>	<b>%</b>	<b>42.34</b>	35.41

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

## NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND

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

### REPORT TO UNITHOLDERS

For the financial period from 01 July 2024 to 31 December 2024 (unaudited)

#### 12. Expense ratio

		31 December 2024	31 December 2023
<b><u>SGD Class</u></b>			
Total operating expenses	S\$	173,568	151,448
Average daily net asset value	S\$	6,719,274	6,714,550
<b>Total expense ratio<sup>2</sup></b>	<b>%</b>	<b>2.58</b>	<b>2.26</b>

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

#### 13. Related party transactions

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

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

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

	31 December 2024 S\$	30 June 2024 S\$
Bank balances held with related party of the Trustee	220,699	174,266

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

Nil.

#### 15. Soft dollar commissions/arrangements

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

#### 16. Subsequent events

The Manager, Nikko Asset Management Asia Limited will be changing its name to Amova Asset Management Asia Limited with effect from 1 September 2025.

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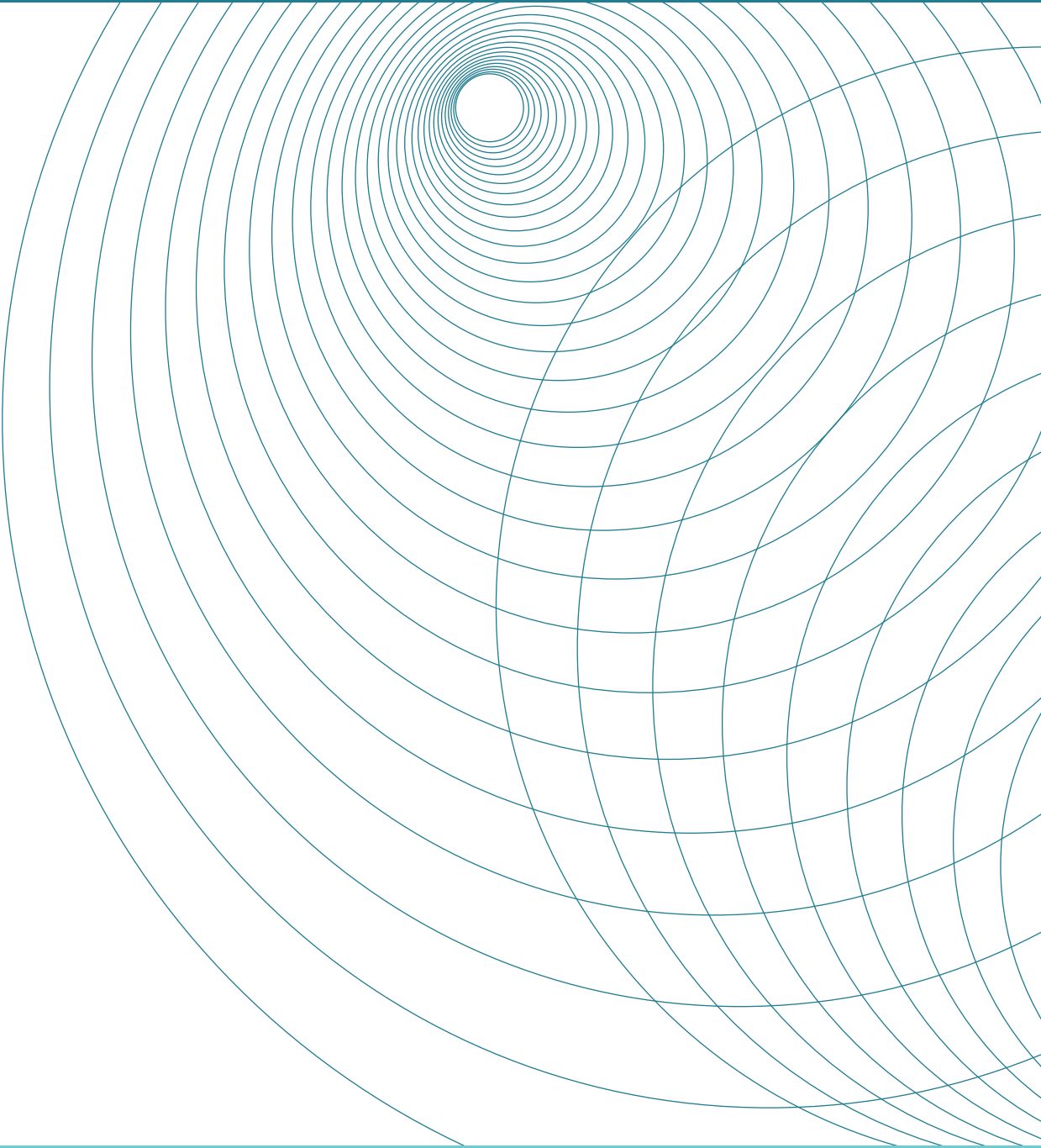




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**ANNUAL REPORT**  
**Nikko AM Shenton Asia Dividend Equity Fund**  
Financial year ended 30 June 2024

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### **MANAGERS**

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

### **DIRECTORS OF THE MANAGERS**

Seet Oon Hui Eleanor  
Yutaka Nishida  
Hiroshi Yoh  
Allen Yan

### **TRUSTEE & REGISTRAR**

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

### **AUDITORS**

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

### **CUSTODIAN**

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

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

## PERFORMANCE SUMMARY

<b>Returns (%)</b>	<b>3 Mth</b>	<b>6 Mth</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>	<b>10 Yr</b>	<b>Since Inception</b>
Nikko AM Shenton Asia Dividend Equity Fund - SGD Class <sup>1</sup>	5.34	7.02	3.16	-6.99	3.48	3.41	3.19

Source: Nikko Asset Management Asia Limited, returns as at 30 June 2024<sup>3</sup>. 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.

<b>Returns (%)</b>	<b>3 Mth</b>	<b>6 Mth</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>	<b>10 Yr</b>	<b>Since Inception</b>
Nikko AM Shenton Asia Dividend Equity Fund - SGD Class <sup>1</sup>	0.07	1.67	-2.00	-8.56	2.43	2.88	2.97

Source: Nikko Asset Management Asia Limited, returns as at 30 June 2024<sup>3</sup>. 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: 28 April 2000**

**Note:**

- (1) With effect from 17 October 2011, the Trust (formerly known as “DBSAM Investment Funds”) has been renamed “Nikko AM Asia Investment Funds” and the Fund (formerly known as “DBS Asia Knowledge Fund”) has been renamed “Nikko AM Shenton Asia Knowledge Fund”. With effect from 17 December 2012, the Fund (formerly known as “Nikko AM Shenton Asia Knowledge Fund”) has been renamed “Nikko AM Shenton Asia Dividend Equity Fund” and was restructured into an Asian High Dividend Yield fund.
- (2) With effect from 1 June 2017, the benchmark for the Fund has been removed and there is now no benchmark for the Fund. This is because pursuant to the investment objective of the Fund, the Fund is managed on a total return basis and as such, it does not seek to outperform any benchmark. With effect from 17 December 2012 in order to align the Fund’s benchmark with that of its Underlying Fund, the benchmark of the Fund was changed from MSCI AC Far East Free ex Japan Index to MSCI AC Asia ex Japan Index (Net Total Return).
- (3) Fund performance returns are calculated as of the last NAV date of the fund for the reporting period.

### **Portfolio Review**

***The Fund returns 3.16% over the 12-month period ended 30 June 2024***

The Nikko AM Shenton Asia Dividend Equity Fund (the “Fund”) gained 3.16% (in SGD terms, on a NAV-NAV basis) over the 12-month period ended 30 June 2024. At the country level, holdings in Malaysia, India and Taiwan were key contributors to absolute performance, while exposure to China and the Philippines detracted from returns. At the sector level, holdings in real estate and healthcare were among the biggest detractors from performance, whereas holdings in utilities and information technology contributed the most to absolute performance.

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## **Market Review**

### ***Regional stocks rise over the review period***

Asian equities, as measured by the MSCI AC Asia ex Japan Index (Net Total Return), returned 12.9% in US dollar (USD) terms over the 12-month period ended 30 June 2024. Within the region, the stock markets of Taiwan (+40.7%), India (+34.4%) and Malaysia (+17.5%) were the best performers (as measured by the MSCI indices in USD terms), while those of Hong Kong (-18.0%), Thailand (-13.3%) and Indonesia (-11.8%) underperformed.

Asian equities trended lower in the third quarter of 2023 (3Q23) due to a surge in longer-term government bond yields, higher oil prices and lacklustre macroeconomic data out of China amid renewed stress in the country's debt-laden property sector. Market sentiment, however, improved in 4Q23. Regional equities racked up solid gains as markets adjusted to the fact that US interest rates may have peaked. Eventually, December saw the US Federal Reserve (Fed) send its clearest message yet that its aggressive hiking campaign has concluded by forecasting a series of rate cuts in 2024.

The markets carried this positive momentum into 1Q24, powered by investors optimism about the state of the global economy, enthusiasm over artificial-intelligence (AI) technology and continued expectations for interest-rate cuts this year. Lingering concerns surrounding weaker economic growth in China capped gains in Asia though. Monetary policy remained at the forefront of the global macro landscape in 2Q24, with Fed officials eventually signalling just one interest-rate cut for this year. One trend that continued from the first quarter (and 2023) was the strong performance of stocks related to the AI theme.

### ***Taiwan and South Korea deliver strong gains; China and Hong Kong lag their regional counterparts***

Even though investors started 2023 with a sense of optimism following China's post-COVID reopening, equity markets of China and Hong Kong were among the worst performers in the region for the second half of 2023 (2H23). While stocks jumped in July following the pro-growth tone of the Politburo meeting, a confluence of factors including—lingering property downturn, a slew of disappointing economic data, local government debt risks, uncertainty over China's regulatory regime and concerns that stimulus measures by the Chinese government may be insufficient—have combined to put a dent in China's overall stock market optimism.

