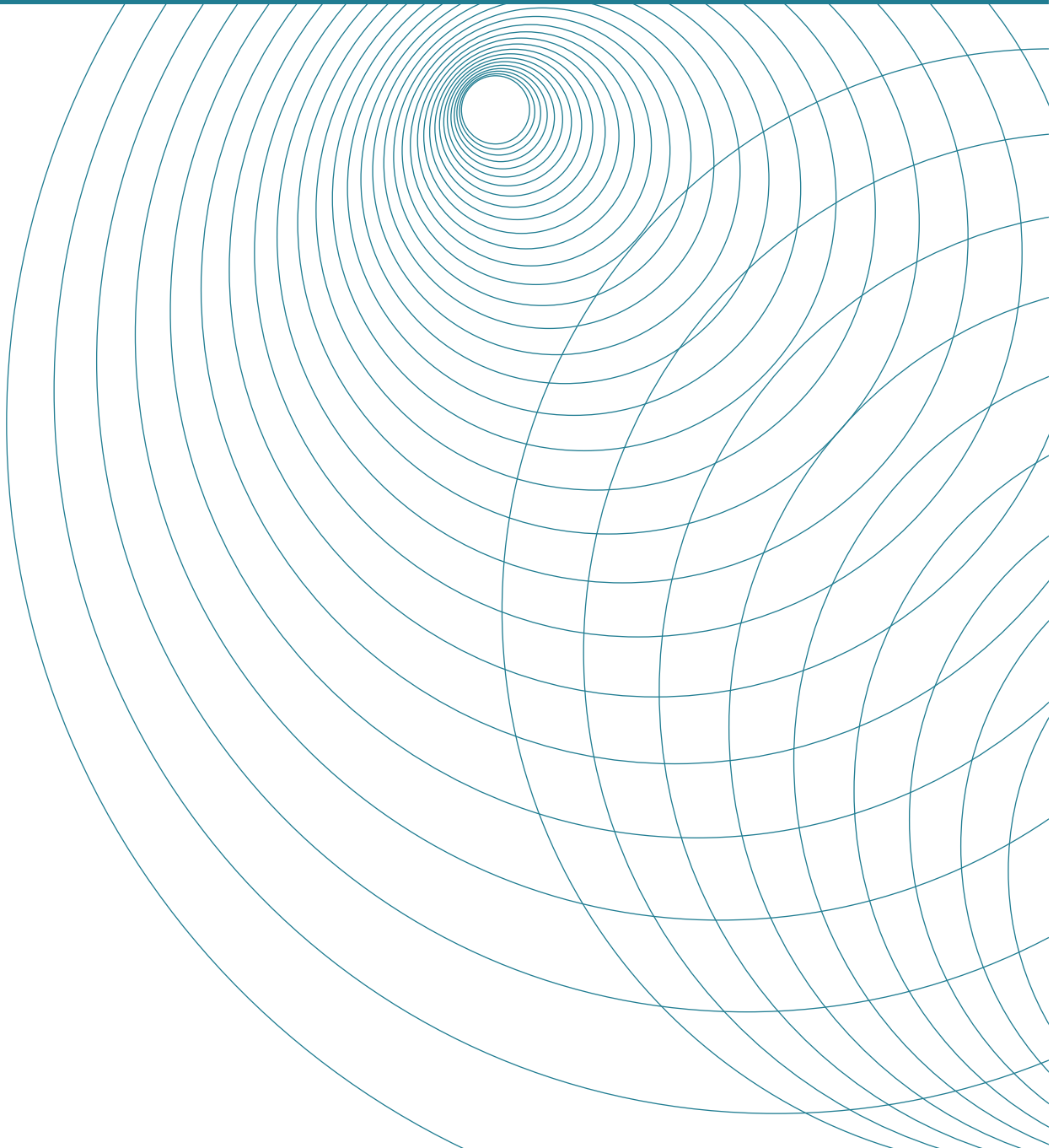

SEMI-ANNUAL REPORT
Nikko AM Shenton Emerging Enterprise Discovery Fund
Financial period ending 30 June 2023



MANAGERS

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

PERFORMANCE SUMMARY

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Emerging Enterprise Discovery Fund - SGD Class ¹	4.58	11.43	5.69	15.28	9.21	7.18	5.89
Benchmark ²	6.02	9.93	6.25	11.12	4.23	4.49	4.24

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.

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Emerging Enterprise Discovery Fund - SGD Class ¹	-0.65	5.86	0.40	13.33	8.10	6.63	5.67
Benchmark ²	6.02	9.93	6.25	11.12	4.23	4.49	4.24

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: 13 March 1998

Note:

- (1) With effect from 17 October 2011, the Fund (formerly known as "Shenton Global Advantage Fund") was renamed as Nikko AM Shenton Global Advantage Fund. With effect from 1 October 2012, the investment focus and approach of the Fund was changed and the Fund was re-named Nikko AM Shenton Emerging Enterprise Discovery Fund.
- (2) Prior to 1 May 2017, the performance returns of the benchmark was calculated using price index methodology. With effect from 1 May 2017, it is calculated using net total return index methodology. With effect from 1 October 2012, the benchmark was changed from MSCI World Small Cap Index to MSCI AC Asia ex Japan Small Cap Index.

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Portfolio Review

Fund returned 11.43% in first half of 2023 (1H23)

For the six-month period ended 30 June 2023, the Nikko AM Shenton Emerging Enterprise Discovery Fund (the "Fund") posted a return of 11.43% (SGD terms, on a NAV-NAV basis), outperforming the benchmark which returned 9.93% for the period. Some of the contributors included Hanmi Semiconductor, Gold Circuit Electronics, Universal Vision Biotechnology as well as Cera Sanitaryware. Detractors included Studio Dragon, Remegen and Polyplex Thailand.

Starting the review in Taiwan, Gold Circuit Electronics (GCE) has been one of the key contributors. The company manufactures multi-layer printed circuit boards (PCB). It benefits from the server migration trend; as Intel moves from the Purely to Whitley platform, PCB layers will increase from 8-14 to 12-16 on the main PCB board. As it moves from Whitley to Eagle stream, the number of layers increase further to 14-20. In addition, the company benefits from strong server demand, as artificial intelligent (AI) server boards have higher layers 20-30, upgraded CCL material as well as more complicated designs. GCE trades at price-to-earnings ratio (PER) of 15.9 times for financial year (FY) 2024 with 60% growth in net profit expected.

Moving across to South Korea, Hanmi Semiconductor has been a key contributor with the stock rallying 160% in 1H23. It is a semiconductor equipment maker which specialises in memory back-end process with three major products; Micro Saw, Bonder, EMI Shield. The company supplies to over 320 global customers through local agents and subsidiaries in Taiwan, Vietnam, China. Hanmi Semiconductor is expected to be a beneficiary of the rising growth from AI server as its Thermo Compression (TC) bonder machines will be used in the fabrication of high-bandwidth memory (HBM). AI servers have GPUs which contains HBM, and the CPU uses 128 GB DDR5. Thus, more AI investment will benefit memory semiconductors as well as GPUs. To fulfill the growing demand, major DRAM manufacturers are planning to ramp up HBM production and are likely revising up their HBM demand forecasts and capex plans, which in turn benefit Hanmi Semiconductor. Hanmi Semiconductor trades at PER of 39 times FY24.

In India, Cera Sanitaryware has been a steady contributor. The company is one of the leading building material companies in India having pan-India presence. It enjoys over 12% market share in sanitaryware business with strong positioning in faucetware and tiles business. The company has been showing strong top-line growth driven by robust consumer spending on home improvement as well as new housing demand. The company has a net cash balance sheet and is expected to continue to grow in line with the property market. Cera Sanitaryware trades at a PER of 33 times FY25 (March).

While the Fund has been done well in many instances, there were hard decisions that we had to undertake. In South Korea, we cut our exposure to Studio Dragon, the leading drama production company in South Korea. While the company had many positive catalysts as well as good content, cost control has been a drag on earnings. Due to the weak macro environment, TV channels are reducing drama slots and opting to produce cheaper variety shows instead. The company has been facing margin pressure, and we took the view that it would take time to recover and exit from the position. In Hong Kong, JS Global Lifestyle was a position that we exited from as well. The company is a small home appliance manufacturer, producing pressure cookers, air fryers and robotic vacuums. We were optimistic by the new product pipeline and expected margin recovery as potential headwinds during the pandemic like high shipping costs and raw material prices were expected to ease and become tailwinds. However, the company decided to spin out its Shark Ninja brand to relist it in the US. We viewed this negatively as the Hong Kong listing would now be a holding company with no core business, and we exited the position.

This is not an exhaustive review of the activities the Fund undertook during 1H23 but an overview of some of the ideas that materialised from our meetings with company management, regular research and our endeavour to identify suitable investments for the Fund.

Market Review

After falling sharply in 2022, Asian stocks rebounded in 1H23, with the MSCI Asia ex-Japan Small Cap Index (Net Total Return) returning 8.9% in US dollar (USD) terms.

Regional stocks made a strong start to 2023, supported by a rebound in investor sentiment towards Chinese equities due to policy pivots in areas including COVID-19, housing and internet regulation. Despite market volatility created by the US banking turmoil and ongoing monetary policy tightening by the US Federal Reserve (Fed), Asian stocks still managed to turn in decent gains in the first quarter of 2023 as the banking contagion fears eased. Regional equities, however, lost momentum and slipped in second quarter of 2023 (2Q23) due to growing concerns that the recovery in the Chinese economy is losing steam. Within the region, the stock markets of Taiwan, South Korea and Indonesia were the best performers (as measured by the MSCI indices in USD terms), while those of Malaysia, Thailand and Hong Kong underperformed.

Market Outlook and Strategy

Small-cap companies in Asia continue to look attractive, with the MSCI Asia ex Japan Small Cap Index trading at a 12.2 times forward price-to-earnings (P/E) multiple below to mid-cycle valuations of 15.4 times P/E. Earnings growth is estimated to continue in the second half of 2023, fuelled by ongoing economic recovery. Areas that we like include the technology sector which benefits from the growth in AI server as well as green energy.

In particular, we continue to focus on companies which display positive fundamental change that are undervalued. We continue to be focused on the core fundamentals of companies, constructing the portfolio from a bottom-up perspective, while staying cognisant of macroeconomic risks.

