

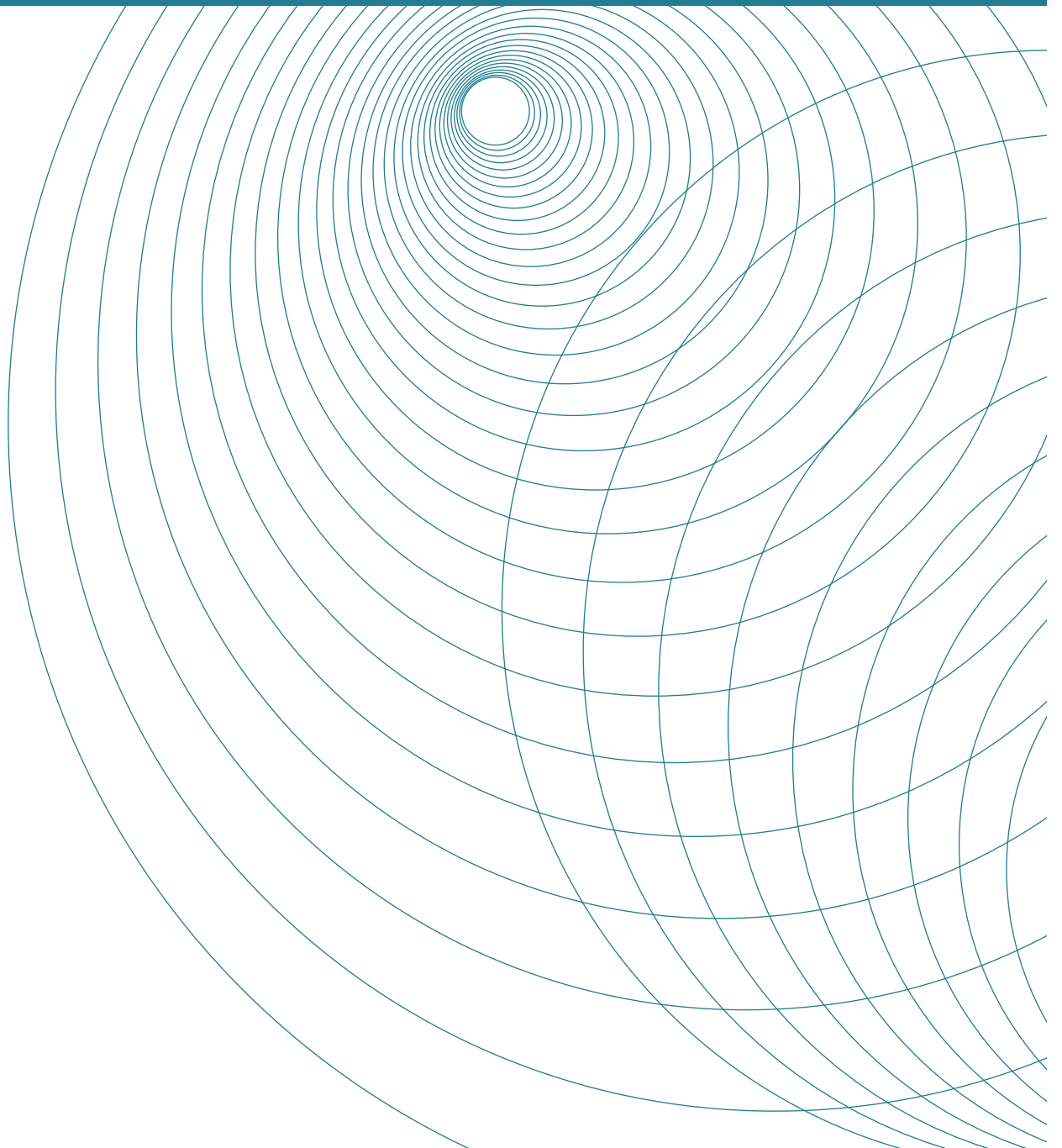
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# **SEMI-ANNUAL REPORT**

## **Nikko AM All China 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  
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**TRUSTEE & REGISTRAR**

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20 Collyer Quay, #01-01  
Singapore 049319

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

## PERFORMANCE SUMMARY

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<b>Returns (%)</b>	<b>3 Mth</b>	<b>6 Mth</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>	<b>10 Yr</b>	<b>Since Inception</b>
Nikko AM All China Equity Fund - SGD Class A	-12.74	-17.40	-25.73	-20.61	-3.73	N/A	-4.48
Benchmark <sup>1</sup>	-7.43	-8.45	-12.66	-18.48	-3.43	N/A	-3.55

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

<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 All China Equity Fund - SGD Class A	-17.10	-21.53	-29.44	-21.96	-4.71	N/A	-5.42
Benchmark <sup>1</sup>	-7.43	-8.45	-12.66	-18.48	-3.43	N/A	-3.55

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

### **Inception date: 22 October 2018**

#### **Note:**

(1) The benchmark is the MSCI China Index (Net Total Return).

There is no fund performance for the Nikko AM All China Equity Fund - USD Class S as it was fully redeemed on 23 April 2020.

There is no fund performance for the Nikko AM All China Equity Fund – JPY Class as it was fully redeemed on 31 January 2023.

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## **Portfolio Review**

### ***The Fund underperformed during the review period***

For the six-month period ended 31 December 2023, the Nikko AM All China Equity Fund (the “Fund”) underperformed the benchmark by 8.95%, delivering -17.40% (SGD terms, on a NAV-NAV basis) against the benchmark which returned -8.45% in SGD terms. The Fund’s holdings in consumer discretionary and financials underperformed, weighing down overall returns, despite positive contribution from holdings in the healthcare sector.

## **Market Review**

### ***With China stocks slump over the six-month period ended 31 December 2023***

Even though investors started 2023 with a sense of optimism following China’s post-COVID reopening, China’s equity markets were among the worst performers in the region for the second half of 2023. 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—as Chinese top leaders pledged to roll out more policy support to shore up the nation’s flagging economy, with a focus to boost domestic demand and aid the ailing property market. However, 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 to spur growth and support the weak equity and property market.

Investors continued to offload Chinese shares in October. Third-quarter economic growth did beat market forecasts, as the world’s second-largest economy grew 1.3% quarter-on-quarter. September retail sales and industrial production activity also came in better than expected. However, there were still doubts over a sustained recovery in the world’s second-largest economy. China stocks then made a rebound in November. Sino-American relations appeared to improve as the US and Chinese presidents held a summit where they agreed, among other things, to resume communications between their militaries and cooperate over advances in artificial intelligence. Chinese regulators also drafted a list of 50 Chinese real estate developers, including the distressed Country Garden Holdings, to be eligible for a range of financing. Chinese stocks fell again heading into the year-end. 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.

## **Market Outlook & Strategy**

### ***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 mis-timed, 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, technology (tech), self-sufficiency and higher-end overseas growth. These are areas of focus for us in our stock selection.

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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 ALL CHINA 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>US\$</b>	US\$
<b>Income</b>		
Dividends	<b>23,653</b>	269,141
Interest on cash and cash equivalents	<b>1,279</b>	3,561
	<b>24,932</b>	272,702
<b>Less: Expenses</b>		
Management fee	<b>11,752</b>	30,864
Transfer agent fee	<b>875</b>	1,193
Trustee fee	<b>1,682</b>	1,778
Custody fee	<b>567</b>	5,232
Audit fee	<b>4,358</b>	3,680
Valuation fee	<b>2,354</b>	2,404
Transaction costs	<b>8,434</b>	14,173
Other expenses	<b>16,202</b>	15,624
	<b>46,224</b>	74,948
<b>Net (losses)/income</b>	<b>(21,292)</b>	197,754
<b>Net gains or losses on value of investments</b>		
Net losses on investments	<b>(226,008)</b>	(1,726,310)
Net foreign exchange losses	<b>(321)</b>	(23,045)
	<b>(226,329)</b>	(1,749,355)
<b>Total deficit for the financial period before income tax</b>	<b>(247,621)</b>	(1,551,601)
<b>Less: Income tax</b>	<b>(1,909)</b>	(5,833)
<b>Total deficit for the financial period after income tax</b>	<b>(249,530)</b>	(1,557,434)

**NIKKO AM ALL CHINA EQUITY FUND**

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

**STATEMENT OF FINANCIAL POSITION**

As at 31 December 2023 (unaudited)

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	31 December 2023 US\$	30 June 2023 US\$
<b>ASSETS</b>		
Portfolio of investments	1,280,393	1,651,868
Receivables	2,222	16,986
Cash and cash equivalents	116,780	53,035
<b>Total assets</b>	<b>1,399,395</b>	<b>1,721,889</b>
<b>LIABILITIES</b>		
Payables	20,201	18,949
<b>Total liabilities</b>	<b>20,201</b>	<b>18,949</b>
<b>EQUITY</b>		
Net assets attributable to unitholders	<b>1,379,194</b>	<b>1,702,940</b>