Chinese and Hong Kong stocks then kicked off 2024 on a weak note, as investors continued to grapple with concerns over China's economic outlook and its beleaguered property sector. China held its annual National People's Congress in March and set an economic growth target of about 5% this year, promising steps to transform the country's development model, defuse property sector risks and curb industrial overcapacity. Hong Kong also saw diminishing appetite from foreign investors amid disappointing corporate earnings from bellwether companies. Sentiment did improve over 2Q24, as authorities unveiled sweeping measures in May to support the struggling housing market, including removing the floor on mortgage rates, lowering downpayment and encouraging local governments to acquire homes to convert them into affordable housing. Hong Kong stocks rebounded slightly, as China's market regulator announced that it would facilitate Hong Kong listings by Chinese companies and would expand the Stock Connect cross-border investment scheme to enhance the city's status as an international financial centre. At the end of the 12-month review period, China and Hong Kong returned -1.6% and -18.0% in USD terms respectively.

After a dismal 3Q23 compounded by the downturn in global technology stocks, the tech-centric stock markets of South Korea and Taiwan turned in strong gains over 4Q23. Investor enthusiasm over AI continued to accelerate, and the rebound in semiconductor demand boosted optimism for the countries' exports and economic outlook in 2024. Taiwan emerged as the top performer in 1H24, as it benefitted from the increase in global demand for the hardware underpinning AI technologies. Taiwan's economy

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expanded 6.5% year-on-year (YoY) during the March quarter. The Democratic Progressive Party was handed a third consecutive presidential victory in January, and Taiwan's central bank unexpectedly raised the benchmark rate by 12.5 basis points (bps) to 2.00% in March, aimed at containing inflation expectations. Meanwhile, South Korean authorities unveiled a "Corporate Value-up Program" in February, which seeks to incentivise companies that prioritise shareholder returns, similar to Japan's corporate governance push in 2023. The Bank of Korea kept its key policy rate at 3.5% throughout 1H24, a level it characterised as restrictive, while reiterating risks around inflationary pressures. Accordingly, Taiwan and South Korea posted returns of 40.7% and 8.1% over the twelve-month review period.

#### ***ASEAN markets see mixed performance***

Within the ASEAN region, the best performing markets over the review period were Malaysia (+17.5%) and Singapore (+13.5%). Meanwhile, Thailand (-13.3%), Indonesia (-11.8%) and the Philippines (-3.1%) registered negative performances over the year. In Singapore, policy continuity is expected as Lawrence Wong assumed the role of Singapore's new prime minister. The city-state's manufacturing sector continued to recover, with May 2024's reading indicating that industrial production has rebounded back into positive territory. Elsewhere, Malaysia's central bank maintained their policy rates over the 12 months, highlighting that the current monetary policy stance remained supportive of economic growth. In Thailand, the central bank raised its key rate by a total of 50 bps over the 12-month period to 2.50%. Its counterpart in the Philippines opted for an off-cycle 25-bps rate hike in October 2023, taking the interest rate up to 6.5%, to ensure inflation expectations stay well-anchored heading into the new year. Bank Indonesia also made a surprise move in April 2024, raising benchmark interest rates to a record high of 6.25% to support the Indonesian rupiah. Separately, Prabowo Subianto was declared the winner of the country's presidential election, paving way for him to take the helm in October 2024.

#### ***Indian shares driven by market's confidence in the country's growth picture***

Indian shares jumped 34.4% in USD terms over the review period, seeing strong inflows from both foreign and domestic investors amid improving macroeconomic indicators. JPMorgan's announcement in September 2023 that it will include India in its widely-tracked emerging market debt index also lifted investor sentiment. GDP expanded 8.2% YoY in the fiscal year that ended in March 2024, handily beating forecasts and cementing India's status as the world's fastest growing major economy. The Reserve Bank of India kept the benchmark repurchase rate at 6.5% over the review period, retaining its "withdrawal of accommodation" stance. On the political front, Narendra Modi was sworn in as India's prime minister for a third straight term, extending his leadership for another five years despite an electoral setback that saw the Modi-led Bharatiya Janata Party fail to secure the simple majority on its own.

#### **Market Outlook and Strategy**

##### ***Await meaningfully sizeable positive fundamental changes in China to attract substantive investment flows***

The AI-driven tech rally looks to be struggling amid the deceleration of growth out of the US with knock-on implications for the Asian supply chain. The positive is that the growth trajectory remains intact. The tech-heavy markets of Taiwan and Korea felt the brunt and will likely continue to be under pressure until the market finds direction in the next couple of months.

The markets had high hopes for China's Third Plenum, yet reserved the right to be ready for the same-old of incremental support. The Third Plenum did not disappoint on the latter with announcements of incremental support for consumption, real estate, infrastructure and regional governments. Chinese economic data remains on the weaker side; valuations remain attractive. We are waiting for meaningfully sizeable positive fundamental changes in China to attract substantive.

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***Promise of India's future growth offsets risk posed by high valuations***

China's loss continues to be India's gain. India continues to be a bright spot for attracting fresh investment flows. The India story continues to be a domestic investment-led cycle in its industrial manufacturing base—positioning it as an alternative Asian manufacturing base for global companies. India is also a domestic consumption story; we are particularly excited about the formalisation of the retail sector which has a very large and long growth opportunity. Real estate, healthcare, and even the utilities sector are all investing in growth. High valuations remain a potential risk but are, for now, offset by the promise of long-term growth.

***Malaysia continues to outperform thanks to continued investment***

The Korean value-up program continues to make headlines and boost the prospects for equity holders as businesses tighten up lazy, undervalued balance sheets. The government unveiled details of a tax incentive package for shareholders and companies participating in the program aimed at listed companies to increase shareholder returns. The AI-tech correction remains an overhang, but the Korean government's goal is to invigorate the equity markets, irrespective of the tech-cycle.

In ASEAN, the Malaysian market continues to outperform thanks to continued investment. Cement demand remains robust suggesting construction activity is on-track. Malaysia, unlike Indonesia, has a home-grown or home-biased investment in infrastructure and industry. Indonesia's program is tied to the electric vehicle (EV) supply chain and Chinese investments. With the slowdown in EV demand amid continued supply growth, the Indonesian market has lagged the Malaysian market.

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

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

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

#### **For Hong Kong Investors**

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

Nikko Asset Management Asia Limited. Registration Number 198202562H



## **NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND**

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

### **REPORT OF THE TRUSTEE**

*For the financial year ended 30 June 2024*

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The Trustee is under a duty to take into custody and hold the assets of Nikko AM Shenton Asia Dividend Equity Fund (the "Fund") in trust for the unitholders. In accordance with the Securities and Futures Act 2001, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting year and report thereon to unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Fund during the financial year covered by these financial statements, set out on pages 12 to 32, 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

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Authorised signatory  
27 September 2024

## **NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND**

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

### **STATEMENT BY THE MANAGER**

*For the financial year ended 30 June 2024*

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In the opinion of Nikko Asset Management Asia Limited, the accompanying financial statements set out on pages 12 to 32, 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 Asia Dividend Equity Fund (the "Fund") as at 30 June 2024, and the financial performance and movements in unitholders' funds for the financial year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the Fund will be able to meet its financial obligations as and when they materialise.

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

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Authorised signatory  
27 September 2024

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE UNITHOLDERS OF NIKKO AM SHENTON ASIA DIVIDEND EQUITY 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 Asia Dividend Equity Fund (the "Fund"), are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants ("RAP 7"), so as to present fairly, in all material respects, the financial position and portfolio holdings of the Fund as at 30 June 2024, and the financial performance and movements of unitholders' funds for the financial year ended on that date.

*What we have audited*

The financial statements of the Fund comprise:

- the Statement of Total Return for the financial year ended 30 June 2024;
- the Statement of Financial Position as at 30 June 2024;
- the Statement of Movements of Unitholders' Funds for the financial year then ended;
- the Statement of Portfolio as at 30 June 2024; and
- the notes to the financial statements, including material accounting policy information.

**Basis for Opinion**

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

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

*Independence*

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

**Other Information**

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

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

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

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE UNITHOLDERS OF NIKKO AM SHENTON ASIA DIVIDEND EQUITY 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 RAP 7 and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

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

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

PricewaterhouseCoopers LLP  
Public Accountants and Chartered Accountants  
Singapore, 27 September 2024

**NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF TOTAL RETURN***For the financial year ended 30 June 2024*

	Note	2024 S\$	2023 S\$
<b>Income</b>			
Dividends		189,635	226,315
Interest on cash and cash equivalents		4,507	4,569
Other income		-	2
		<u>194,142</u>	<u>230,886</u>
<b>Less: Expenses</b>			
Management fee		100,946	100,765
Transfer agent fee		5,790	11,615
Trustee fee		3,370	3,359
Custody fee		1,773	1,792
Audit fee		8,239	8,146
Valuation fee		10,028	10,000
Transaction costs		47,839	42,443
Other expenses*		30,873	15,884
		<u>208,858</u>	<u>194,004</u>
<b>Net (loss)/income</b>		<u>(14,716)</u>	<u>36,882</u>
<b>Net gains or losses on value of investments</b>			
Net gains/(losses) on investments		269,252	(553,098)
Net foreign exchange losses		(12,870)	(10,641)
		<u>256,382</u>	<u>(563,739)</u>
<b>Total return/(deficit) for the financial year before income tax</b>		<b>241,666</b>	<b>(526,857)</b>
<b>Less: Income tax</b>	3	<b>(25,177)</b>	<b>(18,946)</b>
<b>Total return/(deficit) for the financial year after income tax</b>		<b><u>216,489</u></b>	<b><u>(545,803)</u></b>

\* The balances included non-audit related fees paid to a network firm of the Fund's Auditor which amounted to S\$10,436 for 2024 (2023: Nil).