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

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

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

For Hong Kong Investors

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

Nikko Asset Management Asia Limited. Registration Number 198202562H

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF TOTAL RETURN***For the financial period from 01 January 2023 to 30 June 2023 (unaudited)*

	30 June 2023	30 June 2022
	S\$	S\$
Income		
Dividends	220,005	358,554
Interest on cash and cash equivalents	14,485	428
Other Income	13,231	-
	247,721	358,982
Less: Expenses		
Management fee	170,963	222,408
Transfer agent fee	7,243	7,867
Trustee fee	11,398	14,827
Custody fee	5,129	5,297
Audit fee	5,755	5,462
Valuation fee	5,137	6,672
Transaction costs	65,639	119,443
Other expenses	22,485	9,131
	293,749	391,107
Net losses	(46,028)	(32,125)
Net gains or losses on value of investments		
Net gains/(losses) on investments	2,602,307	(6,549,580)
Net foreign exchange losses	(26,773)	(51,789)
	2,575,534	(6,601,369)
Total return/(deficit) for the financial period before income tax	2,529,506	(6,633,494)
Less: Income tax	(38,942)	(45,981)
Total return/(deficit) for the financial period after income tax	2,490,564	(6,679,475)

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND

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

STATEMENT OF FINANCIAL POSITION

As at 30 June 2023 (unaudited)

	30 June 2023	31 December 2022
	S\$	S\$
ASSETS		
Portfolio of investments	23,258,883	20,011,834
Sales awaiting settlement	150,705	-
Receivables	223,911	48,498
Cash and cash equivalents	1,575,075	1,436,065
Total assets	25,208,574	21,496,397
LIABILITIES		
Payables	162,258	145,661
Purchases awaiting settlement	124,405	-
Total liabilities	286,663	145,661
EQUITY		
Net assets attributable to unitholders	24,921,911	21,350,736

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS***For the financial period from 01 January 2023 to 30 June 2023 (unaudited)*

	30 June 2023	31 December 2022
	S\$	S\$
Net assets attributable to unitholders at the beginning of the financial period/year	21,350,736	40,854,828
Operations		
Change in net assets attributable to unitholders resulting from operations	2,490,564	(7,797,235)
Unitholders' contributions/(withdrawals)		
Creation of units	2,323,713	4,021,261
Cancellation of units	(1,243,102)	(15,728,118)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	1,080,611	(11,706,857)
Total increase/(decrease) in net assets attributable to unitholders	3,571,175	(19,504,092)
Net assets attributable to unitholders at the end of the financial period/year	24,921,911	21,350,736

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND

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

STATEMENT OF PORTFOLIO

As at 30 June 2023 (unaudited)

By Geography (Primary)

	Holdings at 30 June 2023	Fair value at 30 June 2023 S\$	Percentage of total net assets attributable to unitholders at 30 June 2023 %
Quoted Equities			
CHINA			
China Meidong Auto Holdings Limited	50,000	78,145	0.32
CIMC Vehicles Group Company Limited	145,000	170,278	0.68
ClouDr Group Limited	80,300	108,028	0.43
Giant Biogene Holding Company Limited	14,000	84,138	0.34
Jinxin Fertility Group Limited	121,000	86,510	0.35
JNBY Design Limited	131,000	192,071	0.77
RemeGen Company Limited	25,000	147,871	0.59
Sunjuice Holdings Company Limited	38,500	516,948	2.07
Trip.com Group Limited	2,550	120,046	0.48
Total CHINA		1,504,035	6.03
HONG KONG SAR			
China Education Group Holdings Limited	87,000	91,650	0.36
China State Construction Development Holdings Limited	286,000	133,850	0.54
China Water Affairs Group Limited	226,000	231,054	0.93
IMAX China Holding Incorporated	138,900	167,673	0.67
Stella International Holdings Limited	122,000	155,910	0.63
Total HONG KONG SAR		780,137	3.13
INDIA			
ABB India Limited	6,221	453,125	1.82
Aegis Logistics Limited	17,327	92,327	0.37
Ashok Leyland Limited	93,543	258,173	1.04
Bata India Limited	8,678	239,758	0.96
Cera Sanitaryware Limited	3,363	426,690	1.71
CreditAccess Grameen Limited	16,352	337,467	1.35
Crompton Greaves Consumer Electricals Limited	26,573	126,931	0.51
Dabur India Limited	39,350	371,933	1.49
Dixon Technologies India Limited	1,711	123,920	0.50
Federal Bank Limited	160,015	333,005	1.34
Godrej Consumer Products Limited	14,812	264,194	1.06
Indian Hotels Company Limited	73,540	476,296	1.91
Krishna Institute of Medical Sciences Limited	4,286	126,281	0.51
MTAR Technologies Limited	10,230	324,110	1.30
Oberoi Realty Limited	12,760	207,301	0.83
PB Fintech Limited	28,311	324,853	1.30
Phoenix Mills Limited	15,863	407,714	1.64
Rainbow Children's Medicare Limited	7,801	124,188	0.50
RITES Limited	46,353	285,226	1.14
UNO Minda Limited	30,332	291,124	1.17
Vijaya Diagnostic Centre Private Limited	22,424	174,864	0.70
Total INDIA		5,769,480	23.15
INDONESIA			
Arwana Citramulia TBK PT	3,290,200	262,845	1.05
MAP Aktif Adiperkasa PT	518,100	318,022	1.28
Merdeka Battery Materials TBK PT	3,320,400	242,778	0.97
Total INDONESIA		823,645	3.30

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 30 June 2023 (unaudited)***By Geography (Primary) (continued)**

	Holdings at 30 June 2023	Fair value at 30 June 2023 S\$	Percentage of total net assets attributable to unitholders at 30 June 2023 %
Quoted Equities (continued)			
MALAYSIA			
Genetec Technology Berhad	184,900	124,381	0.50
Total MALAYSIA		<u>124,381</u>	<u>0.50</u>
PHILIPPINES			
Bloomberry Resorts Corporation	939,700	255,732	1.02
Wilcon Depot Incorporated	512,500	303,448	1.22
Total PHILIPPINES		<u>559,180</u>	<u>2.24</u>
SINGAPORE			
BRC Asia Limited	119,600	197,340	0.79
First Resources Limited	178,800	248,532	1.00
Seatrium Limited	1,282,400	160,300	0.64
Total SINGAPORE		<u>606,172</u>	<u>2.43</u>
SOUTH KOREA			
Clio Cosmetics Company Limited	25,270	526,878	2.12
Cosmax Incorporated	2,640	252,171	1.01
CS Wind Corporation	4,066	360,402	1.45
Dreamtech Company Limited	35,057	326,941	1.31
Handsome Company Limited	8,666	206,943	0.83
Hanmi Semiconductor Company Limited	16,630	514,977	2.07
Hansol Chemical Company Limited	1,185	292,104	1.17
HPSP Company Limited	11,056	323,632	1.30
HYBE Company Limited	561	162,200	0.65
Hyundai Ezwel Company Limited	31,202	242,918	0.97
Jeisys Medical Incorporated	46,463	493,920	1.98
KCC Corporation	1,053	212,412	0.85
Modetour Network Incorporated	11,073	192,772	0.77
P&K Skin Research Center Company Limited	66,847	212,153	0.85
ST Pharm Company Limited	2,742	216,572	0.87
Sunjin Beauty Science Company Limited	11,835	126,418	0.51
T&L Company Limited	8,947	499,902	2.01
Total SOUTH KOREA		<u>5,163,315</u>	<u>20.72</u>

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 30 June 2023 (unaudited)***By Geography (Primary) (continued)**

	Holdings at 30 June 2023	Fair value at 30 June 2023 S\$	Percentage of total net assets attributable to unitholders at 30 June 2023 %
Quoted Equities (continued)			
TAIWAN			
Accton Technology Corporation	24,000	363,969	1.47
Andes Technology Corporation	11,000	227,285	0.92
Bafang Yunji International Company Limited	19,000	147,373	0.60
Chailease Holding Company Limited	29,601	262,400	1.06
Chief Telecom Incorporated	26,000	419,155	1.68
CTCI Corporation	191,000	349,416	1.40
Dr. Wu Skincare Company Limited	65,000	357,299	1.43
eMemory Technology Incorporated	2,000	192,066	0.77
Global PMX Company Limited	49,000	336,419	1.35
Gold Circuit Electronics Limited	98,700	626,177	2.51
Great Tree Pharmacy Company Limited	11,000	180,681	0.72
Kaori Heat Treatment Company Limited	23,000	338,309	1.36
Lite-On Technology Corporation	71,000	319,320	1.28
Powertech Technology Incorporated	58,000	264,633	1.06
Sinbon Electronics Company Limited	34,000	545,910	2.19
Sporton International Incorporated	44,550	491,710	1.97
Taiwan Taxi Company Limited	64,000	318,429	1.28
Tong Hsing Electronic Industries Limited	22,631	179,963	0.72
Universal Vision Biotechnology Company Limited	34,400	633,799	2.54
Visual Photonics Epitaxy Company Limited	60,000	303,742	1.22
Total TAIWAN		6,858,055	27.53
THAILAND			
Sabina Public Company Limited	173,700	175,702	0.70
Star Petroleum Refining Public Company Limited	369,200	113,446	0.46
Total THAILAND		289,148	1.16
UNITED STATES OF AMERICA			
Parade Technologies Limited	5,000	233,564	0.94
Samsonite International SA	82,200	313,723	1.26
Total UNITED STATES OF AMERICA		547,287	2.20
Total Quoted Equities		23,024,835	92.39
Quoted Real Estate Investment Trusts			
PHILIPPINES			
Citicore Energy REIT Corporation	3,729,000	234,048	0.94
Total PHILIPPINES		234,048	0.94
Total Quoted Real Estate Investment Trusts		234,048	0.94
Portfolio of investments		23,258,883	93.33
Other net assets		1,663,028	6.67
Net assets attributable to unitholders		24,921,911	100.00

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND

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

STATEMENT OF PORTFOLIO

As at 30 June 2023 (unaudited)

By Geography (Summary)

