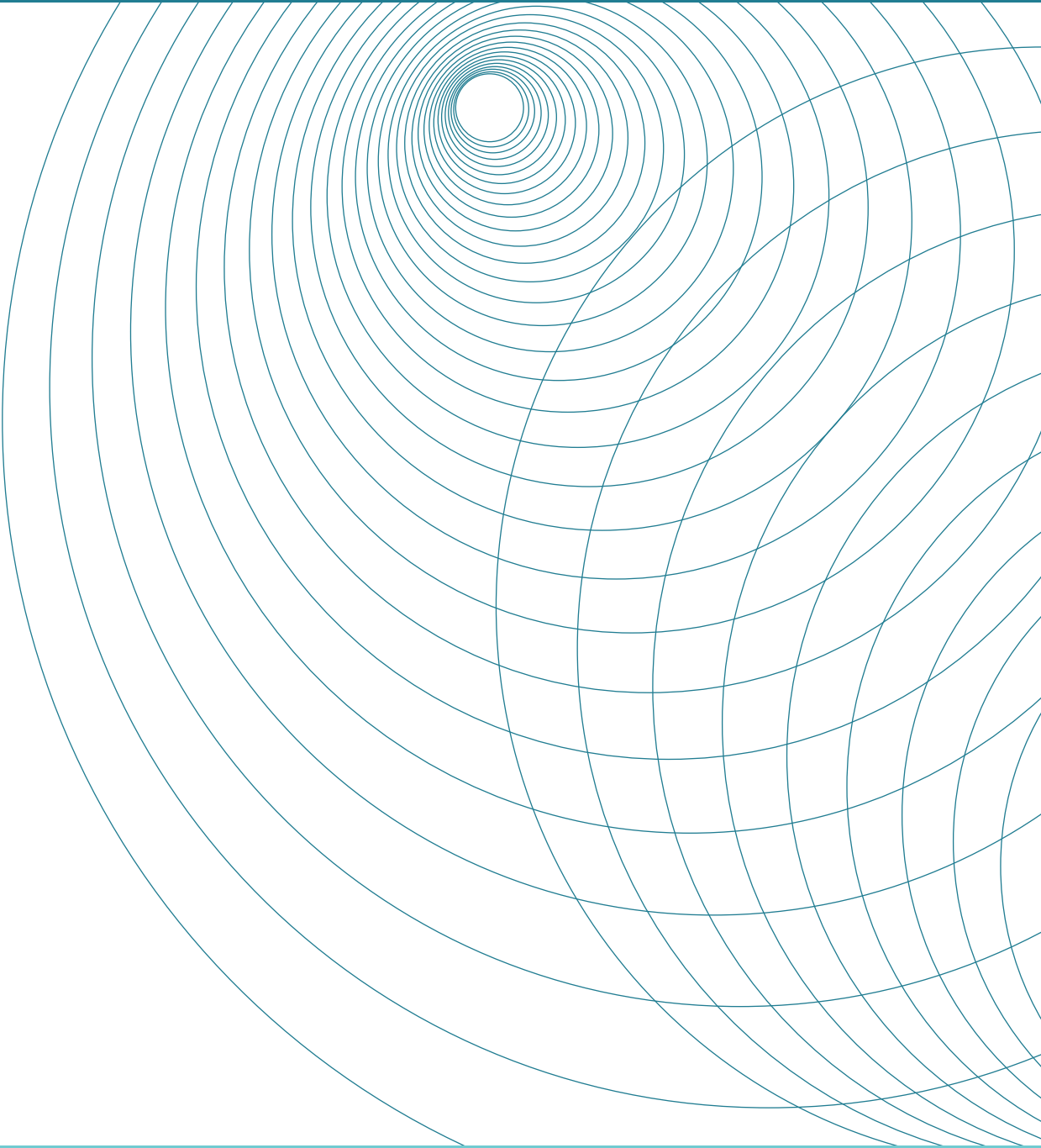

SEMI-ANNUAL REPORT

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

Financial period ending 31 December 2024



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Singapore 018961
Company Registration No. 198202562H

DIRECTORS OF THE 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 Short Term Bond Fund (S\$) - SGD Class ¹	0.48	2.34	4.33	2.53	2.09	2.15	2.26
Benchmark ²	0.84	1.76	3.68	3.23	2.19	1.73	1.42

Source: Nikko Asset Management Asia Limited, returns as at 31 December 2024³. Returns are calculated on a NAV-NAV basis, SGD, and based on the assumption that all dividends and distributions are reinvested, if any. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Short Term Bond Fund (S\$) - SGD Class ¹	-0.53	1.32	3.29	2.18	1.89	2.04	2.22
Benchmark ²	0.84	1.76	3.68	3.23	2.19	1.73	1.42

Source: Nikko Asset Management Asia Limited, returns as at 31 December 2024³. Returns are calculated on a NAV-NAV basis, SGD, and based on the assumption that all dividends and distributions are reinvested, if any, and take into account of maximum initial sales charge and a realisation charge, currently nil, as and where applicable. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Inception date: 29 September 2000

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Short Term Bond Fund (S\$) - AUD Hedged Class ¹	0.76	2.80	4.82	2.32	1.85	2.29	2.92
Benchmark ²	0.84	1.76	3.68	3.23	2.19	1.73	1.40

Source: Nikko Asset Management Asia Limited, returns as at 31 December 2024³. Returns are calculated on a NAV-NAV basis, AUD, and based on the assumption that all dividends and distributions are reinvested, if any. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Short Term Bond Fund (S\$) - AUD Hedged Class ¹	-0.25	1.78	3.78	1.98	1.64	2.18	2.85
Benchmark ²	0.84	1.76	3.68	3.23	2.19	1.73	1.40

Source: Nikko Asset Management Asia Limited, returns as at 31 December 2024³. Returns are calculated on a NAV-NAV basis, AUD, and based on the assumption that all dividends and distributions are reinvested, if any, and take into account of maximum initial sales charge and a realisation charge, currently nil, as and where applicable. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Inception date: 23 September 2011

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Short Term Bond Fund (S\$) - USD Hedged Class ¹	0.95	3.35	6.27	3.49	2.61	N/A	2.39
Benchmark ²	0.84	1.76	3.68	3.23	2.19	N/A	1.89

Source: Nikko Asset Management Asia Limited, returns as at 31 December 2024³. Returns are calculated on a NAV-NAV basis, USD, and based on the assumption that all dividends and distributions are reinvested, if any. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Short Term Bond Fund (S\$) - USD Hedged Class ¹	-0.06	2.32	5.21	3.15	2.41	N/A	2.27
Benchmark ²	0.84	1.76	3.68	3.23	2.19	N/A	1.89

Source: Nikko Asset Management Asia Limited, returns as at 31 December 2024³. Returns are calculated on a NAV-NAV basis, USD, and based on the assumption that all dividends and distributions are reinvested, if any, and take into account of maximum initial sales charge and a realisation charge, currently nil, as and where applicable. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Inception date: 15 September 2016

Note:

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

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

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

- (2) With effect from 1 April 2024, the Fund's benchmark is 3-Months SORA. Prior to 1 April 2024, the Fund's benchmark was 3-Months SIBOR. For hedged currency share classes only, the benchmark reflected is in the base currency.

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- (3) Fund and benchmark performance returns are calculated as of the last NAV date of the fund for the reporting period.
- (4) With effect from 1 September 2025, references to “Nikko Asset Management Asia Limited”, “Nikko AM Shenton Short Term Bond Funds - Nikko AM Shenton Short Term Bond Fund (S\$)” and “Nikko Asset Management Co., Ltd.” shall be deemed deleted and replaced with “Amova Asset Management Asia Limited”, “Amova Short Term Bond Funds - Amova Short Term Bond Fund (S\$)” and “Amova Asset Management Co., Ltd.” respectively.

Portfolio Review

The Fund outperforms the benchmark over the past six months

The Nikko AM Shenton Short Term Bond Fund (S\$) (the “Fund”) delivered a gain of 2.34% (in SGD terms, on a NAV-NAV basis) for the six months ending 31 December 2024, outperforming the benchmark which returned 1.76%. 2-year US Treasury (UST) yields fell by 51 basis points (bps), while one to three-year SGD swap rates were lower by about 44 to 76 bps over the same period. The bulk of the Fund’s outperformance was derived from income effect, although contributions from spread compression, carry and duration were also positive.

Changes to Fund characteristics

As of 31 December 2024, the Fund’s weighted average duration* and weighted average yield-to-maturity** were at 1.28 years and 4.65%, respectively. The average credit rating of the Fund is at A-***. The Fund is diversified across 136 bonds, with 90 issuers from 15 countries, with an average weight of 1.06% per issuer. During the month, the level of cash and cash equivalents was at 4.33%.

Market Review

A volatile period for US Treasuries (USTs)

The second half of 2024 saw US Treasury bonds oscillate between strong rallies and sharp sell-offs, reflecting shifts in economic data, US Federal Reserve (Fed) policy signals, and political developments.

UST yields declined significantly in the third quarter. Consecutive lower-than-expected nonfarm payroll numbers, downward revisions to previous months’ data, along with continued declines in inflation figures prompted a broad re-pricing of the US policy rate cycle. Anticipation of a September rate cut from the Fed led to a pronounced decline in yields and a significant weakening of the US dollar (USD). The Fed left interest rates unchanged at its July meeting, though meeting minutes revealed broad support for easing. In September, the Fed delivered its long-anticipated pivot, prompting another broad decline in UST yields, with short-dated bonds significantly outperforming. According to the US central bank, the outsized move was to address growing risks in the labour market. That said, both the Fed’s Summary of Economic Projections (SEP) and remarks from the Fed Chair during the press conference were interpreted as more hawkish, pushing yields at the long-end of the curve to drift somewhat higher.

In the last quarter of 2024, USTs experienced a sharp sell-off due to relatively strong US economic data, hawkish Fed signals, and concerns over the incoming Trump administration. Strong nonfarm payrolls and higher-than-expected core CPI prints pushed yields higher in October, while divided opinions in the September meeting minutes over the size of the rate cut added pressure. In November, Donald Trump’s election victory fuelled a sell-off in Treasuries as markets anticipated stronger growth, higher inflation and larger budget deficits under a Republican- controlled government. The Fed’s 25-bp rate cut was overshadowed by cautious remarks by Fed Chair Powell, tempering expectations for additional easing. A brief rally followed Trump’s nomination of a fiscally conservative Treasury

secretary, signaling potential fiscal restraint. Yields climbed further in December after bearish European market moves and a poorly digested long-end bond auction. Despite another 25-bp Fed rate cut, hawkish guidance projecting fewer cuts in 2025 weighed on sentiment. Overall, the benchmark 2-year and 10-year UST yields settled at 4.24% and 4.57% respectively at the end of the period, down 51 bps and up 17 bps compared to end-June 2024.

Asian credits registered gains over the period in review

For the six-month period, Asian credits returned +2.83% in total return, as credit spreads tightened about 44 bps. Asian investment-grade credits gained 2.59%, with credit spreads narrowing by about 28 bps.

At the start of the period, Asian credits spreads were range-bound despite fairly busy primary market activity. Spreads widened in early August on fears of a US recession but narrowed subsequently as these concerns eased. In early September, spreads widened again as UST yields fell and weak Chinese activity data raised concerns that the country might miss its official gross domestic product (GDP) growth target of “around 5%”. The Fed’s larger-than-expected 50-bp rate cut on 18 September subsequently spurred a rally in risk assets and led to tightening spreads in late September, Chinese policymakers unveiled aggressive stimulus packages aimed at revitalising the slowing economy and bolstering the struggling stock and property markets. These measures included substantial cuts to banks’ reserve requirement ratio, interest rates, and existing home mortgage rates, alongside a Politburo pledge to implement “necessary fiscal spending” to meet the annual growth target. In their most decisive statement yet, top officials vowed to take strong action to halt the decline in the real estate market. This comprehensive policy push sparked a significant rally in Chinese credits and sectors closely tied to the Chinese economy. In particular, these measures sparked a significant rally in Chinese property credits and other sectors closely linked to the Chinese economy.

The fourth quarter began with Asian credit spreads tightening steadily as investors took on more risk, attracted by higher all-in yields that had risen alongside UST yields. Chinese credits benefited from stimulus measures announced in September, although underwhelming policy announcements later reversed some gains. Sentiment stabilised after September activity data—including a rebound in home sales within major Chinese cities—hinted at some economic stabilisation. Donald Trump’s election victory in November led to strong performance of risk assets and a sell-off in USTs. The latter attracted yield-seeking investors who had remained on the sidelines leading up to the election. In China, policymakers at the twelfth session of the legislative body unveiled a RMB 10 trillion package to tackle local government debt and announced plans for further fiscal stimulus in the coming year. However, the absence of additional stimulus measures to boost consumption and support the real estate sector disappointed investors, putting some pressure on Chinese property credits in particular. Subsequently, attention shifted to Indian corporates following news of a US indictment involving several individuals linked to various Adani companies.

In December, Chinese credits benefited from improved sentiment following the Politburo meeting and Central Economic Work Conference (CEWC). The CEWC pledged a fiscal deficit increase for the coming year, consumption support, and property market stabilisation. Meanwhile, South Korea faced political turmoil as President Yoon’s impeachment following a brief imposition of martial law created significant political uncertainty heading into 2025. This triggered volatility in the Korean won (KRW) and domestic equities, although offshore Korean US dollar (USD) credits proved more resilient.

During the period, Fitch Ratings reaffirmed Thailand’s ‘BBB+’ and India’s ‘BBB-’ credit rating, both with a “stable” outlook. Meanwhile, S&P Global Ratings upgraded the Philippines’ credit outlook to “positive”.