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

**NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF FINANCIAL POSITION***As at 30 June 2024*

	Note	2024 S\$	2023 S\$
<b>ASSETS</b>			
Portfolio of investments		6,753,084	6,507,034
Sales awaiting settlement		44,964	53,531
Receivables	4	12,083	14,555
Cash and cash equivalents		174,266	135,151
<b>Total assets</b>		<b>6,984,397</b>	<b>6,710,271</b>
<b>LIABILITIES</b>			
Payables	5	65,547	41,224
Distributions payable	7	22,919	22,422
<b>Total liabilities</b>		<b>88,466</b>	<b>63,646</b>
<b>EQUITY</b>			
Net assets attributable to unitholders	6	6,895,931	6,646,625

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

**NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS***For the financial year ended 30 June 2024*

	Note	2024 S\$	2023 S\$
<b>Net assets attributable to unitholders at the beginning of the financial year</b>		<b>6,646,625</b>	7,064,591
<b>Operations</b>			
Change in net assets attributable to unitholders resulting from operations		<b>216,489</b>	(545,803)
<b>Unitholders' contributions/(withdrawals)</b>			
Creation of units		<b>1,396,993</b>	1,601,618
Cancellation of units		<b>(1,094,772)</b>	(1,119,064)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		<b>302,221</b>	482,554
Distributions	7	<b>(269,404)</b>	(354,717)
Total increase/(decrease) in net assets attributable to unitholders		<b>249,306</b>	(417,966)
<b>Net assets attributable to unitholders at the end of the financial year</b>	6	<b>6,895,931</b>	6,646,625

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



**NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND**  
*(Constituted under a Trust Deed registered in the Republic of Singapore)*

**STATEMENT OF PORTFOLIO**

*As at 30 June 2024*

**By Geography (Primary)**

	Holdings at 30 June 2024	Fair value at 30 June 2024 S\$	Percentage of total net assets attributable to unitholders at 30 June 2024 %
<b>Quoted Equities</b>			
<b>CHINA</b>			
Anta Sports Products Limited	5,200	67,699	0.98
Autohome Incorporated	7,500	69,261	1.00
China Merchants Bank Company Limited	15,000	92,304	1.34
CIMC Enric Holdings Limited	94,000	128,416	1.86
H World Group Limited	12,800	57,769	0.84
Hithink RoyalFlush Information Network Company Limited	2,700	51,975	0.76
JD.com Incorporated	5,450	97,726	1.42
Long for Group Holdings Limited	37,500	69,782	1.01
Midea Group Company Limited	5,500	65,853	0.96
Nari Technology Company Limited	19,400	89,887	1.30
Netease Incorporated	3,100	80,233	1.16
Petrochina Company Limited	44,000	60,339	0.88
Ping An Insurance Group Company of China Limited	16,960	104,218	1.51
Shenzhen Fuanna Bedding and Furnishing Company Limited	45,100	84,138	1.22
Tencent Holdings Limited	5,706	368,856	5.35
Uni-President China Holdings Limited	64,000	79,211	1.15
Zhejiang Weixing Industrial Development Company Limited	27,300	63,600	0.92
<b>Total CHINA</b>		<b>1,631,267</b>	<b>23.66</b>
<b>HONG KONG SAR</b>			
AIA Group Limited	6,646	61,144	0.89
ASMP Limited	7,000	132,325	1.92
China Medical System Holdings Limited	93,271	107,182	1.55
<b>Total HONG KONG SAR</b>		<b>300,651</b>	<b>4.36</b>
<b>INDIA</b>			
360 One Wam Limited	6,601	105,674	1.53
Emami Limited	11,912	133,042	1.93
Hindalco Industries Limited	14,020	157,930	2.29
ICICI Bank Limited	6,438	125,252	1.82
ICICI Bank Limited – SP ADR	2,027	79,172	1.15
IndusInd Bank Limited	5,687	135,329	1.96
Mahindra & Mahindra Financial Services Limited	23,851	116,525	1.69
Mahindra & Mahindra Limited	3,306	154,028	2.23
Tech Mahindra Limited	6,671	154,998	2.25
<b>Total INDIA</b>		<b>1,161,950</b>	<b>16.85</b>
<b>INDONESIA</b>			
Bank Central Asia TBK PT	114,396	93,969	1.36
Bank Negara Indonesia Persero TBK PT	345,416	133,220	1.93
<b>Total INDONESIA</b>		<b>227,189</b>	<b>3.29</b>
<b>MALAYSIA</b>			
CIMB Group Holdings Berhad	44,600	87,127	1.27
NationGate Holdings Berhad	178,600	93,895	1.36
<b>Total MALAYSIA</b>		<b>181,022</b>	<b>2.63</b>

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

**NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND**  
*(Constituted under a Trust Deed registered in the Republic of Singapore)*

**STATEMENT OF PORTFOLIO**

*As at 30 June 2024*

**By Geography (Primary) (continued)**

	Holdings at 30 June 2024	Fair value at 30 June 2024 S\$	Percentage of total net assets attributable to unitholders at 30 June 2024 %
<b>Quoted Equities (continued)</b>			
<b>PHILIPPINES</b>			
Metropolitan Bank & Trust Company	44,300	69,197	1.00
Nickel Asia Corporation	701,000	60,138	0.87
OceanaGold Philippines Incorporated	159,600	50,930	0.74
<b>Total PHILIPPINES</b>		<b>180,265</b>	<b>2.61</b>
<b>SINGAPORE</b>			
Riverstone Holdings Limited	122,000	118,340	1.71
Singapore Telecommunications Limited	45,600	125,400	1.82
United Overseas Bank Limited	2,400	75,192	1.09
<b>Total SINGAPORE</b>		<b>318,932</b>	<b>4.62</b>
<b>SOUTH KOREA</b>			
Hyundai Motor Company	497	88,960	1.29
Korea Investment Holdings Company Limited	1,577	108,687	1.58
Samsung Electronics Company Limited	869	69,731	1.01
Samsung Electronics Company Limited - GDR	225	451,301	6.54
Samsung Electronics Company Limited- Preferred stock	1,253	78,461	1.14
ST Pharm Company Limited	1,217	102,448	1.49
<b>Total SOUTH KOREA</b>		<b>899,588</b>	<b>13.05</b>
<b>TAIWAN</b>			
Accton Technology Corporation	6,000	139,113	2.01
Advantech Company Limited	4,399	67,995	0.98
eMemory Technology Incorporated	1,000	107,363	1.56
Giant Manufacturing Company Limited	8,000	70,851	1.03
Lite-On Technology Corporation	25,000	110,705	1.60
Mediatek Incorporated	2,400	140,366	2.04
Sinbon Electronics Company Limited	6,000	73,191	1.06
Taiwan Semiconductor Manufacturing Company Limited	5,000	201,776	2.93
Taiwan Semiconductor Manufacturing Company Limited - SP ADR	2,636	621,001	9.01
TECO Electric and Machinery Company Limited	37,000	82,695	1.20
<b>Total TAIWAN</b>		<b>1,615,056</b>	<b>23.42</b>
<b>THAILAND</b>			
i-Tail Corporation Public Company Limited	66,100	56,146	0.81
<b>Total THAILAND</b>		<b>56,146</b>	<b>0.81</b>
<b>Total Quoted Equities</b>		<b>6,572,066</b>	<b>95.30</b>

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

**NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND**  
*(Constituted under a Trust Deed registered in the Republic of Singapore)*

**STATEMENT OF PORTFOLIO**

*As at 30 June 2024*

**By Geography (Primary) (continued)**

	Holdings at 30 June 2024	Fair value at 30 June 2024 S\$	Percentage of total net assets attributable to unitholders at 30 June 2024 %
<b>Quoted Real Estate Investment Trusts</b>			
<b>INDIA</b>			
Embassy Office Parks REIT	21,340	123,235	1.79
<b>Total INDIA</b>		123,235	1.79
<b>SINGAPORE</b>			
Digital Core REIT Management Pte Limited	74,800	57,783	0.84
<b>Total SINGAPORE</b>		57,783	0.84
<b>Total Quoted Real Estate Investment Trusts</b>		181,018	2.63
<b>Portfolio of investments</b>		6,753,084	97.93
<b>Other net assets</b>		142,847	2.07
<b>Net assets attributable to unitholders</b>		6,895,931	100.00

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

**NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 30 June 2024***By Geography (Summary)**

	<b>Percentage of total net assets attributable to unitholders at 30 June 2024 %</b>	<b>Percentage of total net assets attributable to unitholders at 30 June 2023 %</b>
<b>Quoted Equities</b>		
China	<b>23.66</b>	19.50
Hong Kong SAR	<b>4.36</b>	18.18
India	<b>16.85</b>	12.12
Indonesia	<b>3.29</b>	7.35
Malaysia	<b>2.63</b>	-
Philippines	<b>2.61</b>	3.51
Singapore	<b>4.62</b>	7.15
South Korea	<b>13.05</b>	9.15
Taiwan	<b>23.42</b>	17.35
Thailand	<b>0.81</b>	1.01
<b>Total Quoted Equities</b>	<b>95.30</b>	95.32
<b>Quoted Investment Fund</b>		
Singapore	-	1.15
<b>Total Quoted Investment Fund</b>	-	1.15
<b>Quoted Real Estate Investment Trusts</b>		
India	<b>1.79</b>	1.43
Singapore	<b>0.84</b>	-
<b>Total Quoted Real Estate Investment Trusts</b>	<b>2.63</b>	1.43
<b>Portfolio of investments</b>	<b>97.93</b>	97.90
<b>Other net assets</b>	<b>2.07</b>	2.10
<b>Net assets attributable to unitholders</b>	<b>100.00</b>	100.00

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

**NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 30 June 2024***By Industry (Secondary)**

	Fair value at 30 June 2024 S\$	Percentage of total net assets attributable to unitholders at 30 June 2024 %	Percentage of total net assets attributable to unitholders at 30 June 2023 %
Apparel	63,600	0.92	-
Auto Manufacturers	242,988	3.52	1.36
Banks	890,762	12.92	15.93
Beverages	79,211	1.15	-
Building Materials	-	-	3.09
Chemicals	-	-	2.32
Computers	67,995	0.98	1.07
Cosmetics/Personal Care	-	-	1.43
Diversified Financial Services	330,886	4.80	3.41
Electronics	167,086	2.42	3.70
Engineering and Construction	-	-	2.71
Environmental Control	-	-	1.52
Equity Fund	-	-	1.15
Food	56,146	0.81	-
Healthcare-Products	107,182	1.55	3.70
Home Furnishings	176,558	2.56	2.03
Household Products/Wares	84,138	1.22	-
Insurance	165,362	2.40	8.48
Internet	587,818	8.53	5.17
Leisure Time	70,851	1.03	-
Lodging	57,769	0.84	-
Machinery-Diversified	300,998	4.36	2.59
Mining	268,998	3.90	3.93
Miscellaneous Manufacture	118,340	1.71	-
Oil and Gas	60,339	0.88	1.01
Oil and Gas Services	-	-	1.89
Pharmaceuticals	235,490	3.42	7.93
Private Equity	-	-	1.27
Real Estate	69,782	1.01	1.50
Real Estate Investment Trusts (REITS)	181,018	2.63	1.43
Retail	67,699	0.98	3.26
Semiconductors	1,802,324	26.15	13.41
Software	235,231	3.41	-
Telecommunications	264,513	3.83	1.14
Transportation	-	-	1.47
<b>Portfolio of investments</b>	<b>6,753,084</b>	<b>97.93</b>	<b>97.90</b>
<b>Other net assets</b>	<b>142,847</b>	<b>2.07</b>	<b>2.10</b>
<b>Net assets attributable to unitholders</b>	<b>6,895,931</b>	<b>100.00</b>	<b>100.00</b>

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

## NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND

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

### NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 30 June 2024*

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

#### 1. General

Nikko AM Shenton Asia Dividend Equity Fund (the "Fund") is a Singapore domiciled fund, constituted as a sub-fund of the Nikko AM Asia Investment Funds, pursuant to the Trust Deed dated 8 March 2000 as amended by Supplemental Deeds and Amended and Restated Deeds (collectively referred to as the "Deeds"). The Deeds are governed by the laws of the Republic of Singapore. The Trustee of the Fund is BNP Paribas Trust Services Singapore Limited (the "Trustee"). The Manager of the Fund is Nikko Asset Management Asia Limited (the "Manager").