	Percentage of total net assets attributable to unitholders at 30 June 2023 %	Percentage of total net assets attributable to unitholders at 31 December 2022 %
Quoted Equities		
China	6.03	10.83
Hong Kong SAR	3.13	4.45
India	23.15	20.79
Indonesia	3.30	2.57
Malaysia	0.50	-
Philippines	2.24	2.72
Singapore	2.43	3.03
South Korea	20.72	18.56
Taiwan	27.53	23.26
Thailand	1.16	3.01
United States of America	2.20	2.39
Total Quoted Equities	92.39	91.61
Quoted Real Estate Investment Trusts		
Philippines	0.94	0.96
Singapore	-	1.16
Total Quoted Real Estate Investment Trusts	0.94	2.12
Portfolio of investments	93.33	93.73
Other net assets	6.67	6.27
Net assets attributable to unitholders	100.00	100.00

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 30 June 2023 (unaudited)*

By Industry (Secondary)	Fair value at 30 June 2023 S\$	Percentage of total net assets attributable to unitholders at 30 June 2023 %	Percentage of total net assets attributable to unitholders at 31 December 2022 %
Agriculture	248,532	1.00	1.24
Apparel	1,284,107	5.15	5.91
Auto Manufacturers	428,451	1.72	1.02
Auto Parts & Equipment	627,543	2.52	2.69
Banks	333,005	1.34	1.69
Beverages	516,948	2.07	2.36
Biotechnology	147,871	0.59	1.33
Building Materials	823,385	3.30	3.47
Chemicals	504,516	2.02	2.90
Commercial Services	868,586	3.49	3.68
Computers	870,477	3.49	3.02
Cosmetics/Personal Care	2,195,184	8.81	6.08
Diversified Financial Services	599,867	2.41	2.09
Electrical Component & Equipment	453,125	1.82	-
Electronics	1,296,007	5.20	6.18
Energy-Alternate Sources	360,402	1.45	2.38
Engineering and Construction	349,416	1.40	1.63
Entertainment	585,605	2.35	2.32
Environmental Control	231,054	0.93	1.07
Food	-	-	0.48
Food Service	147,373	0.59	-
Hand/Machine Tools	338,309	1.36	-
Healthcare-Products	1,627,621	6.53	5.60
Healthcare-Services	619,871	2.49	0.99
Home Furnishings	446,251	1.79	2.35
Internet	120,046	0.48	1.60
Iron/Steel	197,340	0.79	1.01
Leisure Time	192,772	0.77	0.37
Lodging	476,296	1.91	2.37
Machinery-Diversified	324,110	1.30	0.92
Mining	242,778	0.97	1.25
Oil and Gas	113,446	0.46	0.72
Oil and Gas Services	160,300	0.64	-
Packaging & Containers	-	-	1.23
Pharmaceuticals	216,572	0.87	0.90
Real Estate	615,015	2.47	4.42
Real Estate Investment Trusts (REITS)	234,048	0.94	2.12
Retail	880,296	3.53	4.70
Semiconductors	2,239,862	8.99	6.50
Shipbuilding	-	-	0.91
Software	567,771	2.28	1.49
Storage/Warehousing	92,327	0.37	-
Telecommunications	363,969	1.46	1.29
Transportation	318,429	1.28	1.45
Portfolio of investments	23,258,883	93.33	93.73
Other net assets	1,663,028	6.67	6.27
Net assets attributable to unitholders	24,921,911	100.00	100.00

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND

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

REPORT TO UNITHOLDERS

For the financial period from 01 January 2023 to 30 June 2023 (unaudited)

The following contains additional information relating to the Fund.

1. Distribution of investments

Please refer to the Statement of Portfolio on pages 9 to 13.

2. Credit rating of debt securities

Nil.

3. Top 10 holdings

10 Largest holdings at 30 June 2023

	Fair value S\$	Percentage of total net assets attributable to unitholders %
Universal Vision Biotechnology Company Limited	633,799	2.54
Gold Circuit Electronics Limited	626,177	2.51
Sinbon Electronics Company Limited	545,910	2.19
Clio Cosmetics Company Limited	526,878	2.12
Sunjuice Holdings Company Limited	516,948	2.07
Hanmi Semiconductor Company Limited	514,977	2.07
T&L Company Limited	499,902	2.01
Jeisys Medical Incorporated	493,920	1.98
Sporton International Incorporated	491,710	1.97
Indian Hotels Company Limited	476,296	1.91

10 Largest holdings at 30 June 2022

	Fair value S\$	Percentage of total net assets attributable to unitholders %
Phoenix Mills Limited	643,538	2.70
Sinbon Electronics Company Limited	594,432	2.49
Indian Hotels Company Limited	568,495	2.39
Sunjuice Holdings Company Limited	557,877	2.34
CTCI Corporation	548,511	2.30
Bata India Limited	485,081	2.04
Federal Bank Limited	414,885	1.74
Crompton Greaves Consumer Electricals Limited	406,318	1.71
Tong Hsing Electronic Industries Limited	400,684	1.68
Xinte Energy Company Limited	394,282	1.65

4. Exposure to financial derivatives

Nil.

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND

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

REPORT TO UNITHOLDERS

For the financial period from 01 January 2023 to 30 June 2023 (unaudited)

5. Global exposure to financial derivatives

Nil.

6. Collateral

Nil.

7. Securities lending or repurchase transactions

Nil.

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

Please refer to the Statement of Portfolio on pages 9 to 13.

9. Borrowings

Nil.

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

S\$

Units created	2,323,713
Units cancelled	(1,243,102)

11. Turnover ratio

		30 June 2023	30 June 2022
Lower of total value of purchases or sales	S\$	7,220,649	7,192,940
Average daily net asset value	S\$	22,991,968	29,860,968
Total turnover ratio¹	%	31.41	24.09

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

12. Expense ratio

		30 June 2023	30 June 2022
<u>SGD Class</u>			
Total operating expenses	S\$	445,092	677,747
Average daily net asset value	S\$	22,590,561	35,884,169
Total expense ratio²	%	1.97	1.89

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

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND

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

REPORT TO UNITHOLDERS

For the financial period from 01 January 2023 to 30 June 2023 (unaudited)

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 and valuation fee are payable to a related company of the Trustee, 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.

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:

	30 June 2023 S\$	31 December 2022 S\$
Bank balances held with related party of the Trustee	<u>1,575,075</u>	<u>1,436,065</u>

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.

ANNUAL REPORT

For the financial year ended 31 December 2022

**Nikko AM Shenton
Emerging Enterprise
Discovery 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
7 Straits View, Marina One,
East Tower, Level 12,
Singapore 018936

CUSTODIAN

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

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

PERFORMANCE SUMMARY

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Emerging Enterprise Discovery Fund - SGD Class ¹	-1.03	-5.16	-24.42	15.15	9.04	5.84	5.55
Benchmark ²	1.55	-3.35	-20.76	6.57	1.16	3.82	3.93

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.

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Emerging Enterprise Discovery Fund - SGD Class ¹	-5.98	-9.90	-28.20	13.20	7.92	5.30	5.33
Benchmark ²	1.55	-3.35	-20.76	6.57	1.16	3.82	3.93

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: 13 March 1998

Note:

- (1) With effect from 17 October 2011, the Fund (formerly known as "Shenton Global Advantage Fund") was renamed as Nikko AM Shenton Global Advantage Fund. With effect from 1 October 2012, the investment focus and approach of the Fund was changed and the Fund was re-named Nikko AM Shenton Emerging Enterprise Discovery Fund.
- (2) Prior to 1 May 2017, the performance returns of the benchmark was calculated using price index methodology. With effect from 1 May 2017, it is calculated using net total return index methodology. With effect from 1 October 2012, the benchmark was changed from MSCI World Small Cap Index to MSCI AC Asia ex Japan Small Cap Index.

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Portfolio Review

The Fund returned -24.42% in 2022

For the 12-month period ended 31 December 2022, the Nikko AM Shenton Emerging Enterprise Discovery Fund (the “Fund”) posted a return of -24.42% (SGD terms, on a NAV-NAV basis), underperforming the benchmark which returned -20.76% for the period.

Key contributors to relative performance in 2022 included Indian hospitality company Indian Hotels, India’s leading retail mall developer and operator Phoenix Mills and Indian private sector bank Federal Bank, while Taiwanese semiconductor company Parade Technologies and Chinese auto company China Meidong Auto were the main detractors.

Starting the review in Hong Kong, Samsonite International has been a key contributor to performance. It is a leading global luggage manufacturer. The company benefits from recovery in international travel and has gained market share during the pandemic through strong brand name and channel management. The company has also been innovative, launching new products, such as bags with antimicrobial coating, RFID tags and fingerprint sensors. The company has been active in terms of cost control, focusing on paying down debt and strengthening the balance sheet. On the environmental, social and corporate governance (ESG) front, they hired a head of ESG in 2018 and have set clear ESG goals for 2030. They also have an ecofriendly line that is incorporated with recycled materials.

In India, India Hotels has been a positive contributor as well. It is the number one leading hotel chain in India with 13% market share. Indian Hotels is very focused on cost reduction, which has been supportive of margins. The company has been quick to respond to challenges due to the pandemic, with staycation packages as well as food delivery applications. They will benefit as reopening continues to take place and the company continues to utilise the downtime to cut cost.

Moving across to Indonesia, PT Arwana Citramuila has been a contributor to performance as well. The company is a market leader in the ceramic tile industry with about 20% market share. Expansion into the high-end market has been driving margin growth and supporting growth. The company benefits from structural growth factors, such as economic reopening as well as the rising middle class. Arwana is also the first company in Indonesia to obtain ISO 14001 certification for its environmental management system.

While the Fund has done well in many instances, there were hard decisions that we had to undertake. In Taiwan, we cut our exposure in Brighten Optix, a manufacturer of Ortho-K (OK) lens, on the back of regulatory concerns that China could include OK lens in China’s Centralized Procurement Program (CPP). While the company does not sell to end users as an OEM, it is subjected to risk and as a result, we decided to exit the position. In South Korea, H.PIO, which is a health food manufacturing company, continued to deliver weak. In Singapore, Digital Core REIT—a data centre-focused REIT—underperformed on the back of rising rates and an unexpected tenancy bankruptcy. We took the view that earnings would take some time to recover and decided to exit from the position. We will continue to monitor these companies and to look for signs of turnaround.

This is not an exhaustive review of the activities the Fund undertook during 2022 but an overview of some of the ideas that materialised from our meetings with company management, regular research and our endeavour to identify suitable investments for the Fund. While we have been unable to travel due to the pandemic, we have been in regular contact with companies, via video conferences and conference calls, to ensure that we stay abreast of the changes in the market.