Market Outlook & Strategy

Asian credit yields remain attractive; spreads likely to be rangebound, returns to be driven by carry

We expect Asian credit fundamentals to stay resilient in 2025. China is expected to maintain efforts to rebalance its economy, while adopting more accommodative policies to mitigate the effects of a challenging external environment from US tariff risks and to stabilise overall growth. Asia ex-China macroeconomic fundamentals may moderate slightly from the robust levels seen in 2024 as export growth comes under pressure, but they are expected to remain resilient overall. Asian central banks have ample room to ease monetary policy to support domestic demand.

Against a benign macroeconomic backdrop, we expect Asian corporate and bank credit fundamentals to also stay resilient, aside from a few sectors and specific credits which may be affected by tariff threats or US policy changes. Overall revenue growth could moderate but stay at healthy levels, with profit margins holding steady due to lower input costs. Most Asian corporates and banks will enter 2025 with strong balance sheets and adequate rating buffers. As the weakest credits in the Asia high-yield space have been removed, we expect a much lower default rate in 2025, along with a smaller percentage of fallen angel credits in the Asia investment grade space.

We expect to see higher gross supply in the Asian credit space in 2025 relative to the past two years, as the decline in US yields reduces the funding cost gap between offshore and onshore debt. Many regular issuers may also wish to refinance in the USD market to maintain a longer-term presence. However, net supply will likely be subdued given still elevated redemptions. At the same time, we expect demand from regional investors to stay firm given the still high all-in yield.

While credit spreads are historically tight, the combination of supportive macroeconomic and corporate credit fundamentals, along with robust technicals, are expected to keep spreads rangebound for the most part in 2025. We remain cautiously optimistic and prefer the cross-over 'BBB'- and 'BB'-rated credit space trading in the low-to-mid 200 bps spread. We anticipate carry to be the main driver of Asia credit returns in 2025.

NOTE:

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

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

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

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

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

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

For Hong Kong Investors

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

Nikko Asset Management Asia Limited. Registration Number 198202562H

NIKKO AM SHENTON SHORT TERM BOND FUND (S\$)*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF TOTAL RETURN***For the financial period from 01 July 2024 to 31 December 2024 (unaudited)*

	31 December 2024 S\$	31 December 2023 S\$
Income		
Interest on cash and cash equivalents	315,625	512,615
Other Income	214	39
	315,839	512,654
Less: Expenses		
Management fee	676,227	605,562
Transfer agent fee	72,967	19,027
Trustee fee	35,408	31,309
Custody fee	24,014	25,570
Audit fee	11,005	13,207
Valuation fee	102,443	90,147
Transaction costs	71,523	42,332
Other expenses	82,043	46,096
	1,075,630	873,250
Net losses	(759,791)	(360,596)
Net gains or losses on value of investments and financial derivatives		
Net gains on investments	5,982,171	6,128,642
Net foreign exchange losses	(629,928)	(41,249)
Net gains on financial derivatives	5,228,467	3,783,756
	10,580,710	9,871,149
Total return for the financial period before income tax	9,820,919	9,510,553
Less: Income tax	(76)	(95)
Total return for the financial period after income tax	9,820,843	9,510,458

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2024 (unaudited)

	31 December 2024 S\$	30 June 2024 S\$
ASSETS		
Portfolio of investments	531,704,762	388,800,060
Receivables	4,670,019	2,515,656
Cash and cash equivalents	24,255,750	16,659,750
Margin and collateral accounts	157	233,568
Financial derivatives at fair value	2,175,775	243,415
Total assets	562,806,463	408,452,449
LIABILITIES		
Payables	1,219,048	1,748,364
Purchases awaiting settlement	2,760,721	-
Financial derivatives at fair value	2,872,461	22,037
Total liabilities	6,852,230	1,770,401
EQUITY		
Net assets attributable to unitholders	555,954,233	406,682,048

NIKKO AM SHENTON SHORT TERM BOND FUND (S\$)*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS***For the financial period from 01 July 2024 to 31 December 2024 (unaudited)*

	31 December 2024 S\$	30 June 2024 S\$
Net assets attributable to unitholders at the beginning of the financial period/year	406,682,048	402,665,853
Operations		
Change in net assets attributable to unitholders resulting from operations	9,820,843	17,980,220
Unitholders' contributions/(withdrawals)		
Creation of units	306,571,997	512,906,828
Cancellation of units	(167,120,655)	(526,870,853)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	139,451,342	(13,964,025)
Total increases in net assets attributable to unitholders	149,272,185	4,016,195
Net assets attributable to unitholders at the end of the financial period/year	555,954,233	406,682,048

NIKKO AM SHENTON SHORT TERM BOND FUND (S\$)*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2024 (unaudited)***By Geography (Primary)**

	Holdings at 31 December 2024	Fair value at 31 December 2024 S\$	Percentage of total net assets attributable to unitholders at 31 December 2024 %
Quoted Fixed Income Securities			
AUSTRALIA			
AGI Finance PTY Limited 1.8152% due 23/11/2028	6,000,000	4,502,420	0.81
AGI Finance PTY Limited 2.119% due 24/06/2027	9,150,000	7,239,754	1.30
AGI Finance PTY Limited 5.4249% due 08/01/2026	4,200,000	3,544,622	0.64
AusNet Services Holdings PTY Limited 4.4% due 16/08/2027	5,470,000	4,570,569	0.82
Australia & New Zealand Banking Group Limited 2.95% due 22/07/2030	6,002,000	8,077,262	1.45
Australia & New Zealand Banking Group Limited 3.75% due 15/11/2034	3,000,000	2,999,058	0.54
Australia & New Zealand Banking Group Limited 4.5% due 02/12/2032	1,500,000	1,537,462	0.28
Australia & New Zealand Banking Group Limited 5.845% due 16/05/2033	3,900,000	3,366,213	0.61
Australia & New Zealand Banking Group Limited 6.3432% due 16/01/2034	3,000,000	2,587,659	0.47
Australian Gas Networks Limited 4.8541% due 01/07/2026	5,500,000	4,613,174	0.83
Commonwealth Bank of Australia 5.74% due 20/08/2031	4,000,000	3,401,998	0.61
Commonwealth Bank of Australia 6.4336% due 25/10/2033	3,000,000	2,599,492	0.47
Commonwealth Bank of Australia 7.1131% due 09/11/2032	5,910,000	5,203,966	0.94
DBNGP Finance Company PTY Limited 4.225% due 28/05/2025	4,170,000	3,502,834	0.63
ElectraNet PTY Limited 2.4737% due 15/12/2028	5,720,000	4,324,509	0.78
GPT Wholesale Office Fund No1 2.525% due 12/01/2026	8,770,000	7,227,207	1.30
GPT Wholesale Office Fund No1 4.52% due 22/02/2027	4,530,000	3,780,178	0.68
GTA Finance Company PTY Limited 5.4% due 04/12/2029	5,000,000	4,240,504	0.76
Lendlease Finance Limited 3.4% due 27/10/2027	2,000,000	1,590,011	0.29
Macquarie Bank Limited 5.953% due 01/03/2034	3,000,000	2,584,124	0.46
Macquarie Bank Limited 6.082% due 07/06/2032	4,500,000	3,882,495	0.70
National Australia Bank Limited 3.225% due 18/11/2031	3,150,000	2,577,409	0.46
National Australia Bank Limited 5% due 19/01/2032	3,240,000	2,733,903	0.49
National Australia Bank Limited 6.3631% due 09/02/2034	3,500,000	3,013,436	0.54
National Australia Bank Limited 6.4463% due 18/11/2031	3,000,000	2,586,810	0.47
NBN Company Limited 1% due 03/12/2025	5,000,000	4,088,592	0.74
Optus Finance PTY Limited 1.6% due 01/07/2025	3,500,000	2,909,288	0.52
Optus Finance PTY Limited 2.6% due 24/11/2028	5,000,000	3,870,353	0.70
Scentre Group Trust 1 5.535% due 27/11/2029	10,000,000	8,460,905	1.52
Vicinity Centres Trust 5.8521% due 27/06/2025	5,930,000	5,015,013	0.90
Volkswagen Financial Services Australia PTY Limited 4.95% due 13/04/2026	4,010,000	3,378,902	0.61
Westpac Banking Corporation 2.894% due 04/02/2030	3,000,000	4,083,951	0.73
Westpac Banking Corporation 6.0946% due 10/07/2034	9,000,000	7,668,446	1.38
Westpac Banking Corporation 6.3% due 03/04/2034	2,800,000	2,407,497	0.43
Westpac Banking Corporation 6.7513% due 23/06/2033	2,900,000	2,530,197	0.45
Total AUSTRALIA		140,700,213	25.31

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

STATEMENT OF PORTFOLIO
As at 31 December 2024 (unaudited)

By Geography (Primary) (continued)

	Holdings at 31 December 2024	Fair value at 31 December 2024 S\$	Percentage of total net assets attributable to unitholders at 31 December 2024 %
Quoted Fixed Income Securities (continued)			
BRITAIN			
HSBC Holdings Public Listed Company 4.5% due 07/06/2029	1,750,000	1,816,330	0.33
HSBC Holdings Public Listed Company 5.3% due 14/03/2033	1,500,000	1,561,709	0.28
HSBC Holdings Public Listed Company 5.25% due 27/06/2032	2,250,000	2,328,869	0.42
HSBC Holdings Public Listed Company 4.75% due 12/09/2034	1,500,000	1,552,138	0.28
HSBC Holdings Public Listed Company 5.3% due 26/03/2034	3,000,000	3,157,805	0.56
HSBC Holdings Public Listed Company 6.7513% due 21/03/2034	5,000,000	4,311,223	0.78
Lloyds Banking Group Public Listed Company 5.25% due 22/08/2033	5,000,000	5,229,729	0.94
Lloyds Banking Group Public Listed Company 7.086% due 31/08/2033	3,000,000	2,652,643	0.48
Total BRITAIN		22,610,446	4.07
BRITISH VIRGIN ISLANDS			
Beijing Gas Singapore Capital Corporation 1.875% due 18/01/2025	6,000,000	8,166,080	1.47
Celestial Dynasty Limited 6.375% due 22/08/2028	3,170,000	4,212,245	0.76
Guangzhou Metro Investment Finance BVI Limited 1.507% due 17/09/2025	2,000,000	2,656,708	0.48
Link CB Limited 4.5% due 12/12/2027	32,000,000	5,658,066	1.02
Nan Fung Treasury Limited 3.875% due 03/10/2027	2,380,000	3,085,030	0.55
Nan Fung Treasury Limited 5% due 05/09/2028	600,000	792,891	0.15
Sinochem Offshore Capital Company Limited 1.625% due 29/10/2025	500,000	664,037	0.12
Sinochem Offshore Capital Company Limited 2.25% due 24/11/2026	790,000	1,024,865	0.18
Vigorous Champion International Limited 2.75% due 02/06/2025	2,200,000	2,970,744	0.53
Yunda Holding Investment Limited 2.25% due 19/08/2025	2,925,000	3,901,037	0.70
Total BRITISH VIRGIN ISLANDS		33,131,703	5.96
CANADA			
Manulife Financial Corporation 4.275% due 19/06/2034	3,000,000	3,120,564	0.56
Total CANADA		3,120,564	0.56

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

STATEMENT OF PORTFOLIO
As at 31 December 2024 (unaudited)

By Geography (Primary) (continued)

	Holdings at 31 December 2024	Fair value at 31 December 2024 S\$	Percentage of total net assets attributable to unitholders at 31 December 2024 %
Quoted Fixed Income Securities (continued)			
CAYMAN ISLANDS			
AAC Technologies Holdings Incorporation 2.625% due 02/06/2026	3,878,000	5,078,825	0.91
Meituan 0% due 27/04/2027	5,300,000	7,132,752	1.28
PCGI Intermediate Holdings Limited 4.5% due 23/08/2026	6,000,000	7,728,018	1.39
QIB Sukuk Limited 6.13427% due 07/02/2025	4,000,000	5,489,918	0.99
Sands China Limited 5.125% due 08/08/2025	2,000,000	2,718,829	0.49
Sands China Limited 5.4% due 08/08/2028	3,500,000	4,724,499	0.85
Zhongsheng Group Holdings Limited 0% due 21/05/2025	30,000,000	6,058,956	1.09
Total CAYMAN ISLANDS		38,931,797	7.00
CHINA			
Sunshine Life Insurance Corporation Limited 4.5% due 20/04/2026	7,500,000	10,068,578	1.81
ZhongAn Online P&C Insurance Company Limited 3.125% due 16/07/2025	5,650,000	7,582,586	1.36
ZhongAn Online P&C Insurance Company Limited 3.5% due 08/03/2026	2,500,000	3,314,626	0.60
Total CHINA		20,965,790	3.77
FRANCE			
BNP Paribas SA 3.125% due 22/02/2032	2,500,000	2,452,956	0.44
BNP Paribas SA 4.75% due 15/02/2034	3,000,000	3,077,013	0.55
BNP Paribas SA 5.7894% due 15/02/2029	3,500,000	2,984,923	0.54
BNP Paribas SA 6.5651% due 23/08/2034	2,000,000	1,707,655	0.31
BPCE SA 5% due 08/03/2034	2,250,000	2,319,792	0.42
Total FRANCE		12,542,339	2.26
GERMANY			
Commerzbank AG 5.7% due 03/05/2033	5,250,000	5,496,194	0.99
Commerzbank AG 6.5% due 24/04/2034	1,750,000	1,904,581	0.34
Total GERMANY		7,400,775	1.33
HONG KONG SAR			
Bank of East Asia Limited 4% due 29/05/2030	2,000,000	2,703,173	0.49
Bank of East Asia Limited 4.875% due 22/04/2032	5,000,000	6,614,369	1.19
Beijing State-Owned Assets Management Hong Kong Company Limited 4.125% due 26/05/2025	3,700,000	5,021,540	0.90
BoCom Leasing Management Hong Kong Company Limited 5.80372% due 02/03/2025	7,700,000	10,522,976	1.89
CNAC HK Finbridge Company Limited 2% due 22/09/2025	3,100,000	4,136,569	0.74
Dah Sing Bank Limited 3% due 02/11/2031	2,400,000	3,113,636	0.56
Dah Sing Bank Limited 7.375% due 15/11/2033	1,000,000	1,426,723	0.26
Eastern Air Overseas Hong Kong Company Limited 2% due 15/07/2026	1,000,000	978,918	0.18
Far East Horizon Limited 3.375% due 18/02/2025	3,000,000	4,080,605	0.73
Far East Horizon Limited 4.25% due 26/10/2026	5,525,000	7,320,275	1.32
Far East Horizon Limited 6.625% due 16/04/2027	3,490,000	4,805,713	0.86
Nanyang Commercial Bank Limited 6% due 06/08/2034	1,050,000	1,437,226	0.26
Total HONG KONG SAR		52,161,723	9.38