Nikko AM Asia Investment Funds comprise three separate and distinct sub-funds, namely Nikko AM Shenton Asia Dividend Equity Fund, Nikko AM Shenton Global Property Securities Fund and Nikko AM Shenton Asia Bond Fund.

Only the financial statements of Nikko AM Shenton Asia Dividend Equity Fund are presented in this report.

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

The classes differ in terms of their class currency and the minimum subscription amounts applicable.

As of 30 June 2024 and 2023, only units in the SGD Class have been issued.

The Fund is single priced and the NAV of the Fund may fall as a result of the transaction costs incurred in the purchase and sale of its underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions, redemptions, switches and/or exchanges of units in the Fund. To protect unitholders' interests, the Manager shall, in consultation with the Trustee, have the discretion to apply dilution adjustment or swing pricing in certain circumstances which the Manager deem appropriate. Swing pricing involves making upwards or downwards adjustments in the calculation of the NAV per unit of the Fund or Class on a particular Dealing Day so that such transaction costs and dealing spreads in respect of the underlying investments are, as far as practicable, passed on to the investors who are subscribing, realising, switching and/or exchanging units on that Dealing Day.

The NAV is adjusted if the net subscription or realisation (including switches and/or exchanges) on a particular Dealing Day reaches or exceeds a certain percentage (the "Swing Threshold") of the size of the Fund as of such relevant Dealing Day.

Any dilution adjustment as at the last dealing day of the year will be disclosed under Units in issue.

## NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND

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

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

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#### 2. Material accounting policy information

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 instruments at fair value, and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" ("RAP 7") revised and issued by the Institute of Singapore Chartered Accountants in August 2023 for the financial year beginning on or after 1 January 2023.

The adoption of the revised RAP 7 did not result in substantial changes to the accounting policies of the Fund and had no material effect on the amounts reported for the current or prior years.

(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) Distributions

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

(d) Investments

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

(i) *Initial recognition*

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

(ii) *Subsequent measurement*

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

(iii) *Derecognition*

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

## NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND

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

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

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#### 2. Material accounting policy information (continued)

(e) Basis of valuation of investments

The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at the close of trading on the reporting date. The quoted market price used for investments held by the Fund is the last traded market price for both financial assets and financial liabilities where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of fair value.

(f) 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.

(g) Sales and purchases awaiting settlement

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

(h) Payables

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

(i) Cash and cash equivalents

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

(j) Foreign currency translation

(i) *Functional and presentation currency*

The Fund qualifies as an authorised scheme under the Securities and Futures Act 2001 ("SFA") of Singapore and is offered to retail investors in Singapore. The Fund's activities are substantially based in Singapore, with subscriptions and redemptions of the units of the Fund denominated in Singapore Dollar ("SGD").

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



## NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND

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

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

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#### 2. Material accounting policy information (continued)

##### (j) Foreign currency translation (continued)

###### (ii) *Transactions and balances*

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

##### (k) Expenses

Expenses including transaction costs on purchases or sales of investments are recognised in the Statements of Total Return as the related services are performed, in the period in which they arise.

##### (l) Management fee

Management fee expense is recognised on an accrual basis and in accordance with the Prospectus. Management fee is recognised as an expense over the period for which the service is provided. The management fee charged on any investment in other unit trusts managed by the Manager is rebated back to the Fund, where applicable.

##### (m) Creation and cancellation of units

Units are issued and redeemed at the prices based on the Fund's net asset value per unit at the time of issue or redemption for each respective class. The Fund's net asset value per unit is calculated by dividing the net asset attributable to the unitholders of each class of units with the total number of outstanding units for each respective class.

## NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND

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

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

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#### 3. Income tax

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

Under the DUT Scheme, certain income of the DUT fund is not taxable in accordance to Sections 35(12) and 35(12A) of the Income Tax Act 1947. Such income includes:

- (a) gains or profits derived from Singapore or elsewhere from the disposal of securities;
- (b) interest (other than interest for which tax has been deducted under section 45 of the Income Tax Act 1947);
- (c) dividends derived from outside Singapore and received in Singapore;
- (d) gains or profits derived from foreign exchange transactions, transactions in futures contracts, transactions in interest rate or currency forwards, swaps or option contracts and transactions in forwards, swaps or option contracts relating to any securities or financial index;
- (e) discount prepayment fees, redemption premium and break cost from qualifying debt securities issued during the prescribed period; and
- (f) distributions from foreign unit trusts derived from outside Singapore and received in Singapore.

Income tax for the financial year ended 30 June 2024 and 2023 comprises:

	2024 S\$	2023 S\$
Overseas income tax	<u>25,177</u>	<u>18,946</u>

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

#### 4. Receivables

	2024 S\$	2023 S\$
Receivable from unitholders for creation of units	100	3,889
Dividends receivable	<u>11,983</u>	<u>10,666</u>
	<u>12,083</u>	<u>14,555</u>

**NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND**  
*(Constituted under a Trust Deed registered in the Republic of Singapore)*

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 30 June 2024*

**5. Payables**

	2024 S\$	2023 S\$
Payable to unitholders for cancellation of units	12,356	1,259
Amount due to the Manager	28,775	26,963
Amount due to the Trustee	2,752	899
Valuation fee payable	5,436	2,693
Transfer agent fee payable	6,109	1,212
Provision for audit fee	7,942	7,847
Custody fee payable	735	351
Other payables	1,442	-
	<b>65,547</b>	<b>41,224</b>

Amount due to the Manager comprises of management fee payable to Nikko Asset Management Asia Limited. Trustee fee is payable to BNP Paribas Trust Services Singapore Limited. Custody fee, transfer agent fee and valuation fee are payable to BNP Paribas, acting through its Singapore Branch.

**6. Units in issue**

During the financial year ended 30 June 2024 and 2023, the number of units issued, redeemed and outstanding were as follows:

<b><u>SGD Class</u></b>	2024	2023
Units at beginning of the financial year	5,338,470	4,968,388
Units created	1,173,630	1,227,933
Units cancelled	(922,038)	(857,851)
Units at end of the financial year	<b>5,590,062</b>	<b>5,338,470</b>
Net assets attributable to unitholders - S\$	<b>6,895,931</b>	6,646,625
Net asset value per unit - S\$	<b>1.234</b>	1.245

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

<b><u>SGD Class</u></b>	2024 S\$	2023 S\$
Net assets attributable to unitholders per financial statements per unit	1.234	1.245
Effects of distribution per unit	0.004	0.004
Effect for movement in the net assets value between the last dealing date and the end of the reporting period <sup>^</sup>	-*	-
Net assets attributable to unitholders for issuing/redeeming per unit	<b>1.238</b>	<b>1.249</b>

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

\* Effect is less than 0.001

**NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND**  
*(Constituted under a Trust Deed registered in the Republic of Singapore)*

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 30 June 2024*

**7. Distributions**

	2024 S\$	2023 S\$
June final distribution of S\$0.41 (SGD Class) per 100 units in respect of the financial year ended 30 June 2024	22,919	-
May interim distribution of S\$0.40 (SGD Class) per 100 units in respect of the financial year ended 30 June 2024	22,934	-
April interim distribution of S\$0.39 (SGD Class) per 100 units in respect of the financial year ended 30 June 2024	22,612	-
March interim distribution of S\$0.39 (SGD Class) per 100 units in respect of the financial year ended 30 June 2024	22,458	-
February interim distribution of S\$0.38 (SGD Class) per 100 units in respect of the financial year ended 30 June 2024	21,927	-
January interim distribution of S\$0.38 (SGD Class) per 100 units in respect of the financial year ended 30 June 2024	22,033	-
December interim distribution of S\$0.39 (SGD Class) per 100 units in respect of the financial year ended 30 June 2024	22,295	-
November interim distribution of S\$0.39 (SGD Class) per 100 units in respect of the financial year ended 30 June 2024	22,470	-
October interim distribution of S\$0.39 (SGD Class) per 100 units in respect of the financial year ended 30 June 2024	22,451	-
September interim distribution of S\$0.40 (SGD Class) per 100 units in respect of the financial year ended 30 June 2024	23,181	-
August interim distribution of S\$0.40 (SGD Class) per 100 units in respect of the financial year ended 30 June 2024	21,567	-
July interim distribution of S\$0.42 (SGD Class) per 100 units in respect of the financial year ended 30 June 2024	22,557	-
June final distribution of S\$0.42 (SGD Class) per 100 units in respect of the financial year ended 30 June 2023	-	22,422
May interim distribution of S\$0.41 (SGD Class) per 100 units in respect of the financial year ended 30 June 2023	-	21,938
April interim distribution of S\$0.43 (SGD Class) per 100 units in respect of the financial year ended 30 June 2023	-	22,947
March interim distribution of S\$0.42 (SGD Class) per 100 units in respect of the financial year ended 30 June 2023	-	22,225
February interim distribution of S\$0.44 (SGD Class) per 100 units in respect of the financial year ended 30 June 2023	-	23,312
January interim distribution of S\$0.44 (SGD Class) per 100 units in respect of the financial year ended 30 June 2023	-	23,174
December interim distribution of S\$0.43 (SGD Class) per 100 units in respect of the financial year ended 30 June 2023	-	22,273
November interim distribution of S\$0.75 (SGD Class) per 100 units in respect of the financial year ended 30 June 2023	-	38,529
October interim distribution of S\$0.71 (SGD Class) per 100 units in respect of the financial year ended 30 June 2023	-	36,812
September interim distribution of S\$0.79 (SGD Class) per 100 units in respect of the financial year ended 30 June 2023	-	40,100
August interim distribution of S\$0.81 (SGD Class) per 100 units in respect of the financial year ended 30 June 2023	-	40,556
July interim distribution of S\$0.80 (SGD Class) per 100 units in respect of the financial year ended 30 June 2023	-	40,429
	<b>269,404</b>	<b>354,717</b>

## NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND

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

### NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 30 June 2024*

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#### 8. Financial risk management

The Fund's activities expose it to a variety of risk, including but not limited to market risk (including price risk, interest rate risk and currency risk), liquidity risk and credit risk. The Manager is responsible for the implementation of the overall risk management programme, which seeks to minimise potential adverse effects on the Fund's financial performance. Specific guidelines on exposures to individual securities and certain industries and/or countries are in place as part of the overall financial risk management to reduce the Fund's exposures to these risks.