**NIKKO AM ALL CHINA 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>US\$</b>	30 June 2023 US\$
<b>Net assets attributable to unitholders at the beginning of the financial period/year</b>	<b>1,702,940</b>	15,887,403
<b>Operations</b>		
Change in net assets attributable to unitholders resulting from operations	<b>(249,530)</b>	(1,455,751)
<b>Unitholders' contributions/(withdrawals)</b>		
Creation of units	<b>4,930</b>	25,752
Cancellation of units	<b>(79,146)</b>	(12,754,464)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	<b>(74,216)</b>	(12,728,712)
Total decreases in net assets attributable to unitholders	<b>(323,746)</b>	(14,184,463)
<b>Net assets attributable to unitholders at the end of the financial period/year</b>	<b>1,379,194</b>	1,702,940



## NIKKO AM ALL CHINA 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 US\$	Percentage of total net assets attributable to unitholders at 31 December 2023 %
<b>Quoted Equities</b>			
<b>CHINA</b>			
AAC Technologies Holdings Incorporated	5,000	14,855	1.08
Alibaba Group Holding Limited	5,900	57,122	4.14
Anta Sports Products Limited	2,000	19,402	1.41
Baidu Incorporated	4,600	68,394	4.96
BYD Company Limited – A share	600	16,684	1.21
BYD Company Limited – H share	1,500	41,185	2.99
China Lesso Group Holdings Limited	56,000	29,260	2.12
China Life Insurance Company Limited	30,000	38,880	2.82
China Oilfield Services Limited	38,000	38,834	2.82
Chongqing Zhifei Biological Products Company Limited	3,000	25,746	1.87
CIMC Vehicles Group Company Limited	28,500	25,293	1.83
COSCO Shipping Energy Transportation Company Limited	44,000	41,529	3.01
Dong-E-E-Jiao Company Limited	3,600	24,935	1.81
East Money Information Company Limited	23,400	46,139	3.35
H World Group Limited	6,300	21,179	1.53
Huntsun Technologies Incorporated	6,800	27,465	1.99
Kingdee International Software Group Company Limited	15,000	21,861	1.58
Kweichow Moutai Company Limited	200	48,479	3.52
Lens Technology Company Limited	15,500	28,733	2.08
Longfor Group Holdings Limited	20,000	32,016	2.32
Meituan	1,800	18,879	1.37
NetEase Incorporated	1,500	27,009	1.96
New Oriental Education and Technology Group Incorporated	2,000	14,151	1.02
PetroChina Company Limited	34,000	22,468	1.63
Ping An Insurance Group Company of China Limited	5,000	22,635	1.64
Shenzhou International Group Holdings Limited	2,700	27,800	2.02
Tencent Holdings Limited	3,300	124,079	9.00
Tianqi Lithium Corporation	4,400	24,314	1.76
Will Semiconductor Company Limited Shanghai	2,900	43,460	3.15
WuXi XDC Cayman Incorporated	11,201	45,902	3.33
Zhejiang Sanhua Intelligent Controls Company Limited	5,500	22,709	1.64
Zoomlion Heavy Industry Science and Technology Company Limited	153,800	84,694	6.14
<b>Total CHINA</b>		<b>1,146,091</b>	<b>83.10</b>
<b>HONG KONG SAR</b>			
China Overseas Grand Oceans Group Limited	86,000	28,305	2.05
China Resources Land Limited	8,000	28,686	2.08
Hutchmed China Limited	7,500	27,566	2.00
<b>Total HONG KONG SAR</b>		<b>84,557</b>	<b>6.13</b>
<b>IRELAND</b>			
PDD Holdings Incorporated	340	49,745	3.61
<b>Total IRELAND</b>		<b>49,745</b>	<b>3.61</b>
<b>Total Quoted Equities</b>		<b>1,280,393</b>	<b>92.84</b>
<b>Portfolio of investments</b>		<b>1,280,393</b>	<b>92.84</b>
<b>Other net assets</b>		<b>98,801</b>	<b>7.16</b>
<b>Net assets attributable to unitholders</b>		<b>1,379,194</b>	<b>100.00</b>

## NIKKO AM ALL CHINA EQUITY FUND

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

### STATEMENT OF PORTFOLIO

As at 31 December 2023 (unaudited)

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#### By Geography (Summary)

	<b>Percentage of total net assets attributable to unitholders at 31 December 2023 %</b>	Percentage of total net assets attributable to unitholders at 30 June 2023 %
<b>Quoted Equities</b>		
China	<b>83.10</b>	85.99
Hong Kong SAR	<b>6.13</b>	9.40
Ireland	<b>3.61</b>	-
United States of America	-	1.61
<b>Total Quoted Equities</b>	<b>92.84</b>	97.00
<b>Portfolio of investments</b>	<b>92.84</b>	97.00
<b>Other net assets</b>	<b>7.16</b>	3.00
<b>Net assets attributable to unitholders</b>	<b>100.00</b>	100.00

**NIKKO AM ALL CHINA EQUITY FUND***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2023 (unaudited)*

<b>By Industry (Secondary)</b>	<b>Fair value at 31 December 2023 US\$</b>	<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>
Apparel	27,800	2.02	-
Auto Manufacturers	83,162	6.03	7.37
Beverages	48,479	3.52	2.87
Biotechnology	45,902	3.33	1.61
Building Materials	29,260	2.12	3.35
Chemicals	24,314	1.76	3.43
Commercial Services	14,151	1.02	-
Electronics	14,855	1.08	-
Energy-Alternate Sources	-	-	5.10
Food	-	-	0.90
Gas	-	-	2.49
Healthcare-Products	-	-	3.46
Healthcare-Services	-	-	1.83
Insurance	61,515	4.46	8.17
Internet	364,358	26.42	18.67
Lodging	21,179	1.54	2.43
Machinery-Construction & Mining	84,694	6.14	5.17
Metal Fabricate/Hardware	22,709	1.65	-
Miscellaneous Manufacture	28,733	2.08	-
Oil and Gas	22,468	1.63	3.98
Oil and Gas Services	38,834	2.82	4.36
Pharmaceuticals	78,247	5.67	9.95
Real Estate	89,007	6.45	4.91
Retail	19,402	1.41	2.50
Semiconductors	43,460	3.15	-
Software	76,335	5.53	1.86
Transportation	41,529	3.01	2.59
<b>Portfolio of investments</b>	<b>1,280,393</b>	<b>92.84</b>	<b>97.00</b>
<b>Other net assets</b>	<b>98,801</b>	<b>7.16</b>	<b>3.00</b>
<b>Net assets attributable to unitholders</b>	<b>1,379,194</b>	<b>100.00</b>	<b>100.00</b>

## NIKKO AM ALL CHINA 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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The following contains additional information relating to the Fund.

#### 1. Distribution of investments

Please refer to the Statement of Portfolio on pages 8 to 10.

#### 2. Credit rating of debt securities

Nil.

#### 3. Top 10 holdings

##### 10 Largest holdings at 31 December 2023

	Fair value US\$	Percentage of total net assets attributable to unitholders %
Tencent Holdings Limited	124,079	9.00
Zoomlion Heavy Industry Science and Technology Company Limited	84,694	6.14
Baidu Incorporated	68,394	4.96
Alibaba Group Holding Limited	57,122	4.14
PDD Holdings Incorporated	49,745	3.61
Kweichow Moutai Company Limited	48,479	3.52
East Money Information Company Limited	46,139	3.35
WuXi XDC Cayman Incorporated	45,902	3.33
Will Semiconductor Company Limited Shanghai COSCO Shipping Energy Transportation Company Limited	43,460	3.15
	41,529	3.01

##### 10 Largest holdings at 31 December 2022

	Fair value US\$	Percentage of total net assets attributable to unitholders %
COSCO Shipping Energy Transportation Company Limited	471,966	7.08
China Lesso Group Holdings Limited	457,363	6.86
Nine Dragons Paper Holdings Limited	404,122	6.06
CIMC Vehicles Group Company Limited	370,073	5.55
China Oilfield Services Limited	369,631	5.54
Health & Happiness H&H International Holdings Limited	369,275	5.54
Zoomlion Heavy Industry Science and Technology Company Limited	366,212	5.49
Greenland Hong Kong Holdings Limited	297,887	4.47
China Modern Dairy Holdings Limited	283,112	4.25
GCL Technology Holdings Limited	269,159	4.04

#### 4. Exposure to financial derivatives

Nil.

## NIKKO AM ALL CHINA 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**

Nil.

**9. Borrowings**

Nil.

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

	<b>US\$</b>
Units created	4,930
Units cancelled	(79,146)

**11. Turnover ratio**

		<b>31 December 2023</b>	31 December 2022
Lower of total value of purchases or sales <sup>2</sup>	US\$	<b>809,041</b>	7,219,831
Average daily net asset value	US\$	<b>1,554,801</b>	12,951,584
<b>Total turnover ratio<sup>1</sup></b>	<b>%</b>	<b>52.04</b>	55.74

<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.