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

STATEMENT OF PORTFOLIO
As at 31 December 2024 (unaudited)

By Geography (Primary) (continued)

	Holdings at 31 December 2024	Fair value at 31 December 2024 S\$	Percentage of total net assets attributable to unitholders at 31 December 2024 %
Quoted Fixed Income Securities (continued)			
INDONESIA			
Indonesia Asahan Aluminium PT / Mineral Industri Indonesia Persero PT 6.53% due 15/11/2028	2,000,000	2,834,166	0.51
Total INDONESIA		2,834,166	0.51
ISLE OF MAN			
GOHL Capital Limited 4.25% due 24/01/2027	5,000,000	6,639,928	1.19
Total ISLE OF MAN		6,639,928	1.19
JAPAN			
Mitsubishi UFJ Financial Group Incorporation 5.719% due 20/02/2026	1,890,000	2,580,234	0.46
Nomura Holdings Incorporation 5.099% due 03/07/2025	530,000	723,540	0.13
Sumitomo Mitsui Finance & Leasing Company Limited 5.353% due 25/04/2028	900,000	1,232,752	0.22
Total JAPAN		4,536,526	0.81
MALAYSIA			
MISC Capital Two Labuan Limited 3.625% due 06/04/2025	2,000,000	2,714,619	0.49
Total MALAYSIA		2,714,619	0.49
SINGAPORE			
Ascott REIT MTN Private Limited 4.2% due 06/09/2028	4,250,000	4,394,165	0.79
BOC Aviation Limited 3.25% due 29/04/2025	1,500,000	2,039,873	0.37
BOC Aviation Limited 3.93% due 11/05/2025	1,250,000	1,253,281	0.23
BOC Aviation Limited 4.5% due 23/05/2028	1,040,000	1,394,477	0.25
CapitalLand Ascendas REIT 3.14% due 02/03/2025	1,750,000	1,747,133	0.31
CapitalLand China Trust 2.4% due 29/06/2028	2,000,000	1,932,471	0.35
CapitalLand Treasury Limited 3.15% due 29/08/2029	2,000,000	1,992,500	0.36
City Developments Limited 2.7% due 23/01/2025	1,000,000	999,625	0.18
CLI Treasury Limited 3.33% due 12/04/2027	1,000,000	1,005,000	0.18
CMT MTN Private Limited 2.1% due 08/03/2028	250,000	241,250	0.04
CMT MTN Private Limited 3.2% due 21/08/2025	1,750,000	1,750,000	0.31
DBS Group Holdings Limited 1.822% due 10/03/2031	7,000,000	9,181,148	1.65
ESR-REIT 2.6% due 04/08/2026	3,000,000	2,918,852	0.53
Indorama Ventures Investments & Holdings Private Limited 3.73% due 07/10/2025	2,000,000	2,009,250	0.36
Keppel Infrastructure Trust 3% due 01/12/2026	5,250,000	5,223,749	0.94
Keppel Infrastructure Trust 4.11% due 05/05/2027	1,500,000	1,525,303	0.27
Mapletree Treasury Services Limited 2.85% due 29/08/2025	1,000,000	998,000	0.18
Mapletree Treasury Services Limited 3.4% due 03/09/2026	5,750,000	5,782,161	1.04
Monetary Authority of Singapore Bill 0% due 03/01/2025	10,000,000	9,999,100	1.80
Monetary Authority of Singapore Bill 0% due 06/03/2025	4,000,000	3,978,100	0.72
Monetary Authority of Singapore Bill 0% due 10/01/2025	7,000,000	6,994,995	1.26
Monetary Authority of Singapore Bill 0% due 24/01/2025	8,000,000	7,984,200	1.44
Monetary Authority of Singapore Bill 0% due 27/02/2025	6,000,000	5,970,660	1.07
Powerdc Holdco Private Limited 3.625% due 08/11/2029	2,000,000	2,015,800	0.36
Oversea-Chinese Banking Corporation Limited 4.602% due 15/06/2032	2,000,000	2,704,385	0.49

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

STATEMENT OF PORTFOLIO
As at 31 December 2024 (unaudited)

By Geography (Primary) (continued)

	Holdings at 31 December 2024	Fair value at 31 December 2024 S\$	Percentage of total net assets attributable to unitholders at 31 December 2024 %
Quoted Fixed Income Securities (continued)			
SINGAPORE (continued)			
MPACT Treasury Company Private Limited 3.045% due 27/08/2027	2,000,000	1,997,000	0.36
RCS Trust 3.2% due 14/03/2025	4,250,000	4,251,290	0.76
Sembcorp Financial Services Private Limited 4.25% due 30/08/2025	1,000,000	1,007,250	0.18
Singapore Life Holdings Private Limited 3.375% due 24/02/2031	8,000,000	7,960,000	1.43
Singapore Medical Group Limited 3.54% due 20/11/2029	2,750,000	2,775,246	0.50
Singpost Group Treasury Private Limited 3.23% due 29/03/2027	2,000,000	1,989,900	0.36
Starhub Limited 3.55% due 08/06/2026	2,250,000	2,262,375	0.41
Surbana Jurong Private Limited 4.11% due 03/10/2025	5,500,000	5,518,695	0.99
United Overseas Bank Limited 2% due 14/10/2031	7,000,000	9,054,425	1.63
Total SINGAPORE		122,851,659	22.10
SOUTH KOREA			
Busan Bank Company Limited 3.625% due 25/07/2026	5,409,000	7,183,056	1.29
Hyundai Capital Services Incorporation 2.125% due 24/04/2025	3,500,000	4,731,842	0.85
Hyundai Capital Services Incorporation 4.25% due 12/07/2025	2,500,000	2,514,125	0.45
KB Capital Company Limited 1.5% due 28/10/2025	400,000	529,317	0.10
KODIT Global 2024-2 Company Limited 5.709262% due 29/10/2027	3,500,000	4,783,028	0.86
Korea Ocean Business Corporation 5.54359% due 24/07/2029	7,500,000	10,263,158	1.85
LOTTE Property & Development Company Limited 4.5% due 01/08/2025	4,306,000	5,847,806	1.05
Shinhan Bank Company Limited 5.3879% due 26/11/2029	2,070,000	1,751,128	0.31
Shinhan Bank Company Limited 5.93882% due 26/10/2028	2,000,000	2,763,253	0.50
Shinhan Card Company Limited 5.05% due 22/10/2027	7,020,000	5,932,707	1.07
Shinhan Financial Group Company Limited 3.34% due 05/02/2030	4,000,000	5,443,999	0.98
Total SOUTH KOREA		51,743,419	9.31
SWITZERLAND			
UBS AG 5.57% due 24/11/2026	2,060,000	1,769,612	0.32
Total SWITZERLAND		1,769,612	0.32

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

STATEMENT OF PORTFOLIO
As at 31 December 2024 (unaudited)

By Geography (Primary) (continued)

	Holdings at 31 December 2024	Fair value at 31 December 2024 S\$	Percentage of total net assets attributable to unitholders at 31 December 2024 %
Quoted Fixed Income Securities (continued)			
TURKEY			
Hyundai Assan Otomotiv Sanayi ve Ticaret A.S. 1.625% due 12/07/2026	2,000,000	2,587,419	0.47
Total TURKEY		2,587,419	0.47
Accrued interest receivable on quoted fixed income securities		4,462,064	0.80
Total Quoted Fixed Income Securities		531,704,762	95.64
Portfolio of investments		531,704,762	95.64
Other net assets		24,249,471	4.36
Net assets attributable to unitholders		555,954,233	100.00

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

STATEMENT OF PORTFOLIO
As at 31 December 2024 (unaudited)

By Geography (Summary)

	Percentage of total net assets attributable to unitholders at 31 December 2024 %	Percentage of total net assets attributable to unitholders at 30 June 2024 %
Quoted Fixed Income Securities		
Australia	25.31	22.82
Britain	4.07	4.57
British Virgin Islands	5.96	6.08
Canada	0.56	2.99
Cayman Islands	7.00	8.42
China	3.77	2.90
France	2.26	1.76
Germany	1.33	-
Hong Kong SAR	9.38	7.87
India	-	3.07
Indonesia	0.51	-
Isle Of Man	1.19	1.12
Japan	0.81	3.84
Malaysia	0.49	2.58
Philippines	-	0.99
Singapore	22.10	16.40
South Korea	9.31	8.27
Switzerland	0.32	0.46
Turkey	0.47	0.62
Accrued interest receivables on quoted fixed income securities	0.80	0.84
Total Quoted Fixed Income Securities	95.64	95.60
Portfolio of investments	95.64	95.60
Other net assets	4.36	4.40
Net assets attributable to unitholders	100.00	100.00

NIKKO AM SHENTON SHORT TERM BOND FUND (S\$)*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2024 (unaudited)***By Industry (Secondary)**

	Fair value at 31 December 2024 S\$	Percentage of total net assets attributable to unitholders at 31 December 2024 %	Percentage of total net assets attributable to unitholders at 30 June 2024 %
Auto Manufacturers	13,212,288	2.38	3.93
Banks	209,321,306	37.65	33.21
Chemicals	12,894,871	2.32	2.59
Commercial Services	-	-	2.88
Diversified Financial Services	51,077,592	9.19	4.92
Electric	9,902,328	1.78	2.66
Electronics	5,078,825	0.92	0.62
Engineering and Construction	9,730,940	1.75	0.86
Gas	31,568,884	5.68	5.33
Healthcare-Services	2,775,246	0.50	-
Insurance	42,745,116	7.69	9.85
Internet	7,132,752	1.28	2.39
Investment Companies	5,021,540	0.90	0.99
Leisure Time	-	-	0.67
Lodging	14,083,256	2.53	1.12
Mining	2,834,166	0.51	-
Oil and Gas	-	-	2.12
Private Equity	1,005,000	0.18	-
Real Estate	15,996,765	2.88	4.49
Real Estate Investment Trusts (REITS)	60,394,195	10.86	8.31
Retail	6,058,956	1.09	1.43
Telecommunications	15,146,408	2.72	4.17
Transportation	11,262,264	2.03	2.22
Accrued interest receivables on quoted fixed income securities	4,462,064	0.80	0.84
Portfolio of investments	531,704,762	95.64	95.60
Other net assets	24,249,471	4.36	4.40
Net assets attributable to unitholders	555,954,233	100.00	100.00

NIKKO AM SHENTON SHORT TERM BOND FUND (S\$)*(Constituted under a Trust Deed registered in the Republic of Singapore)***REPORT TO UNITHOLDERS***For the financial period from 01 July 2024 to 31 December 2024 (unaudited)*

The following contains additional information relating to the Fund.

1. Distribution of investments

Please refer to the Statement of Portfolio on pages 11 to 18.