The Fund's primary objective is to achieve medium to long term capital appreciation by investing primarily in equities listed in Asia ex Japan that offer attractive, growing and sustainable dividend payments.

The Fund will achieve this investment objective by constructing a portfolio of dividend producing equity securities listed and traded on the stock exchanges in the countries represented in the MSCI AC (All Countries) Asia ex Japan Index. The Fund will invest at least 90% of its total net assets in equity securities which may include common stocks, preferred shares, convertible securities, warrants, depository receipts, exchange-traded funds and closed-ended real estate investment trusts.

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

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

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

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

As the Fund invests primarily in equities listed in Asia ex Japan, the Manager is of the view that the price risk of the Fund is best reflected by movements in the MSCI AC (All Countries) Asia ex Japan Index (the "Index").

As at 30 June 2024, an increase/decrease of the index component within the Index by 15% (2023: 15%), with all other variables remaining constant, the net assets attributable to unitholders for the year would increase/decrease by approximately 11% (2023: 13%). The analysis was based on the assumptions that the index components within the Index increased/decreased by a reasonable possible shift, with all other variables held constant and that the fair value of Fund's investments moved according to the beta. Reasonable possible changes in market index percentage are revised annually depending on the Manager's current view on 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).

**NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND***(Constituted under a Trust Deed registered in the Republic of Singapore)***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 30 June 2024***8. Financial risk management (continued)****(b) Market risk - Interest rate risk (continued)**

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 financial instrument will fluctuate due to changes in foreign exchange rates.

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

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

<b>As at 30 June 2024</b>	<b>SGD S\$</b>	<b>HKD S\$</b>	<b>USD S\$</b>	<b>INR S\$</b>	<b>TWD S\$</b>	<b>Others S\$</b>	<b>Total S\$</b>
<b>Assets</b>							
Portfolio of investments	318,932	1,576,465	1,209,257	1,206,013	994,055	1,448,362	6,753,084
Sales awaiting settlement	-	-	44,964	-	-	-	44,964
Receivables	100	-	1,570	1,208	3,264	5,941	12,083
Cash and cash equivalents	58,672	119	26,245	41,635	47,593	2	174,266
<b>Total assets</b>	<b>377,704</b>	<b>1,576,584</b>	<b>1,282,036</b>	<b>1,248,856</b>	<b>1,044,912</b>	<b>1,454,305</b>	<b>6,984,397</b>
<b>Liabilities</b>							
Payables	64,105	-	1,442	-	-	-	65,547
Distributions payable	22,919	-	-	-	-	-	22,919
<b>Total liabilities</b>	<b>87,024</b>	<b>-</b>	<b>1,442</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>88,466</b>
<b>Net currency exposure</b>	<b>290,680</b>	<b>1,576,584</b>	<b>1,280,594</b>	<b>1,248,856</b>	<b>1,044,912</b>	<b>1,454,305</b>	

**NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND**  
(Constituted under a Trust Deed registered in the Republic of Singapore)

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2024

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

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

As at 30 June 2023	SGD S\$	HKD S\$	USD S\$	INR S\$	TWD S\$	Others S\$	Total S\$
<b>Assets</b>							
Portfolio of investments	551,709	2,095,070	904,747	741,113	775,607	1,438,788	6,507,034
Sales awaiting settlement	-	-	-	-	65	53,466	53,531
Receivables	3,889	2,428	1,324	981	841	5,092	14,555
Cash and cash equivalents	49,841	141	13,793	-	71,374	2	135,151
<b>Total assets</b>	<b>605,439</b>	<b>2,097,639</b>	<b>919,864</b>	<b>742,094</b>	<b>847,887</b>	<b>1,497,348</b>	<b>6,710,271</b>
<b>Liabilities</b>							
Payables	41,224	-	-	-	-	-	41,224
Distributions payable	22,422	-	-	-	-	-	22,422
<b>Total liabilities</b>	<b>63,646</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>63,646</b>
<b>Net currency exposure</b>	<b>541,793</b>	<b>2,097,639</b>	<b>919,864</b>	<b>742,094</b>	<b>847,887</b>	<b>1,497,348</b>	

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 which include listed equities, listed investment funds and real estate investment funds as part of the price risk sensitivity analysis.

As of 30 June 2024 and 2023, the Fund does not hold substantial monetary assets/liabilities denominated in foreign currencies. 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 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 the majority of the securities are listed on recognised stock exchanges.

The Fund's financial liabilities are analysed using contractual undiscounted cash flows for maturity groupings based on the remaining year at the Statement of Financial Position date to the contractual maturity date. As at 30 June 2024 and 2023, all liabilities are either payable upon demand or due in less than 3 months. The impact of discounting is not significant.

**NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND**  
*(Constituted under a Trust Deed registered in the Republic of Singapore)*

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 30 June 2024*

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

**(d) Liquidity risk (continued)**

	<b>Less than 3 months</b>	
	<b>As at</b>	<b>As at</b>
	<b>30 June 2024</b>	<b>30 June 2023</b>
	<b>S\$</b>	<b>S\$</b>
Payables	<b>65,547</b>	41,224
Distributions payable	<b>22,919</b>	22,422
<b>Contractual cash outflows</b>	<b>88,466</b>	63,646

**(e) Credit risk**

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

Concentrations of credit risk are minimised primarily by:

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

The Fund is also exposed to counterparty credit risk on its financial assets held at amortised cost. As at 30 June 2024 and 2023, the Fund's financial assets held at amortised cost as disclosed in the Statement of Financial Position are realised within three months. The Manager considers the probability of default to be insignificant as the counterparties generally have a strong capacity to meet their contractual obligations in the near term. Hence, no loss allowance has been recognised based on the 12 month expected credit losses as any such impairment would be insignificant to the Fund.

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

Credit risk arises from cash and cash equivalents and outstanding and committed transactions from brokers. The table below summarises the credit rating of bank and custodians in which the Fund's assets are held as at 30 June 2024 and 2023.

	<b>Credit rating as at 30 June 2024</b>	<b>Credit rating as at 30 June 2023</b>	<b>Source of credit rating</b>
<b>Bank and custodian</b>			
- BNP Paribas, acting through its Singapore Branch	<b>Aa3</b>	Aa3	Moody's

The credit ratings are based on the Local Long-Term Bank Deposits published by the rating agency.

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



**NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND**  
*(Constituted under a Trust Deed registered in the Republic of Singapore)*

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 30 June 2024*

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

**(f) Capital management**

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

**(g) Fair value estimation**

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

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

The following table analyses within the fair value hierarchy the Fund's financial assets and liabilities (by class) measured at fair value at 30 June 2024 and 2023:

<b>As at 30 June 2024</b>	<b>Level 1 S\$</b>	<b>Level 2 S\$</b>	<b>Level 3 S\$</b>	<b>Total S\$</b>
<b>Assets</b>				
Portfolio of investments:				
- Quoted equities	6,572,066	-	-	6,572,066
- Quoted real estate investment trusts	181,018	-	-	181,018
	<b>6,753,084</b>	<b>-</b>	<b>-</b>	<b>6,753,084</b>
<b>As at 30 June 2023</b>	<b>Level 1 S\$</b>	<b>Level 2 S\$</b>	<b>Level 3 S\$</b>	<b>Total S\$</b>
<b>Assets</b>				
Portfolio of investments:				
- Quoted equities	6,336,029	-	-	6,336,029
- Quoted investment funds	76,202	-	-	76,202
- Quoted real estate investment trusts	94,803	-	-	94,803
	<b>6,507,034</b>	<b>-</b>	<b>-</b>	<b>6,507,034</b>

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

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

**NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND**  
*(Constituted under a Trust Deed registered in the Republic of Singapore)*

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 30 June 2024*

**9. Related party transactions**

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

	<b>2024</b>	2023
	<b>S\$</b>	S\$
Bank balances held with related party of the Trustee	<b>174,266</b>	135,151

**10. Financial ratios**

**Expense ratio**

		<b>2024</b>	2023
<b><u>SGD Class</u></b>			
Total operating expenses	S\$	<b>161,019</b>	151,542
Average daily net asset value	S\$	<b>6,717,804</b>	6,717,095
<b>Total expense ratio<sup>1</sup></b>	<b>%</b>	<b>2.40</b>	2.26

**Turnover ratio**

		<b>2024</b>	2023
Lower of total value of purchases or sales	S\$	<b>5,441,308</b>	3,573,714
Average daily net asset value	S\$	<b>6,717,804</b>	6,717,095
<b>Total turnover ratio<sup>2</sup></b>	<b>%</b>	<b>81.00</b>	53.20

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

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

**NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND**  
*(Constituted under a Trust Deed registered in the Republic of Singapore)*

**REPORT TO UNITHOLDERS**

*For the financial year ended 30 June 2024*

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 30 June 2024**

	Fair value S\$	Percentage of total net assets attributable to unitholders %
Taiwan Semiconductor Manufacturing Company Limited - SP ADR	621,001	9.01
Samsung Electronics Company Limited - GDR	451,301	6.54
Tencent Holdings Limited	368,856	5.35
Taiwan Semiconductor Manufacturing Company Limited	201,776	2.93
Hindalco Industries Limited	157,930	2.29
Tech Mahindra Limited	154,998	2.25
Mahindra & Mahindra Limited	154,028	2.23
Mediatek Incorporated	140,366	2.04
Accton Technology Corporation	139,113	2.01
Indusind Bank Limited	135,329	1.96

**10 largest holdings at 30 June 2023**

	Fair value S\$	Percentage of total net assets attributable to unitholders %
AIA Group Limited	413,168	6.22
Taiwan Semiconductor Manufacturing Company Limited – SP ADR	377,803	5.68
Samsung Electronics Company Limited	367,644	5.53
Tencent Holdings Limited	343,940	5.17
Bank Negara Indonesia Persero TBK PT	202,820	3.05
Sinbon Electronics Company Limited	176,618	2.66
China Medical System Holdings Limited	168,071	2.53
Nickel Asia Corporation	162,150	2.44
ICICI Bank Limited - SP ADR	159,300	2.40
Ping An Insurance Group Company of China Limited	150,311	2.26

**4. Exposure to financial derivatives**

Nil.

**NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND**  
(Constituted under a Trust Deed registered in the Republic of Singapore)

**REPORT TO UNITHOLDERS**

*For the financial year ended 30 June 2024*

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**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 30 June 2024**

**S\$**

Units created	1,396,993
Units cancelled	(1,094,772)

**11. Turnover ratio**

Please refer to Note 10 of the Notes to the Financial Statements on page 32.

**12. Expense ratio**

Please refer to Note 10 of the Notes to the Financial Statements on page 32.

**13. Related party transactions**

Please refer to Note 9 of the Notes to the Financial Statements on page 32.

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

Nil.

**15. Soft dollar commissions/arrangements**

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

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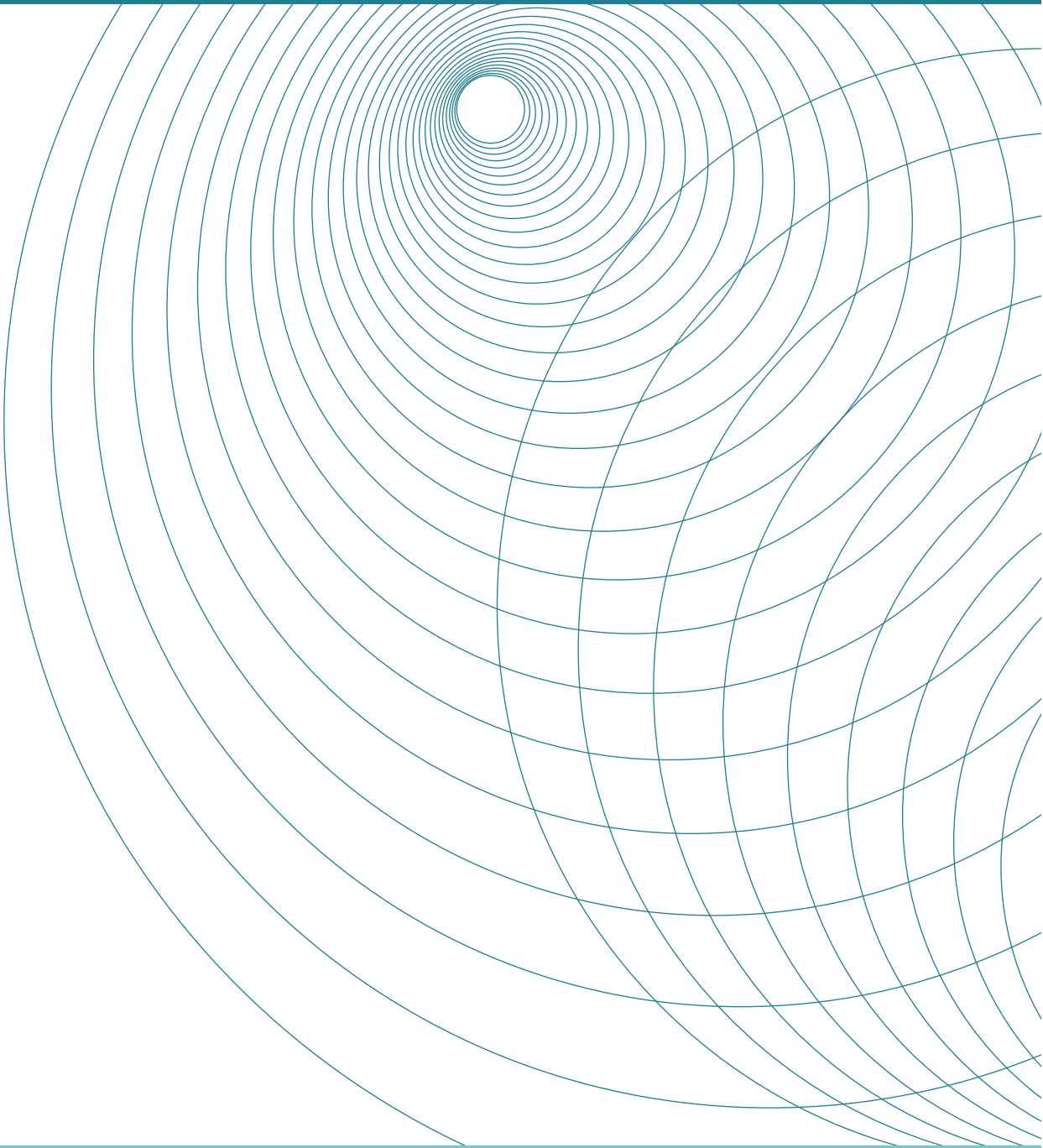




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**SEMI-ANNUAL REPORT**  
**Nikko AM Shenton Asia Dividend Equity Fund**  
Financial period ending 31 December 2023

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**MANAGERS**

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

**DIRECTORS OF THE MANAGERS**

Seet Oon Hui Eleanor  
Yutaka Nishida  
Hiroshi Yoh  
Allen Yan

**TRUSTEE & REGISTRAR**

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**AUDITORS**

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**CUSTODIAN**

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

## PERFORMANCE SUMMARY

<b>Returns (%)</b>	<b>3 Mth</b>	<b>6 Mth</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>	<b>10 Yr</b>	<b>Since Inception</b>
Nikko AM Shenton Asia Dividend Equity Fund - SGD Class <sup>1</sup>	0.34	-3.61	-3.35	-5.64	4.00	2.67	2.96

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

<b>Returns (%)</b>	<b>3 Mth</b>	<b>6 Mth</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>	<b>10 Yr</b>	<b>Since Inception</b>
Nikko AM Shenton Asia Dividend Equity Fund - SGD Class <sup>1</sup>	-4.68	-8.43	-8.18	-7.24	2.93	2.14	2.74

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

**Inception date: 28 April 2000**

### Note:

- (1) With effect from 17 October 2011, the Trust (formerly known as "DBSAM Investment Funds") has been renamed "Nikko AM Asia Investment Funds" and the Fund (formerly known as "DBS Asia Knowledge Fund") has been renamed "Nikko AM Shenton Asia Knowledge Fund". With effect from 17 December 2012, the Fund (formerly known as "Nikko AM Shenton Asia Knowledge Fund") has been renamed "Nikko AM Shenton Asia Dividend Equity Fund" and was restructured into an Asian High Dividend Yield fund.
- (2) With effect from 1 June 2017, the benchmark for the Fund has been removed and there is now no benchmark for the Fund. This is because pursuant to the investment objective of the Fund, the Fund is managed on a total return basis and as such, it does not seek to outperform any benchmark. With effect from 17 December 2012 in order to align the Fund's benchmark with that of its Underlying Fund, the benchmark of the Fund was changed from MSCI AC Far East Free ex Japan Index to MSCI AC Asia ex Japan Index (Net Total Return).

## Portfolio Review

### **The Fund returned -3.61% over the six-month period ended 31 December 2023**

The Nikko AM Shenton Asia Dividend Equity Fund (the "Fund") declined by 3.61% (in SGD terms, on a NAV-NAV basis) over the six-month period ended 31 December 2023. At the country level, holdings in China and the Philippines were the key detractors from absolute performance, while exposure to Malaysia and India contributed to returns. At the sector level, holdings in real estate and communication services were among the biggest detractors from performance, whereas holdings in utilities and information technology contributed the most to absolute performance.

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## **Market Review**

### ***Regional stocks rose over the review period***

Asian equities, as measured by the MSCI AC Asia ex Japan Index (Net Total Return), returned 2.9% in US dollar (USD) terms over the six-month period ended 31 December 2023. Within the region, the stock markets of India (+14.9%), Malaysia (+9.3%) and Taiwan (+8.7%) were the best performers (as measured by the MSCI indices in USD terms), while those of Hong Kong (-8.0%), China (-6.1%) and Indonesia (-1.5%) underperformed.

After losing momentum in the previous quarter, Asian equities continued to trend lower in the third quarter of 2023 (3Q23) due to a surge in longer-term government bond yields, higher oil prices and lacklustre macroeconomic data out of China amid renewed stress in the country's debt-laden property sector. Market sentiment, however, improved in 4Q23. Regional equities racked up solid gains as markets adjusted to the fact that US interest rates may have peaked. Eventually, December saw the US Federal Reserve send its clearest message yet that its aggressive hiking campaign has ended by forecasting a series of rate cuts in 2024.

### ***China and Hong Kong slumped, while South Korea and Taiwan turned in gains***

Even though investors started 2023 with a sense of optimism following China's post-COVID reopening, equity markets of China and Hong Kong were among the worst performers in the region for the second half of 2023 (2H23). A confluence of factors including—lingering property downturn, a slew of disappointing economic data, local government debt risks, uncertainty over China's regulatory regime and concerns that stimulus measures by the Chinese government may be insufficient—have combined to put a dent in China's stock market optimism. Chinese stocks jumped in July following the pro-growth tone of the Politburo meeting, but the post-Politburo rally soon reversed course in August and September, as investors soured on the country's outlook despite China cutting interest rates, reducing stock trading stamp duties and easing home purchase and mortgage rules. China stocks did make a rebound in November as regulators drafted a list of 50 Chinese real estate developers, including the distressed Country Garden Holdings, to be eligible for a range of financing. December saw the country's gaming industry dealt a blow by new proposals to curb the amount of time and money spent on video games, raising concerns that regulators were once again cracking down heavily on the sector.

After a dismal third quarter compounded by the downturn in global technology (tech) stocks, the tech-centric stock markets of South Korea (+7.6%) and Taiwan turned in strong gains over the fourth quarter and consequently the review period. Investor enthusiasm over artificial intelligence continued to accelerate, and the rebound in semiconductor demand boosted optimism for the countries' exports and economic outlook in 2024.