<sup>2</sup> There was no purchases during the financial period ended 31 December 2022. Therefore, the total value of sales was used in the calculation of the portfolio turnover ratio.

## NIKKO AM ALL CHINA 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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#### 12. Expense ratio

		<b>31 December 2023</b>	31 December 2022
<b><u>JPY Class</u></b>			
Total operating expenses	US\$	<b>3,063</b>	81,182
Average daily net asset value	US\$	<b>3,655,093</b>	13,899,196
<b>Total expense ratio<sup>3,4</sup> (annualised)</b>	<b>%</b>	<b>0.99</b>	0.58
		<b>31 December 2023</b>	31 December 2022
<b><u>SGD Class A</u></b>			
Total operating expenses	US\$	<b>62,625</b>	38,535
Average daily net asset value	US\$	<b>1,734,980</b>	2,039,743
<b>Total expense ratio<sup>3</sup></b>	<b>%</b>	<b>3.61</b>	1.89

<sup>3</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.

<sup>4</sup> The JPY Class was fully redeemed on 31 January 2023.

#### 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:

	<b>31 December 2023 US\$</b>	30 June 2023 US\$
Bank balances held with related party of the Trustee	<b>116,780</b>	53,035

#### 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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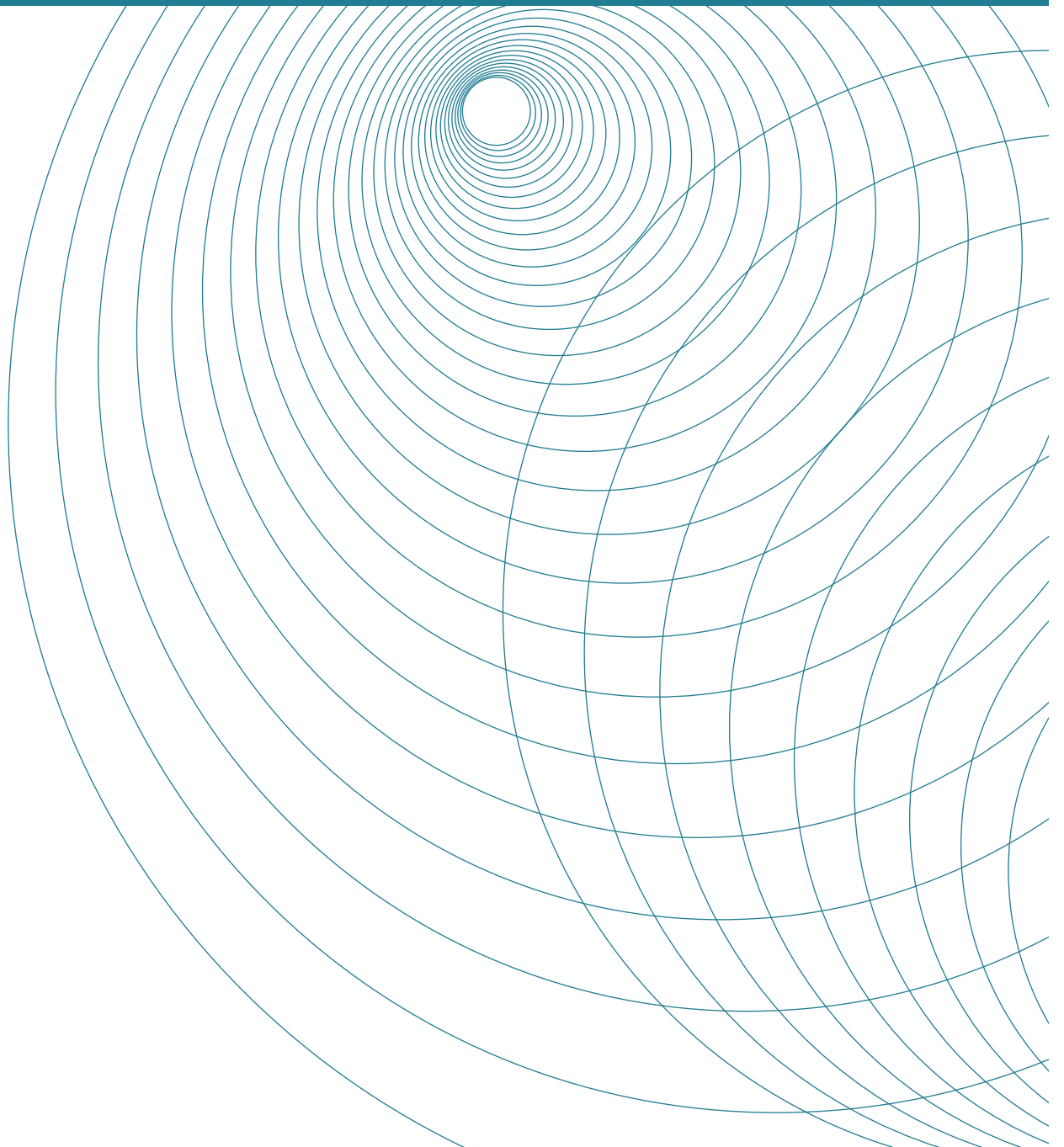


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**ANNUAL REPORT**  
**Nikko AM All China Equity Fund**

**Financial year ended 30 June 2023**

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**MANAGERS**

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

**DIRECTORS OF THE MANAGERS**

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

**INVESTMENT ADVISER (with effect from 20 September 2023)**

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Hong Kong

**TRUSTEE & REGISTRAR**

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**AUDITORS**

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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

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<b>Returns (%)</b>	<b>3 Mth</b>	<b>6 Mth</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>	<b>10 Yr</b>	<b>Since Inception</b>
Nikko AM All China Equity Fund - SGD Class A	-8.45	-10.08	-23.43	-9.78	N/A	N/A	-1.00
Benchmark <sup>1</sup>	-8.09	-4.60	-19.11	-11.16	N/A	N/A	-2.10

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

<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 All China Equity Fund - SGD Class A	-13.02	-14.58	-27.26	-11.31	N/A	N/A	-2.08
Benchmark <sup>1</sup>	-8.09	-4.60	-19.11	-11.16	N/A	N/A	-2.10

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

### **Inception date: 22 October 2018**

#### **Note:**

(1) The benchmark is the MSCI China Index (Net Total Return)

There is no fund performance for the Nikko AM All China Equity Fund - USD Class S as it was fully redeemed on 23 April 2020.

There is no fund performance for the Nikko AM All China Equity Fund – JPY Class as it was fully redeemed on 31 January 2023.

Neither MSCI nor any other party involved in or related to compiling, computing or creating the MSCI data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all merchantability or fitness for a particular purpose with respect to any of such data. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in or related to compiling, computing or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the MSCI data is permitted without MSCI's express written consent.

### **Portfolio Review**

#### ***The Fund underperformed during the review period***

For the 12-month period ended 30 June 2023, the Nikko AM All China Equity Fund (the "Fund") underperformed the benchmark by 4.32%, delivering -23.43% (SGD terms, on a NAV-NAV basis) against the benchmark which returned -19.11% in SGD terms. The Fund's holdings in real estate and information technology underperformed, weighing down overall returns, despite positive contribution from holdings in the energy sector.

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## **Market Review**

### ***China stocks slumped over a one-year period ended 30 June 2023***

The Chinese equity market marked its bottom in October 2022 after the 20<sup>th</sup> National People Congress. With major appointments being confirmed during the meeting and numerous protests across the country over the perceived punitive zero-COVID policies, the Chinese government put into action several policy changes very quickly. First and foremost, most zero-COVID policies were quickly unwind, and the government's focus started on ensuring that death rates are brought down to low levels. At the same time, having most appointments and official positions confirmed, Chinese officials started getting to work with announcements of various policies targeted at economic growth. Investors were heartened that economic growth rather than social ideology has become the centre of focus again in China. This drove the MSCI China (which hit a 10-year low in 2022) up by more than 35% from its lows by end of 2022.

China stocks, however, tumbled in the first half of 2023 amid mounting concerns over the uneven pace of economic recovery in the world's second largest economy. Rising tensions between Washington and Beijing also hurt sentiment towards Chinese equities. In the first quarter of 2023, Chinese equities saw healthy gains, owing to a stronger economic growth outlook as the country emerged from its zero-COVID slumber. China stocks, however, corrected and fell sharply in the second quarter (2Q23) due to growing concerns that the economic recovery in the populous nation is losing steam, as suggested by a slew of recent weaker-than-expected economic data. Most of the recently released Chinese data in 2Q23, including manufacturing purchasing managers' indexes, industrial production, retail sales, fixed asset investment, consumer spending and others all came in below market expectations.

