nikko am
Nikko Asset Management

SEMI-ANNUAL REPORT

For the financial period ending 31 December 2020

Nikko AM Singapore STI ETF

MANAGERS

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

DIRECTORS

Hou Wey Fook (Resigned with effect from 15 January 2021)
Lim Soon Chong (Resigned with effect from 15 January 2021)
Kiyotaka Ryu
Seet Oon Hui Eleanor
Hiroki Tsujimura

TRUSTEE & REGISTRAR

HSBC Institutional Trust Services (Singapore) Limited
10 Marina Boulevard,
Marina Bay Financial Centre Tower 2, #48-01
Singapore 018983

AUDITORS

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

CUSTODIAN

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central, Hong Kong

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 Singapore STI ETF[1]	15.65	11.47	-8.79	-2.51	3.03	1.84	7.86
Straits Times Index	15.92	11.82	-8.05	-2.00	3.59	2.35	8.61

Source: Nikko Asset Management Asia Limited & FTSE International Ltd. Returns as at 31 December 2020. Benchmark returns are calculated on a total return basis. Returns are calculated on a NAV-NAV[2] basis, in 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.

Note:

(1) With effect from 17 October 2011, the Fund (formerly known as "DBS Singapore STI ETF") has been renamed "Nikko AM Singapore STI ETF".

(2) Nil subscription fee or preliminary charge.

Inception date: 24 February 2009

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About Nikko AM Singapore STI ETF

The Nikko AM Singapore STI ETF (the "Fund") is an exchange traded fund ("ETF") and a collective investment scheme, authorised in Singapore and listed on the Singapore Stock Exchange.

The Fund's investment objective is to replicate as closely as possible, before expenses, the performance of the Straits Times Index (STI) or upon the Manager giving three (3) months' prior written notice to the Trustee and the Holders, such other index which tracks the performance of Singapore listed equity securities. The current benchmark for the Fund is the Straits Times Index (STI). There can be no assurance that the Fund will achieve its investment objective.

The Fund will seek to achieve its investment objective by investing all, or substantially all, of its assets in Index Shares in substantially the same weightings as reflected in the Index (i.e. using a full replication strategy). Various circumstances may make it impossible or impracticable to purchase each component Index Share in the same weightings as reflected in the Index. In those circumstances, the Manager may employ a combination of one or more investment techniques in seeking to closely track the Index. In addition, given that Index Shares may be and are added to or removed from the Index from time to time, the Manager may sell or purchase securities that are not yet represented in the Index in anticipation of their removal from or addition to the Index.

The Fund is designed for investors who seek an "index-based" approach to investing in a portfolio of Singapore listed securities in a cost effective and easy to access manner. Units may also be used as an asset allocation tool or as a trading instrument.

Note: Investors are advised to refer to the Fund's prospectus for more details of the Fund.

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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The performance of the ETF's price on the Singapore Exchange Securities Trading Limited ("SGX-ST") may be different from the net asset value per unit of the ETF. The ETF may also be delisted from the SGX-ST. Transactions in units of the ETF will result in brokerage commissions. Listing of the units does not guarantee a liquid market for the units. Units of the ETF may be bought or sold throughout trading hours of the SGX-ST through any brokerage account. Investors should note that the ETF differs from a typical unit trust and units may only be created or redeemed directly by a participating dealer in large creation or redemption units. Investors may only redeem the units with Nikko AM Asia under certain specified conditions.

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.

Nikko Asset Management Asia Limited. Registration Number 198202562H

NIKKO AM SINGAPORE STI ETF
(Constituted under a Trust Deed registered in the Republic of Singapore)

STATEMENT OF TOTAL RETURN
For the financial period ended 31 December 2020 (Unaudited)

	31 December 2020 S$	31 December 2019 S$
Income		
Dividends	**6,778,418**	5,975,158
Less: Expenses		
Administrator fee	**60,234**	46,192
Audit fee	**10,678**	10,737
Management fee	**403,120**	307,946
Less: Management fee rebate	**(134,469)**	(118,589)
Trustee fee	**50,156**	38,493
Transaction costs	**113,221**	72,436
Other expenses	**162,746**	151,461
	665,686	508,676
Net income	**6,112,732**	5,466,482
Net gains or losses on value of investments		
Net gains/(losses) on investments	**42,077,517**	(8,343,882)
Net foreign exchange losses	**(3,179)**	(9,920)
	42,074,338	(8,353,802)
Total return/(deficit) for the financial period before income tax	**48,187,070**	(2,887,320)
Less: Income tax	**(197,694)**	(80,003)
Total return/(deficit) for the financial period after income tax	**47,989,376**	(2,967,323)