Market Review

Asian stocks fell sharply in 2022 due to a confluence of negative factors. In the first quarter of 2022 (1Q22), escalating Russia-Ukraine tensions culminated in a full invasion by Russia, resulting in a downturn in global financial markets. Lingering concerns over inflation from 1Q22 to 3Q22 also weighed on regional stocks, with the US Federal Reserve (Fed) and several Asian central banks hiking interest rates aggressively to curb rising consumer prices. As high inflation prints persisted despite a series of rate hikes enacted by central banks, recessionary fears started to ripple through various economies in the region; this further dampened risk appetite for Asian stocks. Market sentiment, however, improved in 4Q22, which saw a strong rebound in regional equities on expectations that the Fed would slow its pace of monetary policy tightening on the back of lower-than-expected US inflation numbers. The easing of China's stringent zero-COVID policy towards the end of the year also buoyed Asian markets in 4Q22. Despite the year-end rally, Asian equities, as measured by the MSCI AC Pacific Asia ex Japan Index (Net Total Return), still ended 2022 with losses of 17.5% in US dollar (USD) terms. Within the region, the stock markets of Thailand and Indonesia were the best performers (as measured by the MSCI indices in USD terms), while those of Taiwan, South Korea and China underperformed.

Market Outlook and Strategy

Small-cap companies in Asia continue to look attractive, with the MSCI Asia ex Japan Small Cap Index trading at a forward price-to-earnings (P/E) multiple of 14.9 times, below the mid-cycle valuations of 15.5 times P/E. Earnings growth is estimated to be on the recovery track in 2023, with China's re-opening supporting economic recovery. Our strongest conviction ideas by sector remain in the consumer sector, where we see quality growth in selected stocks.

In particular, we continue to focus on companies which display positive fundamental change that are undervalued. We continue to be focused on the core fundamentals of companies, constructing the portfolio from a bottom-up perspective, while staying cognizant of macroeconomic risks.

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

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

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

For Hong Kong Investors

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

Nikko Asset Management Asia Limited. Registration Number 198202562H

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND

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

REPORT OF THE TRUSTEE

For the financial year ended 31 December 2022

The Trustee is under a duty to take into custody and hold the assets of Nikko AM Shenton Emerging Enterprise Discovery 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 11 to 31, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

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

Authorised signatory
29 March 2023

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND

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

STATEMENT BY THE MANAGER

For the financial year ended 31 December 2022

In the opinion of Nikko Asset Management Asia Limited, the accompanying financial statements set out on pages 11 to 31, comprising the Statement of Total Return, Statement of Financial Position, Statement of Movements of Unitholders' Funds, Statement of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position and the portfolio holdings of Nikko AM Shenton Emerging Enterprise Discovery Fund (the "Fund") as at 31 December 2022, and the financial performance and movements in unitholders' funds for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the Fund will be able to meet its financial obligations as and when they materialise.

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

Authorised signatory
29 March 2023

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF NIKKO AM SHENTON EMERGING ENTERPRISE
DISCOVERY FUND**

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

Our Opinion

In our opinion, the accompanying financial statements of Nikko AM Shenton Emerging Enterprise Discovery 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 31 December 2022, and the financial performance and movements of unitholders' funds for the financial year ended on that date.

What we have audited

The financial statements of the Fund comprise:

- the Statement of Total Return for the financial year ended 31 December 2022;
- the Statement of Financial Position as at 31 December 2022;
- the Statement of Movements of Unitholders' Funds for the financial year ended 31 December 2022;
- the Statement of Portfolio as at 31 December 2022; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

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

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

Independence

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

Other Information

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

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

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

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF NIKKO AM SHENTON EMERGING ENTERPRISE
DISCOVERY 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 SHENTON EMERGING ENTERPRISE
DISCOVERY FUND**

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

- 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, 29 March 2023

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF TOTAL RETURN***For the financial year ended 31 December 2022*

	Note	2022 S\$	2021 S\$
Income			
Dividends		690,967	661,060
Interest on cash and cash equivalents		11,326	-
		<u>702,293</u>	<u>661,060</u>
Less: Expenses			
Management fee		390,408	562,954
Registrar fee		15,336	16,041
Trustee fee		26,027	37,530
Custody fee		9,553	16,113
Audit fee		10,402	10,369
Valuation fee		11,839	16,978
Transaction costs		198,367	447,124
Other expenses		25,254	61,737
		<u>687,186</u>	<u>1,168,846</u>
Net income/loss		<u>15,107</u>	<u>(507,786)</u>
Net gains or losses on value of investments			
Net (losses)/gains on investments		(7,638,212)	4,433,793
Net foreign exchange losses		(85,435)	(112,088)
		<u>(7,723,647)</u>	<u>4,321,705</u>
Total (deficit)/return for the financial year before income tax		<u>(7,708,540)</u>	<u>3,813,919</u>
Less: Income tax	3	<u>(88,695)</u>	<u>(144,689)</u>
Total (deficit)/return for the financial year after income tax		<u>(7,797,235)</u>	<u>3,669,230</u>

The accompanying notes form an integral part of these financial statements

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Note	2022 S\$	2021 S\$
ASSETS			
Portfolio of investments		20,011,834	39,315,376
Receivables	4	48,498	297,599
Cash and cash equivalents		1,436,065	2,009,443
Total assets		21,496,397	41,622,418
LIABILITIES			
Payables	5	145,661	767,590
Total liabilities		145,661	767,590
EQUITY			
Net assets attributable to unitholders	6	21,350,736	40,854,828

The accompanying notes form an integral part of these financial statements

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS***For the financial year ended 31 December 2022*

	Note	2022 S\$	2021 S\$
Net assets attributable to unitholders at the beginning of the financial year		40,854,828	15,327,507
Operations			
Change in net assets attributable to unitholders resulting from operations		(7,797,235)	3,669,230
Unitholders' contributions/(withdrawals)			
Creation of units		4,021,261	53,005,261
Cancellation of units		(15,728,118)	(31,147,170)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		(11,706,857)	21,858,091
Total (decrease)/increase in net assets attributable to unitholders		(19,504,092)	25,527,321
Net assets attributable to unitholders at the end of the financial year	6	21,350,736	40,854,828

The accompanying notes form an integral part of these financial statements

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2022***By Geography (Primary)**

	Holdings at 31 December 2022	Fair value at 31 December 2022 S\$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
Quoted Equities			
CHINA			
Central China New Life Limited	394,000	205,823	0.96
China Lesso Group Holdings Limited	104,000	145,651	0.68
China Meidong Auto Holdings Limited	74,000	203,713	0.95
JNBY Design Limited	138,000	221,251	1.04
RemeGen Company Limited	28,500	283,561	1.33
Shandong Head Group Company Limited	36,429	158,323	0.74
Sunjuice Holdings Company Limited	42,500	503,516	2.36
Trip.com Group Limited	7,250	340,861	1.60
Xinte Energy Company Limited	61,600	152,852	0.72
Xtep International Holdings Limited	64,000	95,570	0.45
Total CHINA		2,311,121	10.83
HONG KONG SAR			
China Education Group Holdings Limited	103,000	178,765	0.84
China Water Affairs Group Limited	206,000	228,324	1.07
JS Global Lifestyle Company Limited	154,000	232,083	1.09
SITC International Holdings Company Limited	49,000	146,174	0.68
Truly International Holdings Limited	785,000	164,571	0.77
Total HONG KONG SAR		949,917	4.45
INDIA			
Angel One Limited	3,622	77,010	0.36
Ashok Leyland Limited	93,543	217,770	1.02
Bata India Limited	14,847	397,307	1.86
Cera Sanitaryware Limited	3,741	313,856	1.47
CreditAccess Grameen Limited	6,038	89,224	0.42
Crompton Greaves Consumer Electricals Limited	49,479	269,922	1.26
Dabur India Limited	39,350	358,201	1.68
Federal Bank Limited	160,015	361,882	1.69
Godrej Consumer Products Limited	6,677	94,613	0.44
Indian Hotels Company Limited	97,955	505,152	2.37
INOX Leisure Limited	18,093	145,780	0.68
MTAR Technologies Limited	7,542	197,044	0.92
Oberoi Realty Limited	12,760	178,854	0.84
Phoenix Mills Limited	24,480	559,977	2.62
TCNS Clothing Company Limited	13,475	114,557	0.54
Tech Mahindra Limited	5,589	92,008	0.43
UNO Minda Limited	30,332	255,162	1.20
Vijaya Diagnostic Centre PVT Limited	29,904	211,445	0.99
Total INDIA		4,439,764	20.79
INDONESIA			
PT Arwana Citramulia TBK	3,290,200	282,047	1.32
PT Merdeka Copper Gold TBK	751,400	266,713	1.25
Total INDONESIA		548,760	2.57

The accompanying notes form an integral part of these financial statements

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2022***By Geography (Primary) (continued)**

	Holdings at 31 December 2022	Fair value at 31 December 2022 S\$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
Quoted Equities (continued)			
PHILIPPINES			
International Container Terminal Services Incorporated	45,270	217,904	1.02
Wilcon Depot Incorporated	512,500	363,866	1.70
Total PHILIPPINES		581,770	2.72
SINGAPORE			
BRC Asia Limited	119,600	216,476	1.01
First Resources Limited	178,800	264,624	1.24
UMS Holdings Limited	140,400	165,672	0.78
Total SINGAPORE		646,772	3.03
SOUTH KOREA			
Clio Cosmetics Company Limited	25,693	441,475	2.07
CS Wind Corporation	4,861	354,724	1.66
Dreamtech Company Limited	35,057	338,370	1.58
Handsome Company Limited	10,477	300,594	1.41
Hanmi Semiconductor Company Limited	16,044	195,698	0.92
Hansol Chemical Company Limited	1,185	233,152	1.09
Hyundai Ezwel Company Limited	31,202	226,037	1.06
Hyundai Mipo Dockyard Company Limited	2,157	193,323	0.91
Jeisys Medical Incorporated	43,590	393,915	1.84
KCC Corporation	1,053	228,401	1.07
P&K Skin Research Center Company Limited	49,798	160,305	0.75
ST Pharm Company Limited	2,065	191,867	0.90
Studio Dragon Corporation	3,839	350,181	1.64
T&L Company Limited	9,236	354,624	1.66
Total SOUTH KOREA		3,962,666	18.56
TAIWAN			
Accton Technology Corporation	27,000	276,288	1.29
Alexander Marine Company Limited	6,000	76,321	0.37
Andes Technology Corporation	7,000	151,966	0.71
Chalease Holding Company Limited	29,601	280,299	1.31
Chief Telecom Incorporated	25,000	306,550	1.44
CTCI Corporation	191,000	348,806	1.63
DR Wu Skincare Company Limited	54,000	243,887	1.14
eMemory Technology Incorporated	2,000	116,511	0.55
General Interface Solution Holding Limited	63,000	241,923	1.13
Global PMX Company Limited	49,000	318,594	1.49
Gold Circuit Electronics Limited	98,700	373,845	1.75
Kura Sushi Asia Company Limited	17,000	103,485	0.48
Powertech Technology Incorporated	58,000	200,451	0.94
Sinbon Electronics Company Limited	45,000	540,008	2.53
Sporton International Incorporated	42,550	388,990	1.82
Taiwan Taxi Company Limited	42,000	163,848	0.77
Tong Hsing Electronic Industries Limited	35,631	296,972	1.39
Universal Vision Biotechnology Company Limited	34,400	448,082	2.10
Visual Photonics Epitaxy Company Limited	30,000	90,329	0.42
Total TAIWAN		4,967,155	23.26