2. Credit rating of debt securities

	Fair value at 31 December 2024 S\$	Percentage of total net assets attributable to unitholders at 31 December 2024 %
Aaa*	34,927,055	6.28
Aa2	16,815,798	3.02
Aa3	14,450,779	2.60
A1	11,157,249	2.01
A2	57,212,105	10.29
A3	110,633,502	19.90
Baa1	38,069,583	6.85
Baa2	94,617,645	17.02
Baa3	18,763,539	3.38
Not rated ^	130,595,443	23.49
Accrued interest receivables on quoted fixed income securities	4,462,064	0.80
Total	531,704,762	95.64

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

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

3. Top 10 holdings**10 Largest holdings at 31 December 2024**

	Fair value S\$	Percentage of total net assets attributable to unitholders %
BoCom Leasing Management Hong Kong Company Limited 5.80372% due 02/03/2025	10,522,976	1.89
Korea Ocean Business Corporation 5.54359% due 24/07/2029	10,263,158	1.85
Sunshine Life Insurance Corporation Limited 4.5% due 20/04/2026	10,068,578	1.81
Monetary Authority of Singapore Bill 0% due 03/01/2025	9,999,100	1.80
DBS Group Holdings Limited 1.822% due 10/03/2031	9,181,148	1.65
United Overseas Bank Limited 2% due 14/10/2031	9,054,425	1.63
Scentre Group Trust 1 5.535% due 27/11/2029	8,460,905	1.52
Beijing Gas Singapore Capital Corporation 1.875% due 18/01/2025	8,166,080	1.47
Australia & New Zealand Banking Group Limited 2.95% due 22/07/2030	8,077,262	1.45
Monetary Authority of Singapore Bill 0% due 24/01/2025	7,984,200	1.44

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

REPORT TO UNITHOLDERS

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

3. Top 10 holdings (continued)

10 Largest holdings at 31 December 2023	Fair value S\$	Percentage of total net assets attributable to unitholders %
Oversea-Chinese Banking Corporation Limited 4.25% due 19/06/2024	12,457,264	3.08
RHB Bank Berhad 3.766% due 19/02/2024	10,460,101	2.58
Manulife Financial Corporation 3% due 21/11/2029	9,070,922	2.24
DBS Group Holdings Limited 1.822% due 10/03/2031	8,565,129	2.12
United Overseas Bank Limited 2% due 14/10/2031	8,418,311	2.08
Harvest Operations Corporation 1% due 26/04/2024	6,761,401	1.67
Busan Bank Company Limited 3.625% due 25/07/2026	6,709,120	1.66
Bank of China Limited 5% due 13/11/2024	6,566,116	1.62
Weibo Corporation 3.5% due 05/07/2024	6,517,836	1.61
Australia & New Zealand Banking Group Limited 6.3326% due 26/07/2029	5,878,905	1.45

4. Exposure to financial derivatives

	Fair value at 31 December 2024 S\$	Percentage of total net assets attributable to unitholders at 31 December 2024 %	Unrealised gains/(losses) S\$	Realised gains/(losses) S\$
Forward foreign exchange contracts	(696,686)	(0.13)	(696,686)	5,841,151
Futures contracts	-	-	-	84,002

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

REPORT TO UNITHOLDERS

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

5. Global exposure to financial derivatives

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

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

6. Margin and collateral accounts

	31 December 2024 S\$	30 June 2024 S\$
Margin accounts	157	233,568

Margin account represents margin deposits held in respect of open exchange traded futures contracts held with BNP Paribas, acting through its Singapore Branch. As of 31 December 2024 and 30 June 2024, there was no open exchange traded futures.

7. Securities lending or repurchase transactions

Nil.

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

Nil.

9. Borrowings

Nil.

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

	S\$
Units created	306,571,997
Units cancelled	(167,120,655)

NIKKO AM SHENTON SHORT TERM BOND FUND (S\$)*(Constituted under a Trust Deed registered in the Republic of Singapore)***REPORT TO UNITHOLDERS***For the financial period from 01 July 2024 to 31 December 2024 (unaudited)***11. Turnover ratio**

		31 December 2024	31 December 2023
Lower of total value of purchases or sales	S\$	147,120,618	44,074,688
Average daily net asset value	S\$	483,519,643	397,232,243
Total turnover ratio¹	%	30.43	11.10

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

		31 December 2024	31 December 2023
<u>SGD Class</u>			
Total operating expenses	S\$	1,731,937	1,526,732
Average daily net asset value	S\$	396,797,541	367,295,064
Total expense ratio²	%	0.44	0.42

		31 December 2024	31 December 2023
<u>AUD Hedged Class</u>			
Total operating expenses	S\$	30,553	30,472
Average daily net asset value	S\$	4,669,557	4,821,581
Total expense ratio²	%	0.65	0.63

		31 December 2024	31 December 2023
<u>USD Hedged Class</u>			
Total operating expenses	S\$	73,546	90,573
Average daily net asset value	S\$	17,008,980	21,566,529
Total expense ratio²	%	0.43	0.42

		31 December 2024	31 December 2024
<u>SGD Class B</u>			
Total operating expenses	S\$	24,672	-
Average daily net asset value	S\$	47,064,358	-
Total expense ratio² (annualised)	%	0.34	-

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 SHORT TERM BOND FUND (S\$)

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

REPORT TO UNITHOLDERS

For the financial period from 01 July 2024 to 31 December 2024 (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, transfer agent fee and valuation fee are payable to a related company of the Trustee, BNP Paribas, acting through its Singapore Branch.

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

	31 December 2024 S\$	30 June 2024 S\$
Bank balances held with related party of the Trustee	24,255,750	16,659,750
Margin balances held with related party of the Trustee	157	233,568

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

Nil.

15. Soft dollar commissions/arrangements

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

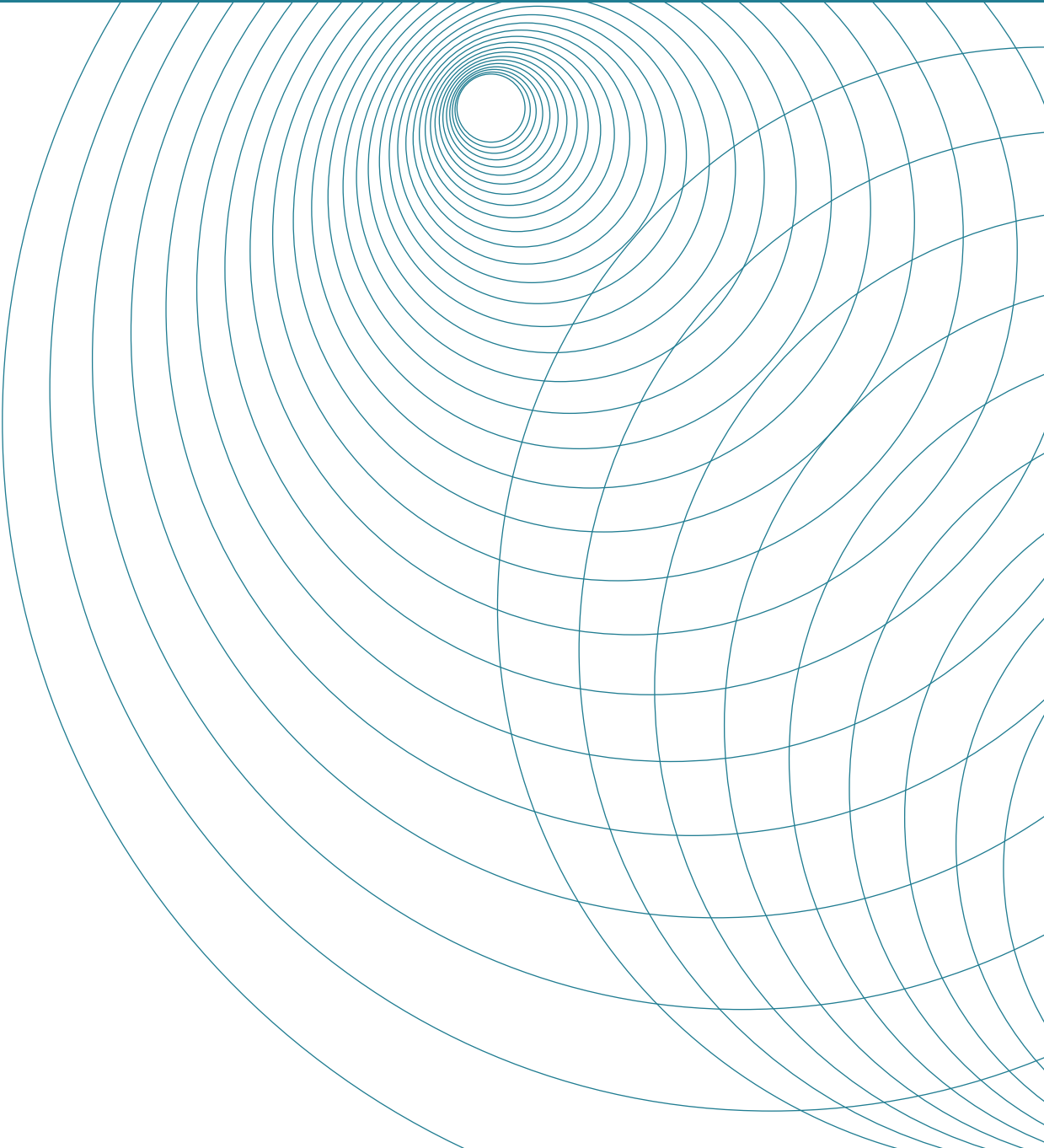
16. Subsequent events

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

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ANNUAL REPORT
Nikko AM Shenton Short Term Bond Fund (S\$)
Financial year ended 30 June 2024



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MANAGERS

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

DIRECTORS OF THE MANAGERS

Seet Oon Hui Eleanor
Yutaka Nishida
Hiroshi Yoh
Allen Yan

TRUSTEE & REGISTRAR

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

AUDITORS

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

CUSTODIAN

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

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

PERFORMANCE SUMMARY

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Short Term Bond Fund (S\$) - SGD Class ¹	0.95	1.95	4.51	1.67	1.90	1.97	2.21
Benchmark ²	0.91	1.88	3.95	2.71	2.02	1.57	1.37

Source: Nikko Asset Management Asia Limited, returns as at 30 June 2024³. Returns are calculated on a NAV-NAV basis, SGD, and based on the assumption that all dividends and distributions are reinvested, if any. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Short Term Bond Fund (S\$) - SGD Class ¹	-0.06	0.93	3.46	1.33	1.70	1.87	2.17
Benchmark ²	0.91	1.88	3.95	2.71	2.02	1.57	1.37

Source: Nikko Asset Management Asia Limited, returns as at 30 June 2024³. Returns are calculated on a NAV-NAV basis, SGD, and based on the assumption that all dividends and distributions are reinvested, if any, and take into account of maximum initial sales charge and a realisation charge, currently nil, as and where applicable. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Inception date: 29 September 2000

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Short Term Bond Fund (S\$) - AUD Hedged Class ¹	0.93	1.97	4.51	1.22	1.47	2.22	2.82
Benchmark ²	0.91	1.88	3.95	2.71	2.02	1.57	1.32

Source: Nikko Asset Management Asia Limited, returns as at 30 June 2024³. Returns are calculated on a NAV-NAV basis, AUD, and based on the assumption that all dividends and distributions are reinvested, if any. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Short Term Bond Fund (S\$) - AUD Hedged Class ¹	-0.08	0.95	3.46	0.88	1.26	2.12	2.74
Benchmark ²	0.91	1.88	3.95	2.71	2.02	1.57	1.32

Source: Nikko Asset Management Asia Limited, returns as at 30 June 2024³. Returns are calculated on a NAV-NAV basis, AUD, and based on the assumption that all dividends and distributions are reinvested, if any, and take into account of maximum initial sales charge and a realisation charge, currently nil, as and where applicable. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Inception date: 23 September 2011

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Short Term Bond Fund (S\$) - USD Hedged Class ¹	1.38	2.83	6.12	2.28	2.24	N/A	2.11
Benchmark ²	0.91	1.88	3.95	2.71	2.02	N/A	1.78

Source: Nikko Asset Management Asia Limited, returns as at 30 June 2024³. Returns are calculated on a NAV-NAV basis, USD, and based on the assumption that all dividends and distributions are reinvested, if any. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Short Term Bond Fund (S\$) - USD Hedged Class ¹	0.37	1.80	5.06	1.93	2.04	N/A	1.98
Benchmark ²	0.91	1.88	3.95	2.71	2.02	N/A	1.78

Source: Nikko Asset Management Asia Limited, returns as at 30 June 2024³. Returns are calculated on a NAV-NAV basis, USD, and based on the assumption that all dividends and distributions are reinvested, if any, and take into account of maximum initial sales charge and a realisation charge, currently nil, as and where applicable. Returns for period in excess of 1 year are annualised. Past performance is not indicative of future performance.

Inception date: 15 September 2016

Note:

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

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

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

- (2) With effective from 1 April 2024, the Fund's benchmark is 3-Months SORA. Prior to 1 April 2024, the Fund's benchmark was 3-Months SIBOR. For hedged currency share classes only, the benchmark reflected is in the base currency.
- (3) Fund and benchmark performance returns are calculated as of the last NAV date of the fund for the reporting period.

Portfolio Review

The Fund outperforms the benchmark over the past 12 months

The Nikko AM Shenton Short Term Bond Fund (S\$) (the "Fund") delivered a gain of 4.51% (in SGD terms, on a NAV-NAV basis) for the 12 months ending 30 June 2024, outperforming the benchmark which returned 3.95%. 2-year US Treasury (UST) yields fell by about 15 basis points (bps), while one- to three-year SGD swap rates were lower by about 43 to 50 bps over the same period. The bulk of the Fund's outperformance was primarily driven by income, carry and spread effects, which were partly offset by slight negative contributions from duration effects .

Changes to Fund characteristics

As of 30 June 2024, the Fund's weighted average duration* and weighted average yield-to-maturity** were at 1.23 years and 5.15% respectively. The average credit rating of the Fund is at A-***. The Fund is diversified across 122 bonds, with 86 issuers from 15 countries, with an average weight of 1.11% per issuer. At the end of June 2024, the level of cash and cash equivalents was at 4.42%

Market Review

A volatile year for USTs

UST yields experienced significant volatility in the first half of the period. Yields surged initially due to concerns that the Fed would maintain elevated borrowing rates for an extended period. Higher UST funding needs and Fitch Ratings' downgrade of the US government's debt rating further sustained the upward pressure on yields. Meanwhile, Russia and Saudi Arabia announced they were extending voluntary oil supply cuts to the year-end, raising oil prices. This added to worries about inflation and economic policy, impacting demand for Treasury bonds. As data pointed to continued resiliency in the US economy, the 10-year point on the UST yield curve touched a 16-year high of 5.02%.