The weaker-than-expected economic data in China prompted the Chinese authorities to cut interest rates in June to stimulate economic growth. Still, Beijing's modest stimulus fell short of market expectations, disappointing investors who continued to cut exposure to China stocks.

## **Market Outlook & Strategy**

### ***Awaiting more concrete measures to be rolled out***

Despite the recent Politburo announcement of supportive policies in July, investors remain cautious and are eagerly waiting for more concrete measures to be rolled out. Currently, there have been specific measures announced in the home appliance side, which include: 1) subsidising consumption of smart appliances and the trade-in of home appliances in rural areas, with subsidies based on different level of energy and water efficiency; 2) promoting smart appliances, integrated appliances and functional furniture; 3) promoting trade-in of home appliances ("old-for-new") and strengthening the recycling of outdated appliances; 4) improving home appliance after-sales service; and 5) supporting electronic product innovation and upgrades via new technologies (such as ultra-high-definition video, virtual reality and flexible displays). It remains to be seen if more measures will be rolled out, but we are seeing positive signs, such as the commitment to boost credit and extend financing to smaller firms. We would be encouraged to also see the Chinese government further accelerate and use remaining bond issuance quotas to fund increased fiscal spending and give a boost to infrastructure investment. There have been indications that this is starting to take place.

One of the main challenges faced by China includes the lack of business confidence as well as high youth unemployment. We are seeing corporates stepping up with companies like Meituan, promising to hire 6,000 workers. We view these measures positively. We do caution that we are not completely out of the woods, with the Central Commission for Discipline Inspection announcing that it would supervise the inspection of the drug and healthcare sector on corruption issues. We remain selective and focus on sectors which are in line with government policy as well as those that continue to show good near- and long-term growth potential.

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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 ALL CHINA EQUITY FUND**

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

### **REPORT OF THE TRUSTEE**

*For the financial year ended 30 June 2023*

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The Trustee is under a duty to take into custody and hold the assets of Nikko AM All China 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 10 to 26, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

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

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Authorised signatory  
28 September 2023



## **NIKKO AM ALL CHINA EQUITY FUND**

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

### **STATEMENT BY THE MANAGER**

*For the financial year ended 30 June 2023*

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In the opinion of Nikko Asset Management Asia Limited, the accompanying financial statements set out on pages 10 to 26, comprising the Statement of Total Return, Statement of Financial Position, Statement of Movements of Unitholders' Funds, Statement of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position and the portfolio holdings of Nikko AM All China Equity Fund (the "Fund") as at 30 June 2023, and the financial performance and movements in unitholders' funds for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the Fund will be able to meet its financial obligations as and when they materialise.

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

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Authorised signatory  
28 September 2023

**INDEPENDENT AUDITOR'S REPORT  
TO THE UNITHOLDERS OF NIKKO AM ALL CHINA 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 All China 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, so as to present fairly, in all material respects, the financial position and portfolio holdings of the Fund as at 30 June 2023, and the financial performance and movements of unitholders' funds for the financial year ended on that date.

*What we have audited*

The financial statements of the Fund comprise:

- the Statement of Total Return for the financial year ended 30 June 2023;
- the Statement of Financial Position as at 30 June 2023;
- the Statement of Movements of Unitholders' Funds for the financial year ended 30 June 2023;
- the Statement of Portfolio as at 30 June 2023; and
- the notes to the financial statements, including a summary of significant accounting policies.

**Basis for Opinion**

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

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

*Independence*

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

**Other Information**

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

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

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

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE UNITHOLDERS OF NIKKO AM ALL CHINA 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 Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

**INDEPENDENT AUDITOR'S REPORT  
TO THE UNITHOLDERS OF NIKKO AM ALL CHINA 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, 28 September 2023

**NIKKO AM ALL CHINA EQUITY FUND***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF TOTAL RETURN***For the financial year ended 30 June 2023*

	Note	2023 US\$	2022 US\$
<b>Income</b>			
Dividends		300,121	967,900
Interest on cash and cash equivalents		5,564	106
		<b>305,685</b>	<b>968,006</b>
<b>Less: Expenses</b>			
Management fee		45,932	99,938
Transfer agent fee		2,372	2,506
Trustee fee		3,458	5,846
Custody fee		6,720	17,062
Audit fee		7,132	7,368
Valuation fee		4,764	7,794
Transaction costs		35,380	49,465
Other expenses		18,302	20,571
		<b>124,060</b>	<b>210,550</b>
<b>Net income</b>		<b>181,625</b>	<b>757,456</b>
<b>Net gains or losses on value of investments</b>			
Net losses on investments		(1,601,427)	(7,093,739)
Net foreign exchange losses		(28,147)	(109,127)
		<b>(1,629,574)</b>	<b>(7,202,866)</b>
<b>Total deficit for the financial year before income tax</b>		<b>(1,447,949)</b>	<b>(6,445,410)</b>
<b>Less: Income tax</b>	3	<b>(7,802)</b>	<b>(56,241)</b>
<b>Total deficit for the financial year after income tax</b>		<b>(1,455,751)</b>	<b>(6,501,651)</b>

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

**NIKKO AM ALL CHINA EQUITY FUND**

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

**STATEMENT OF FINANCIAL POSITION**

As at 30 June 2023

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	Note	2023 US\$	2022 US\$
<b>ASSETS</b>			
Portfolio of investments		1,651,868	15,493,210
Receivables	4	16,986	258,635
Cash and cash equivalents		53,035	170,002
<b>Total assets</b>		<b>1,721,889</b>	<b>15,921,847</b>
<b>LIABILITIES</b>			
Payables	5	18,949	34,444
<b>Total liabilities</b>		<b>18,949</b>	<b>34,444</b>
<b>EQUITY</b>			
Net assets attributable to unitholders	6	1,702,940	15,887,403

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

**NIKKO AM ALL CHINA 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 2023*

	Note	2023 US\$	2022 US\$
<b>Net assets attributable to unitholders at the beginning of the financial year</b>		<b>15,887,403</b>	27,339,205
<b>Operations</b>			
Change in net assets attributable to unitholders resulting from operations		<b>(1,455,751)</b>	(6,501,651)
<b>Unitholders' contributions/(withdrawals)</b>			
Creation of units		<b>25,752</b>	7,083,707
Cancellation of units		<b>(12,754,464)</b>	(12,033,858)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		<b>(12,728,712)</b>	(4,950,151)
Total decreases in net assets attributable to unitholders		<b>(14,184,463)</b>	(11,451,802)
<b>Net assets attributable to unitholders at the end of the financial year</b>	6	<b>1,702,940</b>	15,887,403

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

**NIKKO AM ALL CHINA EQUITY FUND***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 30 June 2023***By Geography (Primary)**

	Holdings at 30 June 2023	Fair value at 30 June 2023 US\$	Percentage of total net assets attributable to unitholders at 30 June 2023 %
<b>Quoted Equities</b>			
<b>CHINA</b>			
Alibaba Group Holding Limited	8,900	92,219	5.42
Baidu Incorporated	2,400	40,671	2.39
BYD CO LTD – Class A	1,000	35,502	2.09
BYD CO LTD – Class H	1,500	47,853	2.81
Central China New Life Limited	98,000	32,764	1.92
China Lesso Group Holdings Limited	87,000	57,063	3.35
China Life Insurance Company Limited	30,000	49,996	2.94
China Modern Dairy Holdings Limited	147,000	15,382	0.90
China Oilfield Services Limited	72,000	74,328	4.36
CIMC Vehicles Group Company Limited	48,500	42,085	2.47
COSCO Shipping Energy Transportation Company Limited	44,000	44,132	2.59
Dong-E-E-Jiao Company Limited	9,600	70,534	4.14
H World Group Limited	10,700	41,303	2.43
Hengan International Group Company Limited	14,000	58,954	3.46
Hundsun Technologies Incorporated	5,200	31,658	1.86
Jiumaojiu International Holdings Limited	26,000	42,600	2.50
Meituan	2,100	32,773	1.92
PetroChina Company Limited	98,000	67,780	3.98
Ping An Insurance Group Company of China Limited	14,000	89,057	5.23
Sungrow Power Supply Company Limited	3,200	51,303	3.01
Tencent Holdings Limited	3,600	152,332	8.95
Tianqi Lithium Corporation	8,400	58,472	3.43
Wuxi Biologics Cayman Incorporated	6,500	31,146	1.83
Xinte Energy Company Limited	16,800	35,587	2.09
Zhejiang Xianju Pharmaceutical Company Limited	44,400	80,868	4.75
Zoomlion Heavy Industry Science and Technology Company Limited	170,400	88,064	5.17
<b>Total CHINA</b>		<b>1,464,426</b>	<b>85.99</b>
<b>HONG KONG SAR</b>			
China Foods Limited	138,000	48,779	2.86
China Resources Gas Group Limited	12,400	42,406	2.49
China Resources Land Limited	12,000	50,839	2.99
Health & Happiness (H&H) International Holdings Limited	14,000	18,008	1.06
<b>Total HONG KONG SAR</b>		<b>160,032</b>	<b>9.40</b>
<b>UNITED STATES OF AMERICA</b>			
Beigene Limited	2,000	27,410	1.61
<b>Total UNITED STATES OF AMERICA</b>		<b>27,410</b>	<b>1.61</b>
<b>Total Quoted Equities</b>		<b>1,651,868</b>	<b>97.00</b>
<b>Portfolio of investments</b>		<b>1,651,868</b>	<b>97.00</b>
<b>Other net assets</b>		<b>51,072</b>	<b>3.00</b>
<b>Net assets attributable to unitholders</b>		<b>1,702,940</b>	<b>100.00</b>