The accompanying notes form an integral part of these financial statements

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2022***By Geography (Primary) (continued)**

	Holdings at 31 December 2022	Fair value at 31 December 2022 S\$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
Quoted Equities (continued)			
THAILAND			
Com7 Public Company Limited	171,800	226,194	1.06
Polyplex Thailand Public Company Limited	267,600	261,654	1.23
Star Petroleum Refining Public Company Limited	369,200	152,977	0.72
Total THAILAND		640,825	3.01
UNITED STATES OF AMERICA			
Parade Technologies Limited	5,000	168,657	0.79
Samsonite International SA	96,600	341,124	1.60
Total UNITED STATES OF AMERICA		509,781	2.39
Total Quoted Equities		19,558,531	91.61
Quoted Real Estate Investment Trusts			
PHILIPPINES			
Citicore Energy REIT Corporation	3,729,000	205,519	0.96
Total PHILIPPINES		205,519	0.96
SINGAPORE			
Parkway Life Real Estate Investment Trust	65,900	247,784	1.16
Total SINGAPORE		247,784	1.16
Total Quoted Real Estate Investment Trusts		453,303	2.12
Portfolio of investments		20,011,834	93.73
Other net assets		1,338,902	6.27
Net assets attributable to unitholders		21,350,736	100.00

The accompanying notes form an integral part of these financial statements

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND

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

STATEMENT OF PORTFOLIO

As at 31 December 2022

By Geography (Summary)	Percentage of total net assets attributable to unitholders at 31 December 2022 %	Percentage of total net assets attributable to unitholders at 31 December 2021 %
Quoted Equities		
China	10.83	8.79
Hong Kong SAR	4.45	5.15
India	20.79	15.87
Indonesia	2.57	2.84
Malaysia	-	2.47
Philippines	2.72	2.83
Singapore	3.03	2.95
South Korea	18.56	25.47
Taiwan	23.26	22.05
Thailand	3.01	1.02
United States of America	2.39	3.88
Total Quoted Equities	91.61	93.32
Quoted Real Estate Investment Trusts		
Philippines	0.96	-
Singapore	1.16	2.91
Total Quoted Real Estate Investment Trusts	2.12	2.91
Portfolio of investments	93.73	96.23
Other net assets	6.27	3.77
Net assets attributable to unitholders	100.00	100.00

The accompanying notes form an integral part of these financial statements

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2022*

By Industry (Secondary)	Fair value at 31 December 2022 S\$	Percentage of total net assets attributable to unitholders at 31 December 2022 %	Percentage of total net assets attributable to unitholders at 31 December 2021 %
Advertising	-	-	0.96
Agriculture	264,624	1.24	1.03
Apparel	1,260,276	5.91	4.10
Auto Manufacturers	217,770	1.02	-
Auto Parts & Equipment	573,756	2.69	3.39
Banks	361,882	1.69	1.14
Beverages	503,516	2.36	2.03
Biotechnology	283,561	1.33	0.42
Building Materials	741,554	3.47	3.48
Chemicals	619,876	2.90	6.01
Commercial Services	785,659	3.68	3.38
Computers	644,920	3.02	2.43
Cosmetics/Personal Care	1,298,481	6.08	3.53
Diversified Financial Services	446,533	2.09	3.75
Electrical Component & Equipment	-	-	1.31
Electronics	1,320,347	6.18	5.00
Energy-Alternate Sources	507,576	2.38	0.64
Engineering and Construction	348,806	1.63	2.13
Entertainment	495,961	2.32	3.09
Environmental Control	228,324	1.07	-
Food	103,485	0.48	-
Healthcare-Products	1,196,621	5.60	6.09
Healthcare-Services	211,445	0.99	1.04
Home Furnishings	502,005	2.35	2.75
Internet	340,861	1.60	-
Investment Companies	-	-	0.52
Iron/Steel	216,476	1.01	-
Leisure Time	76,321	0.37	2.42
Lodging	505,152	2.37	1.51
Machinery-Diversified	197,044	0.92	-
Media	-	-	1.25
Mining	266,713	1.25	3.05
Miscellaneous Manufacture	-	-	0.66
Oil and Gas	152,977	0.72	-
Packaging & Containers	261,654	1.23	1.02
Pharmaceuticals	191,867	0.90	0.97
Real Estate	944,654	4.42	3.09

The accompanying notes form an integral part of these financial statements

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2022***By Industry (Secondary) (continued)**

	Fair value at 31 December 2022 S\$	Percentage of total net assets attributable to unitholders at 31 December 2022 %	Percentage of total net assets attributable to unitholders at 31 December 2021 %
Real Estate Investment Trusts (REITS)	453,303	2.12	2.91
Retail	1,003,900	4.70	6.52
Semiconductors	1,386,256	6.50	9.17
Shipbuilding	193,323	0.91	-
Software	318,045	1.49	2.97
Telecommunications	276,288	1.29	1.59
Transportation	310,022	1.45	0.88
Portfolio of investments	20,011,834	93.73	96.23
Other net assets	1,338,902	6.27	3.77
Net assets attributable to unitholders	21,350,736	100.00	100.00

The accompanying notes form an integral part of these financial statements

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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

1. General

Nikko AM Shenton Emerging Enterprise Discovery Fund (the "Fund") is a Singapore domiciled fund, constituted by a Trust Deed dated 20 October 1997 as amended by Supplemental Deeds and Amended and Restated Deeds (collectively referred to as the "Deeds"). The Deeds are governed by the laws of the Republic of Singapore. The Trustee of the Fund is BNP Paribas Trust Services Singapore Limited (the "Trustee"). The Manager of the Fund is Nikko Asset Management Asia Limited (the "Manager").

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

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

As of 31 December 2022 and 2021, only units in the SGD Class have been issued.

2. Significant accounting policies

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

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets held at fair value through profit or loss, and in accordance with the 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.

(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.

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. Significant accounting policies (continued)

(c) Investments (continued)

(iii) *Derecognition*

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

(d) Basis of valuation of investments

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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").

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

(ii) *Transactions and balances*

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

3. Income tax

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

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

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

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

3. Income tax (continued)

Income tax for the financial year ended 31 December 2022 and 2021 comprises:

	2022 S\$	2021 S\$
Singapore income tax	785	1,468
Overseas income tax	87,910	143,221
	<u>88,695</u>	<u>144,689</u>

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

4. Receivables

	2022 S\$	2021 S\$
Receivable from unitholders for creation of units	27,008	198,559
Dividends receivable	21,490	99,040
	<u>48,498</u>	<u>297,599</u>

5. Payables

	2022 S\$	2021 S\$
Payable to unitholders for cancellation of units	37,564	556,592
Amount due to the Manager	85,646	177,487
Amount due to the Trustee	5,710	11,832
Valuation fee payable	2,712	5,325
Registrar fee payable	1,214	1,214
Provision for audit fee	10,486	10,486
Custody fee payable	2,329	4,654
	<u>145,661</u>	<u>767,590</u>

Amount due to the Manager comprises management fee payable to Nikko Asset Management Asia Limited. Trustee fee and registrar fee are payable to BNP Paribas Trust Services Singapore Limited. Valuation fee and custody fee are payable to BNP Paribas, operating through its Singapore Branch.

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

6. Units in issue

During the year ended 31 December 2022 and 2021, the number of units issued, redeemed and outstanding were as follows:

<u>SGD Class</u>	2022	2021
Units at beginning of the financial year	8,657,114	3,781,244
Units created	1,003,935	11,586,726
Units cancelled	(3,673,780)	(6,710,856)
Units at end of the financial year	5,987,269	8,657,114
Net assets attributable to unitholders - S\$	21,350,736	40,854,828
Net asset value per unit - S\$	3.566	4.719

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

<u>SGD Class</u>	2022	2021
	S\$	S\$
Net assets attributable to unitholders per financial statements per unit	3.566	4.719
Effect of adopting bid prices at fair value per unit	0.002	0.002
Effect for movement in the net assets value between the last dealing date and the end of the reporting period [^]	-*	-
Net assets attributable to unitholders for issuing/redeeming per unit	3.568	4.721

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

* Effect is less than 0.001.

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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 objective is to achieve medium to long term capital appreciation by investing primarily in listed equities of small to medium sized companies in Asia ex Japan, which in the Managers' opinion are undervalued.

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

(a) Market risk - Price risk

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

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

The Fund's market price risk is managed through diversification of the investment portfolio exposure across various geographies and industries in Asia ex Japan.

As the Fund invests primarily in listed equities of small to medium sized companies in Asia ex Japan, the Manager is of the view that the price risk the Fund is best reflected by movements in the MSCI Asia ex Japan Small Cap Index (Net Total Return) (the "Benchmark").

As at 31 December 2022, an increase/decrease of the index component within the Benchmark by 16% (2021: 17%), with all other variables remaining constant, the net assets attributable to unitholders for the year would increase/decrease by approximately 14% (2021: 13%). 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.

