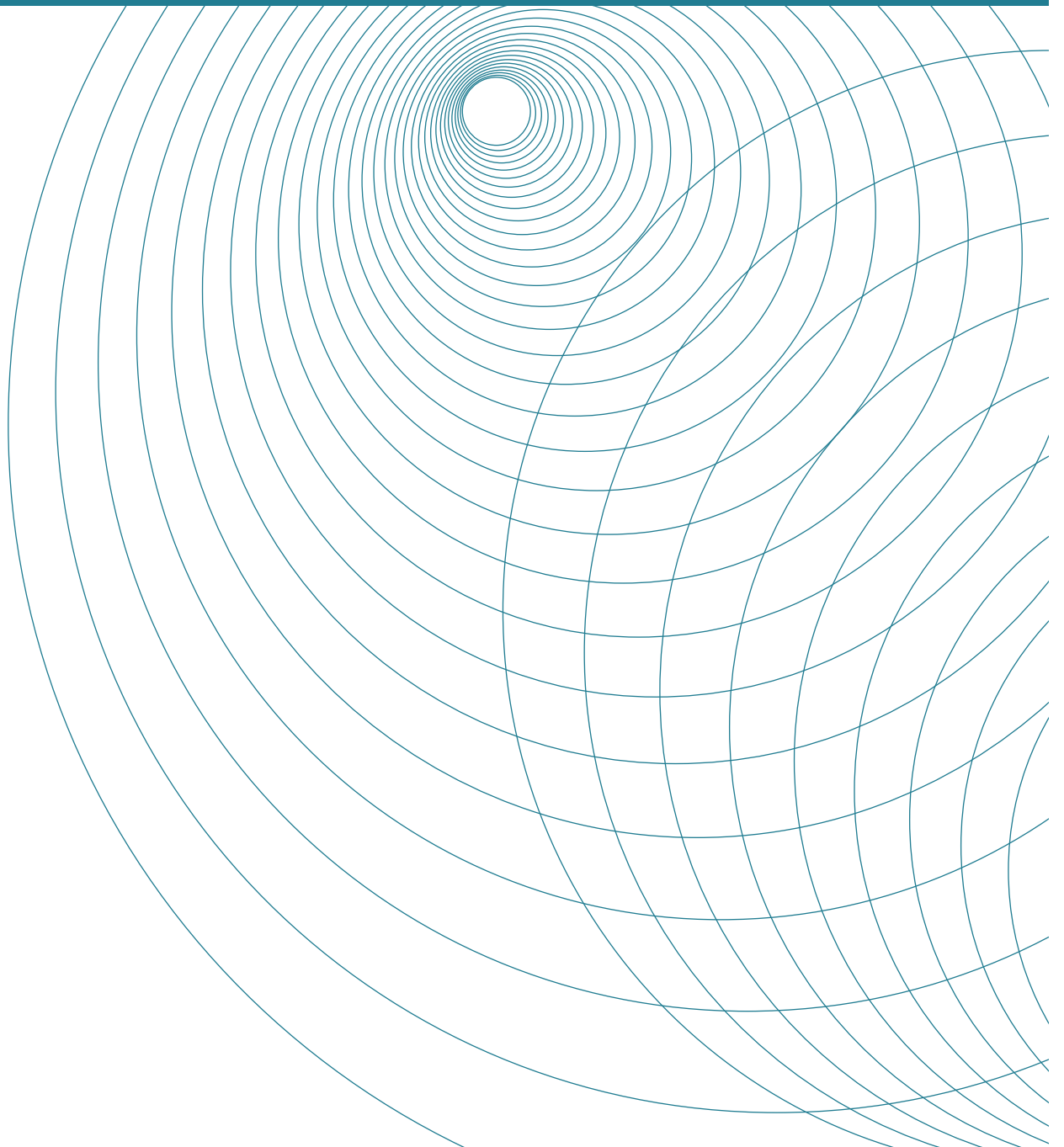

ANNUAL REPORT

Nikko AM Shenton Thrift Fund

Financial year ended 31 December 2023



MANAGERS

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Singapore 018961
Company Registration No. 198202562H

DIRECTORS OF THE MANAGERS

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Yutaka Nishida
Hiroshi Yoh
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TRUSTEE & REGISTRAR

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

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7 Straits View, Marina One,
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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 Thrift Fund - SGD Class ¹	0.15	3.16	5.31	5.39	5.14	3.83	5.65
Straits Times Index (STI) ²	1.37	3.54	4.74	8.83	5.33	2.93	2.98

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 Thrift Fund - SGD Class ¹	-4.86	-1.99	0.04	3.60	4.07	3.30	5.50
Straits Times Index (STI) ²	1.37	3.54	4.74	8.83	5.33	2.93	2.98

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 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: 31 August 1987

Note:

- (1) With effect from 17 October 2011, the Fund (formerly known as "Shenton Thrift Fund") has been renamed Nikko AM Shenton Thrift Fund.
- (2) Prior to 1 May 2017, the performance returns of the benchmark were calculated using price index methodology. With effect from 1 May 2017, the performance returns of the benchmark is calculated using net total return index methodology. Net total return index methodology incorporates into its returns calculation the reinvestment of a constituent company's dividend distributions net of tax credits or charges.

Portfolio Review

Fund returns 5.31% in 2023

For the financial period ending 31 December 2023, the Nikko AM Shenton Thrift Fund (the "Fund") posted a return of 5.31% (SGD terms, on a NAV-NAV basis), outperforming the Straits Times Index (STI) which returned 4.74% on a total return basis over the same period.

The Fund's overweight positions in YTL Power International and UMS Holdings, and the underweight in Jardine Matheson added the most to relative performance over the period. Conversely, overweight positions in Seatrium, Keppel Infrastructure and TDCX were the biggest detractors from relative performance.

Market Review

The Straits Times Index (STI) climbs 4.74% in 2023

Singapore stocks—as measured by the STI—rose for the review period, propped up by robust gains in the second half of 2023. At the start of the year, the banking meltdown in the US and Europe sparked concerns of a credit crunch, although these concerns were short-lived. Global equities were broadly higher over the second quarter—as fears of a global downturn further receded on the back of the resilience in the global economy, and an artificial intelligence frenzy propelled technology (tech) stocks higher. Entering the second half of the year, price pressures continued to abate, all while growth remained resilient. Investor optimism soon waned over August and September though, as the prospect of higher-for-longer rates gripped markets again. The negative sentiment carried over to October amid surging government bond yields, but markets soon concluded the year with a remarkable two-month surge as the US Federal Reserve sent its clearest message yet that its aggressive hiking campaign has ended by pencilling in a series of rate cuts in 2024.

MAS keeps its foreign exchange policy unchanged

In Singapore, the Monetary Authority of Singapore (MAS) left its monetary policy unchanged in 2023 after taking aggressive measures to blunt the impact of inflation by strengthening the Singapore dollar at an unprecedented pace of five times since October 2021. The central bank will be shifting to a quarterly (from a semi-annual frequency) monetary policy schedule in 2024 to enhance communication and provide greater flexibility in responding to changes in economic conditions.

Singapore's economy expands 1.2% YoY in 2023

According to advance estimates, Singapore's economy expanded by 2.8% year-on-year (YoY) in the fourth quarter of 2023, a sharp increase from the downwardly revised 1.0% growth in the third quarter. For the whole of 2023, the economy grew by 1.2%, slower than the 3.6% growth recorded in 2022. The Ministry of Trade and Industry has forecast that Singapore's GDP will see an expansion of about 1% to 3% in 2024.

High-frequency data remains weak over the year

Throughout 2023, high-frequency data remained weak, with some improvement towards the end of the year. Non-oil domestic exports and industrial production—which had contracted for months—expanded briefly but contracted again in December. Price pressures moderated over the period but remained relatively elevated, with the headline Consumer Price Index easing to 4.8% YoY in 2023 after averaging 6.1% in 2022. The MAS' preferred core inflation measure, which excludes private transport and accommodation inflation, averaged 4.2% in 2023, inching up from the 4.1% recorded in 2022. The MAS projects core inflation to average between 2.5–3.5% in 2024. However, it highlighted potential upward risks to this from factors including geopolitical conflicts, adverse weather events and prolonged tightness in the domestic labour market, while acknowledging that an unforeseen global economic downturn could alleviate cost and price pressures more rapidly.

Market Outlook and Strategy

2024 likely to offer strong potential for stock-picking alpha

We continue to expect economic growth in Singapore to accelerate modestly in 2024 to about 2%. We expect the US economy to remain broadly resilient, but are now more cautious on China, due to the continued problems facing its property sector. We remain positive on the manufacturing sector on a recovery in tech demand, and we also continue to see a modest improvement in tourism.

We foresee a milder expansion in corporate earnings in 2024, after two strong years in 2022–23. In particular, bank lending margins are likely to stay elevated in a higher-for-longer interest rate scenario, while credit costs are likely to remain contained. Against this backdrop, valuations for Singapore stocks are attractive at around 10x price/earnings ratio, against a historical average of about 14x.

2024 is likely to offer strong potential for stock-picking alpha, in our opinion. We are overweight in the tech sector, which should see a more convincing recovery this year. We continue to like “New Singapore” stocks, which represent the future economy of Singapore, in areas such as renewable energy, tech, data, healthcare, food and logistics. We are also cautiously adding to REITs which feature strong balance sheets and benefit from sound underlying demand.

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 THRIFT FUND

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

REPORT OF THE TRUSTEE

For the financial year ended 31 December 2023

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

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Fund during the financial year covered by these financial statements, set out on pages 11 to 29, 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 March 2024

NIKKO AM SHENTON THRIFT FUND

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

STATEMENT BY THE MANAGER

For the financial year ended 31 December 2023

In the opinion of Nikko Asset Management Asia Limited, the accompanying financial statements set out on pages 11 to 29, 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 Thrift Fund (the "Fund") as at 31 December 2023, 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 March 2024

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

Our Opinion

In our opinion, the accompanying financial statements of Nikko AM Shenton Thrift Fund (the "Fund"), are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants ("RAP 7"), so as to present fairly, in all material respects, the financial position and portfolio holdings of the Fund as at 31 December 2023, and the financial performance and movements of unitholders' funds for the financial year ended on that date.