In November, the Fed held steady on rates for a second straight time, while various data points signalled an economic slowdown. These, and the announcement of a smaller-than-expected UST refunding requirement, triggered a rally in risk assets and Treasury bonds. The subsequent shift in tone from traditionally hawkish Fed governors Christopher Waller and Michelle Bowman fuelled another leg down in UST yields. The Fed held benchmark rates unchanged again in December, acknowledging slowing growth and inflation, and suggested that the policy rate might be near its peak. The updated dot plot reflected expectations of 75 bps of rate cuts over 2024, 100 bps over 2025, and an additional 75 bps over 2026. This dovish pivot, alongside growing expectations of a US economic slowdown, prompted UST yields to continue their sharp descent.

However, this downward trend reversed in January 2024, as investors recalibrated their expectations of an early Fed pivot. Central bank statements pushing back rate cuts, stronger-than-expected US economic data, and concerns about Red Sea supply chain disruptions increased yields at the start of 2024. The Fed maintained its key policy rate in February, shifting to a more neutral bias. Global yields eased in early March as major central banks adopted a cautious approach to easing but confirmed plans to implement such measures within the year. Nonetheless, steady US inflation data later raised concerns about an upward adjustment to the Fed's dot plot, prompting another move higher in yields. Despite increased geopolitical tensions between Israel and Iran boosting demand for perceived "safe-haven" assets, hawkish Fed commentary and robust economic data led markets to push back their rate-cut expectations.

Treasury bonds rallied in May after a dovish Federal Open Market Committee (FOMC) meeting where rates were left unchanged. Cooling inflation data and signs of economic slowdown drove yields lower, although optimism about imminent rate cuts diminished as several Fed officials advocated

keeping rates higher for an extended period. In June, UST yields declined across tenors, spurred by signs of moderating inflation and rising continuing claims for jobless benefits, despite the June FOMC dot plot projecting only one rate cut this year.

Asian credits register gains over the year in review

Asian credits faced volatility in the first half of the review period, largely driven by weakness in Chinese property credits amid concerns over repayment abilities. Initial stimulus measures from the Politburo briefly sparked a rally, but spreads widened again due to ineffective policy tools and missed payments on shadow banking-linked trust products. Despite further rate cuts by the Chinese central bank and targeted economic support, sentiment remained weak until late August when bolder property easing measures led to a substantial rally in property credits.

Global risk sentiment improved with expectations of a more dovish path for US monetary policy and easing tensions between the US and China following a summit between Presidents Joe Biden and Xi Jinping. This, along with reports of additional Chinese real estate support measures, contributed to a significant tightening of Asian credit spreads. Measures included a draft list of property developers eligible for financing and adjustments to downpayment ratios in Beijing and Shanghai. While Moody's downgraded the sovereign rating outlooks for China and Hong Kong to negative, it had minimal impact on most Chinese credits.

Asian credit spreads subsequently demonstrated resilience against UST yield volatility, as new supply remained relatively limited while fund inflows strengthened. Early 2024 saw further tightening in spreads, driven by positive global risk sentiment—which in turn was driven by the resilient US economy and encouraging corporate earnings in the US and Europe. Enhanced macroeconomic support from Chinese policymakers further narrowed spreads. Thousands of Chinese residential property projects were added to the "Project Whitelist," with banks encouraged to offer financial support, while the People's Bank of China (PBOC) lowered the five-year loan prime rate. In Hong Kong, the government's unexpected removal of property cooling measures revived demand for HK property-related credits. Taiwan's election, which saw the ruling Democratic Progressive Party secure a third presidential term, had little impact on Taiwan credits, which benefitted from positive sentiment around the semiconductor cycle. Indonesian sovereign spreads initially widened due to a new US dollar multi-tranche bond issue but improved after Prabowo Subianto's election victory, although concerns about fiscal policy resurfaced later.

In May, Asian credit spreads narrowed further. Following the Politburo statement released in end-April pledging to digest housing inventory, China rolled out its most significant measures to date since the property turmoil started in 2021. The State Council called for local governments to purchase unsold completed properties for conversion into affordable housing based on demand and reasonable prices, while the PBOC simultaneously announced a Chinese renminbi (RMB) 300 billion re-lending facility to support the measure. The PBOC also announced the abolishment of mortgage floor rates and further lowered the minimum downpayment ratios for most home buyers. Separately, market response was sanguine to news that the US had imposed new tariffs on Chinese imports and that global ratings agency Fitch had revised its outlook for China's A+ rating from "stable" to "negative". In contrast, another global ratings agency S&P upgraded India's sovereign rating outlook to "positive" from "stable" while maintaining its rating at "BBB-", citing "sound economic fundamentals" underpinning growth momentum over the next two to three years.

Asian credit spreads widened anew towards the end of the period, amid falling UST yields and a pick-up in new issue supply. In India, the results of the parliamentary elections surprised markets, with Prime Minister Narendra Modi's party failing to secure an outright majority. Indian government bonds were included in JP Morgan's Government Bond Index-Emerging Markets (GBI-EM) Index starting 28 June, with an initial 1% weight that will increase by 1% each month until March 2025.

Meanwhile, the Malaysian government reduced diesel subsidies on 10 June as part of its widely-publicised fiscal subsidy rationalisation plan.

For the 12-month period, Asian credits returned +6.92% in total return, as credit spreads tightened about 69 bps.

Market Outlook & Strategy

Healthy technical correction creates better entry opportunities amidst supportive fundamentals

The fundamentals backdrop for Asian credit remains supportive. In China, overall policy stance remains incrementally accommodative, although more easing measures are likely given the still fragile recovery in the real economy and the property market in particular. Meanwhile, macroeconomic and corporate credit fundamentals across Asia ex-China are expected to stay resilient with a recovery in exports growth potentially offsetting softer domestic conditions. While non-financial corporates may experience a slight weakening in credit metrics stemming from lower earnings growth and incrementally higher funding costs, we believe there is adequate ratings buffer for most, especially the investment-grade corporates. Asian banking systems remain robust, with strong capitalisation and pre-provision profitability providing buffers against moderately higher credit costs ahead.

The pick-up in new issue supply amidst falling all-in yields prompted modest profit-taking which drove spreads wider in June and July of 2024. We see such technical correction as healthy and believe that it creates better entry opportunities. Demand for Asia credit remains robust from regional institutional investors looking to lock in attractive all-in yields even as fund flows into emerging market hard currency funds remain subdued. Looking ahead, however, some risks such as local political uncertainties, trade tensions, as well as concerns over the US presidential election outcome in November 2024 may result in modestly higher volatility in Asia credit spreads in the second half of 2024.

NOTE:

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

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

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

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

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

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

For Hong Kong Investors

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

Nikko Asset Management Asia Limited. Registration Number 198202562H

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

REPORT OF THE TRUSTEE

For the financial year ended 30 June 2024

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

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Fund during the financial year covered by these financial statements, set out on pages 13 to 41, 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
27 September 2024

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

STATEMENT BY THE MANAGER
For the financial year ended 30 June 2024

In the opinion of Nikko Asset Management Asia Limited, the accompanying financial statements set out on pages 13 to 41, comprising the Statement of Total Return, Statement of Financial Position, Statement of Movements of Unitholders' Funds, Statement of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position and the portfolio holdings of Nikko AM Shenton Short Term Bond Fund (S\$) (the "Fund") as at 30 June 2024, and the financial performance and movements in unitholders' funds for the financial year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the Fund will be able to meet its financial obligations as and when they materialise.

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

Authorised signatory
27 September 2024

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

Our Opinion

In our opinion, the accompanying financial statements of Nikko AM Shenton Short Term Bond Fund (S\$) (the "Fund"), are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants ("RAP 7"), so as to present fairly, in all material respects, the financial position and portfolio holdings of the Fund as at 30 June 2024, and the financial performance and movements of unitholders' funds for the financial year ended on that date.

What we have audited

The financial statements of the Fund comprise:

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

Basis for Opinion

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

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

Independence

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

Other Information

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

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

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

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

Responsibilities of the Manager for the Financial Statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of RAP 7 and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

STATEMENT OF TOTAL RETURN
For the financial year ended 30 June 2024

	Note	2024 S\$	2023 S\$
Income			
Interest on cash and cash equivalents		863,204	737,564
Other income		77	1,107
		863,281	738,671
Less: Expenses			
Management fee		1,206,785	1,295,881
Transfer agent fee		38,601	70,327
Trustee fee		62,470	66,788
Custody fee		54,187	48,251
Audit fee*		24,804	20,692
Valuation fee		179,889	192,863
Transaction costs		76,546	86,537
Other expenses		122,070	88,806
		1,765,352	1,870,145
Net losses		(902,071)	(1,131,474)
Net gains or losses on value of investments and financial derivatives			
Net gains on investments		25,130,048	3,737,785
Net foreign exchange gains/(losses)		496,649	(3,097,671)
Net (losses)/gains on financial derivatives		(6,744,294)	7,142,641
		18,882,403	7,782,755
Total return for the financial year before income tax		17,980,332	6,651,281
Less: Income tax	3	(112)	1,011
Total return for the financial year after income tax		17,980,220	6,652,292

* There were no non-audit related fees paid to a network firm of the Fund's auditor for the financial year ended 30 June 2024 and 2023.

The accompanying notes form an integral part of these financial statements

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

STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Note	2024 S\$	2023 S\$
ASSETS			
Portfolio of investments		388,800,060	382,028,462
Sales awaiting settlement		-	1,348,897
Receivables	4	2,515,656	7,409,099
Cash and cash equivalents		16,659,750	29,227,723
Margin and collateral accounts	8	233,568	222,125
Financial derivatives at fair value	6	243,415	252,091
Total assets		408,452,449	420,488,397
LIABILITIES			
Payables	5	1,748,364	6,433,714
Purchases awaiting settlement		-	8,313,868
Financial derivatives at fair value	6	22,037	3,074,962
Total liabilities		1,770,401	17,822,544
EQUITY			
Net assets attributable to unitholders	7	406,682,048	402,665,853

The accompanying notes form an integral part of these financial statements

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

STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS
For the financial year ended 30 June 2024

	Note	2024 S\$	2023 S\$
Net assets attributable to unitholders at the beginning of the financial year		402,665,853	501,920,586
Operations			
Change in net assets attributable to unitholders resulting from operations		17,980,220	6,652,292
Unitholders' contributions/(withdrawals)			
Creation of units		512,906,828	574,795,479
Cancellation of units		(526,870,853)	(680,702,504)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		(13,964,025)	(105,907,025)
Total increase/(decrease) in net assets attributable to unitholders		4,016,195	(99,254,733)
Net assets attributable to unitholders at the end of the financial year	7	406,682,048	402,665,853

The accompanying notes form an integral part of these financial statements

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

STATEMENT OF PORTFOLIO

As at 30 June 2024

By Geography (Primary)

	Holdings at 30 June 2024	Fair value at 30 June 2024 S\$	Percentage of total net assets attributable to unitholders at 30 June 2024 %
Quoted Fixed Income Securities			
AUSTRALIA			
AGI Finance PTY Limited 1.8152% due 23/11/2028	4,000,000	3,098,447	0.76
AGI Finance PTY Limited 2.119% due 24/06/2027	5,000,000	4,122,501	1.01
AusNet Services Holdings PTY Limited 4.4% due 16/08/2027	4,580,000	4,028,230	0.99
AusNet Services Holdings PTY Limited 5.375% due 02/07/2024	2,370,000	2,145,080	0.53
Australia & New Zealand Banking Group Limited 6.4122% due 26/07/2029	6,500,000	5,888,164	1.45
Australia & New Zealand Banking Group Limited 2.95% due 22/07/2030	3,000,000	3,939,503	0.97
Australia & New Zealand Banking Group Limited 4.5% due 02/12/2032	1,250,000	1,264,452	0.31
Australian Gas Networks Limited 4.76% due 01/07/2026	5,500,000	4,909,043	1.21
Commonwealth Bank of Australia 5.6625% due 20/08/2031	4,000,000	3,627,055	0.89
Commonwealth Bank of Australia 7.0775% due 09/11/2032	3,300,000	3,106,763	0.76
Commonwealth Bank of Australia 6.4622% due 25/10/2033	3,000,000	2,768,697	0.68
DBNGP Finance Company PTY Limited 4.225% due 28/05/2025	4,000,000	3,573,223	0.88
GPT Wholesale Office Fund No.1 2.525% due 12/01/2026	8,770,000	7,601,711	1.87
GPT Wholesale Office Fund No.1 4.52% due 22/02/2027	2,040,000	1,795,334	0.44
Lendlease Finance Limited 3.4% due 27/10/2027	2,000,000	1,659,305	0.41
National Australia Bank Limited 5% due 19/01/2032	3,240,000	2,880,830	0.71
National Australia Bank Limited 6.3625% due 18/11/2031	3,000,000	2,763,653	0.68
National Australia Bank Limited 6.3275% due 09/02/2034	3,500,000	3,215,938	0.79
NBN Company Limited 1% due 03/12/2025	5,000,000	4,272,712	1.05
Network Finance Company PTY Limited 3.5% due 06/12/2024	3,000,000	2,697,341	0.66
Optus Finance PTY Limited 1.6% due 01/07/2025	2,300,000	2,008,794	0.49
Santos Finance Limited 4.125% due 14/09/2027	1,000,000	1,291,912	0.32
Vicinity Centres Trust 5.8783% due 27/06/2025	4,430,000	4,022,026	0.99
Volkswagen Financial Services Australia Pty Limited 4.95% due 13/04/2026	1,670,000	1,494,950	0.37
Volkswagen Financial Services Australia Pty Limited 5.3% due 09/02/2027	5,000,000	4,481,823	1.10
Volkswagen Financial Services Australia Pty Limited 5.55% due 14/06/2028	1,000,000	900,088	0.22
Westpac Banking Corporation 2.894% due 04/02/2030	3,000,000	3,986,502	0.98
Westpac Banking Corporation 6.2255% due 03/04/2034	2,800,000	2,563,593	0.63
Westpac Banking Corporation 6.6923% due 23/06/2033	2,900,000	2,703,830	0.67
Total AUSTRALIA		92,811,500	22.82