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

7. Financial risk management (continued)

(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.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

7. Financial risk management (continued)

(c) Market risk - Currency risk (continued)

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

As at 31 December 2022	SGD S\$	USD S\$	HKD S\$	PHP S\$	INR S\$	IDR S\$	KRW S\$	THB S\$	TWD S\$	Others S\$	Total S\$
Assets											
Portfolio of investments	894,556	-	2,940,323	787,289	4,439,764	548,760	3,962,666	640,825	5,639,328	158,323	20,011,834
Receivables	27,008	-	-	3,554	-	-	17,936	-	-	-	48,498
Cash and cash equivalents	1,370,476	5	33	-	-	-	1	-	65,550	-	1,436,065
Total assets	2,292,040	5	2,940,356	790,843	4,439,764	548,760	3,980,603	640,825	5,704,878	158,323	21,496,397
Liabilities											
Payables	145,661	-	-	-	-	-	-	-	-	-	145,661
Total liabilities	145,661	-	-	-	-	-	-	-	-	-	145,661
Net currency exposure	2,146,379	5	2,940,356	790,843	4,439,764	548,760	3,980,603	640,825	5,704,878	158,323	
As at 31 December 2021											
	SGD S\$	USD S\$	HKD S\$	PHP S\$	INR S\$	IDR S\$	KRW S\$	THB S\$	TWD S\$	Others S\$	Total S\$
Assets											
Portfolio of investments	2,230,520	696,846	4,366,741	1,154,707	6,485,421	1,161,710	10,404,915	416,667	10,871,147	1,526,702	39,315,376
Receivables	198,558	-	10,237	-	-	-	54,306	-	1,472	33,026	297,599
Cash and cash equivalents	1,998,358	7,540	32	-	-	-	1	-	3,512	-	2,009,443
Total assets	4,427,436	704,386	4,377,010	1,154,707	6,485,421	1,161,710	10,459,222	416,667	10,876,131	1,559,728	41,622,418
Liabilities											
Payables	767,590	-	-	-	-	-	-	-	-	-	767,590
Total liabilities	767,590	-	-	-	-	-	-	-	-	-	767,590
Net currency exposure	3,659,846	704,386	4,377,010	1,154,707	6,485,421	1,161,710	10,459,222	416,667	10,876,131	1,559,728	

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

7. Financial risk management (continued)

(c) Market risk - Currency risk (continued)

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

As of 31 December 2022 and 2021, the Fund does not hold substantial monetary assets/liabilities denominated in foreign currencies. Changes in foreign exchange rates on monetary assets/liabilities will not result in a significant change in the net asset value of the Fund. Hence, no separate sensitivity analysis on foreign currency risk has been presented.

(d) Liquidity risk

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

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

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

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

The Fund's financial liabilities are analysed using contractual undiscounted cash flows for maturity groupings based on the remaining year at the Statement of Financial Position date to the contractual maturity date. As at 31 December 2022 and 2021, 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>	
	As at	As at
	31 December	31 December
	2022	2021
	S\$	S\$
Payables	145,661	767,590
Contractual cash outflows	145,661	767,590

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

7. Financial risk management (continued)

(e) Credit risk

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

Concentrations of credit risk are minimised primarily by:

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

The Fund is also exposed to counterparty credit risk on its financial assets held at amortised cost. As at 31 December 2022 and 2021, the Fund's financial assets held at amortised cost as disclosed in the Statement of Financial Position are realised within three months. The Manager considers the probability of default to be insignificant as the counterparties generally have a strong capacity to meet their contractual obligations in the near term. Hence, no loss allowance has been recognised based on the 12 month expected credit losses as any such impairment would be insignificant to the Fund.

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

Credit risk arises from cash and cash equivalents and outstanding and committed transactions from brokers. The table below summarises the credit rating of bank and custodian in which the Fund's assets are held as at 31 December 2022 and 2021.

	Credit rating as at 31 December 2022	Credit rating as at 31 December 2021
Bank and custodian		
- BNP Paribas, operating through its Singapore Branch	Aa3	A+

As at 31 December 2022, the credit ratings are based on Local Long-Term Bank Deposits from Moody's (2021: Long-Term Local Issuer Ratings from a well-known rating agency).

(f) Capital management

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

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

7. Financial risk management (continued)

(g) Fair value estimation

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

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

The following table analyses within the fair value hierarchy the Fund's financial assets and liabilities (by class) measured at fair value at 31 December 2022 and 2021:

As at 31 December 2022	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
Assets				
Financial assets designated at fair value through profit or loss at inception:				
- Quoted equities	19,558,531	-	-	19,558,531
- Quoted real estate investment trusts	453,303	-	-	453,303
	20,011,834	-	-	20,011,834
As at 31 December 2021				
	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
Assets				
Financial assets designated at fair value through profit or loss at inception:				
- Quoted equities	38,126,050	-	-	38,126,050
- Quoted real estate investment trusts	1,189,326	-	-	1,189,326
	39,315,376	-	-	39,315,376

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

Except for cash and cash equivalents which are classified as Level 1, the Fund's assets and liabilities not measured at fair value at 31 December 2022 and 2021 have been classified as Level 2. The carrying amounts of these assets and liabilities approximate their fair values as at the Statement of Financial Position date.

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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:

	2022 S\$	2021 S\$
Bank balances held with related party of the Trustee	<u>1,436,065</u>	<u>2,009,443</u>

9. Financial ratios

Expense ratio

		2022	2021
<u>SGD Class</u>			
Total operating expenses	S\$	488,815	721,722
Average daily net asset value	S\$	25,956,645	37,663,998
Total expense ratio¹	%	<u>1.88</u>	<u>1.92</u>

Turnover ratio

		2022	2021
Lower of total value of purchases or sales	S\$	13,557,355	45,449,103
Average daily net asset value	S\$	25,956,645	37,663,998
Total turnover ratio²	%	<u>52.23</u>	<u>120.67</u>

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

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

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND

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

REPORT TO UNITHOLDERS

For the financial year ended 31 December 2022

The following contains additional information relating to the Fund.

1. Distribution of investments

Please refer to the Statement of Portfolio on pages 14 to 19.

2. Credit rating of debt securities

Nil.

3. Top 10 holdings

10 largest holdings at 31 December 2022

	Fair value S\$	Percentage of total net assets attributable to unitholders %
Phoenix Mills Limited	559,977	2.62
Sinbon Electronics Company Limited	540,008	2.53
Indian Hotels Company Limited	505,152	2.37
Sunjuice Holdings Company Limited	503,516	2.36
Universal Vision Biotechnology Company Limited	448,082	2.10
Clio Cosmetics Company Limited	441,475	2.07
Bata India Limited	397,307	1.86
Jeisys Medical Incorporated	393,915	1.84
Sporton International Incorporated	388,990	1.82
Gold Circuit Electronics Limited	373,845	1.75

10 largest holdings at 31 December 2021

	Fair value S\$	Percentage of total net assets attributable to unitholders %
Sinbon Electronics Company Limited	1,093,242	2.68
Parade Technologies Limited	1,030,579	2.52
Universal Vision Biotechnology Company Limited	923,916	2.26
Sunjuice Holdings Company Limited	830,299	2.03
PT Merdeka Copper Gold TBK	771,744	1.89
Crompton Greaves Consumer Electricals Limited	713,189	1.75
Digital Core REIT Management Pte Limited	696,846	1.71
China Meidong Auto Holdings Limited	695,138	1.70
Phoenix Mills Limited	684,355	1.68
Voltas Limited	679,823	1.66

4. Exposure to financial derivatives

Nil.

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND

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

REPORT TO UNITHOLDERS

For the financial year ended 31 December 2022

5. Global exposure to financial derivatives

Nil.

6. Collateral

Nil.

7. Securities lending or repurchase transactions

Nil.

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

Please refer to the Statement of Portfolio on pages 14 to 19.

9. Borrowings

Nil.

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

S\$

Units created	4,021,261
Units cancelled	(15,728,118)

11. Turnover ratio

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

12. Expense ratio

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

13. Related party transactions

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

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

Nil.

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

Company registration number 198202562H

SEMI-ANNUAL REPORT

For the financial period ending 30 June 2022

**Nikko AM Shenton
Emerging Enterprise
Discovery 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
7 Straits View, Marina One,
East Tower, Level 12,
Singapore 018936

CUSTODIAN

Until 30 September 2022 (or such other date as may be determined from time to time):

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

From 1 October 2022 (or such other date as may be determined from time to time):

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

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

PERFORMANCE SUMMARY

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Emerging Enterprise Discovery Fund - SGD Class ¹	-13.83	-20.31	-21.90	18.03	13.39	7.61	5.90
Benchmark ²	-12.26	-18.01	-17.24	8.23	4.10	4.95	4.15

Source: Nikko Asset Management Asia Limited and MSCI. Returns as at 30 June 2022. Returns are calculated on a NAV-NAV basis, SGD, and based on the assumption that all dividends and distributions are reinvested, if any. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Emerging Enterprise Discovery Fund - SGD Class ¹	-18.14	-24.30	-25.81	16.03	12.23	7.06	5.67
Benchmark ²	-12.26	-18.01	-17.24	8.23	4.10	4.95	4.15

Source: Nikko Asset Management Asia Limited and MSCI. Returns as at 30 June 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: 13 March 1998

Note:

- (1) With effect from 17 October 2011, the Fund (formerly known as "Shenton Global Advantage Fund") was renamed as Nikko AM Shenton Global Advantage Fund. With effect from 1 October 2012, the investment focus and approach of the Fund was changed and the Fund was re-named Nikko AM Shenton Emerging Enterprise Discovery Fund.
- (2) Prior to 1 May 2017, the performance returns of the benchmark was calculated using price index methodology. With effect from 1 May 2017, it is calculated using net total return index methodology. With effect from 1 October 2012, the benchmark was changed from MSCI World Small Cap Index to MSCI AC Asia ex Japan Small Cap Index.

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Portfolio Review

Fund returned -20.31% in 1H22

For the six-month period ended 30 June 2022 (1H22), the Nikko AM Shenton Emerging Enterprise Discovery Fund (the "Fund") posted a return of -20.31% (SGD terms, on a NAV-NAV basis), underperforming the benchmark which returned -18.01% for the period. Some of the contributors were Xinte Energy, a Chinese company principally engaged in solar energy and wind power solutions; Phoenix Mills Limited, India's leading retail mall developer and operator; and Indian Hotels, a subsidiary of India's Tata Group that manages a portfolio of hotels, resorts, jungle safaris, palaces, spas and in-flight catering services. The main detractors included Parade Technologies, a Taiwanese semiconductor company and eMemory Technology, a supplier of semiconductor intellectual property.