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



**NIKKO AM ALL CHINA EQUITY FUND**

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

**STATEMENT OF PORTFOLIO**

As at 30 June 2023

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**By Geography (Summary)**

	<b>Percentage of total net assets attributable to unitholders at 30 June 2023 %</b>	<b>Percentage of total net assets attributable to unitholders at 30 June 2022 %</b>
<b>Quoted Equities</b>		
China	<b>85.99</b>	76.26
Hong Kong SAR	<b>9.40</b>	21.26
United States of America	<b>1.61</b>	-
<b>Total Quoted Equities</b>	<b>97.00</b>	<b>97.52</b>
<b>Portfolio of investments</b>	<b>97.00</b>	97.52
<b>Other net assets</b>	<b>3.00</b>	2.48
<b>Net assets attributable to unitholders</b>	<b>100.00</b>	<b>100.00</b>

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

**NIKKO AM ALL CHINA EQUITY FUND***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 30 June 2023***By Industry (Secondary)**

	Fair value at 30 June 2023 US\$	Percentage of total net assets attributable to unitholders at 30 June 2023 %	Percentage of total net assets attributable to unitholders at 30 June 2022 %
Auto Manufacturers	125,440	7.37	5.02
Beverages	48,779	2.87	1.96
Biotechnology	27,410	1.61	-
Building Materials	57,063	3.35	5.68
Chemicals	58,472	3.43	-
Electronics	-	-	2.05
Energy-Alternate Sources	86,890	5.10	13.94
Food	15,382	0.90	3.73
Forest Products & Paper	-	-	4.67
Gas	42,406	2.49	3.07
Healthcare-Products	58,954	3.46	1.92
Healthcare-Services	31,146	1.83	5.21
Insurance	139,053	8.17	1.92
Internet	317,995	18.67	-
Iron/Steel	-	-	3.49
Lodging	41,303	2.43	-
Machinery-Construction & Mining	88,064	5.17	5.80
Oil and Gas	67,780	3.98	7.81
Oil and Gas Services	74,328	4.36	-
Pharmaceuticals	169,410	9.95	10.72
Real Estate	83,603	4.91	13.93
Retail	42,600	2.50	-
Software	31,658	1.86	-
Transportation	44,132	2.59	6.60
<b>Portfolio of investments</b>	<b>1,651,868</b>	<b>97.00</b>	<b>97.52</b>
<b>Other net assets</b>	<b>51,072</b>	<b>3.00</b>	<b>2.48</b>
<b>Net assets attributable to unitholders</b>	<b>1,702,940</b>	<b>100.00</b>	<b>100.00</b>

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

## NIKKO AM ALL CHINA 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 2023

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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 All China Equity Fund (the "Fund") is a Singapore domiciled fund constituted by a Trust Deed dated 28 October 2015 as amended by Supplemental Deed and Amending and Restating Deed (collectively referred to as the "Deeds"). The Deeds are governed by the laws of the Republic of Singapore. The Trustee of the Fund is BNP Paribas Trust Services Singapore Limited (the "Trustee"). The Manager of the Fund is Nikko Asset Management Asia Limited (the "Manager").

There are currently five Classes of Units established within the Fund, namely the USD Class S Units (denominated in USD), USD Class A Units (denominated in USD), SGD Class A Units (denominated in SGD), RMB Class A Units (denominated in RMB) and JPY Class Units (denominated in JPY).

The Classes in the Fund may differ, amongst other things, in terms of the currency of denomination, minimum initial investment amount and minimum subsequent investment amount, types of investors etc.

As of 30 June 2023 and 2022, only units in the JPY Class and SGD Class A have been issued. The JPY Class was fully redeemed on 31 January 2023.

#### 2. Significant accounting policies

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

(a) Basis of preparation

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

(b) Recognition of income

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

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

(c) Investments

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

(i) *Initial recognition*

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

## NIKKO AM ALL CHINA 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 2023

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

##### (c) Investments (continued)

###### (ii) *Subsequent measurement*

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

###### (iii) *Derecognition*

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

##### (d) Basis of valuation of investments

The fair value of financial assets and liabilities traded in active markets is based on quoted market prices at the close of trading on the reporting date. The quoted market price used for equities securities 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.

##### (e) Receivables

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

##### (f) Sales and purchases awaiting settlement

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

##### (g) Payables

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

##### (h) Cash and cash equivalents

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

## NIKKO AM ALL CHINA 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 2023

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

##### (i) Foreign currency translation

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

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

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

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

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

#### 3. Income tax

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

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

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

## NIKKO AM ALL CHINA 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 2023

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#### 3. Income Tax (continued)

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

	<b>2023</b>	2022
	<b>US\$</b>	US\$
Overseas income tax	<b>7,802</b>	56,241

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

#### 4. Receivables

	<b>2023</b>	2022
	<b>US\$</b>	US\$
Receivable from unitholders for creation of units	-	719
Dividends receivable	<b>16,986</b>	255,834
Other receivable	-	2,082
	<b>16,986</b>	258,635

#### 5. Payables

	<b>2023</b>	2022
	<b>US\$</b>	US\$
Amount due to the Manager	<b>7,355</b>	21,260
Amount due to the Trustee	<b>905</b>	1,311
Valuation fee payable	<b>1,266</b>	1,748
Transfer agent fee payable	<b>452</b>	435
Provision for audit fee	<b>7,331</b>	7,318
Custody fee payable	<b>98</b>	604
Other payables	<b>1,542</b>	1,768
	<b>18,949</b>	34,444

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

## NIKKO AM ALL CHINA 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 2023

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#### 6. Units in issue

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

<b><u>JPY Class</u></b>	<b>2023</b>	<b>2022</b>
Units at beginning of the financial year	<b>1,435,443,237</b>	1,867,317,944
Units created	-	713,905,056
Units cancelled	<b>(1,435,443,237)</b>	(1,145,779,763)
Units at end of the financial year	<b>-</b>	<b>1,435,443,237</b>
Net assets attributable to unitholders - US\$	-	13,661,073
Net asset value per unit - US\$	-	0.0095
<b><u>SGD Class A</u></b>	<b>2023</b>	<b>2022</b>
Units at beginning of the financial year	<b>2,486,854</b>	3,481,051
Units created	<b>32,658</b>	72,525
Units cancelled	<b>(103,322)</b>	(1,066,722)
Units at end of the financial year	<b>2,416,190</b>	<b>2,486,854</b>
Net assets attributable to unitholders - US\$	<b>1,702,940</b>	2,226,330
Net asset value per unit - US\$	<b>0.705</b>	0.895

A reconciliation of the net asset value as reported in the Statement of Financial Position to the net asset value as determined for the purpose of processing unit subscription and redemption is not presented as there is no difference to the net assets attributable to unitholders value per unit.

#### 7. 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 the listed equities of corporations listed on recognised stock exchange in any part of the world and which carry on significant business in, or whose operations are in, or which derive substantial revenue from, or whose subsidiaries, related or associated corporations derive substantial revenue from the People's Republic of China ("PRC").

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

## NIKKO AM ALL CHINA 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 2023

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

##### (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 China securities, the Manager is of the view that the price risk of the Fund is best reflected by movements in the MSCI China Index (the "Benchmark").

As at 30 June 2023, an increase/decrease of the index component within the Benchmark by 26% (2022: 26%), with all other variables remaining constant, the net assets attributable to unitholders for the year would increase/decrease by approximately 20% (2022: 21%). The analysis was based on the assumptions that the index components within the Benchmark increased/decreased by a reasonable possible shift, with all other variables held constant and that the fair value of Fund's investments moved according to the beta. Reasonable possible changes in market index percentage are revised annually depending on 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).

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.