What we have audited

The financial statements of the Fund comprise:

- the Statement of Total Return for the financial year ended 31 December 2023;
- the Statement of Financial Position as at 31 December 2023;
- the Statement of Movements of Unitholders' Funds for the financial year then ended;
- the Statement of Portfolio as at 31 December 2023; 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 THRIFT FUND**
(Constituted under a Trust Deed registered in the Republic of Singapore)

Responsibilities of the Manager for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

NIKKO AM SHENTON THRIFT FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF TOTAL RETURN***For the financial year ended 31 December 2023*

	Note	2023 S\$	2022 S\$
Income			
Dividends		17,293,344	13,422,411
Interest on cash and cash equivalents		273,778	86,789
		<u>17,567,122</u>	<u>13,509,200</u>
Less: Expenses			
Management fee		2,536,445	2,570,824
Transfer agent fee		22,790	28,642
Custody fee		66,226	63,974
Audit fee		19,242	17,848
Valuation fee		67,639	68,555
Transaction costs		1,016,748	827,934
Other expenses		95,359	137,742
		<u>3,824,449</u>	<u>3,715,519</u>
Net income		<u>13,742,673</u>	<u>9,793,681</u>
Net gains or losses on value of investments			
Net gains on investments		3,848,606	3,145,593
Net foreign exchange losses		(62,897)	(4,245)
		<u>3,785,709</u>	<u>3,141,348</u>
Total return for the financial year before income tax		<u>17,528,382</u>	<u>12,935,029</u>
Less: Income tax	3	<u>(65,345)</u>	<u>(43,791)</u>
Total return for the financial year after income tax		<u>17,463,037</u>	<u>12,891,238</u>

The accompanying notes form an integral part of these financial statements

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

	Note	2023 S\$	2022 S\$
ASSETS			
Portfolio of investments		335,902,029	333,989,436
Sales awaiting settlement		6,340	-
Receivables	4	41,883	23,714
Cash and cash equivalents		5,622,633	6,875,518
Total assets		341,572,885	340,888,668
LIABILITIES			
Payables	5	1,327,572	1,495,997
Total liabilities		1,327,572	1,495,997
EQUITY			
Net assets attributable to unitholders	6	340,245,313	339,392,671

The accompanying notes form an integral part of these financial statements

NIKKO AM SHENTON THRIFT FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS***For the financial year ended 31 December 2023*

	Note	2023 S\$	2022 S\$
Net assets attributable to unitholders at the beginning of the financial year		339,392,671	324,003,175
Operations			
Change in net assets attributable to unitholders resulting from operations		17,463,037	12,891,238
Unitholders' contributions/(withdrawals)			
Creation of units		18,404,816	36,422,266
Cancellation of units		(35,015,211)	(33,924,008)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		(16,610,395)	2,498,258
Total increases in net assets attributable to unitholders		852,642	15,389,496
Net assets attributable to unitholders at the end of the financial year	6	340,245,313	339,392,671

The accompanying notes form an integral part of these financial statements

NIKKO AM SHENTON THRIFT FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2023***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 Equities			
CHINA			
Austasia Group Limited	1,758,000	549,412	0.16
Yangzijiang Shipbuilding Holdings Limited	10,589,300	15,778,057	4.64
Total CHINA		16,327,469	4.80
HONG KONG SAR			
DFI Retail Group Holdings Limited	1,620,000	5,128,685	1.50
Jardine Matheson Holdings Limited	94,983	5,163,311	1.52
Total HONG KONG SAR		10,291,996	3.02
MALAYSIA			
Frencken Group Limited	2,249,800	3,037,230	0.89
YTL Power International Berhad	5,691,500	4,150,034	1.22
Total MALAYSIA		7,187,264	2.11
SINGAPORE			
BRC Asia Limited	2,028,800	3,631,552	1.07
CapitaLand Investment Limited	1,495,600	4,726,096	1.39
ComfortDelGro Corporation Limited	3,322,900	4,652,060	1.37
CSE Global Limited	8,849,120	3,805,122	1.12
DBS Group Holdings Limited	2,153,869	71,960,763	21.15
First Resources Limited	6,086,000	8,702,980	2.56
Genting Singapore Limited	7,266,700	7,266,700	2.15
Keppel Limited	847,600	5,992,532	1.76
Oversea-Chinese Banking Corporation Limited	2,903,632	37,747,216	11.09
SATS Limited	2,288,800	6,294,200	1.85
Seatrium Limited	151,083,862	17,827,896	5.24
Sembcorp Industries Limited	3,782,000	20,082,420	5.90
Singapore Technologies Engineering Limited	1,902,200	7,399,558	2.17
TDCX Incorporated	709,646	4,540,078	1.33
UMS Holdings Limited	8,010,775	10,734,438	3.15
United Overseas Bank Limited	1,488,589	42,350,357	12.45
Venture Corporation Limited	475,100	6,466,111	1.90
Wilmar International Limited	661,200	2,360,484	0.69
Total SINGAPORE		266,540,563	78.34
Total Quoted Equities		300,347,292	88.27

The accompanying notes form an integral part of these financial statements

NIKKO AM SHENTON THRIFT FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 31 December 2023***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 Investment Funds			
SINGAPORE			
CapitaLand India Trust	3,637,321	4,146,546	1.22
Keppel Infrastructure Trust	14,991,585	7,495,792	2.20
Total SINGAPORE		11,642,338	3.42
Total Quoted Investment Funds		11,642,338	3.42
Quoted Real Estate Investment Trusts			
SINGAPORE			
CapitaLand Ascendas REIT	2,231,400	6,761,142	1.99
CapitaLand Ascott Trust	3,274,647	3,241,901	0.95
CapitaLand China Trust	4,941,900	4,595,967	1.35
Digital Core REIT Management Pte Limited	5,874,300	4,997,993	1.47
Lendlease Global Commercial REIT	6,690,536	4,315,396	1.27
Total SINGAPORE		23,912,399	7.03
Total Quoted Real Estate Investment Trusts		23,912,399	7.03
Portfolio of investments		335,902,029	98.72
Other net assets		4,343,284	1.28
Net assets attributable to unitholders		340,245,313	100.00

The accompanying notes form an integral part of these financial statements

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

By Geography (Summary)	Percentage of total net assets attributable to unitholders at 31 December 2023 %	Percentage of total net assets attributable to unitholders at 31 December 2022 %
Quoted Equities		
China	4.80	1.77
Hong Kong SAR	3.02	2.43
Malaysia	2.11	1.95
Singapore	78.34	85.00
Total Quoted Equities	88.27	91.15
Quoted Investment Funds		
Singapore	3.42	2.92
Total Quoted Investment Funds	3.42	2.92
Quoted Real Estate Investment Trusts		
Singapore	7.03	4.34
Total Quoted Real Estate Investment Trusts	7.03	4.34
Portfolio of investments	98.72	98.41
Other net assets	1.28	1.59
Net assets attributable to unitholders	100.00	100.00

The accompanying notes form an integral part of these financial statements

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

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 31 December 2022 %
Aerospace/Defense	7,399,558	2.17	0.86
Agriculture	11,063,464	3.25	10.76
Banks	152,058,336	44.69	43.71
Computers	8,345,200	2.45	2.08
Diversified Financial Services	-	-	0.40
Electric	31,728,246	9.32	7.45
Electrical Component & Equipment	3,037,230	0.89	1.95
Electronics	6,466,111	1.90	1.18
Engineering and Construction	12,286,732	3.61	8.08
Entertainment	7,266,700	2.15	0.54
Food	5,678,097	1.66	0.62
Holding Companies-Diversified	5,163,311	1.52	2.43
Insurance	-	-	0.99
Internet	-	-	1.29
Iron/Steel	3,631,552	1.07	1.04
Oil and Gas Services	17,827,896	5.24	-
Private Equity	4,726,096	1.39	2.88
Real Estate	4,146,546	1.22	1.06
Real Estate Investment Trusts (REITS)	23,912,399	7.03	4.34
Retail	-	-	3.13
Semiconductors	10,734,438	3.15	2.47
Shipbuilding	15,778,057	4.64	1.15
Transportation	4,652,060	1.37	-
Portfolio of investments	335,902,029	98.72	98.41
Other net assets	4,343,284	1.28	1.59
Net assets attributable to unitholders	340,245,313	100.00	100.00

The accompanying notes form an integral part of these financial statements

NIKKO AM SHENTON THRIFT FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

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

1. General

Nikko AM Shenton Thrift Fund (the "Fund") is a Singapore domiciled fund constituted under a Trust Deed dated 12 June 1987 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 four classes of units established within the Fund, namely the SGD Class, USD Class, RMB Class and SGD Class B. The classes may differ in terms of their class currency, the minimum subscription amounts applicable, the minimum holding and minimum realisation amounts applicable as well as the annual management fee.

As of 31 December 2023 and 2022, only units in the SGD Class have been issued.

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

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

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

During the financial year ended 31 December 2023 and 2022, the Fund did not reach the swing threshold and no swing pricing has been applied.

NIKKO AM SHENTON THRIFT FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

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

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

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

(c) Investments

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

(i) *Initial recognition*

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

(ii) *Subsequent measurement*

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

(iii) *Derecognition*

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

(d) Basis of valuation of investments

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

NIKKO AM SHENTON THRIFT FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

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").

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

(ii) *Transactions and balances*

Foreign currency monetary assets and liabilities are translated into Singapore Dollar at the rates of exchange prevailing at the date of the Statement of Financial Position. The net unrealised gain or loss is taken to the Statement of Total Return 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.

NIKKO AM SHENTON THRIFT FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. Material accounting policy information (continued)

(j) Expenses

Expenses are recognised in the Statement of Total Return as the related services are performed.