Starting the review in China, Xinte Energy was a solid contributor to performance in 1H22. The company was one of the top five polysilicon manufacturers globally in 2021 and is diversified via the various business segments: polysilicon production, engineering and construction contracting (ECC), photovoltaic (PV) wafer and module production, build-own-operate (BOO), and others. With the booming global demand for solar energy, the company is expanding operations to expand their annual poly production capacity. On the environmental, social and corporate (ESG) front, the company's business is engaged in the new energy industry to provide green smart energy.

In Taiwan, CTCL Corporation, which is one of our top holdings, delivered strong performance in 1H22. It is primarily engaged in the provision of engineering, procurement, and construction services in Taiwan, and its portfolio includes engineering design, procurement, fabrication, construction, supervision, project management, and test & commissioning. The company is benefiting from resumption in projects as well as margin expansion as they are roll off low margin projects. CTCL Corp has been recognised for its ESG considerations into its business practices, with the company selected as a constituent of the Dow Jones Sustainability Emerging Markets Indices (DJSI) for the seventh year in 2021, and is the first and only engineering firm in Taiwan to be part of the DJSI in 2021. CTCL Corp trades at 11x FY22 P/E with 64% growth and 10%+ thereafter with a 5% dividend yield.

Moving across to South Korea, BGF Retail has been a contributor to performance as well over the six-month period. BGF retail is the largest convenience store operator in South Korea, with more than 15,000 stores in the country. The loosening of COVID-19 restrictions has resulted in the resurgence in the popularity of convenience stores as they are located in densely-populated points such as near schools and stadiums. Margins have been expanding on the back of cost control, product mix improvement as well as scale benefits with the central kitchen. BGF Retail is attractively priced at 14x FY23 P/E, which is at a discount to global peers.

While the Fund has been done well in many instances, there were hard decisions that we had to undertake. In Taiwan, we cut our exposure in Sensortek, an IT company which produces various kinds of sensors such as ambient light sensors. While the company is gaining market share and gaining from product upgrades, weak handset sales globally remains a drag, exacerbated by supply chain issues. We took the view that recovery would be long draw and hence cut the position. In Korea, D&C Media which is a leading webtoon player delivered weak results, bogged down by wage costs as well as weak domestic sales. The company does have strong intellectual property (IP) such as solo levelling but the company has been slow in terms of monetisation and we decided to exit from the position. We will continue to monitor these companies and to look for signs of turnaround.

This is not an exhaustive review of the activities the Fund undertook during 1H22 but an overview of some of the ideas that materialised from our meetings with company management, regular research and our endeavour to identify suitable investments for the Fund. While we have been unable to travel due to the pandemic, we have been in regular contact with companies, via video conferences and conference calls, to ensure that we stay abreast of the changes in the market.

Market Review

Asian stocks edged lower in 1H22. Escalating Russia-Ukraine tensions culminated in a full invasion by Russia, resulting in sanctions imposed on Russia by global leaders. Lingering concerns over inflation also weighed, with the US Federal Reserve (Fed) and several Asian economies raising interest rates to curb inflation and maintain price stability. However, as inflation continued to increase despite rate hikes, fears of a recession rippled through various economies. Asian markets took heed from the multiple headwinds in global markets, and the MSCI Asia ex-Japan Small Cap Index (Net Total Return) fell by 18.01% in SGD terms.

Chinese stocks lagged their regional peers as its economy took a hit from COVID-19 lockdowns, resulting in weakened demand and disrupted supply chains and factory production. However, its relentless pursuit to shore up the economy via easing policy measures, together with the lifting of COVID-19 restrictions in Shanghai, saw the country picking up in the later half of 1H22. Across in India, besides grappling with a surge in its inflation rate, the country was also affected by ascending oil prices and a widening current account and merchandise trade deficits.

Taiwan and South Korea were similarly affected by inflationary concerns, and both countries battled a resurgence in COVID-19 cases and faced a drop in demand, sales and orders of chips, notebooks and smartphones. The central banks of both countries also raised interest rates to tame inflation, which affected market sentiment.

Market Outlook and Strategy

Small-cap companies in Asia continue to look attractive, with the MSCI Asia ex Japan Small Cap Index trading at a 12.4 times forward price-to-earnings (P/E) multiple below to mid-cycle valuations of 14.5 times P/E. Earnings growth is estimated to be on the recovery track in 2022, supported by the low base as well as an ongoing economic recovery as we move towards normalcy. Our strongest conviction ideas by sector remain in the consumer sector, where we see quality growth in selected stocks.

In particular, we continue to focus on companies which display positive fundamental change that are undervalued. We continue to be focused on the core fundamentals of companies, constructing the portfolio from a bottom-up perspective, while staying cognisant of macroeconomic risks.

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For Hong Kong Investors

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

Nikko Asset Management Asia Limited. Registration Number 198202562H

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF TOTAL RETURN***For the financial period from 01 January 2022 to 30 June 2022 (unaudited)*

	30 June 2022	30 June 2021
	S\$	S\$
Income		
Dividends	358,554	211,029
Interest on cash and cash equivalents	428	-
	<u>358,982</u>	<u>211,029</u>
Less: Expenses		
Management fee	222,408	248,189
Registrar fee	7,867	7,754
Trustee fee	14,827	16,546
Custody fee	5,297	7,633
Audit fee	5,462	5,230
Valuation fee	6,672	7,535
Transaction costs	119,443	227,033
Other expenses	9,131	22,752
	<u>391,107</u>	<u>542,672</u>
Net losses	<u>(32,125)</u>	<u>(331,643)</u>
Net gains or losses on value of investments		
Net (losses)/gains on investments	(6,549,580)	5,150,647
Net foreign exchange losses	(51,789)	(58,166)
	<u>(6,601,369)</u>	<u>5,092,481</u>
Total (deficit)/return for the financial period before income tax	<u>(6,633,494)</u>	<u>4,760,838</u>
Less: Income tax	<u>(45,981)</u>	<u>(30,825)</u>
Total (deficit)/return for the financial period after income tax	<u>(6,679,475)</u>	<u>4,730,013</u>

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND

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

STATEMENT OF FINANCIAL POSITION

As at 30 June 2022 (unaudited)

	30 June 2022	31 December 2021
	S\$	S\$
ASSETS		
Portfolio of investments	22,677,669	39,315,376
Sales awaiting settlement	1,039	-
Receivables	98,473	297,599
Cash and cash equivalents	1,188,344	2,009,443
Total assets	23,965,525	41,622,418
LIABILITIES		
Payables	140,380	767,590
Total liabilities	140,380	767,590
EQUITY		
Net assets attributable to unitholders	23,825,145	40,854,828

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS***For the financial period from 01 January 2022 to 30 June 2022 (unaudited)*

	30 June 2022	31 December 2021
	S\$	S\$
Net assets attributable to unitholders at the beginning of the financial period/year	40,854,828	15,327,507
Operations		
Change in net assets attributable to unitholders resulting from operations	(6,679,475)	3,669,230
Unitholders' contributions/(withdrawals)		
Creation of units	2,065,133	53,005,261
Cancellation of units	(12,415,341)	(31,147,170)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(10,350,208)	21,858,091
Total (decrease)/increase in net assets attributable to unitholders	(17,029,683)	25,527,321
Net assets attributable to unitholders at the end of the financial period/year	23,825,145	40,854,828

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND

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

STATEMENT OF PORTFOLIO

As at 30 June 2022 (unaudited)

By Geography (Primary)

	Holdings at 30 June 2022	Fair value at 30 June 2022 S\$	Percentage of total net assets attributable to unitholders at 30 June 2022 %
Quoted Equities			
CHINA			
Central China New Life Limited	338,000	233,190	0.98
China Meidong Auto Holdings Limited	74,000	324,170	1.36
Great Wall Motor Company Limited	73,500	210,395	0.88
Helens International Holdings Company Limited	88,000	282,491	1.19
Remegen Company Limited	20,000	155,895	0.65
Shandong Head Group Company Limited	33,900	256,083	1.08
Sunjuice Holdings Company Limited	43,500	557,877	2.34
Xinte Energy Company Limited	94,400	394,282	1.65
Total CHINA		2,414,383	10.13
HONG KONG SAR			
China Water Affairs Group Limited	182,000	235,634	0.99
JS Global Lifestyle Company Limited	200,000	362,514	1.52
SITC International Holdings Company Limited	57,000	224,425	0.95
Truly International Holdings Limited	785,000	334,137	1.40
Total HONG KONG SAR		1,156,710	4.86
INDIA			
Ashok Leyland Limited	49,924	129,065	0.54
Bata India Limited	16,502	485,081	2.04
Cera Sanitaryware Limited	3,510	254,417	1.07
Crompton Greaves Consumer Electricals Limited	67,764	406,318	1.71
Dabur India Limited	34,882	304,865	1.28
Federal Bank Limited	260,142	414,885	1.74
Indian Hotels Company Limited	143,280	568,495	2.39
Mahindra & Mahindra Financial Services Limited	114,846	353,167	1.48
Minda Industries Limited	15,166	246,738	1.04
Phoenix Mills Limited	31,132	643,538	2.70
Reliance Industries Limited	4,211	192,104	0.80
TCNS Clothing Company Limited	13,475	126,046	0.53
Vijaya Diagnostic Centre Private Limited	26,879	157,876	0.66
Voltas Limited	21,152	362,502	1.52
Total INDIA		4,645,097	19.50
INDONESIA			
Ace Hardware Indonesia TBK PT	2,774,800	199,597	0.84
Arwana Citramulia TBK PT	3,914,400	365,676	1.53
Merdeka Copper Gold TBK PT	620,700	231,359	0.97
Total INDONESIA		796,632	3.34
MALAYSIA			
Frencken Group Limited	220,100	244,311	1.03
Hibiscus Petroleum Berhad	662,300	209,124	0.88
Press Metal Aluminium Holdings Berhad	172,500	259,266	1.08
Total MALAYSIA		712,701	2.99
PHILIPPINES			
International Container Terminal Services Incorporated	74,710	347,934	1.46
Wilcon Depot Incorporated	566,900	341,495	1.43
Total PHILIPPINES		689,429	2.89

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 30 June 2022 (unaudited)***By Geography (Primary) (continued)**