## NIKKO AM ALL CHINA 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 2023

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

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

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

As at 30 June 2023	HKD US\$	USD US\$	SGD US\$	CNY US\$	JPY US\$	Total US\$
<b>Assets</b>						
Portfolio of investments	1,382,003	-	-	269,865	-	1,651,868
Receivables	6,758	-	-	10,228	-	16,986
Cash and cash equivalents	11,316	32,890	3,310	5,461	58	53,035
<b>Total assets</b>	<b>1,400,077</b>	<b>32,890</b>	<b>3,310</b>	<b>285,554</b>	<b>58</b>	<b>1,721,889</b>
<b>Liabilities</b>						
Payables	-	7,355	11,594	-	-	18,949
<b>Total liabilities</b>	<b>-</b>	<b>7,355</b>	<b>11,594</b>	<b>-</b>	<b>-</b>	<b>18,949</b>
<b>Net currency exposure</b>	<b>1,400,077</b>	<b>25,535</b>	<b>(8,284)</b>	<b>285,554</b>	<b>58</b>	

As at 30 June 2022	HKD US\$	USD US\$	SGD US\$	CNY US\$	JPY US\$	Total US\$
<b>Assets</b>						
Portfolio of investments	14,444,789	-	-	1,048,421	-	15,493,210
Receivables	43,446	-	2,801	212,388	-	258,635
Cash and cash equivalents	87,055	68,584	14,259	43	61	170,002
<b>Total assets</b>	<b>14,575,290</b>	<b>68,584</b>	<b>17,060</b>	<b>1,260,852</b>	<b>61</b>	<b>15,921,847</b>
<b>Liabilities</b>						
Payables	-	21,260	13,184	-	-	34,444
<b>Total liabilities</b>	<b>-</b>	<b>21,260</b>	<b>13,184</b>	<b>-</b>	<b>-</b>	<b>34,444</b>
<b>Net currency exposure</b>	<b>14,575,290</b>	<b>47,324</b>	<b>3,876</b>	<b>1,260,852</b>	<b>61</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 as part of the price risk sensitivity analysis.

As of 30 June 2023 and 2022, 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.

## NIKKO AM ALL CHINA 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 2023

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

##### (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 2023 and 2022, all liabilities are either payable upon demand or due in less than 3 months. The impact of discounting is not significant.

	<u>Less than 3 months</u>	
	<u>As at</u>	<u>As at</u>
	<u>30 June 2023</u>	<u>30 June 2022</u>
	<u>US\$</u>	<u>US\$</u>
Payables	<u>18,949</u>	34,444
<b>Contractual cash outflows</b>	<b><u>18,949</u></b>	<b>34,444</b>

##### (e) Credit risk

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

Concentrations of credit risk are minimised primarily by:

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

The Fund is also exposed to counterparty credit risk on its financial assets held at amortised cost. As at 30 June 2023 and 2022, the Fund's financial assets held at amortised cost as disclosed in the Statement of Financial Position are realised within three months. The Manager considers the probability of default to be insignificant as the counterparties generally have a strong capacity to meet their contractual obligations in the near term. Hence, no loss allowance has been recognised based on the 12 month expected credit losses as any such impairment would be insignificant to the Fund.

## NIKKO AM ALL CHINA 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 2023

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

##### (e) Credit risk (continued)

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

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

	Credit rating as at 30 June 2023	Credit rating as at 30 June 2022
<b>Bank and custodian</b>		
- BNP Paribas, acting through its Singapore Branch	<b>Aa3</b>	<b>A+</b>

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

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

##### (f) Capital management

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

##### (g) Fair value estimation

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

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

## NIKKO AM ALL CHINA 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 2023

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

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

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

As at 30 June 2023	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<b>Assets</b>				
Financial assets designated at fair value through profit or loss:				
- Quoted equities	1,651,868	-	-	1,651,868
<b>As at 30 June 2022</b>				
	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<b>Assets</b>				
Financial assets designated at fair value through profit or loss:				
- Quoted equities	15,493,210	-	-	15,493,210

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities. 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 are carried at amortised cost; their carrying values are reasonable approximation of fair value.

Investments classified within level 3 have significant unobservable inputs, as there are no readily available quoted market prices.

As at 30 June 2022, there was a transfer out from Level 3 to Level 1 for the holdings of GCL Technology Holdings Limited (formerly known as GCL-Poly Energy Holdings Limited), after the equity security resumed trading on 1 November 2021.

The following table presents the transfers between levels for the year ended 30 June 2022.

	Level 3 US\$
Opening balance	915,827
Purchases	-
Sales	-
Transfer from Level 3 to Level 1	(915,827)
Closing balance	-

As at 30 June 2023, there is no transfer from Level 1 to Level 3.

## NIKKO AM ALL CHINA 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 2023

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#### 8. Related party transactions

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

	2023 US\$	2022 US\$
Bank balances held with related party of the Trustee	<u>53,035</u>	<u>170,002</u>

#### 9. Financial ratios

##### Expense ratio

		2023	2022
<b><u>JPY Class</u></b>			
Total operating expenses	US\$	44,431	108,185
Average daily net asset value	US\$	10,174,798	19,043,809
<b>Total expense ratio<sup>1,3</sup> (annualised)</b>	<b>%</b>	<b><u>0.74</u></b>	<b><u>0.57</u></b>

		2023	2022
<b><u>SGD Class A</u></b>			
Total operating expenses	US\$	44,241	52,868
Average daily net asset value	US\$	1,906,056	2,832,259
<b>Total expense ratio<sup>1</sup></b>	<b>%</b>	<b><u>2.32</u></b>	<b><u>1.87</u></b>

##### Turnover ratio

		2023	2022
Lower of total value of purchases or sales	US\$	860,025	5,397,714
Average daily net asset value	US\$	12,080,854	21,876,068
<b>Total turnover ratio<sup>2</sup></b>	<b>%</b>	<b><u>7.12</u></b>	<b><u>24.67</u></b>

<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.

<sup>3</sup> The JPY Class was fully redeemed on 31 January 2023.

## NIKKO AM ALL CHINA EQUITY FUND

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

### REPORT TO UNITHOLDERS

For the financial year ended 30 June 2023

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The following contains additional information relating to the Fund.

#### 1. Distribution of investments

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

#### 2. Credit rating of debt securities

Nil.

#### 3. Top 10 holdings

##### 10 largest holdings at 30 June 2023

	Fair value US\$	Percentage of total net assets attributable to unitholders %
Tencent Holdings Limited	152,332	8.95
Alibaba Group Holding Limited	92,219	5.42
Ping An Insurance Group Company of China Limited	89,057	5.23
Zoomlion Heavy Industry Science and Technology Company Limited	88,064	5.17
Zhejiang Xianju Pharmaceutical Company Limited	80,868	4.75
China Oilfield Services Limited	74,328	4.36
Dong-E-E-Jiao Company Limited	70,534	4.14
PetroChina Company Limited	67,780	3.98
Hengan International Group Company Limited	58,954	3.46
Tianqi Lithium Corporation	58,472	3.43

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

	Fair value US\$	Percentage of total net assets attributable to unitholders %
GCL Technology Holdings Limited (formerly known as GCL-Poly Energy Holdings Limited)	1,244,665	7.83
COSCO Shipping Energy Transportation Company Limited	1,048,814	6.60
Xinte Energy Company Limited	969,976	6.11
Zoomlion Heavy Industry Science and Technology Company Limited	921,624	5.80
China Lesso Group Holdings Limited	902,301	5.68
CIMC Vehicles Group Company Limited	798,073	5.02
Greenland Hong Kong Holdings Limited	751,202	4.73
Nine Dragons Paper Holdings Limited	742,107	4.67
China Oilfield Services Limited	707,558	4.45
China Modern Dairy Holdings Limited	593,086	3.73

#### 4. Exposure to financial derivatives

Nil.

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## NIKKO AM ALL CHINA EQUITY FUND

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

### REPORT TO UNITHOLDERS

For the financial year ended 30 June 2023

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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**

Nil.

**9. Borrowings**

Nil.

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

	<b>US\$</b>
Units created	25,752
Units cancelled	(12,754,464)

**11. Turnover ratio**

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

**12. Expense ratio**

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

**13. Related party transactions**

Please refer to Note 8 of the Notes to the Financial Statements on page 26.

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

Nil.

**15. Soft dollar commissions/arrangements**

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





# SEMI-ANNUAL REPORT

For the financial period ending 31 December 2022

**Nikko AM**  
**All China Equity Fund**

**MANAGERS**

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

**DIRECTORS OF THE MANAGERS**

Kiyotaka Ryu  
Seet Oon Hui Eleanor  
Hiroki Tsujimura

**TRUSTEE & REGISTRAR**

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

**AUDITORS**

PricewaterhouseCoopers LLP  
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**CUSTODIAN**

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

This report is also available on our website ([www.nikkoam.com.sg](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 All China Equity Fund - JPY Class	6.84	-13.65	-2.93	4.01	N/A	N/A	2.80
Benchmark <sup>1</sup>	3.48	-14.55	-10.55	-1.32	N/A	N/A	-0.33

Source: Nikko Asset Management Asia Limited and MSCI. Returns as at 31 December 2022. Returns are calculated on a NAV-NAV basis, JPY, 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 All China Equity Fund - JPY Class	1.50	-17.97	-7.78	2.25	N/A	N/A	1.63
Benchmark <sup>1</sup>	3.48	-14.55	-10.55	-1.32	N/A	N/A	-0.33

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

### Inception date: 29 June 2018

<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 All China Equity Fund - SGD Class A	9.27	-14.85	-16.78	-3.83	N/A	N/A	1.42
Benchmark <sup>1</sup>	6.10	-15.21	-22.33	-7.58	N/A	N/A	-1.25

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

<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 All China Equity Fund - SGD Class A	3.81	-19.11	-20.95	-5.46	N/A	N/A	0.19
Benchmark <sup>1</sup>	6.10	-15.21	-22.33	-7.58	N/A	N/A	-1.25

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

### Inception date: 22 October 2018

#### Note:

(1) The benchmark is the MSCI China Index and is using net total return version.