(k) 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.

(l) 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.

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 THRIFT FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

3. Income tax (continued)

Income tax for the financial year ended 31 December 2023 and 2022 comprises:

	2023 S\$	2022 S\$
Singapore income tax	51,309	43,791
Overseas income tax	14,036	-
	<u>65,345</u>	<u>43,791</u>

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

4. Receivables

	2023 S\$	2022 S\$
Receivable from unitholders for creation of units	<u>41,883</u>	<u>23,714</u>

5. Payables

	2023 S\$	2022 S\$
Payable to unitholders for cancellation of units	526,951	759,866
Amount due to the Manager	679,680	677,858
Valuation fee payable	54,872	18,076
Transfer agent fee payable	8,951	2,967
Provision for audit fee	19,656	18,297
Custody fee payable	37,439	18,933
Other payables	23	-
	<u>1,327,572</u>	<u>1,495,997</u>

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

NIKKO AM SHENTON THRIFT FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

6. Units in issue

During the financial year ended 31 December 2023 and 2022, the number of units issued, redeemed and outstanding were as follows:

<u>SGD Class</u>	2023	2022
Units at beginning of the financial year	130,477,531	129,502,450
Units created	6,904,872	14,121,415
Units cancelled	(13,147,116)	(13,146,334)
Units at end of the financial year	124,235,287	130,477,531
Net assets attributable to unitholders - S\$	340,245,313	339,392,671
Net asset value per unit - S\$	2.739	2.601

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>	2023	2022
	S\$	S\$
Net assets attributable to unitholders per financial statements per unit	2.739	2.601
Effect for movement in the net assets value between the last dealing date and the end of the reporting period [^]	-*	-*
Net assets attributable to unitholders for issuing/redeeming per unit	2.739	2.601

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

* Effect is less than 0.001

NIKKO AM SHENTON THRIFT FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

7. Financial risk management

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

The Fund's primary objective is to achieve medium to long term capital appreciation by investing primarily in stocks listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST"). Beside stocks listed on the SGX-ST, the Fund may also invest in companies listed on stock exchanges outside Singapore subject to a limit not exceeding 30% of the net asset value of the Fund.

The Manager may seek to add value by selectively over/under weighting benchmark components and blending the mix with a selection of non-benchmark components to deliver out-performance relative to the benchmark over the medium to long term.

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

(a) Market risk - Price risk

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

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

The Fund's market price risk is managed through diversification of the investment portfolio exposure across various stocks traded on the SGX-ST.

The benchmark against which the performance of the Fund is measured is the Straits Times Index (the "Benchmark").

As at 31 December 2023, an increase/decrease of the index component within the Benchmark by 13% (2022: 15%), with all other variables remaining constant, the net assets attributable to unitholders for the year would increase/decrease by approximately 13% (2022: 14%). The analysis was based on the assumptions that the index components within the Benchmark increased/decreased by a reasonable possible shift, with all other variables held constant and that the fair value of Fund's investments moved according to the beta. Reasonable possible changes in market index percentage are revised annually depending on the Manager's current view on market volatility and other relevant factors.

NIKKO AM SHENTON THRIFT FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

7. Financial risk management (continued)

(b) Market risk - Interest rate risk

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

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

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

(c) Market risk - Currency risk

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

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

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

As at 31 December 2023	SGD S\$	USD S\$	HKD S\$	MYR S\$	Total S\$
Assets					
Portfolio of investments	311,372,516	19,830,067	549,412	4,150,034	335,902,029
Sales awaiting settlement	-	-	6,340	-	6,340
Receivables	41,883	-	-	-	41,883
Cash and cash equivalents	5,621,971	662	-	-	5,622,633
Total assets	317,036,370	19,830,729	555,752	4,150,034	341,572,885
Liabilities					
Payables	1,327,572	-	-	-	1,327,572
Total liabilities	1,327,572	-	-	-	1,327,572
Net currency exposure	315,708,798	19,830,729	555,752	4,150,034	
As at 31 December 2022		SGD S\$	USD S\$	HKD S\$	Total S\$
Assets					
Portfolio of investments		312,775,262	19,123,637	2,090,537	333,989,436
Receivables		23,714	-	-	23,714
Cash and cash equivalents		6,875,435	83	-	6,875,518
Total assets		319,674,411	19,123,720	2,090,537	340,888,668
Liabilities					
Payables		1,495,997	-	-	1,495,997
Total liabilities		1,495,997	-	-	1,495,997
Net currency exposure		318,178,414	19,123,720	2,090,537	

NIKKO AM SHENTON THRIFT FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

7. Financial risk management (continued)

(c) Market risk - Currency risk (continued)

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

As of 31 December 2023 and 2022, the Fund does not hold substantial monetary assets/liabilities denominated in foreign currencies. Changes in foreign exchange rates on monetary assets/liabilities will not result in a significant change in the net asset value of the Fund. Hence, no separate sensitivity analysis on foreign currency risk has been presented.

(d) Liquidity risk

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

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

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

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

The Fund's financial liabilities are analysed using contractual undiscounted cash flows for maturity groupings based on the remaining year at the Statement of Financial Position date to the contractual maturity date. As at 31 December 2023 and 2022, all liabilities are either payable upon demand or due in less than 3 months. The impact of discounting is not significant.

	<u>Less than 3 months</u>	
	As at	As at
	31 December	31 December
	2023	2022
	S\$	S\$
Payables	1,327,572	1,495,997
Contractual cash outflows	1,327,572	1,495,997

NIKKO AM SHENTON THRIFT FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

7. Financial risk management (continued)

(e) Credit risk

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

Concentrations of credit risk are minimised primarily by:

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

The Fund is also exposed to counterparty credit risk on its financial assets held at amortised cost. As at 31 December 2023 and 2022, the Fund's financial assets held at amortised cost as disclosed in the Statement of Financial Position are realised within three months. The Manager considers the probability of default to be insignificant as the counterparties generally have a strong capacity to meet their contractual obligations in the near term. Hence, no loss allowance has been recognised based on the 12 month expected credit losses as any such impairment would be insignificant to the Fund.

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

Credit risk arises from cash and cash equivalents and outstanding and committed transactions from brokers. The table below summarises the credit rating of bank and custodian in which the Fund's assets are held as at 31 December 2023 and 2022.

	Credit rating as at 31 December 2023	Credit rating as at 31 December 2022	Source of credit rating
Bank and custodian			
- BNP Paribas, acting through its Singapore Branch	Aa3	Aa3	Moody's

The credit ratings are based on 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.

NIKKO AM SHENTON THRIFT FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

7. Financial risk management (continued)

(g) Fair value estimation

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

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

The following table analyses within the fair value hierarchy the Fund's financial assets and liabilities (by class) measured at fair value at 31 December 2023 and 2022:

As at 31 December 2023	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
Assets				
Portfolio of investments:				
- Quoted equities	300,347,292	-	-	300,347,292
- Quoted investment funds	11,642,338	-	-	11,642,338
- Quoted real estate investment trusts	23,912,399	-	-	23,912,399
	335,902,029	-	-	335,902,029
As at 31 December 2022	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
Assets				
Portfolio of investments:				
- Quoted equities	309,348,428	-	-	309,348,428
- Quoted investment funds	9,924,782	-	-	9,924,782
- Quoted real estate investment trusts	14,716,226	-	-	14,716,226
	333,989,436	-	-	333,989,436

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

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

NIKKO AM SHENTON THRIFT FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

8. Related party transactions

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

	2023 S\$	2022 S\$
Bank balances held with related party of the Trustee	<u>5,622,633</u>	<u>6,875,518</u>

9. Financial ratios

Expense ratio

		2023	2022
SGD Class			
Total operating expenses	S\$	2,806,815	2,887,560
Average daily net asset value	S\$	338,066,596	342,805,948
Total expense ratio¹	%	<u>0.83</u>	<u>0.84</u>

Turnover ratio

		2023	2022
Lower of total value of purchases or sales	S\$	205,233,147	163,119,148
Average daily net asset value	S\$	338,066,596	342,805,948
Total turnover ratio²	%	<u>60.71</u>	<u>47.58</u>

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

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

NIKKO AM SHENTON THRIFT FUND

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

REPORT TO UNITHOLDERS

For the financial year ended 31 December 2023

The following contains additional information relating to the Fund.

1. Distribution of investments

Please refer to the Statement of Portfolio on pages 14 to 17.

2. Credit rating of debt securities

Nil.

3. Top 10 holdings

10 largest holdings at 31 December 2023

	Fair value S\$	Percentage of total net assets attributable to unitholders %
DBS Group Holdings Limited	71,960,763	21.15
United Overseas Bank Limited	42,350,357	12.45
Oversea-Chinese Banking Corporation Limited	37,747,216	11.09
Sembcorp Industries Limited	20,082,420	5.90
Seatrium Limited	17,827,896	5.24
Yangzijiang Shipbuilding Holdings Limited	15,778,057	4.64
UMS Holdings Limited	10,734,438	3.15
First Resources Limited	8,702,980	2.56
Keppel Infrastructure Trust	7,495,792	2.20
Singapore Technologies Engineering Limited	7,399,558	2.17

10 largest holdings at 31 December 2022

	Fair value S\$	Percentage of total net assets attributable to unitholders %
DBS Group Holdings Limited	72,753,956	21.44
United Overseas Bank Limited	39,854,402	11.74
Oversea-Chinese Banking Corporation Limited	35,740,164	10.53
Keppel Corporation Limited	27,430,458	8.08
Wilmar International Limited	25,474,530	7.51
Sembcorp Industries Limited	18,970,588	5.59
Jardine Cycle & Carriage Limited	10,630,620	3.13
CapitalLand Investment Limited	9,773,550	2.88
UMS Holdings Limited	8,384,578	2.47
Jardine Matheson Holdings Limited	8,252,351	2.43

4. Exposure to financial derivatives

Nil.