NIKKO AM SINGAPORE STI ETF
(Constituted under a Trust Deed registered in the Republic of Singapore)

STATEMENT OF FINANCIAL POSITION
As at 31 December 2020 (Unaudited)

	31 December 2020 S$	30 June 2020 S$
ASSETS		
Portfolio of investments	**478,159,013**	345,700,827
Receivables	**1,667,004**	1,380,586
Cash and bank balances	**1,013,183**	2,631,344
Total assets	**480,839,200**	349,712,757
LIABILITIES		
Payables	**222,687**	213,397
Purchases awaiting settlement	**953,063**	1,066,206
Distribution payable	**9,010,525**	8,551,875
Total liabilities	**10,186,275**	9,831,478
EQUITY		
Net assets attributable to unitholders	**470,652,925**	339,881,279

NIKKO AM SINGAPORE STI ETF
(Constituted under a Trust Deed registered in the Republic of Singapore)

STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS
For the financial period ended 31 December 2020 (Unaudited)

	31 December 2020 S$	30 June 2020 S$
Net assets attributable to unitholders at the beginning of financial period/year	**339,881,279**	297,517,342
Operations		
Change in net assets attributable to unitholders resulting from operations	**47,989,376**	(63,557,018)
Unitholders' contributions/(withdrawals)		
Creation of units	**100,702,940**	134,751,690
Cancellation of units	**(8,910,145)**	(14,337,491)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	**91,792,795**	120,414,199
Distributions	**(9,010,525)**	(14,493,244)
Total increase in net assets attributable to unitholders	**130,771,646**	42,363,937
Net assets attributable to unitholders at the end of financial period/year	**470,652,925**	339,881,279

NIKKO AM SINGAPORE STI ETF
(Constituted under a Trust Deed registered in the Republic of Singapore)

STATEMENT OF PORTFOLIO
As at 31 December 2020 (Unaudited)

By Geography (Primary)	**Holdings at 31 December 2020**	**Fair value at 31 December 2020 S$**	**Percentage of total net assets attributable to unitholders at 31 December 2020 %**
Quoted Equities			
HONG KONG SAR			
Dairy Farm International Holdings Limited (Singapore)	**521,400**	**2,873,581**	**0.61**
Hongkong Land Holdings Limited	**2,020,566**	**11,029,087**	**2.35**
Jardine Matheson Holdings Limited	**365,800**	**27,073,736**	**5.75**
Jardine Strategic Holdings Limited (Singapore)	**317,900**	**10,453,395**	**2.22**
Total Hong Kong SAR		**51,429,799**	**10.93**
SINGAPORE			
CapitaLand Limited	**4,491,953**	**14,733,606**	**3.13**
City Developments Limited	**814,437**	**6,491,063**	**1.38**
ComfortDelGro Corporation Limited	**3,604,209**	**6,019,029**	**1.28**
DBS Group Holdings Limited	**3,115,791**	**78,019,407**	**16.58**
Genting Singapore Limited	**10,116,148**	**8,598,726**	**1.82**
Jardine Cycle & Carriage Limited	**170,541**	**3,334,077**	**0.71**
Keppel Corporation Limited	**2,494,709**	**13,421,534**	**2.85**
Oversea-Chinese Banking Corporation Limited	**6,098,170**	**61,347,590**	**13.03**
SATS Limited	**1,108,252**	**4,410,843**	**0.93**
Sembcorp Industries Limited	**1,580,833**	**2,703,224**	**0.57**
Singapore Airlines Limited	**2,221,170**	**9,506,608**	**2.02**
Singapore Exchange Limited	**1,432,051**	**13,289,433**	**2.82**
Singapore Technologies Engineering Limited	**2,661,215**	**10,165,841**	**2.16**
Singapore Telecommunications Limited	**12,968,577**	**29,957,413**	**6.37**
United Overseas Bank Limited	**2,240,807**	**50,619,830**	**10.76**
UOL Group Limited	**859,819**	**6,629,205**	**1.41**
Venture Corporation Limited	**450,500**	**8,748,710**	**1.86**
Wilmar International Limited	**3,700,515**	**17,207,395**	**3.66**
Yangzijiang Shipbuilding Holdings Limited	**3,634,482**	**3,470,930**	**0.74**
Total Singapore		**348,674,464**	**74.08**

By Geography (Primary) (continued)