There is no fund performance for the Nikko AM All China Equity Fund USD Class S as it was fully redeemed on 23 April 2020.

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## **Portfolio Review**

### ***The Fund outperformed during the review period***

For the six-month period ended 31 December 2022, the Nikko AM All China Equity Fund (the "Fund") outperformed the benchmark by 0.90%, delivering -13.65% (JPY terms, on a NAV-NAV basis) against the benchmark which returned -14.55% in JPY terms. The Fund outperformed due to its overweight in the energy and consumer staples sectors, while the underweight in consumer discretionary and media also contributed.

## **Market Review**

The Chinese market marked its bottom in October 2022 after the 20th National People Congress. With major appointments being confirmed during the meeting and numerous protests across the country over the perceived punitive zero-COVID policies, the Chinese government put into action several policy changes very quickly. First and foremost, most zero-COVID policies were quickly unwind, and the government's focus started on ensuring that death rates are brought down to low levels. At the same time, having most appointments and official positions confirmed (although there is expected to be some minor shifting in the coming two session meetings in March 2023), Chinese officials started getting to work with announcements of various policies targeted at economic growth. Investors were heartened that economic growth rather than social ideology has become the centre of focus again in China. This drove the MSCI China (which recently hit a 10-year low) up by more than 35% from its lows by end of the year.

On top of reversing all the zero-COVID policies, the Chinese government has also shifted its focus to the property and internet/technology sectors. With property, the government unleashed what investors termed as the "three arrows"—loans, bonds and equities financing. Previously, there were significant restrictions on property developers' ability to finance on all fronts. But in November, the government finally allowed all financing options to be available to developers, including the very restrictive equity raising. Most property stocks doubled from their lows, although they are still trading way below their book value.

The Chinese economy took a hit initially in the third quarter of 2022, weighed down by the country's zero-COVID mandate, policy stalemate, as the government prepared for the all important 20th National People Congress, and the subsequent surge in COVID-19 infection rate across the country. Despite the headwinds, the world's second largest economy showed some resilience thereafter. Although retail sales and exports were negative, China's GDP managed to edge up 2.90% in the fourth quarter of 2022; that was way above expectations. This is impressive given that COVID-19 infections have basically caused disruptions across the whole swathe of economic activities in November and December, and property—a large contributor to GDP—has been especially sluggish even with the reversal in policies (which will take time to recover).

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## **Market Outlook & Strategy**

We are cautiously positive on China. We believe that the beta trade could be over, but there is potential for significant re-rating and alpha opportunities as the Chinese economy recovers from its bottom. A swathe of economic activities, such as those related to consumption, tourism and industrial, have been significantly hampered in China in the past two years, which also saw a rise in youth unemployment. Nonetheless, there are now significant signs of economic recovery in China. To be sure, it will require time for the country to get back to its peak in terms of economic growth as some segments, such as exports and manufacturing, are still slowing quickly. The Chinese government, as one of the key spenders during the economic slowdown, is also fiscally stretched in the past two years. However, there are promising signs that are obvious in our view that a strong recovery in China is underway. The most optimistic data is the excess savings that Chinese consumers have accumulated over the past two years. Since 2020 when the pandemic started, the excess savings have amounted to between 4% and 12% of China's GDP or the equivalent to almost an excess of USD 1 trillion, which can easily be put to use.

We are optimistically positive on consumer staples and healthcare. For healthcare, a lot of surgeries and treatments have been postponed as visiting hospitals have become quite cumbersome in recent times due to COVID-19 restrictions. We believe, however, that such spending will recover, as consumers will likely pay more attention to wellness living, such as buying more health supplements and going for regular health checks. Our biggest overweight will continue to be in the advanced manufacturing sectors. We believe that China is on the cusp of climbing up the value-added chain and will challenge the developed economies in term of exporting these higher valued goods. Such manufacturing activities are likely to be accompanied by investments in automation and software development, both of which we are positive on as well. We have been overweight renewables in the last 18 months and continue to be so, most notably in solar and gas. We believe that China has a significant advantage in solar manufacturing, while its huge need for gas will create a beneficial ecosystem for equipment makers and suppliers.

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

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

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The 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 ALL CHINA EQUITY FUND

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

### STATEMENT OF TOTAL RETURN

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

	31 December 2022 US\$	31 December 2021 US\$
<b>Income</b>		
Dividends	269,141	529,102
Interest on cash and cash equivalents	3,561	18
	<u>272,702</u>	<u>529,120</u>
<b>Less: Expenses</b>		
Management fee	30,864	58,453
Registrar fee	1,193	1,404
Trustee fee	1,778	3,316
Custody fee	5,232	9,520
Audit fee	3,680	3,963
Valuation fee	2,404	4,421
Transaction costs	14,173	18,736
Other expenses	15,624	21,043
	<u>74,948</u>	<u>120,856</u>
<b>Net income</b>	<u>197,754</u>	<u>408,264</u>
<b>Net gains or losses on value of investments</b>		
Net losses on investments	(1,726,310)	(5,741,988)
Net foreign exchange (losses)/gains	(23,045)	9,490
	<u>(1,749,355)</u>	<u>(5,732,498)</u>
<b>Total (deficit) for the financial period before income tax</b>	<u>(1,551,601)</u>	<u>(5,324,234)</u>
<b>Less: Income tax</b>	<u>(5,833)</u>	<u>(26,348)</u>
<b>Total (deficit) for the financial period after income tax</b>	<u>(1,557,434)</u>	<u>(5,350,582)</u>

**NIKKO AM ALL CHINA EQUITY FUND**

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

**STATEMENT OF FINANCIAL POSITION**

As at 31 December 2022 (unaudited)

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	31 December 2022 US\$	30 June 2022 US\$
<b>ASSETS</b>		
Portfolio of investments	6,547,070	15,493,210
Receivables	2,535	258,635
Cash and cash equivalents	142,873	170,002
<b>Total assets</b>	<b>6,692,478</b>	<b>15,921,847</b>
<b>LIABILITIES</b>		
Payables	25,259	34,444
<b>Total liabilities</b>	<b>25,259</b>	<b>34,444</b>
<b>EQUITY</b>		
Net assets attributable to unitholders	<b>6,667,219</b>	<b>15,887,403</b>



**NIKKO AM ALL CHINA 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 2022 to 31 December 2022 (unaudited)*

	<b>31 December 2022</b> <b>US\$</b>	30 June 2022 US\$
<b>Net assets attributable to unitholders at the beginning of the financial period/year</b>	<b>15,887,403</b>	27,339,205
<b>Operations</b>		
Change in net assets attributable to unitholders resulting from operations	<b>(1,557,434)</b>	(6,501,651)
<b>Unitholders' contributions/(withdrawals)</b>		
Creation of units	<b>8,149</b>	7,083,707
Cancellation of units	<b>(7,670,899)</b>	(12,033,858)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	<b>(7,662,750)</b>	(4,950,151)
Total decreases in net assets attributable to unitholders	<b>(9,220,184)</b>	(11,451,802)
<b>Net assets attributable to unitholders at the end of the financial period/year</b>	<b>6,667,219</b>	15,887,403

**NIKKO AM ALL CHINA EQUITY FUND***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2022 (unaudited)***By Geography (Primary)**