NIKKO AM SHENTON THRIFT FUND

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

REPORT TO UNITHOLDERS

For the financial year ended 31 December 2023

5. Global exposure to financial derivatives

Nil.

6. Collateral

Nil.

7. Securities lending or repurchase transactions

Nil.

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

Please refer to the Statement of Portfolio on pages 14 to 17.

9. Borrowings

Nil.

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

S\$

Units created	18,404,816
Units cancelled	(35,015,211)

11. Turnover ratio

Please refer to Note 9 of the Notes to the Financial Statements on page 29.

12. Expense ratio

Please refer to Note 9 of the Notes to the Financial Statements on page 29.

13. Related party transactions

Please refer to Note 8 of the Notes to the Financial Statements on page 29.

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

Nil.

15. Soft dollar commissions/arrangements

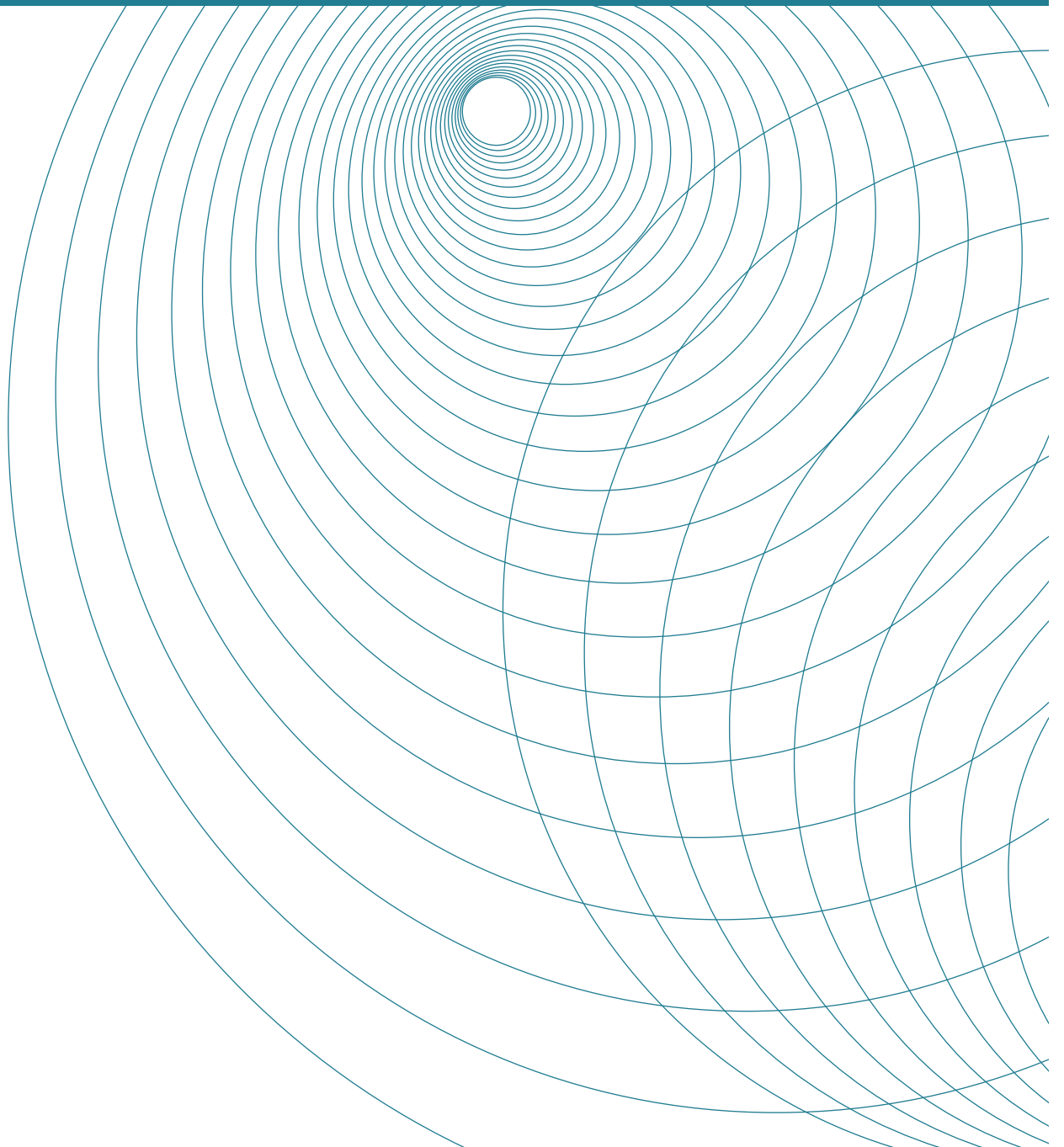
In their management of the Fund, the Managers currently do not receive or enter into any soft dollar commissions or arrangements.

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SEMI-ANNUAL REPORT

Nikko AM Shenton Thrift Fund

Financial period ending 30 June 2023



MANAGERS

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

DIRECTORS OF THE MANAGERS

Kiyotaka Ryu
Seet Oon Hui Eleanor

TRUSTEE & REGISTRAR

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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 Thrift Fund - SGD Class ¹	1.07	2.08	7.01	9.90	3.07	3.75	5.64
Straits Times Index (STI) ²	0.38	1.16	8.16	11.66	3.69	2.63	2.93

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

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Thrift Fund - SGD Class ¹	-3.99	-3.03	1.66	8.04	2.02	3.22	5.49
Straits Times Index (STI) ²	0.38	1.16	8.16	11.66	3.69	2.63	2.93

Source: Nikko Asset Management Asia Limited, returns as at 30 June 2023. Returns are calculated on a NAV-NAV basis, SGD, and based on the assumption that all dividends and distributions are reinvested, if any, and take into account of maximum initial sales 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: 31 August 1987

Note:

- (1) With effect from 17 October 2011, the Fund (formerly known as "Shenton Thrift Fund") has been renamed Nikko AM Shenton Thrift Fund.
- (2) Prior to 1 May 2017, the performance returns of the benchmark were calculated using price index methodology. With effect from 1 May 2017, the performance returns of the benchmark is calculated using net total return index methodology. Net total return index methodology incorporates into its returns calculation the reinvestment of a constituent company's dividend distributions net of tax credits or charges.

Portfolio Review

Fund returns in 2.08% in 1H23

For the financial period ending 30 June 2023 (1H23), the Nikko AM Shenton Thrift Fund (the "Fund") posted a return of 2.08% (SGD terms, on a NAV-NAV basis), outperforming the Straits Times Index (STI) which returned 1.16% on a total return basis over the same period.

The Fund's overweight position in Yangzijiang Shipbuilding and underweight in Jardine Matheson Holdings added the most to relative performance over the period. Conversely, the overweight position in Keppel Infrastructure and underweight in Singapore Airlines were the biggest detractors from relative performance.

Market Review

The Straits Times Index (STI) rises 1.16% in 1H23

Singapore stocks, as measured by the STI, wrapped up 1H23 with a 1.16% gain on a total return basis in SGD terms for the review period. Global markets powered through a host of concerns including the banking meltdown in the US and Europe, the US debt ceiling drama and geopolitical uncertainty. Investors continued to keep a close eye on the US Federal Reserve's (Fed) interest rate hiking cycle, which eventually saw the Fed forgo a rate increase in June. To the east, China's re-opening fuelled global growth optimism in the first quarter, but the country's modest stimulus has since fallen short of market expectations as its economic recovery loses steam. An artificial intelligence (AI) frenzy also propelled technology stocks higher over the half. In Singapore, inflation edged down over the period but remained elevated, while the Monetary Authority of Singapore (MAS) kept its monetary policy settings unchanged in April. High-frequency growth data printed weak over 1H23, with exports and manufacturing output showing no signs of picking up yet.

MAS leaves its FX policy unchanged; inflationary pressures ease but remain elevated

In April, MAS left its foreign exchange (FX) policy unchanged for the first time in two years. In its annual review released in July 2023, the MAS said inflation has been on a "broad moderating path." It lowered its headline inflation forecast for 2023 to between 4.5% to 5.5% (from 5.5% to 6.5%). Meanwhile, the MAS left its core inflation forecast unchanged, projecting core CPI to average between 3.5–4.5% in the year. On growth, MAS Managing Director Ravi Menon said that near-term growth will "remain weak", and that "a material slowdown in global economic activity in the later part of this year looks increasingly likely." Price pressures in Singapore have moderated but remained high over the period. Core inflation eased to 4.7% on a year-on-year (YoY) basis in May, down from 5.0% in April, prompted mainly by falling inflation for services and food. Overall inflation rose 5.1% YoY in May, lower than the 5.7% increase in the previous month, reflecting lower core inflation as well as a fall in private transport inflation.

High-frequency growth data weakens

Singapore recorded first-quarter GDP growth of 0.40% YoY, with the Ministry of Trade and Industry noting that the "electronics downcycle is likely to be deeper and more prolonged than earlier projected." Meanwhile, high-frequency data continued to print weak over the period. Non-oil domestic exports (NODX) contracted for the eighth straight month in May, shrinking by a bigger-than-expected 14.7% YoY, from a 9.8% drop in April. This prompted policymakers to downgrade their projection for NODX growth to fall 8–10% this year from an earlier forecast of between zero growth and a contraction of 2%. Manufacturing output similarly undershot expectations, decreasing by 10.8% YoY in May, from an upwardly revised 6.5% drop in the prior month. This also marked the eighth straight month of contraction and was driven mainly by weakness in electronics output. Meanwhile, the purchasing managers' index eased 0.2 points in May to 49.5, remaining in contraction territory.

Market Outlook and Strategy

Remain convinced of our bottom-up driven strategy and continue to like “New Singapore” stocks

The Singapore economy continues to undergo a period of slower growth, with industrial production continuing to shrink along with manufacturing activity. Tourist arrivals continue to recover, to around 70% of pre-COVID levels as at April–May 2023, supporting retail and F&B sales. However, this was moderated by a concurrent recovery in outbound tourism as well. We expect further recovery in inbound tourism, driven by rising seat capacity for flights from China.