	Holdings at 30 June 2022	Fair value at 30 June 2022 S\$	Percentage of total net assets attributable to unitholders at 30 June 2022 %
Quoted Equities (continued)			
SINGAPORE			
BRC Asia Limited	119,600	214,084	0.90
First Resources Limited	199,600	325,348	1.37
Singapore Post Limited	195,800	127,270	0.53
Total SINGAPORE		666,702	2.80
SOUTH KOREA			
BGF Retail Company Limited	1,581	320,280	1.34
Clio Cosmetics Company Limited	20,391	308,173	1.29
CS Wind Corporation	4,154	257,354	1.08
DGB Financial Group Incorporated	35,766	291,737	1.22
Dreamtech Company Limited	32,853	338,051	1.42
H.PIO Company Limited	17,831	181,949	0.76
Handsome Company Limited	9,674	318,332	1.34
Hanmi Semiconductor Company Limited	16,044	215,820	0.91
Hansol Chemical Company Limited	1,185	259,110	1.09
Hyundai Ezwel Company Limited	25,937	209,895	0.88
Hyundai Mipo Dockyard Company Limited	2,942	287,275	1.21
Jeisys Medical Incorporated	44,364	325,730	1.37
KCC Corporation	907	279,500	1.17
Nasmedia Company Limited	7,185	172,509	0.72
P&K Skin Research Center Company Limited	15,133	223,841	0.94
ST Pharm Company Limited	1,193	114,957	0.48
Studio Dragon Corporation	3,839	290,097	1.22
T&L Company Limited	6,521	214,230	0.90
Total SOUTH KOREA		4,608,840	19.34
TAIWAN			
Accton Technology Corporation	27,000	301,405	1.27
Brighten Optix Corporation	28,000	292,255	1.23
Chailease Holding Company Limited	29,601	288,876	1.21
Chief Telecom Incorporated	27,000	353,851	1.49
CTCI Corporation	261,000	548,511	2.30
Dr. Wu Skincare Company Limited	44,000	177,936	0.75
eMemory Technology Incorporated	4,000	193,776	0.81
General Interface Solution Holding Limited	63,000	225,580	0.95
Global PMX Company Limited	41,000	293,612	1.23
Gold Circuit Electronics Limited	93,000	331,258	1.39
Powertech Technology Incorporated	86,000	353,420	1.48
Poya International Company Limited	16,540	244,636	1.03
Sinbon Electronics Company Limited	50,000	594,432	2.49
Sporton International Incorporated	35,550	291,190	1.22
Tong Hsing Electronic Industries Limited	42,590	400,684	1.68
Universal Vision Biotechnology Company Limited	26,000	346,830	1.46
Total TAIWAN		5,238,252	21.99
THAILAND			
Polyplex Thailand Public Company Limited	302,700	269,287	1.13
Total THAILAND		269,287	1.13

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 30 June 2022 (unaudited)***By Geography (Primary) (continued)**

	Holdings at 30 June 2022	Fair value at 30 June 2022 S\$	Percentage of total net assets attributable to unitholders at 30 June 2022 %
Quoted Equities (continued)			
UNITED STATES OF AMERICA			
Nexteer Automotive Group Limited	115,000	115,032	0.48
Parade Technologies Limited	6,000	322,959	1.36
Samsonite International SA	91,200	252,650	1.06
Total UNITED STATES OF AMERICA		690,641	2.90
Total Quoted Equities		21,888,674	91.87
Quoted Real Estate Investment Trusts			
PHILIPPINES			
Citicore Energy REIT Corporation	3,729,000	227,463	0.95
Total PHILIPPINES		227,463	0.95
SINGAPORE			
Digital Core REIT Management Pte. Limited	196,800	210,892	0.89
Parkway Life Real Estate Investment Trust	72,000	350,640	1.47
Total SINGAPORE		561,532	2.36
Total Quoted Real Estate Investment Trusts		788,995	3.31
Portfolio of investments		22,677,669	95.18
Other net assets		1,147,476	4.82
Net assets attributable to unitholders		23,825,145	100.00

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND

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

STATEMENT OF PORTFOLIO

As at 30 June 2022 (unaudited)

By Geography (Summary)

	Percentage of total net assets attributable to unitholders at 30 June 2022 %	Percentage of total net assets attributable to unitholders at 31 December 2021 %
Quoted Equities		
China	10.13	8.79
Hong Kong SAR	4.86	5.15
India	19.50	15.87
Indonesia	3.34	2.84
Malaysia	2.99	2.47
Philippines	2.89	2.83
Singapore	2.80	2.95
South Korea	19.34	25.47
Taiwan	21.99	22.05
Thailand	1.13	1.02
United States of America	2.90	3.88
Total Quoted Equities	91.87	93.32
Quoted Real Estate Investment Trusts		
Philippines	0.95	-
Singapore	2.36	2.91
Total Quoted Real Estate Investment Trusts	3.31	2.91
Portfolio of investments	95.18	96.23
Other net assets	4.82	3.77
Net assets attributable to unitholders	100.00	100.00

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND

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

STATEMENT OF PORTFOLIO

As at 30 June 2022 (unaudited)

By Industry (Secondary)	Fair value at 30 June 2022 S\$	Percentage of total net assets attributable to unitholders at 30 June 2022 %	Percentage of total net assets attributable to unitholders at 31 December 2021 %
Advertising	172,509	0.72	0.96
Agriculture	325,348	1.36	1.03
Apparel	1,056,063	4.43	4.10
Auto Manufacturers	339,460	1.42	-
Auto Parts & Equipment	655,382	2.75	3.39
Banks	414,885	1.74	1.14
Beverages	557,877	2.34	2.03
Biotechnology	155,895	0.65	0.42
Building Materials	982,595	4.12	3.48
Chemicals	794,693	3.34	6.01
Commercial Services	639,124	2.68	3.38
Computers	691,902	2.90	2.43
Cosmetics/Personal Care	1,014,815	4.26	3.53
Diversified Financial Services	933,780	3.92	3.75
Electrical Component & Equipment	244,311	1.03	1.31
Electronics	1,485,407	6.23	5.00
Energy-Alternate Sources	651,636	2.74	0.64
Engineering and Construction	548,511	2.30	2.13
Entertainment	290,097	1.22	3.09
Environmental Control	235,634	0.99	-
Healthcare-Products	1,179,045	4.95	6.09
Healthcare-Services	157,876	0.66	1.04
Home Furnishings	768,832	3.23	2.75
Investment Companies	-	-	0.52
Iron/Steel	214,084	0.90	-
Leisure Time	-	-	2.42
Lodging	568,495	2.39	1.51
Media	-	-	1.25
Mining	490,625	2.06	3.05
Miscellaneous Manufacture	-	-	0.66
Oil and Gas	401,228	1.68	-
Packaging & Containers	269,287	1.13	1.02
Pharmaceuticals	296,906	1.25	0.97
Real Estate	876,728	3.68	3.09
Real Estate Investment Trusts (REITS)	788,995	3.31	2.91
Retail	1,838,715	7.72	6.52
Semiconductors	1,486,659	6.24	9.17
Shipbuilding	287,275	1.21	-
Software	209,895	0.88	2.97
Telecommunications	301,405	1.27	1.59
Transportation	351,695	1.48	0.88
Portfolio of investments	22,677,669	95.18	96.23
Other net assets	1,147,476	4.82	3.77
Net assets attributable to unitholders	23,825,145	100.00	100.00

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND

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

REPORT TO UNITHOLDERS

For the financial period from 01 January 2022 to 30 June 2022 (unaudited)

The following contains additional information relating to the Fund.

1. Distribution of investments

Please refer to the Statement of Portfolio on pages 9 to 13.

2. Credit rating of debt securities

Nil.

3. Top 10 holdings

10 Largest holdings at 30 June 2022

	Fair value S\$	Percentage of total net assets attributable to unitholders %
Phoenix Mills Limited	643,538	2.70
Sinbon Electronics Company Limited	594,432	2.49
Indian Hotels Company Limited	568,495	2.39
Sunjuice Holdings Company Limited	557,877	2.34
CTCI Corporation	548,511	2.30
Bata India Limited	485,081	2.04
Federal Bank Limited	414,885	1.74
Crompton Greaves Consumer Electricals Limited	406,318	1.71
Tong Hsing Electronic Industries Limited	400,684	1.68
Xinte Energy Company Limited	394,282	1.65

10 Largest holdings at 30 June 2021

	Fair value S\$	Percentage of total net assets attributable to unitholders %
eMemory Technology Incorporated	1,159,314	3.09
Sunjuice Holdings Company Limited	1,033,046	2.75
Sinbon Electronics Company Limited	898,890	2.39
Universal Vision Biotechnology Company Limited	865,505	2.30
Clio Cosmetics Company Limited	743,836	1.98
Parade Technologies Limited	735,004	1.96
JS Global Lifestyle Company Limited	690,230	1.84
Crompton Greaves Consumer Electricals Limited	659,037	1.75
JNBY Design Limited	637,778	1.70
China Meidong Auto Holdings Limited	615,761	1.64

4. Exposure to financial derivatives

Nil.

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND

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

REPORT TO UNITHOLDERS

For the financial period from 01 January 2022 to 30 June 2022 (unaudited)

5. Global exposure to financial derivatives

Nil.

6. Collateral

Nil.

7. Securities lending or repurchase transactions

Nil.

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

Please refer to the Statement of Portfolio on pages 9 to 13.

9. Borrowings

Nil.

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

S\$

Units created	2,065,133
Units cancelled	(12,415,341)

11. Turnover ratio

		30 June 2022	30 June 2021
Lower of total value of purchases or sales	S\$	7,192,940	22,871,965
Average daily net asset value	S\$	29,860,968	33,540,968
Total turnover ratio¹	%	24.09	68.19

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

12. Expense ratio

		30 June 2022	30 June 2021
<u>SGD Class</u>			
Total operating expenses	S\$	677,747	409,485
Average daily net asset value	S\$	35,884,169	20,625,046
Total expense ratio²	%	1.89	1.99

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

NIKKO AM SHENTON EMERGING ENTERPRISE DISCOVERY FUND

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

REPORT TO UNITHOLDERS

For the financial period from 01 January 2022 to 30 June 2022 (unaudited)

13. Related party transactions

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

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

	30 June 2022	31 December 2021
	S\$	S\$
Bank balances held with related party of the Trustee	1,188,344	2,009,443

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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Company registration number 198202562H