	Holdings at 31 December 2022	Fair value at 31 December 2022 US\$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
<b>Quoted Equities</b>			
<b>CHINA</b>			
Angang Steel Company Limited	640,000	174,658	2.62
Asymchem Laboratories Tianjin Company Limited	11,080	162,971	2.44
Central China New Life Limited	252,000	98,153	1.47
China Feihe Limited	261,000	222,043	3.33
China Lesso Group Holdings Limited	438,000	457,363	6.86
China Life Insurance Company Limited	79,000	135,632	2.03
China Modern Dairy Holdings Limited	2,232,000	283,112	4.25
China Oilfield Services Limited	304,000	369,631	5.54
CIMC Vehicles Group Company Limited	600,500	370,073	5.55
COSCO Shipping Energy Transportation Company Limited	616,000	471,966	7.08
Dong-E-E-Jiao Company Limited	36,500	214,710	3.22
Greenland Hong Kong Holdings Limited	3,100,000	297,887	4.47
Hengan International Group Company Limited	43,000	228,361	3.43
KWG Group Holdings Limited	900,395	214,573	3.22
KWG Living Group Holdings Limited	507,858	112,569	1.69
PetroChina Company Limited	568,000	259,804	3.90
Times China Holdings Limited	663,000	128,268	1.93
Wuxi Biologics Cayman Incorporated	21,500	164,866	2.47
Xinte Energy Company Limited	136,800	253,094	3.80
Zhejiang Xianju Pharmaceutical Company Limited	130,400	212,972	3.19
Zoomlion Heavy Industry Science and Technology Company Limited	774,600	366,212	5.49
<b>Total CHINA</b>		<b>5,198,918</b>	<b>77.98</b>
<b>HONG KONG SAR</b>			
China Foods Limited	402,000	144,216	2.16
China Resources Gas Group Limited	41,500	155,792	2.34
GCL New Energy Holdings Limited	34,073	5,588	0.08
GCL Technology Holdings Limited	1,061,000	269,159	4.04
Health & Happiness H&H International Holdings Limited	173,000	369,275	5.54
Nine Dragons Paper Holdings Limited	443,000	404,122	6.06
<b>Total HONG KONG SAR</b>		<b>1,348,152</b>	<b>20.22</b>
<b>Total Quoted Equities</b>		<b>6,547,070</b>	<b>98.20</b>
<b>Portfolio of investments</b>		<b>6,547,070</b>	<b>98.20</b>
<b>Other net assets</b>		<b>120,149</b>	<b>1.80</b>
<b>Net assets attributable to unitholders</b>		<b>6,667,219</b>	<b>100.00</b>

**NIKKO AM ALL CHINA EQUITY FUND**

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

**STATEMENT OF PORTFOLIO**

As at 31 December 2022 (unaudited)

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**By Geography (Summary)**

	<b>Percentage of total net assets attributable to unitholders at 31 December 2022 %</b>	Percentage of total net assets attributable to unitholders at 30 June 2022 %
<b>Quoted Equities</b>		
China	<b>77.98</b>	76.26
Hong Kong SAR	<b>20.22</b>	21.26
<b>Total Quoted Equities</b>	<b>98.20</b>	97.52
<b>Portfolio of investments</b>	<b>98.20</b>	97.52
<b>Other net assets</b>	<b>1.80</b>	2.48
<b>Net assets attributable to unitholders</b>	<b>100.00</b>	100.00

**NIKKO AM ALL CHINA EQUITY FUND***(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2022 (unaudited)*

<b>By Industry (Secondary)</b>	<b>Fair value at 31 December 2022 US\$</b>	<b>Percentage of total net assets attributable to unitholders at 31 December 2022 %</b>	<b>Percentage of total net assets attributable to unitholders at 30 June 2022 %</b>
Auto Manufacturers	370,073	5.55	5.02
Beverages	144,216	2.16	1.96
Building Materials	457,363	6.86	5.68
Electronics	5,588	0.08	2.05
Energy-Alternate Sources	522,253	7.83	13.94
Food	283,112	4.25	3.73
Forest Products & Paper	404,122	6.06	4.67
Gas	155,792	2.34	3.07
Healthcare-Products	228,361	3.43	1.92
Healthcare-Services	327,837	4.92	5.21
Insurance	135,632	2.04	1.92
Iron/Steel	174,658	2.62	3.49
Machinery-Construction & Mining	366,212	5.49	5.80
Oil and Gas	629,435	9.44	7.81
Pharmaceuticals	1,019,000	15.28	10.72
Real Estate	851,450	12.77	13.93
Transportation	471,966	7.08	6.60
<b>Portfolio of investments</b>	<b>6,547,070</b>	<b>98.20</b>	<b>97.52</b>
<b>Other net assets</b>	<b>120,149</b>	<b>1.80</b>	<b>2.48</b>
<b>Net assets attributable to unitholders</b>	<b>6,667,219</b>	<b>100.00</b>	<b>100.00</b>

## NIKKO AM ALL CHINA EQUITY FUND

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

### REPORT TO UNITHOLDERS

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

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The following contains additional information relating to the Fund.

#### 1. Distribution of investments

Please refer to the Statement of Portfolio on pages 9 to 11.

#### 2. Credit rating of debt securities

Nil.

#### 3. Top 10 holdings

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

	Fair value US\$	Percentage of total net assets attributable to unitholders %
<b>COSCO Shipping Energy Transportation Company Limited</b>	<b>471,966</b>	<b>7.08</b>
<b>China Lesso Group Holdings Limited</b>	<b>457,363</b>	<b>6.86</b>
<b>Nine Dragons Paper Holdings Limited</b>	<b>404,122</b>	<b>6.06</b>
<b>CIMC Vehicles Group Company Limited</b>	<b>370,073</b>	<b>5.55</b>
<b>China Oilfield Services Limited</b>	<b>369,631</b>	<b>5.54</b>
<b>Health &amp; Happiness H&amp;H International Holdings Limited</b>	<b>369,275</b>	<b>5.54</b>
<b>Zoomlion Heavy Industry Science and Technology Company Limited</b>	<b>366,212</b>	<b>5.49</b>
<b>Greenland Hong Kong Holdings Limited</b>	<b>297,887</b>	<b>4.47</b>
<b>China Modern Dairy Holdings Limited</b>	<b>283,112</b>	<b>4.25</b>
<b>GCL Technology Holdings Limited</b>	<b>269,159</b>	<b>4.04</b>

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

	Fair value US\$	Percentage of total net assets attributable to unitholders %
<b>GCL Technology Holdings Limited</b>	<b>1,303,870</b>	<b>6.51</b>
<b>PetroChina Company Limited</b>	<b>1,094,014</b>	<b>5.47</b>
<b>Zoomlion Heavy Industry Science and Technology Company Limited</b>	<b>1,087,011</b>	<b>5.43</b>
<b>CIMC Vehicles Group Company Limited</b>	<b>989,521</b>	<b>4.94</b>
<b>Zhejiang Xianju Pharmaceutical Company Limited</b>	<b>928,499</b>	<b>4.64</b>
<b>Dong-E-E-Jiao Company Limited</b>	<b>920,717</b>	<b>4.60</b>
<b>Inner Mongolia Yili Industrial Group Company Limited</b>	<b>875,616</b>	<b>4.37</b>
<b>COSCO Shipping Energy Transportation Company Limited</b>	<b>866,280</b>	<b>4.33</b>
<b>Angang Steel Company Limited</b>	<b>853,669</b>	<b>4.26</b>
<b>China Oilfield Services Limited</b>	<b>834,006</b>	<b>4.17</b>

#### 4. Exposure to financial derivatives

Nil.

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## NIKKO AM ALL CHINA EQUITY FUND

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

### REPORT TO UNITHOLDERS

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

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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**

Nil.

**9. Borrowings**

Nil.

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

	<b>US\$</b>
Units created	8,149
Units cancelled	(7,670,899)

**11. Turnover ratio**

		<b>31 December 2022</b>	31 December 2021
Lower of total value of purchases or sales <sup>2</sup>	US\$	<b>7,219,831</b>	2,499,477
Average daily net asset value	US\$	<b>12,951,584</b>	24,597,328
<b>Total turnover ratio<sup>1</sup></b>	<b>%</b>	<b><u>55.74</u></b>	<u>10.16</u>

<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.

<sup>2</sup> There was no purchases during the financial period ended 31 December 2022. Therefore, the total value of sales was used in the calculation of the portfolio turnover ratio.

## NIKKO AM ALL CHINA EQUITY FUND

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

### REPORT TO UNITHOLDERS

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

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#### 12. Expense ratio

		<b>31 December 2022</b>	31 December 2021
<b><u>JPY Class</u></b>			
Total operating expenses	US\$	<b>81,182</b>	134,315
Average daily net asset value	US\$	<b>13,899,196</b>	22,343,634
<b>Total expense ratio<sup>3</sup></b>	<b>%</b>	<b>0.58</b>	0.60
		<b>31 December 2022</b>	31 December 2021
<b><u>SGD Class A</u></b>			
Total operating expenses	US\$	<b>38,535</b>	73,170
Average daily net asset value	US\$	<b>2,039,743</b>	3,867,808
<b>Total expense ratio<sup>3</sup></b>	<b>%</b>	<b>1.89</b>	1.89

<sup>3</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 and registrar fee are payable to the Trustee. Custody fee and valuation fee are payable to a related company of the Trustee, BNP Paribas, operating through its Singapore Branch.

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

	<b>31 December 2022</b>	30 June 2022
	<b>US\$</b>	US\$
Bank balances held with related party of the Trustee	<b>142,873</b>	170,002

#### 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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Website: [www.nikkoam.com.sg](http://www.nikkoam.com.sg)

Company registration number 198202562H