We see Singapore’s economic growth bottoming out in the second half of 2023, with a nascent recovery potentially taking shape in the technology sector. We continue to monitor new trends like AI, which drives demand for high-end processors and memory chips, as well as network bandwidth. We now think that GDP growth could come in at about 1% for 2023, slightly dampened from our previous view.

In an environment of dampened growth, we remain convinced of our bottom-up driven strategy, which emphasises quality franchises, strong sustainable returns and positive fundamental change. We continue to like “New Singapore” stocks in areas such as renewable energy, technology, data, healthcare, food and logistics, which represent the future economy of Singapore.

Including recent additions, the portfolio now features a number of beneficiaries of energy transition among its key overweights, including renewable power producers and providers of engineering solutions for renewable energy. Beneficiaries of corporate restructuring and the continued recovery in tourism also feature prominently.

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

	30 June 2023	30 June 2022
	S\$	S\$
Income		
Dividends	10,268,888	7,379,507
Interest on cash and cash equivalents	124,009	3,420
	<u>10,392,897</u>	<u>7,382,927</u>
Less: Expenses		
Management fee	1,262,004	1,291,901
Transfer agent fee	15,586	12,972
Custody fee	33,264	34,890
Audit fee	9,521	9,228
Valuation fee	33,653	34,451
Transaction costs	552,796	390,918
Other expenses	54,852	84,070
	<u>1,961,676</u>	<u>1,858,430</u>
Net income	<u>8,431,221</u>	<u>5,524,497</u>
Net gains or losses on value of investments		
Net losses on investments	(1,437,930)	(8,440,917)
Net foreign exchange losses	(6,068)	(14,512)
	<u>(1,443,998)</u>	<u>(8,455,429)</u>
Total return/(deficit) for the financial period before income tax	<u>6,987,223</u>	<u>(2,930,932)</u>
Less: Income tax	<u>(40,658)</u>	<u>(16,132)</u>
Total return/(deficit) for the financial period after income tax	<u>6,946,565</u>	<u>(2,947,064)</u>

NIKKO AM SHENTON THRIFT FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF FINANCIAL POSITION***As at 30 June 2023 (unaudited)*

	30 June 2023	31 December 2022
	S\$	S\$
ASSETS		
Portfolio of investments	326,999,712	333,989,436
Receivables	7,165	23,714
Cash and cash equivalents	11,681,970	6,875,518
Total assets	338,688,847	340,888,668
LIABILITIES		
Payables	1,343,704	1,495,997
Total liabilities	1,343,704	1,495,997
EQUITY		
Net assets attributable to unitholders	337,345,143	339,392,671

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

	30 June 2023	31 December 2022
	S\$	S\$
Net assets attributable to unitholders at the beginning of the financial period/year	339,392,671	324,003,175
Operations		
Change in net assets attributable to unitholders resulting from operations	6,946,565	12,891,238
Unitholders' contributions/(withdrawals)		
Creation of units	7,312,483	36,422,266
Cancellation of units	(16,306,576)	(33,924,008)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(8,994,093)	2,498,258
Total (decrease)/increase in net assets attributable to unitholders	(2,047,528)	15,389,496
Net assets attributable to unitholders at the end of the financial period/year	337,345,143	339,392,671

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

	Holdings at 30 June 2023	Fair value at 30 June 2023 S\$	Percentage of total net assets attributable to unitholders at 30 June 2023 %
Quoted Equities			
CHINA			
AustAsia Group Limited	1,909,830	1,009,250	0.30
Yangzijiang Shipbuilding Holdings Limited	10,883,600	16,325,400	4.84
Total for CHINA		17,334,650	5.14
HONG KONG SAR			
Jardine Matheson Holdings Limited	142,283	9,753,061	2.89
Total for HONG KONG SAR		9,753,061	2.89
SINGAPORE			
BRC Asia Limited	2,028,800	3,347,520	0.99
CapitaLand Investment Limited	2,381,000	7,881,110	2.34
CSE Global Limited	9,999,920	3,899,969	1.16
DBS Group Holdings Limited	2,050,969	64,626,033	19.16
First Resources Limited	5,854,500	8,137,755	2.41
Genting Singapore Limited	14,653,200	13,774,008	4.08
Jardine Cycle & Carriage Limited	208,600	7,259,280	2.15
Keppel Corporation Limited	3,133,700	21,027,127	6.23
Oversea-Chinese Banking Corporation Limited	2,541,432	31,208,785	9.25
SATS Limited	1,200,600	3,097,548	0.92
Sea Limited	53,995	4,241,206	1.26
Seatrium Limited	115,855,462	14,481,933	4.29
Sembcorp Industries Limited	3,283,100	18,877,825	5.60
Singapore Technologies Engineering Limited	1,263,800	4,650,784	1.38
TDCX Incorporated	294,712	3,154,879	0.94
UMS Holdings Limited	6,642,475	7,041,024	2.09
United Overseas Bank Limited	1,205,189	33,745,292	10.00
Venture Corporation Limited	186,200	2,739,002	0.81
Wilmar International Limited	2,072,100	7,873,980	2.33
Total for SINGAPORE		261,065,060	77.39
Total Quoted Equities		288,152,771	85.42
Quoted Investment Funds			
SINGAPORE			
CapitaLand India Trust	2,946,400	3,358,896	1.00
Keppel Infrastructure Trust	19,140,285	9,761,545	2.89
Total for SINGAPORE		13,120,441	3.89
Total Quoted Investment Funds		13,120,441	3.89

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

	Holdings at 30 June 2023	Fair value at 30 June 2023 S\$	Percentage of total net assets attributable to unitholders at 30 June 2023 %
Quoted Real Estate Investment Trusts			
SINGAPORE			
CapitaLand Ascendas REIT	904,600	2,460,512	0.73
CapitaLand Ascott Trust	2,355,147	2,543,559	0.75
CapitaLand China Trust	4,941,900	5,040,738	1.49
Digital Core REIT Management PTE Limited	2,697,100	1,733,800	0.51
Frasers Logistics & Commercial Trust	2,576,100	3,220,125	0.96
Keppel DC REIT	3,248,500	7,016,760	2.08
Lendlease Global Commercial REIT	5,580,236	3,682,956	1.09
Total for SINGAPORE		25,698,450	7.61
Total Quoted Real Estate Investment Trusts		25,698,450	7.61
Quoted Derivative			
SINGAPORE			
CapitaLand India Trust Rights 31/12/2049	350,621	28,050	0.01
Total for SINGAPORE		28,050	0.01
Total Quoted Derivative		28,050	0.01
Portfolio of investments		326,999,712	96.93
Other net assets		10,345,431	3.07
Net assets attributable to unitholders		337,345,143	100.00

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

By Geography (Summary)	Percentage of total net assets attributable to unitholders at 30 June 2023 %	Percentage of total net assets attributable to unitholders at 31 December 2022 %
Quoted Equities		
China	5.14	1.77
Hong Kong SAR	2.89	2.43
Malaysia	-	1.95
Singapore	77.39	85.00
Total Quoted Equities	85.42	91.15
Quoted Investment Funds		
Singapore	3.89	2.92
Total Quoted Investment Funds	3.89	2.92
Quoted Real Estate Investment Trusts		
Singapore	7.61	4.34
Total Quoted Real Estate Investment Trusts	7.61	4.34
Quoted Derivative		
Singapore	0.01	-
Total Quoted Derivative	0.01	-
Portfolio of investments	96.93	98.41
Other net assets	3.07	1.59
Net assets attributable to unitholders	100.00	100.00

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

By Industry (Secondary)	Fair value at 30 June 2023 S\$	Percentage of total net assets attributable to unitholders at 30 June 2023 %	Percentage of total net assets attributable to unitholders at 31 December 2022 %
Aerospace/Defense	4,650,784	1.38	0.86
Agriculture	16,011,735	4.75	10.76
Banks	129,580,110	38.41	43.71
Computers	7,054,848	2.09	2.08
Diversified Financial Services	-	-	0.40
Electric	28,639,370	8.49	7.45
Electrical Component & Equipment	-	-	1.95
Electronics	2,739,002	0.81	1.18
Engineering and Construction	24,124,675	7.15	8.08
Entertainment	13,774,008	4.08	0.54
Food	1,009,250	0.30	0.62
Holding Companies-Diversified	9,753,061	2.89	2.43
Insurance	-	-	0.99
Internet	4,241,206	1.26	1.29
Iron/Steel	3,347,520	0.99	1.04
Oil and Gas Services	14,481,933	4.29	-
Private Equity	7,881,110	2.34	2.88
Real Estate	3,386,946	1.01	1.06
Real Estate Investment Trusts (REITS)	25,698,450	7.61	4.34
Retail	7,259,280	2.15	3.13
Semiconductors	7,041,024	2.09	2.47
Shipbuilding	16,325,400	4.84	1.15
Portfolio of investments	326,999,712	96.93	98.41
Other net assets	10,345,431	3.07	1.59
Net assets attributable to unitholders	337,345,143	100.00	100.00

NIKKO AM SHENTON THRIFT FUND

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

REPORT TO UNITHOLDERS

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

The following contains additional information relating to the Fund.

1. Distribution of investments

Please refer to the Statement of Portfolio on pages 9 to 12.

2. Credit rating of debt securities

Nil.