The accompanying notes form an integral part of these financial statements

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

STATEMENT OF PORTFOLIO

As at 30 June 2024

By Geography (Primary) (continued)

	Holdings at 30 June 2024	Fair value at 30 June 2024 S\$	Percentage of total net assets attributable to unitholders at 30 June 2024 %
Quoted Fixed Income Securities (continued)			
BRITAIN			
HSBC Holdings Public Listed Company 5.25% due 27/06/2032	2,250,000	2,293,675	0.56
HSBC Holdings Public Listed Company 4.5% due 07/06/2029	1,750,000	1,778,640	0.44
HSBC Holdings Public Listed Company 5.3% due 14/03/2033	1,500,000	1,538,610	0.38
HSBC Holdings Public Listed Company 6.7056% due 21/03/2034	5,000,000	4,583,705	1.13
Lloyds Banking Group Public Listed Company 5.25% due 22/08/2033	3,000,000	3,066,786	0.75
Standard Chartered Public Listed Company 1.822% due 23/11/2025	4,000,000	5,334,049	1.31
Total BRITAIN		18,595,465	4.57
BRITISH VIRGIN ISLANDS			
Beijing Gas Singapore Capital Corporation 1.875% due 18/01/2025	4,500,000	5,972,624	1.47
Guangzhou Metro Investment Finance BVI Limited 1.507% due 17/09/2025	2,000,000	2,578,720	0.63
King Power Capital Limited 5.625% due 03/11/2024	2,000,000	2,710,189	0.67
Nan Fung Treasury Limited 3.875% due 03/10/2027	2,080,000	2,639,623	0.65
Sinochem Offshore Capital Company Limited 1% due 23/09/2024	2,400,000	3,216,405	0.79
Sinochem Offshore Capital Company Limited 1.5% due 24/11/2024	700,000	933,100	0.23
Vigorous Champion International Limited 2.75% due 02/06/2025	2,200,000	2,895,866	0.71
Yunda Holding Investment Limited 2.25% due 19/08/2025	2,925,000	3,795,659	0.93
Total BRITISH VIRGIN ISLANDS		24,742,186	6.08
CANADA			
Manulife Financial Corporation 3% due 21/11/2029	9,250,000	9,123,114	2.24
Manulife Financial Corporation 4.275% due 19/06/2034	3,000,000	3,018,406	0.75
Total CANADA		12,141,520	2.99
CAYMAN ISLANDS			
AAC Technologies Holdings Incorporation 2.625% due 02/06/2026	2,000,000	2,534,336	0.62
ABQ Finance Limited 3.125% due 24/09/2024	1,000,000	1,346,965	0.33
Baidu Incorporation 4.125% due 30/06/2025	2,000,000	2,673,846	0.65
Hongkong Land Finance Cayman Islands Company Limited 4.5% due 07/10/2025	3,000,000	4,014,245	0.99
Meituan 0% due 27/04/2027	4,400,000	5,676,912	1.40
PCGI Intermediate Limited 4.75% due 28/10/2024	4,000,000	5,370,252	1.32
QIB Sukuk Limited 6.94754% due 07/02/2025	4,000,000	5,476,943	1.35
Weibo Corporation 3.5% due 05/07/2024	1,000,000	1,354,921	0.33
Zhongsheng Group Holdings Limited 0% due 21/05/2025	30,000,000	5,801,251	1.43
Total CAYMAN ISLANDS		34,249,671	8.42

The accompanying notes form an integral part of these financial statements

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

STATEMENT OF PORTFOLIO

As at 30 June 2024

By Geography (Primary) (continued)

	Holdings at 30 June 2024	Fair value at 30 June 2024 S\$	Percentage of total net assets attributable to unitholders at 30 June 2024 %
Quoted Fixed Income Securities (continued)			
CHINA			
Sunshine Life Insurance Corporation Limited 4.5% due 20/04/2026	4,000,000	5,256,713	1.29
ZhongAn Online P&C Insurance Company Limited 3.125% due 16/07/2025	2,500,000	3,280,152	0.81
ZhongAn Online P&C Insurance Company Limited 3.5% due 08/03/2026	2,500,000	3,237,808	0.80
Total CHINA		11,774,673	2.90
FRANCE			
BNP Paribas SA 3.125% due 22/02/2032	1,000,000	961,343	0.24
BNP Paribas SA 5.74% due 15/02/2029	3,500,000	3,184,294	0.78
BNP Paribas SA 4.75% due 15/02/2034	3,000,000	3,018,026	0.74
Total FRANCE		7,163,663	1.76
HONG KONG SAR			
Beijing State-Owned Assets Management Hong Kong Company Limited 4.125% due 26/05/2025	3,000,000	4,006,073	0.99
Bank of East Asia Limited 4% due 29/05/2030	2,000,000	2,655,889	0.65
Bocom Leasing Management Hong Kong Company Limited 6.55769% due 02/03/2025	700,000	951,053	0.23
CNAC HK Finbridge Company Limited 2% due 22/09/2025	3,100,000	4,021,436	0.99
Dah Sing Bank Limited 3% due 02/11/2031	2,000,000	2,532,256	0.62
Dah Sing Bank Limited 7.375% due 15/11/2033	2,000,000	2,841,290	0.70
Eastern Air Overseas Hong Kong Company Limited 2% due 15/07/2026	1,000,000	955,560	0.23
Far East Horizon Limited 3.375% due 18/02/2025	2,000,000	2,664,332	0.66
Far East Horizon Limited 4.25% due 26/10/2026	3,025,000	3,920,106	0.96
Far East Horizon Limited 6.625% due 16/04/2027	1,490,000	2,026,041	0.50
Nanyang Commercial Bank Limited 3.8% due 20/11/2029	2,000,000	2,689,645	0.66
Shanghai Commercial Bank Limited 6.375% due 28/02/2033	2,000,000	2,757,669	0.68
Total HONG KONG SAR		32,021,350	7.87
INDIA			
Adani Ports & Special Economic Zone Limited 3.375% due 24/07/2024	2,000,000	2,705,640	0.67
Adani Ports & Special Economic Zone Limited 4% due 30/07/2027	3,500,000	4,389,135	1.08
REC Limited 3.5% due 12/12/2024	2,000,000	2,683,916	0.66
Reliance Industries Limited 4.125% due 28/01/2025	2,000,000	2,686,436	0.66
Total INDIA		12,465,127	3.07
ISLE OF MAN			
GOHL Capital Limited 4.25% due 24/01/2027	3,500,000	4,565,531	1.12
Total ISLE OF MAN		4,565,531	1.12

The accompanying notes form an integral part of these financial statements

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

STATEMENT OF PORTFOLIO

As at 30 June 2024

By Geography (Primary) (continued)

	Holdings at 30 June 2024	Fair value at 30 June 2024 S\$	Percentage of total net assets attributable to unitholders at 30 June 2024 %
Quoted Fixed Income Securities (continued)			
JAPAN			
Mitsubishi UFJ Financial Group Incorporation 5.063% due 12/09/2025	2,000,000	2,705,820	0.66
Mitsubishi UFJ Financial Group Incorporation 5.719% due 20/02/2026	1,890,000	2,560,705	0.63
Nomura Holdings Incorporation 5.099% due 03/07/2025	530,000	713,947	0.18
NTT Finance Corporation 4.142% due 26/07/2024	4,250,000	5,753,950	1.41
NTT Finance Corporation 4.239% due 25/07/2025	2,000,000	2,677,173	0.66
Sumitomo Mitsui Finance & Leasing Company Limited 5.353% due 25/04/2028	900,000	1,222,305	0.30
Total JAPAN		15,633,900	3.84
MALAYSIA			
Cagamas Global Public Listed Company 4% due 29/11/2024	1,000,000	1,000,089	0.25
CIMB Bank Berhad 6.335% due 09/10/2024	3,000,000	4,067,324	1.00
Malayan Banking Berhad 6.38831% due 16/08/2024	2,000,000	2,710,926	0.67
MISC Capital Two Labuan Limited 3.625% due 06/04/2025	2,000,000	2,670,105	0.66
Total MALAYSIA		10,448,444	2.58
PHILIPPINES			
Philippine National Bank 3.28% due 27/09/2024	3,000,000	4,038,007	0.99
Total PHILIPPINES		4,038,007	0.99
SINGAPORE			
Ascott REIT MTN Private Limited 4.2% due 06/09/2028	2,250,000	2,292,117	0.56
BOC Aviation Limited 3.25% due 29/04/2025	1,500,000	1,994,061	0.49
BOC Aviation Limited 4.5% due 23/05/2028	1,040,000	1,373,655	0.34
CapitaLand Ascendas REIT 3.14% due 02/03/2025	1,750,000	1,741,161	0.43
CapitaLand China Trust 2.4% due 29/06/2028	1,000,000	935,069	0.23
CMT MTN Private Limited 2.1% due 08/03/2028	250,000	237,183	0.06
CMT MTN Private Limited 3.2% due 21/08/2025	1,750,000	1,736,632	0.43
CMT MTN Private Limited 3.48% due 06/08/2024	3,750,000	3,747,535	0.92
DBS Group Holdings Limited 1.822% due 10/03/2031	7,000,000	8,916,626	2.19
Indorama Ventures Investments & Holdings Private Limited 3.73% due 07/10/2025	2,000,000	1,995,770	0.49
Keppel Infrastructure Trust 3% due 01/12/2026	2,000,000	1,959,779	0.48
Mapletree Treasury Services Limited 2.85% due 29/08/2025	1,000,000	986,565	0.24
Mapletree Treasury Services Limited 3.4% due 03/09/2026	4,500,000	4,480,855	1.10
Monetary Authority of Singapore Bill 0% due 05/07/2024	1,000,000	999,575	0.25
Monetary Authority of Singapore Bill 0% due 12/07/2024	2,000,000	1,997,640	0.49
Monetary Authority of Singapore Bill 0% due 19/07/2024	1,000,000	998,070	0.25
Monetary Authority of Singapore Bill 0% due 26/07/2024	1,000,000	997,325	0.25
Oversea-Chinese Banking Corporation Limited 4.602% due 15/06/2032	2,000,000	2,655,008	0.65
RCS Trust 3.2% due 14/03/2025	4,250,000	4,218,538	1.04
Singapore Life Holdings Private Limited 3.375% due 24/02/2031	8,000,000	7,883,696	1.94
Starhub Limited 3.55% due 08/06/2026	2,250,000	2,247,858	0.55
Surbana Jurong Private Limited 4.11% due 03/10/2025	3,500,000	3,510,313	0.86
United Overseas Bank Limited 2% due 14/10/2031	7,000,000	8,772,360	2.16
Total SINGAPORE		66,677,391	16.40

The accompanying notes form an integral part of these financial statements

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

STATEMENT OF PORTFOLIO

As at 30 June 2024

By Geography (Primary) (continued)

	Holdings at 30 June 2024	Fair value at 30 June 2024 S\$	Percentage of total net assets attributable to unitholders at 30 June 2024 %
Quoted Fixed Income Securities (continued)			
SOUTH KOREA			
Busan Bank Company Limited 3.625% due 25/07/2026	5,409,000	6,998,432	1.72
GS Caltex Corporation 1.625% due 27/07/2025	1,000,000	1,300,202	0.32
GS Caltex Corporation 4.5% due 05/01/2026	2,500,000	3,338,823	0.82
Hyundai Capital Services Incorporation 2.125% due 24/04/2025	3,500,000	4,608,518	1.13
Hyundai Capital Services Incorporation 4.25% due 12/07/2025	2,000,000	2,000,271	0.49
KB Capital Company Limited 1.5% due 28/10/2025	400,000	512,119	0.13
Korea Expressway Corporation 3.625% due 18/05/2025	3,450,000	4,607,825	1.13
LG Chem Limited 1.25% due 18/07/2028	3,500,000	4,513,353	1.11
LOTTE Property & Development Company Limited 4.5% due 01/08/2025	4,306,000	5,772,780	1.42
Total SOUTH KOREA		33,652,323	8.27
SWITZERLAND			
UBS AG 5.57% due 24/11/2026	2,060,000	1,880,985	0.46
Total SWITZERLAND		1,880,985	0.46
TURKEY			
Hyundai Assan Otomotiv Sanayi ve Ticaret A.S. 1.625% due 12/07/2026	2,000,000	2,506,871	0.62
Total TURKEY		2,506,871	0.62
Accrued interest receivables on quoted fixed income securities		3,431,453	0.84
Total Quoted Fixed Income Securities		388,800,060	95.60
Portfolio of investments		388,800,060	95.60
Other net assets		17,881,988	4.40
Net assets attributable to unitholders		406,682,048	100.00

The accompanying notes form an integral part of these financial statements

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

STATEMENT OF PORTFOLIO

As at 30 June 2024

By Geography (Summary)