	Holdings at 31 December 2020	Fair value at 31 December 2020 S$	Percentage of total net assets attributable to unitholders at 31 December 2020 %
Quoted Equities (continued)			
THAILAND			
Thai Beverage Public Company Limited	**17,122,316**	**12,584,902**	**2.67**
Total Thailand		**12,584,902**	**2.67**
Total Quoted Equities		**412,689,165**	**87.68**
Quoted Real Estate Investment Trusts (REITS)			
SINGAPORE			
Ascendas Real Estate Investment Trust	**5,685,854**	**16,943,845**	**3.60**
CapitaLand Mall Trust Real Estate Investment Trust	**7,598,910**	**16,413,646**	**3.49**
Keppel DC REIT	**2,125,800**	**5,973,498**	**1.27**
Mapletree Commercial Trust	**3,821,693**	**8,140,206**	**1.73**
Mapletree Industrial Trust	**2,866,200**	**8,283,318**	**1.76**
Mapletree Logistics Trust	**4,833,500**	**9,715,335**	**2.06**
Total Singapore		**65,469,848**	**13.91**
Total Quoted Real Estate Investment Trusts (REITS)		**65,469,848**	**13.91**
Portfolio of investments		**478,159,013**	**101.59**
Other net liabilities		**(7,506,088)**	**(1.59)**
Net assets attributable to unitholders		**470,652,925**	**100.00**

NIKKO AM SINGAPORE STI ETF
(Constituted under a Trust Deed registered in the Republic of Singapore)

STATEMENT OF PORTFOLIO
As at 31 December 2020 (Unaudited)

By Geography (Summary)	**Percentage of total net assets attributable to unitholders at 31 December 2020 %**	Percentage of total net assets attributable to unitholders at 30 June 2020 %
Quoted Equities		
Hong Kong SAR	**10.93**	10.93
Singapore	**74.08**	74.63
Thailand	**2.67**	2.74
Total Quoted Equities	**87.68**	88.30
Quoted Real Estate Investment Trusts (REITS)		
Singapore	**13.91**	13.41
Total Quoted Real Estate Investment Trusts (REITS)	**13.91**	13.41
Portfolio of investments	**101.59**	101.71
Other net liabilities	**(1.59)**	(1.71)
Net assets attributable to unitholders	**100.00**	100.00

NIKKO AM SINGAPORE STI ETF
(Constituted under a Trust Deed registered in the Republic of Singapore)

STATEMENT OF PORTFOLIO
As at 31 December 2020 (Unaudited)

By Industry (Secondary)	**Fair value at 31 December 2020 S$**	**Percentage of total net assets attributable to unitholders at 31 December 2020 %**	Percentage of total net assets attributable to unitholders at 30 June 2020 %
Agriculture	**17,207,395**	**3.66**	3.32
Airlines	**9,506,608**	**2.02**	1.98
Automotive	**3,334,077**	**0.71**	0.84
Banks & Finance	**203,276,260**	**43.19**	42.03
Brewery	**12,584,902**	**2.67**	2.74
Capital Goods	**37,527,131**	**7.97**	7.35
Electric	**8,748,710**	**1.86**	1.75
Engineering/Machine	**2,703,224**	**0.57**	0.66
Entertainment	**8,598,726**	**1.82**	1.83
Foods	**2,873,581**	**0.61**	0.80
Real Estate	**38,882,961**	**8.27**	8.86
Real Estate Investment Trust (REITS)	**65,469,848**	**13.91**	13.41
Ship Building	**16,892,464**	**3.59**	4.38
Technology	**10,165,841**	**2.16**	2.09
Telecom Service	**29,957,413**	**6.37**	7.68
Transport	**6,019,029**	**1.28**	1.24
Transport – Air	**4,410,843**	**0.93**	0.75
Portfolio of investments	**478,159,013**	**101.59**	101.71
Other net liabilities	**(7,506,088)**	**(1.59)**	(1.71)
Net assets attributable to unitholders	**470,652,925**	**100.00**	100.00

REPORT TO UNITHOLDERS

For the financial period ended 31 December 2020 (Unaudited)

The following contains additional information relating to the Fund.

1. Distribution of investments

Please refer to the Statement of Portfolio on pages 8 to 11.

2. Credit rating of debt securities

Nil.