3. Top 10 holdings

10 Largest holdings at 30 June 2023

	Fair value S\$	Percentage of total net assets attributable to unitholders %
DBS Group Holdings Limited	64,626,033	19.16
United Overseas Bank Limited	33,745,292	10.00
Oversea-Chinese Banking Corporation Limited	31,208,785	9.25
Keppel Corporation Limited	21,027,127	6.23
Sembcorp Industries Limited	18,877,825	5.60
Yangzijiang Shipbuilding Holdings Limited	16,325,400	4.84
Seatrium Limited	14,481,933	4.29
Genting Singapore Limited	13,774,008	4.08
Keppel Infrastructure Trust	9,761,545	2.89
Jardine Matheson Holdings Limited	9,753,061	2.89

10 Largest holdings at 30 June 2022

	Fair value S\$	Percentage of total net assets attributable to unitholders %
DBS Group Holdings Limited	53,871,248	16.37
Oversea-Chinese Banking Corporation Limited	38,296,961	11.64
United Overseas Bank Limited	30,197,711	9.18
Keppel Corporation Limited	23,588,554	7.17
Jardine Cycle & Carriage Limited	19,307,925	5.87
Wilmar International Limited	16,904,976	5.14
CapitaLand Investment Limited	14,365,874	4.37
Sembcorp Industries Limited	14,339,205	4.36
Jardine Matheson Holdings Limited	10,129,701	3.08
Singapore Exchange Limited	9,308,640	2.83

4. Exposure to financial derivatives

	Fair value at 30 June 2023 S\$	Percentage of total net assets attributable to unitholders at 30 June 2023 %	Unrealised gains/(losses) S\$	Realised gains/(losses) S\$
Rights	28,050	0.01	225	-

NIKKO AM SHENTON THRIFT FUND

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

REPORT TO UNITHOLDERS

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

5. Global exposure to financial derivatives

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 arrangements;
- 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. Collateral

Nil.

7. Securities lending or repurchase transactions

Nil.

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

Please refer to the Statement of Portfolio on pages 9 to 12.

9. Borrowings

Nil.

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

	S\$
Units created	7,312,483
Units cancelled	(16,306,576)

11. Turnover ratio

		30 June 2023	30 June 2022
Lower of total value of purchases or sales	S\$	108,546,381	74,680,525
Average daily net asset value	S\$	339,176,357	347,286,604
Total turnover ratio¹	%	32.00	21.50

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 THRIFT FUND

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

REPORT TO UNITHOLDERS

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

12. Expense ratio

		30 June 2023	30 June 2022
<u>SGD Class</u>			
Total operating expenses	S\$	2,828,067	2,035,939
Average daily net asset value	S\$	338,831,605	236,168,223
Total expense ratio²	%	0.83	0.86

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 out of the management fees by Nikko Asset Management Asia Limited to BNP Paribas Trust Services Singapore Limited. Custody fee and valuation fee are payable to a related company of the Trustee, BNP Paribas, acting through its Singapore Branch. Transfer agent fee is payable to BNP Paribas, acting through its Singapore Branch with effect from 1 April 2023.

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

	30 June 2023	31 December 2022
	S\$	S\$
Bank balances held with related party of the Trustee	11,681,970	6,875,518

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

Nil.

15. Soft dollar commissions/arrangements

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

ANNUAL REPORT

For the financial year ended 31 December 2022

**Nikko AM Shenton
Thrift Fund**

MANAGERS

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Company Registration No. 198202562H

DIRECTORS OF THE MANAGERS

Kiyotaka Ryu
Seet Oon Hui Eleanor
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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 Thrift Fund - SGD Class ¹	2.04	4.84	3.96	2.96	1.67	3.97	5.66
Straits Times Index (STI) ²	4.42	6.92	8.38	4.20	2.97	2.46	2.93

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

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Nikko AM Shenton Thrift Fund - SGD Class ¹	-3.06	-0.41	-1.24	1.22	0.63	3.44	5.51
Straits Times Index (STI) ²	4.42	6.92	8.38	4.20	2.97	2.46	2.93

Source: Nikko Asset Management Asia Limited, returns as at 31 December 2022. Returns are calculated on a NAV-NAV basis, SGD, and based on the assumption that all dividends and distributions are reinvested, if any, and take into account of maximum initial sales 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: 31 August 1987

Note:

- (1) With effect from 17 October 2011, the Fund (formerly known as "Shenton Thrift Fund") has been renamed Nikko AM Shenton Thrift Fund.
- (2) Prior to 1 May 2017, the performance returns of the benchmark were calculated using price index methodology. With effect from 1 May 2017, the performance returns of the benchmark is calculated using net total return index methodology. Net total return index methodology incorporates into its returns calculation the reinvestment of a constituent company's dividend distributions net of tax credits or charges.

Portfolio Review

Fund returned in 3.96% in 2022

For the financial period ending 31 December 2022, the Nikko AM Shenton Thrift Fund (the "Fund") posted a return of 3.96% (SGD terms, on a NAV-NAV basis), underperforming the Straits Times Index (STI) which returned 8.38% on a total return basis over the same period.

The Fund's overweight positions in Jardine Cycle & Carriage and Keppel Corporation added the most to relative performance over the period. Conversely, overweight positions in Frencken Group and Digital Core REIT were the biggest detractors from relative performance.

Market Review

The Straits Times Index (STI) climbed 8.38% in 2022

Singapore stocks, as measured by the STI, advanced 8.38% on a total return basis in SGD terms for the review period. The year was one of volatility for markets around the world, driven by rising interest rates, stubbornly high inflation and geopolitical tensions. Singapore stocks had a solid first quarter, brushing aside uncertainties posed by Russia's full-scale invasion of Ukraine. On the pandemic front, the country went ahead with easing longstanding COVID-19 restrictions as cases subsided steadily from February's peak. Local equities retreated in 2Q22 though, tracking global equities' decline, as rising inflation and central banks tightening helped fuel recession fears and a broad-based equity sell-off. The Singapore stock market had held its own in 3Q22, amid central banks keeping their hawkish stance and reaffirmed their commitment in tackling high inflation. 4Q22 brought some relief to a turbulent year, boosted by China's relaxation of its zero-COVID policy and the US Federal Reserve (Fed) starting to scale back the pace of its interest rate hikes.

Inflationary pressure rose over the year

The threat of higher and more persistent inflation prompted the Monetary Authority of Singapore (MAS) to strengthen the Singapore dollar at an unprecedented pace of five times since October 2021. Looking ahead, the MAS expects full-year 2023 gross domestic product growth to come in "below trend", and for core inflation to stay elevated in the next few quarters before slowing in the second half of 2023, as the current tightness in the domestic labour market eases and global inflation moderates. Separately, inflation rose for the most part of 2022 before easing in the final months of the year. In the last reading of 2022, headline CPI inflation was unchanged at 6.7% year-on-year (YoY) in November. The MAS' preferred core inflation measure, which excludes private transport and accommodation inflation, remained elevated throughout the period. Core inflation came in at 5.1% on a YoY basis in November, unchanged from October as smaller increases in the costs of services and electricity and gas were broadly offset by a steeper pickup in the costs of retail and other goods and food. Overall, the central bank projects 2023 headline and core inflation to average 5.5–6.5% and 3.5–4.5%, respectively, taking into account the goods and services tax (GST) increase.

High-frequency growth data moderated towards the end of the year

Activity data in the third quarter pointed to some moderation in the electronics sector. Although non-oil domestic exports (NODX) growth accelerated to 11.4% in August from 7.0% in July, shipments of electronics products fell 4.5% YoY—its first decline since November 2020. Meanwhile, factory output growth eased in August, with total output growing just 0.5% YoY, with weakness in the electronics cluster being the main drag to overall output. In the last quarter of 2022, high-frequency growth data saw a marked moderation. NODX contracted by 14.6% YoY in November from a high base a year earlier, following downwardly revised 6.1% drop in October. Notably, this was the second straight monthly contraction after nearly two years of growth. Similarly, factory output contracted, by 3.2% YoY in November, extending a downwardly revised 0.9% drop in October. Retail sales rose 10.4% YoY in October, moderating from the 11.2% growth in September. Meanwhile, the purchasing managers' index nudged up 0.1 point in November, though remaining in contraction territory at 49.8.

Market Outlook and Strategy

Continue to like “New Singapore” stocks in areas that represent Singapore’s future economy

We continue to hold a sanguine outlook for Singapore stocks, premised primarily on a less negative outlook for external demand. While the US is still likely to enter into a recession sometime this year, we are hopeful that the correction will be shallow. Continuing signs of a plateau in inflationary pressures should mean that the Fed will be able to raise rates more slowly and eventually cease hiking during the year. China continues to reopen its economy rapidly despite anecdotal evidence of a recent surge in COVID-19 cases and deaths. This has resulted in a strong rebound in consumption, which bodes well for economic growth.

We maintain our view that the Singapore economy will likely grow by about 2% in 2023. While the manufacturing sector will still feel the effects of a slowdown in external demand, there are hopeful signs of stabilisation in recent data. The services sector should continue to recover, especially in the tourism-related industries like hotels, retail and food and beverage, which should gain from a steady return of Chinese visitors.

We remain convinced of our bottom-up driven strategy, which emphasises on quality franchises, strong sustainable returns, and positive fundamental change. We continue to like “New Singapore” stocks in areas such as energy transition, tech, data, healthcare, food and logistics, which represent the future economy of Singapore. We also favour corporate restructuring candidates, where companies are looking to reorganise their businesses in order to be more relevant to the future economy. Dividend stocks look attractive as long-bond yields begin to ease, and we are gradually positioned more in the Singapore REITs, particularly those which also benefit from economic reopening, or play into our “New Singapore” narrative.

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 THRIFT FUND

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

REPORT OF THE TRUSTEE

For the financial year ended 31 December 2022

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

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Fund during the financial year covered by these financial statements, set out on pages 11 to 28, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

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

Authorised signatory
29 March 2023

NIKKO AM SHENTON THRIFT FUND

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

STATEMENT BY THE MANAGER

For the financial year ended 31 December 2022

In the opinion of Nikko Asset Management Asia Limited, the accompanying financial statements set out on pages 11 to 28, 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 Thrift Fund (the "Fund") as at 31 December 2022, and the financial performance and movements in unitholders' funds for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the Fund will be able to meet its financial obligations as and when they materialise.