### ***ASEAN markets saw mixed performance***

Within the ASEAN region, the best performing markets over 2H23 were Malaysia and Singapore (+4.1%). The Philippines (+2.3%) saw modest gains, while Indonesia and Thailand (-0.8%) were the laggards. The Philippine economy grew at a forecast-beating 5.9% in 3Q23, largely driven by government spending. Third-quarter economic growth in Malaysia beat forecasts too, expanding by 3.3% year-on-year, behind higher consumer spending and growth in the services and construction sectors. In Thailand, political concerns eased as the Pheu Thai party's Srettha Thavisin became Thailand's prime minister in August, several months after the country's general election. The central bank of Thailand unexpectedly raised its key interest rate by a quarter point to 2.50% during its September meeting. Its counterparts in Indonesia and the Philippines also raised interest rates by 25 bps each in October, although they subsequently stood pat for the rest of the year. Meanwhile, the Monetary Authority of Singapore kept its exchange rate-based monetary policy settings unchanged in October.

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***India outperformed other Asian markets***

India was the best performing market in the region as investors continued to re-rate the economic growth potential of the country. The International Monetary Fund bumped up India's growth forecast for financial year 2024 twice during the review period, to 6.3%, supported by macroeconomic and financial stability. Furthermore, JPMorgan's announcement in September that it will include India in its widely-tracked emerging market debt index also lifted investor sentiment. India posted a 7.6% GDP growth in the July-September quarter as manufacturing surged and the government boosted spending before election. In December, the ruling Bharatiya Janata Party won three key state elections—unseating the opposition in two of them—strengthening Prime Minister Narendra Modi's bid for a third term in office.

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## **Market Outlook and Strategy**

### ***Peak interest rates a boon for broader markets***

As we look to the year ahead, we must first look at some of the key characteristics of 2023—banking crises (in the US and Credit Suisse), fundamental changes in tech from generative AI, pro-growth policy in China and the potential peaking out of interest rates globally. The peaking of interest rates and potentially the US dollar could be a boon for broader markets, particularly in areas more sensitive to liquidity, countries with more room to ease rates domestically and areas where positive fundamental changes have been overlooked.

In Asia, some of these countries are likely to be twin deficit economies where positive reform is also occurring, namely India and Indonesia. While areas more sensitive to liquidity conditions that have been pressured in recent years would include renewables and innovation across multiple segments including healthcare and in tech (outside of AI which had already done well on account of last year's earnings uplift to many in the hardware and infrastructure supply chain). We stress that we remain anchored to earnings and profitability and the delivery of sustainable returns in the statements above.

### ***China pivots towards advanced manufacturing, tech, self-sufficiency and higher-end overseas growth***

In China, pro-cyclical policy is clearly back but so far has failed to address the main issues holding back the domestic economy and markets, namely the property sector and consumer confidence. The release of rather stringent draft policy in the e-gaming sector in late December did little to quell concerns over China's investability. While likely mistimed, we would point to this being part of a broader effort to encourage offline activity and spending. Directed consumption remains the case as it always has in China. Looking more broadly, China is clearly going through another major economic transition—from one that reduces the role of property and services to one that promotes advanced manufacturing, tech, self-sufficiency and higher-end overseas growth. These are areas of focus for us in our stock selection.

### ***Asia's other bright spots offering opportunities for sustainable returns***

While there are understandable concerns about China, we should not overlook the bright opportunities that other parts of Asia offer. We continue to highlight that some of the best sustainable return opportunities lie in both reformers (India and Indonesia) and globally competitive North Asia exporters in Taiwan and Korea. At the sector level, we would also highlight the healthcare industry where several positive factors are starting to fall into place, namely much more appealing valuations, lighter positioning, supportive policy and the second wave of biosimilar development. Asia is well placed to capture these opportunities.

Against this, we must be mindful of some of the risks and areas of potential negative fundamental change ahead. An already significant amount of rate cuts have been priced in by markets and without further economic weakness, these may be subject to change. China has yet to stabilise both its property market and economy convincingly although supportive policy action is increasing. We also have a very busy electoral calendar this year kicking off with Taiwan in January, then India, Indonesia and culminating in the US elections towards the end of the year. Geopolitical risk is here to stay, with both positive and negative implications for investors. Managing these risks will be key to delivering sustainable returns in Asian equities.

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

### **For Hong Kong Investors**

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Nikko Asset Management Asia Limited. Registration Number 198202562H



**NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF TOTAL RETURN***For the financial period from 01 July 2023 to 31 December 2023 (unaudited)*

	<b>31 December 2023</b>	31 December 2022
	<b>S\$</b>	S\$
<b>Income</b>		
Dividends	<b>88,160</b>	112,401
Interest on cash and cash equivalents	<b>2,202</b>	1,711
Other Income	<b>-</b>	2
	<b>90,362</b>	114,114
<b>Less: Expenses</b>		
Management fee	<b>50,395</b>	50,403
Transfer agent fee	<b>2,873</b>	5,717
Trustee fee	<b>1,680</b>	1,680
Custody fee	<b>905</b>	901
Audit fee	<b>4,599</b>	4,526
Valuation fee	<b>5,041</b>	5,041
Transaction costs	<b>22,820</b>	27,876
Other expenses	<b>8,580</b>	5,899
	<b>96,893</b>	102,043
<b>Net (losses)/income</b>	<b>(6,531)</b>	12,071
<b>Net gains or losses on value of investments</b>		
Net losses on investments	<b>(229,823)</b>	(556,722)
Net foreign exchange losses	<b>(7,671)</b>	(8,545)
	<b>(237,494)</b>	(565,267)
<b>Total deficit for the financial period before income tax</b>	<b>(244,025)</b>	(553,196)
<b>Less: Income tax</b>	<b>(8,918)</b>	(10,352)
<b>Total deficit for the financial period after income tax</b>	<b>(252,943)</b>	(563,548)

**NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF FINANCIAL POSITION***As at 31 December 2023 (unaudited)*

	31 December 2023 S\$	30 June 2023 S\$
<b>ASSETS</b>		
Portfolio of investments	6,575,698	6,507,034
Sales awaiting settlement	-	53,531
Receivables	25,552	14,555
Cash and cash equivalents	189,679	135,151
<b>Total assets</b>	<b>6,790,929</b>	<b>6,710,271</b>
<b>LIABILITIES</b>		
Payables	47,603	41,224
Distribution payable	22,295	22,422
<b>Total liabilities</b>	<b>69,898</b>	<b>63,646</b>
<b>EQUITY</b>		
Net assets attributable to unitholders	<b>6,721,031</b>	<b>6,646,625</b>

**NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS***For the financial period from 01 July 2023 to 31 December 2023 (unaudited)*

	<b>31 December 2023</b> <b>S\$</b>	30 June 2023 S\$
<b>Net assets attributable to unitholders at the beginning of the financial period/year</b>	<b>6,646,625</b>	7,064,591
<b>Operations</b>		
Change in net assets attributable to unitholders resulting from operations	<b>(252,943)</b>	(545,803)
<b>Unitholders' contributions/(withdrawals)</b>		
Creation of units	<b>896,842</b>	1,601,618
Cancellation of units	<b>(434,973)</b>	(1,119,064)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	<b>461,869</b>	482,554
Distributions	<b>(134,520)</b>	(354,717)
Total increase/(decrease) in net assets attributable to unitholders	<b>74,406</b>	(417,966)
<b>Net assets attributable to unitholders at the end of the financial period/year</b>	<b>6,721,031</b>	6,646,625

**NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2023 (unaudited)***By Geography (Primary)**

	Holdings at 31 December 2023	Fair value at 31 December 2023 S\$	Percentage of total net assets attributable to unitholders at 31 December 2023 %
<b>Quoted Equities</b>			
<b>CHINA</b>			
Anta Sports Products Limited	6,600	84,457	1.26
China Lesso Group Holdings Limited	155,572	107,226	1.60
China Oilfield Services Limited	76,000	102,453	1.52
CIMC Vehicles Group Company Limited	81,000	94,826	1.41
CSPC Pharmaceutical Group Limited	102,000	125,096	1.86
Hithink RoyalFlush Information Network Company Limited	2,300	66,839	0.99
JD.com Incorporated	4,350	82,670	1.23
Jiangsu Hengli Hydraulic Company Limited	6,600	66,855	1.00
Jiangsu King's Luck Brewery Joint-Stock Company Limited	6,200	55,992	0.83
Ping An Insurance Group Company of China Limited	18,960	113,223	1.68
Shenzhen Fuanna Bedding and Furnishing Company Limited	40,500	67,149	1.00
Tencent Holdings Limited	6,206	307,805	4.58
Tianqi Lithium Corporation	6,500	67,179	1.00
Yixintang Pharmaceutical Group Company Limited	17,000	72,937	1.09
Zhejiang Sanhua Intelligent Controls Company Limited	13,200	71,892	1.07
<b>Total CHINA</b>		<b>1,486,599</b>	<b>22.12</b>
<b>HONG KONG SAR</b>			
AIA Group Limited	22,846	262,631	3.91
China Medical System Holdings Limited	68,271	159,617	2.38
China Overseas Grand Oceans Group Limited	152,000	65,991	0.98
China Water Affairs Group Limited	114,917	83,282	1.24
CIMC Enric Holdings Limited	114,000	135,962	2.02
Health & Happiness H&H International Holdings Limited	45,500	93,005	1.38
Hong Kong Exchanges & Clearing Limited	1,708	77,327	1.15
<b>Total HONG KONG SAR</b>		<b>877,815</b>	<b>13.06</b>
<b>INDIA</b>			
Emami Limited	11,912	105,933	1.58
Hindalco Industries Limited	10,833	105,482	1.57
ICICI Bank Limited	6,438	101,749	1.51
ICICI Bank Limited – SP ADR	5,100	160,382	2.39
Indusind Bank Limited	6,862	173,499	2.58
Mahindra & Mahindra Limited	4,194	114,484	1.70
Sun Pharmaceutical Industries Limited	5,122	102,304	1.52
Tech Mahindra Limited	5,243	105,773	1.58
<b>Total INDIA</b>		<b>969,606</b>	<b>14.43</b>
<b>INDONESIA</b>			
Bank Central Asia TBK PT	105,196	84,717	1.26
Bank Negara Indonesia Persero TBK PT	491,416	226,293	3.37
Kalbe Farma TBK PT	423,900	58,470	0.87
<b>Total INDONESIA</b>		<b>369,480</b>	<b>5.50</b>
<b>MALAYSIA</b>			
YTL Power International Berhad	106,400	77,583	1.15
<b>Total MALAYSIA</b>		<b>77,583</b>	<b>1.15</b>

**NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2023 (unaudited)***By Geography (Primary) (continued)**

	Holdings at 31 December 2023	Fair value at 31 December 2023 S\$	Percentage of total net assets attributable to unitholders at 31 December 2023 %
<b>Quoted Equities (continued)</b>			
<b>PHILIPPINES</b>			
Nickel Asia Corporation	825,571	107,771	1.60
<b>Total PHILIPPINES</b>		<b>107,771</b>	<b>1.60</b>
<b>SINGAPORE</b>			
DBS Group Holdings Limited	2,186	73,034	1.09
Genting Singapore Limited	87,400	87,400	1.30
Sheng Siong Group Limited	42,028	67,245	1.00
United Overseas Bank Limited	3,800	108,110	1.61
<b>Total SINGAPORE</b>		<b>335,789</b>	<b>5.00</b>
<b>SOUTH KOREA</b>			
Korea Investment Holdings Company Limited	1,025	64,145	0.95
Samsung Electronics Company Limited	1,473	118,432	1.76
Samsung Electronics Company Limited – SP ADR	225	444,605	6.62
ST Pharm Company Limited	1,024	71,109	1.06
<b>Total SOUTH KOREA</b>		<b>698,291</b>	<b>10.39</b>
<b>TAIWAN</b>			
Accton Technology Corporation	3,000	67,437	1.00
Advantech Company Limited	4,399	70,335	1.04
Chialease Holding Company Limited	12,200	101,203	1.51
CTCI Corporation	40,000	72,466	1.08
Lite-On Technology Corporation	26,000	130,748	1.94
Mediatek Incorporated	4,000	174,503	2.60
Powertech Technology Incorporated	14,000	84,844	1.26
Sinbon Electronics Company Limited	7,000	89,959	1.34
Taiwan Semiconductor Manufacturing Company Limited	5,000	127,438	1.90
Taiwan Semiconductor Manufacturing Company Limited – SP ADR	2,767	379,414	5.65
Unimicron Technology Corporation	10,000	75,646	1.12
<b>Total TAIWAN</b>		<b>1,373,993</b>	<b>20.44</b>
<b>Total Quoted Equities</b>		<b>6,296,927</b>	<b>93.69</b>
<b>Quoted Investment Fund</b>			
<b>SINGAPORE</b>			
Keppel Infrastructure Trust	203,015	101,508	1.51
<b>Total SINGAPORE</b>		<b>101,508</b>	<b>1.51</b>
<b>Total Quoted Investment Fund</b>		<b>101,508</b>	<b>1.51</b>

**NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2023 (unaudited)***By Geography (Primary) (continued)**

	Holdings at 31 December 2023	Fair value at 31 December 2023 S\$	Percentage of total net assets attributable to unitholders at 31 December 2023 %
<b>Quoted Real Estate Investment Trusts</b>			
<b>INDIA</b>			
Embassy Office Parks REIT	21,340	109,282	1.63
<b>Total INDIA</b>		<u>109,282</u>	<u>1.63</u>
<b>SINGAPORE</b>			
Digital Core REIT Management Pte Limited	79,900	67,981	1.01
<b>Total SINGAPORE</b>		<u>67,981</u>	<u>1.01</u>
<b>Total Quoted Real Estate Investment Trusts</b>		<u>177,263</u>	<u>2.64</u>
<b>Portfolio of investments</b>		6,575,698	97.84
<b>Other net assets</b>		<u>145,333</u>	<u>2.16</u>
<b>Net assets attributable to unitholders</b>		<u>6,721,031</u>	<u>100.00</u>

**NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2023 (unaudited)***By Geography (Summary)**

	<b>Percentage of total net assets attributable to unitholders at 31 December 2023 %</b>	<b>Percentage of total net assets attributable to unitholders at 30 June 2023 %</b>
<b>Quoted Equities</b>		
China	22.12	19.50
Hong Kong SAR	13.06	18.18
India	14.43	12.12
Indonesia	5.50	7.35
Malaysia	1.15	-
Philippines	1.60	3.51
Singapore	5.00	7.15
South Korea	10.39	9.15
Taiwan	20.44	17.35
Thailand	-	1.01
<b>Total Quoted Equities</b>	<b>93.69</b>	<b>95.32</b>
<b>Quoted Investment Fund</b>		
Singapore	1.51	1.15
<b>Total Quoted Investment Fund</b>	<b>1.51</b>	<b>1.15</b>
<b>Quoted Real Estate Investment Trusts</b>		
India	1.63	1.43
Singapore	1.01	-
<b>Total Quoted Real Estate Investment Trusts</b>	<b>2.64</b>	<b>1.43</b>
<b>Portfolio of investments</b>	<b>97.84</b>	<b>97.90</b>
<b>Other net assets</b>	<b>2.16</b>	<b>2.10</b>
<b>Net assets attributable to unitholders</b>	<b>100.00</b>	<b>100.00</b>

**NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2023 (unaudited)***By Industry (Secondary)**

	Fair value at 31 December 2023 S\$	Percentage of total net assets attributable to unitholders at 31 December 2023 %	Percentage of total net assets attributable to unitholders at 30 June 2023 %
Auto Manufacturers	209,310	3.11	1.36
Banks	927,784	13.80	15.93
Beverages	55,992	0.83	-
Building Materials	107,226	1.60	3.09
Chemicals	67,179	1.00	2.32
Computers	70,335	1.05	1.07
Cosmetics/Personal Care	-	-	1.43
Diversified Financial Services	242,675	3.61	3.41
Electric	179,091	2.67	-
Electronics	165,605	2.46	3.70
Engineering and Construction	72,466	1.08	2.71
Entertainment	87,400	1.30	-
Environmental Control	83,282	1.24	1.52
Equity Fund	-	-	1.15
Healthcare-Products	159,617	2.38	3.70
Home Furnishings	130,748	1.95	2.03
Household Products/Wares	67,149	1.00	-
Insurance	375,854	5.59	8.48
Internet	457,314	6.80	5.17
Machinery-Diversified	66,855	1.00	2.59
Metal Fabricate/Hardware	71,892	1.07	-
Mining	213,253	3.17	3.93
Oil and Gas Services	238,415	3.55	2.90
Pharmaceuticals	555,917	8.27	7.93
Private Equity	-	-	1.27
Real Estate	65,991	0.98	1.50
Real Estate Investment Trusts (REITS)	177,263	2.64	1.43
Retail	224,639	3.34	3.26
Semiconductors	1,329,236	19.78	13.41
Software	105,773	1.57	-
Telecommunications	67,437	1.00	1.14
Transportation	-	-	1.47
<b>Portfolio of investments</b>	<b>6,575,698</b>	<b>97.84</b>	<b>97.90</b>
<b>Other net assets</b>	<b>145,333</b>	<b>2.16</b>	<b>2.10</b>
<b>Net assets attributable to unitholders</b>	<b>6,721,031</b>	<b>100.00</b>	<b>100.00</b>



**NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND**  
*(Constituted under a Trust Deed registered in the Republic of Singapore)*

**REPORT TO UNITHOLDERS**

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

The following contains additional information relating to the Fund.

**1. Distribution of investments**

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

**2. Credit rating of debt securities**

Nil.

**3. Top 10 holdings**

**10 largest holdings at 31 December 2023**

	Fair value S\$	Percentage of total net assets attributable to unitholders %
Samsung Electronics Company Limited – SP ADR	444,605	6.62
Taiwan Semiconductor Manufacturing Company Limited – SP ADR	379,414	5.65
Tencent Holdings Limited	307,805	4.58
AIA Group Limited	262,631	3.91
Bank Negara Indonesia Persero TBK PT	226,293	3.37
Mediatek Incorporated	174,503	2.60
Indusind Bank Limited	173,499	2.58
ICICI Bank Limited – SP ADR	160,382	2.39
China Medical System Holdings Limited	159,617	2.38
CIMC Enric Holdings Limited	135,962	2.02

**10 largest holdings at 31 December 2022**

	Fair value S\$	Percentage of total net assets attributable to unitholders %
AIA Group Limited	445,174	6.79
Tencent Holdings Limited	333,232	5.08
Taiwan Semiconductor Manufacturing Company Limited - SP ADR	292,625	4.46
Samsung Electronics Company Limited	244,535	3.73
Bank Negara Indonesia Persero TBK PT	202,157	3.08
Link REIT	193,955	2.96
Hong Kong Exchanges & Clearing Limited	174,297	2.66
ICICI Bank Limited - SP ADR	166,876	2.54
United Overseas Bank Limited	162,710	2.48
Nickel Asia Corporation	155,447	2.37

**4. Exposure to financial derivatives**

Nil.

## NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND

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

### REPORT TO UNITHOLDERS

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

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**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 10 to 14.

**9. Borrowings**

Nil.

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

**S\$**

Units created	896,842
Units cancelled	(434,973)

**11. Turnover ratio**

		<b>31 December 2023</b>	31 December 2022
Lower of total value of purchases or sales	S\$	<b>2,359,550</b>	2,113,926
Average daily net asset value	S\$	<b>6,663,850</b>	6,669,259
<b>Total turnover ratio<sup>1</sup></b>	<b>%</b>	<b>35.41</b>	31.70

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

## NIKKO AM SHENTON ASIA DIVIDEND EQUITY FUND

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

### REPORT TO UNITHOLDERS

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

#### 12. Expense ratio

		31 December 2023	31 December 2022
<b><u>SGD Class</u></b>			
Total operating expenses	S\$	151,448	192,595
Average daily net asset value	S\$	6,714,550	7,066,934
<b>Total expense ratio<sup>2</sup></b>			
(including Underlying Fund's expense ratio)	%	2.26	3.27
Weighted average of the Underlying Fund's unaudited expense ratio	%	-	0.54

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

#### 13. Related party transactions

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

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

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

	31 December 2023 S\$	30 June 2023 S\$
Bank balances held with related party of the Trustee	189,679	135,151

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

Nil.

#### 15. Soft dollar commissions/arrangements

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

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