	Percentage of total net assets attributable to unitholders at 30 June 2024 %	Percentage of total net assets attributable to unitholders at 30 June 2023 %
Quoted Fixed Income Securities		
Australia	22.82	2.51
Britain	4.57	3.86
British Virgin Islands	6.08	8.23
Canada	2.99	3.90
Cayman Islands	8.42	9.46
China	2.90	0.66
France	1.76	1.11
Hong Kong SAR	7.87	8.60
India	3.07	3.64
Indonesia	-	2.94
Isle of Man	1.12	0.94
Japan	3.84	5.39
Malaysia	2.58	7.35
Philippines	0.99	0.98
Singapore	16.40	20.00
South Korea	8.27	12.03
Switzerland	0.46	-
Thailand	-	0.67
Turkey	0.62	-
United States of America	-	1.73
Accrued interest receivables on quoted fixed income securities	0.84	0.87
Total Quoted Fixed Income Securities	95.60	94.87
Portfolio of investments	95.60	94.87
Other net assets	4.40	5.13
Net assets attributable to unitholders	100.00	100.00

The accompanying notes form an integral part of these financial statements

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

STATEMENT OF PORTFOLIO

As at 30 June 2024

By Industry (Secondary)

	Fair value at 30 June 2024 S\$	Percentage of total net assets attributable to unitholders at 30 June 2024 %	Percentage of total net assets attributable to unitholders at 30 June 2023 %
Auto Manufacturers	15,992,521	3.93	1.42
Banks	135,067,568	33.21	34.01
Chemicals	10,530,559	2.59	2.41
Commercial Services	11,702,600	2.88	1.12
Diversified Financial Services	20,017,184	4.92	9.01
Electric	10,830,430	2.66	2.16
Electronics	2,534,336	0.62	-
Engineering and Construction	3,510,313	0.86	1.11
Gas	21,675,838	5.33	1.96
Insurance	40,066,007	9.85	5.06
Internet	9,705,679	2.39	7.29
Investment Companies	4,006,073	0.99	2.99
Iron/Steel	-	-	1.01
Leisure Time	2,710,189	0.67	0.67
Lodging	4,565,531	1.12	0.94
Mining	-	-	1.23
Oil and Gas	8,617,373	2.12	3.46
Real Estate	18,235,458	4.49	9.30
Real Estate Investment Trusts (REITS)	33,794,726	8.31	-
Retail	5,801,251	1.43	-
Sovereign	-	-	0.67
Telecommunications	16,960,487	4.17	4.76
Transportation	9,044,484	2.22	3.42
Accrued interest receivables on quoted fixed income securities	3,431,453	0.84	0.87
Portfolio of investments	388,800,060	95.60	94.87
Other net assets	17,881,988	4.40	5.13
Net assets attributable to unitholders	406,682,048	100.00	100.00

The accompanying notes form an integral part of these financial statements

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

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

1. General

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

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. Material accounting policy information

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

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial instruments at fair value, and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" ("RAP 7") issued and revised by the Institute of Singapore Chartered Accountants in August 2023 for the financial year beginning on or after 1 January 2023.

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

(b) Recognition of income

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

(c) Investments

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

(i) *Initial recognition*

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

(ii) *Subsequent measurement*

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

(iii) *Derecognition*

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

(d) Basis of valuation of investments

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. Material accounting policy information (continued)

(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.

(i) Foreign currency translation

(i) *Functional and presentation currency*

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. Material accounting policy information (continued)

(i) Foreign currency translation (continued)

(ii) *Transactions and balances*

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

(j) Offsetting financial instruments

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

(k) Margin and collateral accounts

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

(l) Financial derivatives

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

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

When a financial derivative expires, or is sold or terminated, the gains or losses are taken up in the Statement of Total Return.

(m) Expenses

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. Material accounting policy information (continued)

(n) Management fee

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

Management fees are charged directly to each class as follows:

SGD Class and USD Hedged Class: 0.3% per annum

AUD Hedged Class: 0.5% per annum.

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

(o) Creation and cancellation of units

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

3. Income tax

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

3. Income tax (continued)

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

	2024	2023
	S\$	S\$
Singapore income tax		
- Overprovision of prior years	-	(1,011)
- Current year	112	-
	112	(1,011)

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

4. Receivables

	2024	2023
	S\$	S\$
Receivable from unitholders for creation of units	2,333,291	7,402,052
Accrued interest receivable	182,365	-
Other receivables	-	7,047
	2,515,656	7,409,099

5. Payables

	2024	2023
	S\$	S\$
Payable to unitholders for cancellation of units	1,156,602	5,991,309
Amount due to the Manager	338,873	322,996
Amount due to the Trustee	50,931	16,694
Valuation fee payable	97,820	48,062
Transfer agent fee payable	27,112	5,385
Provision for audit fee	23,734	21,070
Custody fee payable	49,343	24,244
Provision for tax liabilities	301	378
Other payables	3,648	3,576
	1,748,364	6,433,714

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

6. Financial derivatives

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

	Contract or underlying principal amount		Year-end positive fair value		Year-end negative fair value	
	2024	2023	2024	2023	2024	2023
	S\$	S\$	S\$	S\$	S\$	S\$
Forward foreign exchange contracts	341,110,244	346,802,844	243,415	252,091	22,037	3,074,962

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

6. Financial derivatives (continued)

Financial assets and financial liabilities which are subject to enforceable master netting agreements or similar agreements for the year ended 30 June 2024 and 2023 are detailed in the following table.

(i) Offsetting financial assets

	Gross amounts of recognised financial assets S\$	Gross amounts of recognised financial liabilities set-off in the Statement of Financial Position S\$	Net amounts of financial assets presented in the Statement of Financial Position S\$	Related accounts not set-off in the Statement of Financial Position		
				Financial instruments S\$	Cash collateral S\$	Net exposure S\$
2024						
Forward foreign exchange contracts	94,554	-	94,554	-	-	94,554

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

6. Financial derivatives (continued)

(ii) Offsetting financial liabilities

	Gross amounts of recognised financial liabilities S\$	Gross amounts of recognised financial assets set-off in the Statement of Financial Position S\$	Net amounts of financial liabilities presented in the Statement of Financial Position S\$	Related accounts not set-off in the Statement of Financial Position		
				Financial instruments S\$	Cash collateral S\$	Net exposure S\$
2024						
Forward foreign exchange contracts	22,037	-	22,037	-	-	22,037

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

7. Units in issue

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

<u>SGD Class</u>	2024	2023
Units at beginning of the financial year	234,431,218	269,210,743
Units created	310,333,229	343,394,587
Units cancelled	(316,511,043)	(378,174,112)
Units at end of the financial year	228,253,404	234,431,218
Net assets attributable to unitholders - S\$	383,704,000	377,045,611
Net asset value per unit - S\$	1.68104	1.60834
<u>AUD Hedged Class</u>	2024	2023
Units at beginning of the financial year	3,902,328	4,114,872
Units created	2,002,010	918,135
Units cancelled	(2,372,654)	(1,130,679)
Units at end of the financial year	3,531,684	3,902,328
Net assets attributable to unitholders - S\$	4,584,955	4,824,222
Net asset value per unit - S\$	1.29823	1.23624
<u>USD Hedged Class</u>	2024	2023
Units at beginning of the financial year	13,854,059	48,703,513
Units created	850,999	20,567,442
Units cancelled	(3,177,398)	(55,416,896)
Units at end of the financial year	11,527,660	13,854,059
Net assets attributable to unitholders - S\$	18,393,093	20,796,020
Net asset value per unit - S\$	1.59556	1.50108

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

7. Units in issue (continued)

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

<u>SGD Class</u>	2024 S\$	2023 S\$
Net assets attributable to unitholders per financial statements per unit	1.68104	1.60834
Effect for movement in the net assets value between the last dealing date and the end of the reporting period [^]	(0.00020)	-
Net assets attributable to unitholders for issuing/redeeming per unit	1.68084	1.60834
<u>AUD Hedged Class</u>	2024 S\$	2023 S\$
Net assets attributable to unitholders per financial statements per unit	1.29823	1.23624
Effect for movement in the net assets value between the last dealing date and the end of the reporting period [^]	(0.00017)	-
Net assets attributable to unitholders for issuing/redeeming per unit	1.29806	1.23624
<u>USD Hedged Class</u>	2024 S\$	2023 S\$
Net assets attributable to unitholders per financial statements per unit	1.59556	1.50108
Effect for movement in the net assets value between the last dealing date and the end of the reporting period [^]	(0.00033)	-
Net assets attributable to unitholders for issuing/redeeming per unit	1.59523	1.50108

[^] 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.

8. Margin and collateral accounts

	2024 S\$	2023 S\$
Margin accounts	233,568	222,125

Margin account represents margin deposits held in respect of open exchange-traded futures contracts held with BNP Paribas, acting through its Singapore Branch. As of 30 June 2024 and 2023, there was no open exchange-trade futures.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

9. Financial risk management

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

The Fund's primary objective is to seek preservation of capital, and liquidity and consistent with these objectives, to outperform the Singapore Overnight Rate Average ("SORA") (until and including 31 March 2024: Singapore Interbank Offered Rate ("SIBOR")) by investing in a diversified portfolio of good quality, short term bonds and money market instruments.

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

(a) Market risk - Price risk

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

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

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

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

(b) Market risk - Interest rate risk

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

9. Financial risk management (continued)

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

As at 30 June 2024

	<u>Floating rate</u>		<u>Fixed rate</u>			<u>Non-interest bearing</u>	<u>Total</u>
	<u>S\$</u>	<u>Up to 1 year</u> <u>S\$</u>	<u>1-5 years</u> <u>S\$</u>	<u>Over 5 years</u> <u>S\$</u>	<u>S\$</u>		
Assets							
Portfolio of investments	145,717,907	94,809,859	144,840,841	-	3,431,453	388,800,060	
Receivables	-	-	-	-	2,515,656	2,515,656	
Cash and cash equivalents	16,659,750	-	-	-	-	16,659,750	
Margin and collateral accounts	233,568	-	-	-	-	233,568	
Financial derivatives at fair value	-	-	-	-	243,415	243,415	
Total assets	162,611,225	94,809,859	144,840,841	-	6,190,524	408,452,449	
Liabilities							
Payables	-	-	-	-	1,748,364	1,748,364	
Financial derivatives at fair value	-	-	-	-	22,037	22,037	
Total liabilities	-	-	-	-	1,770,401	1,770,401	

As at 30 June 2023

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

As at 30 June 2024 and 2023, an increase/decrease of interest rates 1% (2023: 1%), with all other variables remaining constant, would result in a decrease/increase of the net assets attributable to unitholders by approximately 1% (2023: 1%). Reasonable possible changes in interest rate are revised annually depending on the Manager's current view of market volatility and other factors.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

9. Financial risk management (continued)

(c) Market risk - Currency risk

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

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

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

As at 30 June 2024	USD S\$	SGD S\$	AUD S\$	EUR S\$	HKD S\$	Total S\$
Assets						
Portfolio of investments	216,634,761	73,601,229	92,762,819	-	5,801,251	388,800,060
Receivables	56,311	2,309,728	149,617	-	-	2,515,656
Cash and cash equivalents	3,451,884	12,751,387	453,301	3,178	-	16,659,750
Margin and collateral accounts	233,568	-	-	-	-	233,568
Total assets	220,376,524	88,662,344	93,365,737	3,178	5,801,251	408,209,034
Liabilities						
Payables	-	1,732,101	16,263	-	-	1,748,364
Total liabilities	-	1,732,101	16,263	-	-	1,748,364
Net off-balance sheet derivative financial instruments	(201,395,578)	295,557,729	(88,155,145)	-	(5,785,628)	
Net currency exposure	18,980,946	382,487,972	5,194,329	3,178	15,623	
As at 30 June 2023						
Assets						
Portfolio of investments	312,765,386	60,348,988	8,914,088	-	-	382,028,462
Sales awaiting settlement	1,180,648	-	168,249	-	-	1,348,897
Receivables	-	7,401,850	7,249	-	-	7,409,099
Cash and cash equivalents	7,125,128	18,787,193	3,312,365	3,037	-	29,227,723
Margin and collateral accounts	222,125	-	-	-	-	222,125
Total assets	321,293,287	86,538,031	12,401,951	3,037	-	420,236,306
Liabilities						
Payables	54,539	6,379,175	-	-	-	6,433,714
Purchases awaiting settlement	3,798,295	-	4,515,573	-	-	8,313,868
Total liabilities	3,852,834	6,379,175	4,515,573	-	-	14,747,582
Net off-balance sheet derivative financial instruments	(293,285,340)	295,735,456	(5,272,987)	-	-	
Net currency exposure	24,155,113	375,894,312	2,613,391	3,037	-	

As of 30 June 2024 and 2023, the Fund does not hold substantial monetary assets/liabilities denominated in foreign currencies. Changes in foreign exchange rates on monetary assets/liabilities will not result in a significant change in the net asset value of the Fund. Hence, no separate sensitivity analysis on foreign currency risk has been presented.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

9. Financial risk management (continued)

(d) Liquidity risk

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

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

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

The Fund's financial liabilities are analysed using contractual undiscounted cash flows for maturity groupings based on the remaining year at the Statement of Financial Position date to the contractual maturity date. As at 30 June 2024 and 2023, 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
	30 June 2024	30 June 2023
	S\$	S\$
Payables	1,748,364	6,433,714
Purchases awaiting settlement	-	8,313,868
Contractual cash outflows		
(excluding gross settled derivatives)	1,748,364	14,747,582

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

	<u>Less than 3 months</u>	
	As at	As at
	30 June 2024	30 June 2023
	S\$	S\$
Currency forwards		
- Outflow	(5,785,627)	(321,254,027)
- Inflow	5,763,590	318,179,065
Net outflow	(22,037)	(3,074,962)

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

9. 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 30 June 2024 and 2023, the Fund's financial assets held at amortised cost as disclosed in the Statement of Financial Position are realised within three months. The Manager considers the probability of default to be insignificant as the counterparties generally have a strong capacity to meet their contractual obligations in the near term. Hence, no loss allowance has been recognised based on the 12 month expected credit losses as any such impairment would be insignificant to the Fund.