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

Authorised signatory
29 March 2023

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

Our Opinion

In our opinion, the accompanying financial statements of Nikko AM Shenton Thrift Fund (the "Fund"), are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants, so as to present fairly, in all material respects, the financial position and portfolio holdings of the Fund as at 31 December 2022, and the financial performance and movements of unitholders' funds for the financial year ended on that date.

What we have audited

The financial statements of the Fund comprise:

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

Basis for Opinion

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

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

Independence

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

Other Information

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

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

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

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

Responsibilities of the Manager for the Financial Statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 29 March 2023

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

	Note	2022 S\$	2021 S\$
Income			
Dividends		13,422,411	2,982,750
Interest on cash and cash equivalents		86,789	-
		<u>13,509,200</u>	<u>2,982,750</u>
Less: Expenses			
Management fee		2,570,824	769,751
Registrar fee		28,642	23,107
Custody fee		63,974	21,650
Audit fee		17,848	17,785
Valuation fee		68,555	20,527
Transaction costs		827,934	315,180
Other expenses		137,742	52,888
		<u>3,715,519</u>	<u>1,220,888</u>
Net income		<u>9,793,681</u>	<u>1,761,862</u>
Net gains or losses on value of investments			
Net gains/(losses) on investments		3,145,593	(3,145,122)
Net foreign exchange losses		(4,245)	(11,911)
		<u>3,141,348</u>	<u>(3,157,033)</u>
Total return/(deficit) for the financial year before income tax		<u>12,935,029</u>	<u>(1,395,171)</u>
Less: Income tax	3	<u>(43,791)</u>	<u>(58,962)</u>
Total return/(deficit) for the financial year after income tax		<u>12,891,238</u>	<u>(1,454,133)</u>

The accompanying notes form an integral part of these financial statements

NIKKO AM SHENTON THRIFT FUND

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Note	2022 S\$	2021 S\$
ASSETS			
Portfolio of investments		333,989,436	308,913,466
Sales awaiting settlement		-	1,739
Receivables	4	23,714	2,175,884
Cash and cash equivalents		6,875,518	13,817,701
Total assets		340,888,668	324,908,790
LIABILITIES			
Payables	5	1,495,997	905,615
Total liabilities		1,495,997	905,615
EQUITY			
Net assets attributable to unitholders	6	339,392,671	324,003,175

The accompanying notes form an integral part of these financial statements

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

	Note	2022 S\$	2021 S\$
Net assets attributable to unitholders at the beginning of the financial year		324,003,175	67,734,763
Operations			
Change in net assets attributable to unitholders resulting from operations		12,891,238	(1,454,133)
Unitholders' contributions/(withdrawals)			
Creation of units		36,422,266	270,737,549
Cancellation of units		(33,924,008)	(13,015,004)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		2,498,258	257,722,545
Total increases in net assets attributable to unitholders		15,389,496	256,268,412
Net assets attributable to unitholders at the end of the financial year	6	339,392,671	324,003,175

The accompanying notes form an integral part of these financial statements

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

	Holdings at 31 December 2022	Fair value at 31 December 2022 S\$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
Quoted Equities			
CHINA			
Austasia Group Limited	1,909,830	2,090,537	0.62
Yangzijiang Shipbuilding Holdings Limited	2,876,800	3,912,448	1.15
Total CHINA		<u>6,002,985</u>	<u>1.77</u>
HONG KONG SAR			
Jardine Matheson Holdings Limited	120,883	8,252,351	2.43
Total HONG KONG SAR		<u>8,252,351</u>	<u>2.43</u>
MALAYSIA			
Frencken Group Limited	7,004,600	6,619,347	1.95
Total MALAYSIA		<u>6,619,347</u>	<u>1.95</u>
SINGAPORE			
BRC Asia Limited	1,944,100	3,518,821	1.04
CapitaLand Investment Limited	2,641,500	9,773,550	2.88
CSE Global Limited	9,203,520	3,129,197	0.92
DBS Group Holdings Limited	2,144,869	72,753,956	21.44
First Resources Limited	5,222,800	7,729,744	2.28
Genting Singapore Limited	1,919,400	1,833,027	0.54
Great Eastern Holdings Limited	181,400	3,355,900	0.99
Japfa Limited	9,549,150	3,294,457	0.97
Jardine Cycle & Carriage Limited	371,700	10,630,620	3.13
Keppel Corporation Limited	3,778,300	27,430,458	8.08
Oversea-Chinese Banking Corporation Limited	2,934,332	35,740,164	10.53
Sea Limited	62,654	4,372,173	1.29
Sembcorp Industries Limited	5,612,600	18,970,588	5.59
Singapore Exchange Limited	151,700	1,357,715	0.40
Singapore Technologies Engineering Limited	875,400	2,932,590	0.86
TDCX Incorporated	237,428	3,948,647	1.16
UMS Holdings Limited	7,105,575	8,384,578	2.47
United Overseas Bank Limited	1,298,189	39,854,402	11.74
Venture Corporation Limited	233,800	3,988,628	1.18
Wilmar International Limited	6,109,000	25,474,530	7.51
Total SINGAPORE		<u>288,473,745</u>	<u>85.00</u>
Total Quoted Equities		<u>309,348,428</u>	<u>91.15</u>

The accompanying notes form an integral part of these financial statements

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

	Holdings at 31 December 2022	Fair value at 31 December 2022 S\$	Percentage of total net assets attributable to unitholders at 31 December 2022 %
Quoted Investment Funds			
SINGAPORE			
CapitaLand India Trust	3,190,600	3,605,378	1.06
Keppel Infrastructure Trust	11,702,600	6,319,404	1.86
Total SINGAPORE		<u>9,924,782</u>	<u>2.92</u>
Total Quoted Investment Funds		<u>9,924,782</u>	<u>2.92</u>
Quoted Real Estate Investment Trusts			
SINGAPORE			
CapitaLand Ascott Trust	4,017,800	4,218,690	1.24
CapitaLand China Trust	1,530,800	1,714,496	0.51
Digital Core REIT Management Pte Limited	3,457,500	2,550,466	0.75
Keppel REIT	2,830,300	2,575,573	0.76
Lendlease Global Commercial REIT	5,187,236	3,657,001	1.08
Total SINGAPORE		<u>14,716,226</u>	<u>4.34</u>
Total Quoted Real Estate Investment Trusts		<u>14,716,226</u>	<u>4.34</u>
Portfolio of investments		333,989,436	98.41
Other net assets		5,403,235	1.59
Net assets attributable to unitholders		<u>339,392,671</u>	<u>100.00</u>

The accompanying notes form an integral part of these financial statements

NIKKO AM SHENTON THRIFT FUND

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

STATEMENT OF PORTFOLIO

As at 31 December 2022

By Geography (Summary)

	Percentage of total net assets attributable to unitholders at 31 December 2022 %	Percentage of total net assets attributable to unitholders at 31 December 2021 %
Quoted Equities		
China	1.77	-
Hong Kong SAR	2.43	3.10
Malaysia	1.95	1.51
Singapore	85.00	82.35
Thailand	-	1.22
Total Quoted Equities	91.15	88.18
Quoted Investment Funds		
Singapore	2.92	0.70
Total Quoted Investment Funds	2.92	0.70
Quoted Real Estate Investment Trusts		
Singapore	4.34	6.46
Total Quoted Real Estate Investment Trusts	4.34	6.46
Portfolio of investments	98.41	95.34
Other net assets	1.59	4.66
Net assets attributable to unitholders	100.00	100.00

The accompanying notes form an integral part of these financial statements

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

By Industry (Secondary)	Fair value at 31 December 2022 S\$	Percentage of total net assets attributable to unitholders at 31 December 2022 %	Percentage of total net assets attributable to unitholders at 31 December 2021 %
Aerospace/Defense	2,932,590	0.86	-
Agriculture	36,498,731	10.76	1.13
Banks	148,348,522	43.71	35.26
Beverages	-	-	1.22
Commercial Services	-	-	2.53
Computers	7,077,844	2.08	0.89
Distribution/Wholesale	-	-	3.83
Diversified Financial Services	1,357,715	0.40	4.33
Electric	25,289,992	7.45	-
Electrical Component & Equipment	6,619,347	1.95	1.51
Electronics	3,988,628	1.18	4.75
Engineering and Construction	27,430,458	8.08	10.58
Entertainment	1,833,027	0.54	-
Food	2,090,537	0.62	4.27
Healthcare-Services	-	-	1.56
Holding Companies-Diversified	8,252,351	2.43	2.71
Insurance	3,355,900	0.99	1.60
Internet	4,372,173	1.29	0.61
Iron/Steel	3,518,821	1.04	0.46
Miscellaneous Manufacture	-	-	1.85
Private Equity	9,773,550	2.88	3.86
Real Estate	3,605,378	1.06	1.09
Real Estate Investment Trusts (REITS)	14,716,226	4.34	6.46
Retail	10,630,620	3.13	-
Semiconductors	8,384,578	2.47	1.23
Shipbuilding	3,912,448	1.15	-
Software	-	-	0.76
Transportation	-	-	2.85
Portfolio of investments	333,989,436	98.41	95.34
Other net assets	5,403,235	1.59	4.66
Net assets attributable to unitholders	339,392,671	100.00	100.00

The accompanying notes form an integral part of these financial statements

NIKKO AM SHENTON THRIFT FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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

1. General

Nikko AM Shenton Thrift Fund (the "Fund") is a Singapore domiciled fund constituted under a Trust Deed dated 12 June 1987 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 four classes of units established within the Fund, namely the SGD Class, USD Class, RMB Class and SGD Class B. The classes may differ in terms of their class currency, the minimum subscription amounts applicable, the minimum holding and minimum realization amounts applicable as well as the annual management fee.

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

2. Significant accounting policies

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

(a) Basis of preparation

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

(b) Recognition of income

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

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

(c) Investments

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

(i) *Initial recognition*

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

(ii) *Subsequent measurement*

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

NIKKO AM SHENTON THRIFT FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. Significant accounting policies (continued)

(c) Investments (continued)

(iii) *Derecognition*

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

(d) Basis of valuation of investments

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

(e) Receivables

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

(f) Sales and purchases awaiting settlement

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

(g) Payables

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

(h) Cash and cash equivalents

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

(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").