3. Top 10 holdings

10 largest holdings at 31 December 2020

	Cost S$	Fair value S$	Percentage of total net assets attributable to unitholders %
DBS Group Holdings Limited	**78,019,407**	**78,019,407**	**16.58**
Oversea-Chinese Banking Corporation Limited	**61,347,590**	**61,347,590**	**13.03**
United Overseas Bank Limited	**50,619,830**	**50,619,830**	**10.76**
Singapore Telecommunications Limited	**29,957,413**	**29,957,413**	**6.37**
Jardine Matheson Holdings Limited	**27,073,736**	**27,073,736**	**5.75**
Wilmar International Limited	**17,207,395**	**17,207,395**	**3.66**
Ascendas Real Estate Investment Trust	**16,943,845**	**16,943,845**	**3.60**
CapitaLand Mall Trust Real Estate Investment Trust	**16,413,646**	**16,413,646**	**3.49**
CapitaLand Limited	**14,733,606**	**14,733,606**	**3.13**
Keppel Corporation Limited	**13,421,534**	**13,421,534**	**2.85**

3. Top 10 holdings (continued)

10 largest holdings at 31 December 2019

	Cost S$	Fair value S$	Percentage of total net assets attributable to unitholders %
DBS Group Holdings Limited	42,394,777	51,312,043	15.88
Oversea-Chinese Banking Corporation	39,751,016	41,597,401	12.88
Limited United Overseas Bank Limited	32,918,458	37,288,464	11.54
Singapore Telecommunications Limited	28,094,896	27,569,892	8.53
Jardine Matheson Holdings Limited	19,756,792	17,546,768	5.43
Keppel Corporation Limited	11,048,346	10,583,602	3.28
CapitaLand Limited	8,978,351	10,249,324	3.17
Hongkong Land Holdings Limited	11,361,029	9,794,302	3.03
Ascendas Real Estate Investment Trust	8,563,088	9,585,865	2.97
Thai Beverage Public Company Limited	8,419,988	9,531,558	2.95

4. Exposure to financial derivatives

Nil.

5. Global exposure 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 8 to 11.

9. Borrowings

Nil.

10. Amount of units created and units cancelled for the financial period ended 31 December 2020

	S$
Units created	**100,702,940**
Units created	**8,910,145**

11. Financial ratios

Expense ratio

		31 December 2020	31 December 2019
Total operating expenses	S$	**1,062,392**	877,594
Average daily net asset value	S$	**359,354,718**	290,412,174
Total expense ratio[1]	%	**0.30**	0.30

Turnover ratio

		31 December 2020	31 December 2019
Lower of total value of purchases or sales	S$	**24,190,144**	24,734,230
Average daily net asset value	S$	**400,642,299**	305,504,990
Total turnover ratio[2]	%	**6.04**	8.10

[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 31 December 2020 was based on total operating expenses divided by the average net asset value for the year. The total operating expenses do not include 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 and sales of the underlying investments, divided by the average daily net asset value.

12. 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 HSBC Institutional Trust Services (Singapore) Limited (the "Trustee").

Management fee is payable to the Manager. Administrator fee and trustee fee are payable to the Trustee. Custody fee is payable to a related company of the Trustee, The Hongkong and Shanghai Banking Corporation Limited.

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

	31 December 2020 S$	30 June 2020 S$
Bank balances held with a related party of the Trustee	**1,013,183**	2,631,344

13. Additional information

Service Providers:

Fund Manager	: Nikko Asset Management Asia Limited appointed on 30 Oct 08;
Remuneration Basis	: 0.2% p.a. on NAV
Trustee/Custodian/ Valuation Agent/	: HSBC Institutional Trust Services (Singapore) Limited
Fund Registrar	: HSBC Institutional Trust Services (Singapore) Limited
Market Makers	: Flow Traders Asia Pte Ltd, Societe Generale and Phillip Securities (S) Pte Ltd
Participating Dealers	: DBS Vickers Securities (S) Pte Ltd, Societe Generale Bank & Trust (Hong Kong), Flow Traders Asia Pte Ltd, BNP Paribas Securities Services, ABN Amro Clearing Bank N.V.(S), CGS-CIMB Securities (S) Pte Ltd and Phillip Securities Pte Ltd
Corporate Secretariat	: Boardroom Corporate & Advisory Services Pte Ltd
Auditor	: PricewaterhouseCoopers LLP appointed on 02 Sep 08
Audit Partner	: Lim Kheng Wah
Tax Agent	: Ernst & Young Solutions LLP
Solicitors to Managers	: Chan & Goh LLP
Solicitors to Trustee	: Clifford Chance Pte Ltd

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

Nil.

15. Soft Dollar Commissions/Arrangements

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

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Company registration number 198202562H