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

	Fair value at 30 June 2024		Fair value at 30 June 2023	
	Floating rate securities S\$	Fixed rate securities S\$	Floating rate securities S\$	Fixed rate securities S\$
Aaa*	-	4,992,610	-	-
Aa2	-	6,488,810	-	16,627,368
Aa3	3,184,294	10,045,492	-	4,666,723
A1	10,175,568	9,386,683	14,092,301	16,008,169
A2	33,868,535	5,361,210	20,459,925	17,916,004
A3	46,806,126	46,964,439	27,803,734	37,601,053
Baa1	16,856,322	14,223,623	14,597,126	23,958,515
Baa2	17,208,599	36,967,400	4,487,738	44,303,958
Baa3	-	27,482,910	2,907,750	20,675,435
Ba1	-	-	-	6,648,435
Not rated**	17,618,463	77,737,523	16,546,637	89,235,936
Accrued interest receivables on quoted fixed income securities	1,141,417	2,290,036	862,642	2,629,013
	146,859,324	241,940,736	101,757,853	280,270,609

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

9. Financial risk management (continued)

(e) Credit risk (continued)

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

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

	Credit rating as at 30 June 2024	Credit rating as at 30 June 2023	Source of credit rating
Bank and custodian			
- BNP Paribas, acting through its Singapore Branch	Aa3	Aa3	Moody's
Counterparties of forward foreign exchange contracts			
Australia and New Zealand Bank	Aa3	Aa3	Moody's
Credit Agricole	Aa3	Aa2	Moody's
HSBC Bank	Aa3	Aa3	Moody's
ING Group	Baa1	Baa1	Moody's
State Street Bank and Trust	A1	A1	Moody's

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

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

(f) Capital management

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

(g) Fair value estimation

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

9. Financial risk management (continued)

(g) Fair value estimation (continued)

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

As at 30 June 2024	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
Assets				
Portfolio of investments:				
- Quoted fixed income securities	4,992,610	383,807,450	-	388,800,060
Financial derivatives at fair value	-	243,415	-	243,415
	4,992,610	384,050,865	-	389,043,475
Liabilities				
Financial derivatives at fair value	-	22,037	-	22,037
As at 30 June 2023	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
Assets				
Portfolio of investments:				
- Quoted fixed income securities	-	382,028,462	-	382,028,462
Financial derivatives at fair value	-	252,091	-	252,091
	-	382,280,553	-	382,280,553
Liabilities				
Financial derivatives at fair value	-	3,074,962	-	3,074,962

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

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

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

10. Related party transactions

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

	2024 S\$	2023 S\$
Bank balances held with related party of the Trustee	16,659,750	29,227,723
Margin balances held with related party of the Trustee	233,568	222,125

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

11. Financial ratios

Expense ratio

		2024	2023
<u>SGD Class</u>			
Total operating expenses	S\$	1,577,875	1,571,446
Average daily net asset value	S\$	374,714,096	380,660,806
Total expense ratio¹	%	0.42	0.41

		2024	2023
<u>AUD Hedged Class</u>			
Total operating expenses	S\$	29,965	32,116
Average daily net asset value	S\$	4,689,646	5,114,882
Total expense ratio¹	%	0.64	0.63

		2024	2023
<u>USD Hedged Class</u>			
Total operating expenses	S\$	80,299	177,111
Average daily net asset value	S\$	19,088,172	43,203,848
Total expense ratio¹	%	0.42	0.41

Turnover ratio

		2024	2023
Lower of total value of purchases or sales	S\$	165,659,175	154,291,996
Average daily net asset value	S\$	398,491,914	428,979,536
Total turnover ratio²	%	41.57	35.97

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

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

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

REPORT TO UNITHOLDERS

For the financial year ended 30 June 2024

The following contains additional information relating to the Fund.

1. Distribution of investments

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

2. Credit rating of debt securities

	Fair value at 30 June 2024 S\$	Percentage of total net assets attributable to unitholders at 30 June 2024 %
Aaa	4,992,610	1.23
Aa2	6,488,810	1.60
Aa3	13,229,786	3.25
A1	19,562,251	4.81
A2	39,229,745	9.65
A3	93,770,565	23.06
Baa1	31,079,945	7.64
Baa2	54,175,999	13.32
Baa3	27,482,910	6.76
Not rated	95,355,986	23.44
Accrued interest receivables on quoted fixed income securities	3,431,453	0.84
Total	388,800,060	95.60

3. Top 10 holdings

10 largest holdings at 30 June 2024

	Fair value S\$	Percentage of total net assets attributable to unitholders %
Manulife Financial Corporation 3% due 21/11/2029	9,123,114	2.24
DBS Group Holdings Limited 1.822% due 10/03/2031	8,916,626	2.19
United Overseas Bank Limited 2% due 14/10/2031	8,772,360	2.16
Singapore Life Holdings Private Limited 3.375% due 24/02/2031	7,883,696	1.94
GPT Wholesale Office Fund No.1 2.525% due 12/01/2026	7,601,711	1.87
Busan Bank Company Limited 3.625% due 25/07/2026	6,998,432	1.72
Beijing Gas Singapore Capital Corporation 1.875% due 18/01/2025	5,972,624	1.47
Australia & New Zealand Banking Group Limited 6.4122% due 26/07/2029	5,888,164	1.45
Zhongsheng Group Holdings Limited 0% due 21/05/2025	5,801,251	1.43
LOTTE Property & Development Company Limited 4.5% due 01/08/2025	5,772,780	1.42

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

REPORT TO UNITHOLDERS

For the financial year ended 30 June 2024

3. Top 10 holdings (continued)

10 largest holdings at 30 June 2023

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

4. Exposure to financial derivatives

	Fair value at 30 June 2024 S\$	Percentage of total net assets attributable to unitholders at 30 June 2024 %	Unrealised gains/(losses) S\$	Realised gains/(losses) S\$
Forward foreign exchange contracts	221,378	0.05	221,378	(6,965,672)

5. Global exposure to financial derivatives

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

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

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

REPORT TO UNITHOLDERS

For the financial year ended 30 June 2024

6. Collateral

Please refer to Note 8 of the Notes to the Financial Statements on page 33.

7. Securities lending or repurchase transactions

Nil.

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

Nil.

9. Borrowings

Nil.

10. Amount of units created and cancelled for the financial year ended 30 June 2024

S\$

Units created	512,906,828
Units cancelled	(526,870,853)

11. Turnover ratio

Please refer to Note 11 of the Notes to the Financial Statements on page 41.

12. Expense ratio

Please refer to Note 11 of the Notes to the Financial Statements on page 41.

13. Related party transactions

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

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

Nil.

15. Soft dollar commissions/arrangements

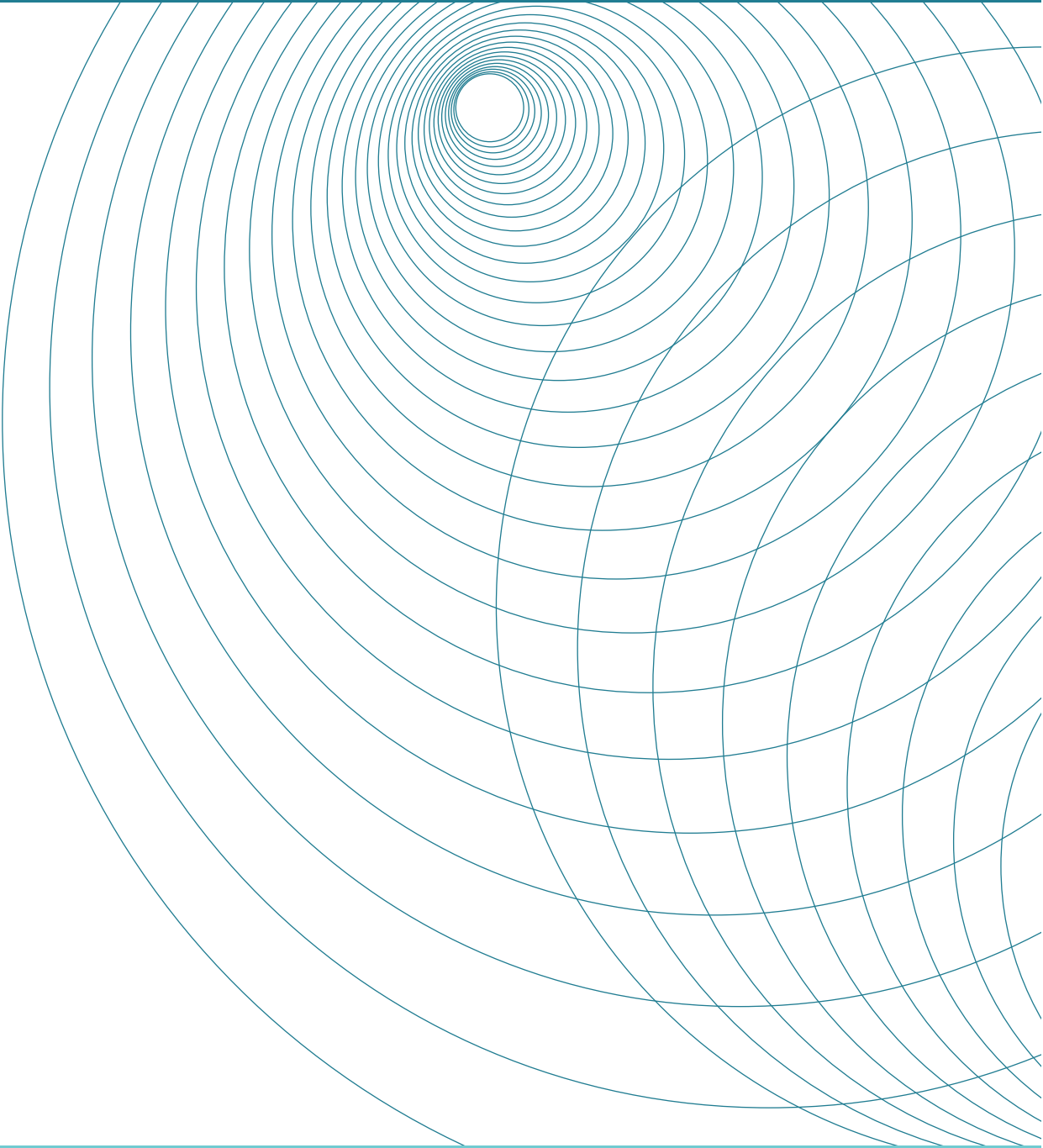
In their management of the Fund, the Managers currently do not receive or enter into any soft dollar commissions or arrangements.

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SEMI-ANNUAL REPORT

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

Financial period ending 31 December 2023



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MANAGERS

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

DIRECTORS OF MANAGERS

Seet Oon Hui Eleanor
Yutaka Nishida
Hiroshi Yoh
Allen Yan

TRUSTEE & REGISTRAR

BNP Paribas Trust Services Singapore Limited
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AUDITORS

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CUSTODIAN

BNP Paribas, acting through its Singapore Branch
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Singapore 049319

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

PERFORMANCE SUMMARY

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

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

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

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

Inception date: 29 September 2000

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

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

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

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

Inception date: 23 September 2011

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

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

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

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

Inception date: 15 September 2016

Note:

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

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

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

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

Portfolio Review

The Fund outperforms the benchmark over the past six months

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

Changes to Fund characteristics

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

Market Review

A volatile six months for USTs

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

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

Asian credits rally in the second half of 2023

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

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

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

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

Market Outlook & Strategy

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

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

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

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

NOTE:

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

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

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

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

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

For Hong Kong Investors

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

Nikko Asset Management Asia Limited. Registration Number 198202562H

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

STATEMENT OF TOTAL RETURN

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

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

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023 (unaudited)

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

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

STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS

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

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

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

STATEMENT OF PORTFOLIO
As at 31 December 2023 (unaudited)

By Geography (Primary)

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

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

STATEMENT OF PORTFOLIO
As at 31 December 2023 (unaudited)

By Geography (Primary) (continued)

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

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

STATEMENT OF PORTFOLIO
As at 31 December 2023 (unaudited)

By Geography (Primary) (continued)

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

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

STATEMENT OF PORTFOLIO
As at 31 December 2023 (unaudited)

By Geography (Primary) (continued)

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

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

STATEMENT OF PORTFOLIO
As at 31 December 2023 (unaudited)

By Geography (Primary) (continued)

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

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

STATEMENT OF PORTFOLIO
As at 31 December 2023 (unaudited)

By Geography (Summary)

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

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

STATEMENT OF PORTFOLIO
As at 31 December 2023 (unaudited)

By Industry (Secondary)

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

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

REPORT TO UNITHOLDERS

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

The following contains additional information relating to the Fund.

1. Distribution of investments

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

2. Credit rating of debt securities

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

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

3. Top 10 holdings

10 Largest holdings at 31 December 2023

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

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

REPORT TO UNITHOLDERS

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

3. Top 10 holdings (continued)

10 Largest holdings at 31 December 2022

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

4. Exposure to financial derivatives

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

5. Global exposure to financial derivatives

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

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

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

REPORT TO UNITHOLDERS

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

6. Collateral

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

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

7. Securities lending or repurchase transactions

Nil.

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

Nil.

9. Borrowings

Nil.

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

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

11. Turnover ratio

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

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

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

REPORT TO UNITHOLDERS

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

12. Expense ratio

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

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

13. Related party transactions

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

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

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

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

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

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

REPORT TO UNITHOLDERS

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

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

Nil.

15. Soft dollar commissions/arrangements

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

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