NIKKO AM SHENTON THRIFT FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

2. Significant accounting policies (continued)

(i) Foreign currency translation (continued)

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

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

(ii) *Transactions and balances*

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

3. Income tax

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

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

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

NIKKO AM SHENTON THRIFT FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

3. Income tax (continued)

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

	2022 S\$	2021 S\$
Singapore income tax	43,791	55,655
Overseas income tax	-	3,307
	<u>43,791</u>	<u>58,962</u>

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

4. Receivables

	2022 S\$	2021 S\$
Receivable from unitholders for creation of units	23,714	2,007,221
Dividends receivable	-	168,663
	<u>23,714</u>	<u>2,175,884</u>

5. Payables

	2022 S\$	2021 S\$
Payable to unitholders for cancellation of units	759,866	510,577
Amount due to the Manager	677,858	352,077
Valuation fee payable	18,076	9,389
Registrar fee payable	2,967	2,967
Provision for audit fee	18,297	18,297
Custody fee payable	18,933	12,308
	<u>1,495,997</u>	<u>905,615</u>

Amount due to the Manager comprises of management fee and is payable to Nikko Asset Management Asia Limited. Trustee fee is payable out of the management fees by Nikko Asset Management Asia Limited to BNP Paribas Trust Services Singapore Limited. Custody fee and valuation fee are payable to BNP Paribas, operating through its Singapore Branch. Registrar fee is payable to BNP Paribas Trust Services Singapore Limited.

NIKKO AM SHENTON THRIFT FUND*(Constituted under a Trust Deed registered in the Republic of Singapore)***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2022***6. Units in issue**

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

<u>SGD Class</u>	2022	2021
Units at beginning of the financial year	129,502,450	28,941,195
Units created	14,121,415	105,742,350
Units cancelled	(13,146,334)	(5,181,095)
Units at end of the financial year	130,477,531	129,502,450
Net assets attributable to unitholders - S\$	339,392,671	324,003,175
Net asset value per unit - S\$	2.601	2.502

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

<u>SGD Class</u>	2022	2021
	S\$	S\$
Net assets attributable to unitholders per financial statements per unit	2.601	2.502
Effect for movement in the net assets value between the last dealing date and the end of the reporting period [^]	-*	-
Net assets attributable to unitholders for issuing/redeeming per unit	2.601	2.502

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

* Effect is less than 0.001

NIKKO AM SHENTON THRIFT FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

7. Financial risk management

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

The Fund's primary objective is to achieve medium to long term capital appreciation by investing primarily in stocks listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST"). Beside stocks listed on the SGX-ST, the Fund may also invest in companies listed on stock exchanges outside Singapore subject to a limit not exceeding 30% of the net asset value of the Fund.

The Manager may seek to add value by selectively over/under weighting benchmark components and blending the mix with a selection of non-benchmark components to deliver out-performance relative to the benchmark.

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

(a) Market risk - Price risk

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

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

The Fund's market price risk is managed through diversification of the investment portfolio exposure across various stocks traded on the SGX-ST.

As the Fund invests primarily in stocks listed on the SGX-ST, the Manager is of the view that the price risk the fund is best reflected by movements in its benchmark of the Straits Times Index (the "Benchmark").

As at 31 December 2022, an increase/decrease of the index component within the Benchmark by 15% (2021: 16%), with all other variables remaining constant, the net assets attributable to unitholders for the year would increase/decrease by approximately 14% (2021: 14%). The analysis was based on the assumptions that the index components within the Benchmark increased/decreased by a reasonable possible shift, with all other variables held constant and that the fair value of Fund's investments moved according to the beta. Reasonable possible changes in market index percentage are revised annually depending on the Manager's current view on market volatility and other relevant factors.

NIKKO AM SHENTON THRIFT FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

7. Financial risk management (continued)

(b) Market risk - Interest rate risk

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

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

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

(c) Market risk - Currency risk

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

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

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

As at 31 December 2022	SGD S\$	USD S\$	HKD S\$	Total S\$
Assets				
Portfolio of investments	312,775,262	19,123,637	2,090,537	333,989,436
Receivables	23,714	-	-	23,714
Cash and cash equivalents	6,875,435	83	-	6,875,518
Total assets	319,674,411	19,123,720	2,090,537	340,888,668
Liabilities				
Payables	1,495,997	-	-	1,495,997
Total liabilities	1,495,997	-	-	1,495,997
Net currency exposure	318,178,414	19,123,720	2,090,537	

As at 31 December 2021	SGD S\$	USD S\$	HKD S\$	Total S\$
Assets				
Portfolio of investments	288,014,629	20,898,837	-	308,913,466
Sales awaiting settlement	1,739	-	-	1,739
Receivables	2,175,884	-	-	2,175,884
Cash and cash equivalents	13,817,046	655	-	13,817,701
Total assets	304,009,298	20,899,492	-	324,908,790
Liabilities				
Payables	905,615	-	-	905,615
Total liabilities	905,615	-	-	905,615
Net currency exposure	303,103,683	20,899,492	-	

NIKKO AM SHENTON THRIFT FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

7. Financial risk management (continued)

(c) Market risk - Currency risk (continued)

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

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

(d) Liquidity risk

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

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

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

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

The Fund's financial liabilities are analysed using contractual undiscounted cash flows for maturity groupings based on the remaining year at the Statement of Financial Position date to the contractual maturity date. As at 31 December 2022 and 2021, all liabilities are either payable upon demand or due in less than 3 months. The impact of discounting is not significant.

	<u>Less than 3 months</u>	
	As at	As at
	31 December	31 December
	2022	2021
	S\$	S\$
Payables	1,495,997	905,615
Contractual cash outflows	1,495,997	905,615

NIKKO AM SHENTON THRIFT FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

7. Financial risk management (continued)

(e) Credit risk

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

Concentrations of credit risk are minimised primarily by:

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

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

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

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

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

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

(f) Capital management

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

NIKKO AM SHENTON THRIFT FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

7. Financial risk management (continued)

(g) Fair value estimation

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

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

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

As at 31 December 2022	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
Assets				
Financial assets designated at fair value through profit or loss at inception:				
- Quoted equities	309,348,428	-	-	309,348,428
- Quoted investment funds	9,924,782	-	-	9,924,782
- Quoted real estate investment trusts	14,716,226	-	-	14,716,226
	333,989,436	-	-	333,989,436
As at 31 December 2021				
	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
Assets				
Financial assets designated at fair value through profit or loss at inception:				
- Quoted equities	285,703,563	-	-	285,703,563
- Quoted investment funds	2,276,118	-	-	2,276,118
- Quoted real estate investment trusts	20,933,785	-	-	20,933,785
	308,913,466	-	-	308,913,466

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

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

NIKKO AM SHENTON THRIFT FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

8. Related party transactions

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

	2022 S\$	2021 S\$
Bank balances held with related party of the Trustee	6,875,518	13,817,701

9. Financial ratios

Expense ratio

		2022	2021
<u>SGD Class</u>			
Total operating expenses	S\$	2,887,560	905,708
Average daily net asset value	S\$	342,805,948	104,364,969
Total expense ratio¹	%	0.84	0.87

Turnover ratio

		2022	2021
Lower of total value of purchases or sales	S\$	163,119,148	44,262,198
Average daily net asset value	S\$	342,805,948	104,364,969
Total turnover ratio²	%	47.58	42.41

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 THRIFT FUND

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

REPORT TO UNITHOLDERS

For the financial year ended 31 December 2022

The following contains additional information relating to the Fund.

1. Distribution of investments

Please refer to the Statement of Portfolio on pages 14 to 17.

2. Credit rating of debt securities

Nil.

3. Top 10 holdings

10 largest holdings at 31 December 2022

	Fair value S\$	Percentage of total net assets attributable to unitholders %
DBS Group Holdings Limited	72,753,956	21.44
United Overseas Bank Limited	39,854,402	11.74
Oversea-Chinese Banking Corporation Limited	35,740,164	10.53
Keppel Corporation Limited	27,430,458	8.08
Wilmar International Limited	25,474,530	7.51
Sembcorp Industries Limited	18,970,588	5.59
Jardine Cycle & Carriage Limited	10,630,620	3.13
CapitaLand Investment Limited	9,773,550	2.88
UMS Holdings Limited	8,384,578	2.47
Jardine Matheson Holdings Limited	8,252,351	2.43

10 largest holdings at 31 December 2021

	Fair value S\$	Percentage of total net assets attributable to unitholders %
DBS Group Holdings Limited	59,675,340	18.42
Oversea-Chinese Banking Corporation Limited	37,610,105	11.61
United Overseas Bank Limited	16,949,394	5.23
Venture Corporation Limited	15,373,076	4.74
Singapore Exchange Limited	14,030,910	4.33
Keppel Corporation Limited	14,007,296	4.32
SATS Limited	13,987,662	4.32
Wilmar International Limited	13,821,390	4.27
CapitaLand Investment Limited	12,513,336	3.86
Jardine Cycle & Carriage Limited	12,421,800	3.83

4. Exposure to financial derivatives

Nil.

NIKKO AM SHENTON THRIFT FUND

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REPORT TO UNITHOLDERS

For the financial year ended 31 December 2022

5. Global exposure to financial derivatives

Nil.

6. Collateral

Nil.

7. Securities lending or repurchase transactions

Nil.

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

Please refer to the Statement of Portfolio on pages 14 to 17.

9. Borrowings

Nil.

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

S\$

Units created	36,422,266
Units cancelled	(33,924,008)

11. Turnover ratio

Please refer to Note 9 of the Notes to the Financial Statements on page 28.

12. Expense ratio

Please refer to Note 9 of the Notes to the Financial Statements on page 28.

13. Related party transactions

Please refer to Note 8 of the Notes to the Financial Statements on page 28.

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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