

SEMI-ANNUAL REPORT

For the financial period ending 31 December 2020

**NikkoAM-StraitsTrading
Asia ex Japan REIT 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

<i>Returns (%)</i>	<i>3 Mth</i>	<i>6 Mth</i>	<i>1 Yr</i>	<i>3 Yr</i>	<i>5 Yr</i>	<i>10 Yr</i>	<i>Since Inception</i>
NikkoAM-StraitsTrading Asia ex Japan REIT ETF ¹	3.57	5.18	-5.53	3.37	N/A	N/A	7.43
Benchmark ²	3.99	5.87	-4.62	4.08	N/A	N/A	8.21

Source: Nikko Asset Management Asia Limited & FTSE International Ltd. Returns as at 31 December 2020. Returns are calculated on a NAV-NAV basis, in SGD, and based on the assumption that all dividends and distributions are reinvested if any. Returns for periods in excess of 1 year are annualised. Past performance is not indicative of future performance.

Note:

- (1) With effect from 31 January 2018, SRE Capital Pte. Ltd. has ceased to be the Investment Adviser to Nikko Asset Management Asia Limited in respect of the NikkoAM-StraitsTrading Asia ex Japan REIT ETF.
- (2) The benchmark against which the performance of the Fund will be measured is the FTSE EPRA Nareit Asia ex Japan REITS 10% Capped Index (formerly known as FTSE EPRA Nareit Asia ex Japan Net Total Return REIT Index prior to 20 July 2020 and FTSE EPRA/NAREIT Asia ex Japan Net Total Return REIT Index prior to 3 September 2018). Benchmark returns are using the net total return version.

Inception date: 29 March 2017

The units of NikkoAM-StraitsTrading Asia ex Japan REIT ETF are not in any way sponsored, sold or promoted by FTSE International Limited ("FTSE"), by the London Stock Exchange Group companies ("LSEG"), Euronext N.V. ("Euronext"), European Public Real Estate Association ("EPRA"), or the National Association of Real Estate Investment Trusts ("NAREIT") (together the "Licensor Parties") and none of the Licensor Parties make any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FTSE EPRA Nareit Asia ex Japan Net Total Return REIT Index (the "Index") and/or the figure at which the said Index stands at any particular time on any particular day or otherwise. The Index is compiled and calculated by FTSE. However, none of the Licensor Parties shall be liable (whether in negligence or otherwise) to any person for any error in the Index and none of the Licensor Parties shall be under any obligation to advise any person of any error therein.

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About NikkoAM-StraitsTrading Asia ex Japan REIT ETF

The NikkoAM-StraitsTrading Asia ex Japan REIT ETF (the “Fund”) is a collective investment scheme authorised under Section 286 of the Securities and Futures Act and is established under the terms of a trust deed dated 27 February 2017 made between Nikko Asset Management Asia Limited as manager, and HSBC Institutional Trust Services (Singapore) Limited as trustee, of the Fund.

The investment objective of the Fund is to replicate as closely as possible, before expenses, the performance of the FTSE EPRA Nareit Asia ex Japan Net Total Return REIT Index (the “Index”), or upon the Manager giving three (3) months’ prior written notice to the Trustee and the Holders, such other index that gives, in the opinion of the Manager, the same or substantially similar exposure as the Index. There is no assurance that the Fund will achieve its investment objective or that it will be able to fully track the performance of the Index.

The Fund will seek to achieve its investment objective by investing all, or substantially all, of its assets in Index Securities in substantially the same weightings as reflected in the Index (i.e. using a full replication strategy).

The Fund is designed for investors who seek an “index-based” approach to investing in a portfolio of Asia ex Japan listed REIT or REIT-type 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 on 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. Transaction 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.

Nikko Asset Management Asia Limited. Registration Number 198202562H

NIKKOAM-STRAITSTRADING ASIA EX JAPAN REIT 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	31 December 2019
	S\$	S\$
Income		
Dividends	5,370,372	4,267,340
Interest	3	4
	5,370,375	4,267,344
Less: Expenses		
Administrator fee	45,967	36,660
Audit fee	11,031	11,091
Management fee	620,659	487,712
Less: Management fee rebate	(197,689)	(216,051)
Trustee fee	45,967	36,660
Transaction costs	198,260	108,119
Other expenses	209,947	210,513
	934,142	674,704
Net income	4,436,233	3,592,640
Net gains or losses on value of investments		
Net gains/ (losses) on investments	7,811,472	(6,476,626)
Net foreign exchange (losses)/gains	(299,196)	60,848
	7,512,276	(6,415,778)
Total gains/ (deficit) for the period before income tax	11,948,509	(2,823,138)
Less: Income tax	(24,211)	(18,463)
Total gains/ (deficit) for the period after income tax	11,924,298	(2,841,601)

NIKKOAM-STRAITSTRADING ASIA EX JAPAN REIT 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	30 June 2020
	S\$	S\$
ASSETS		
Portfolio of investments	253,874,269	238,101,303
Receivables	-	986,306
Cash and bank balances	1,778,431	1,032,381
Total assets	255,652,700	240,119,990
LIABILITIES		
Payables	281,308	564,910
Purchases awaiting settlement	1,726,559	967,324
Distribution payable	2,524,312	3,364,585
Total liabilities	4,532,179	4,896,819
EQUITY		
Net assets attributable to unitholders	251,120,521	235,223,171

NIKKOAM-STRAITSTRADING ASIA EX JAPAN REIT 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	235,223,171	189,554,589
Operations		
Change in net assets attributable to unitholders resulting from operations	11,924,298	(27,766,659)
Unitholders' contributions/(withdrawals)		
Creation of units	60,923,914	106,558,430
Cancellation of units	(51,268,550)	(22,663,870)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	9,655,364	83,894,560
Distributions	(5,682,312)	(10,459,319)
Total increase in net assets attributable to unitholders	15,897,350	45,668,582
Net assets attributable to unitholders at the end of financial period/ year	251,120,521	235,223,171

NIKKOAM-STRAITSTRADING ASIA EX JAPAN REIT 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 Real Estate Investment Trusts (REITs)			
HONG KONG SAR			
Champion REIT	7,008,000	5,411,172	2.15
Fortune Real Estate Investment Trust	4,794,000	6,038,673	2.40
Hui Xian Real Estate Investment Trust	8,559,000	3,151,581	1.26
Link REIT	2,073,800	24,955,749	9.94
Yuexiu Real Estate Investment Trust	4,332,000	2,791,125	1.11
Total Hong Kong SAR		42,348,300	16.86
INDIA			
Embassy Office Parks REIT	1,055,600	6,572,456	2.62
Total India		6,572,456	2.62
INDONESIA			
First Real Estate Investment Trust	1,834,200	431,037	0.17
Total Indonesia		431,037	0.17
MALAYSIA			
Axis Real Estate Investment Trust	3,909,600	2,607,646	1.04
IGB Real Estate Investment Trust	6,037,200	3,411,806	1.36
Pavilion Real Estate Investment Trust	2,833,500	1,396,480	0.56
Sunway Real Estate Investment Trust	5,980,800	2,947,616	1.17
Total Malaysia		10,363,548	4.13
SINGAPORE			
Ascendas Real Estate Investment Trust	8,545,090	25,464,368	10.14
Ascott Trust REIT	6,341,800	6,849,144	2.73
CapitaLand Mall Trust	11,888,000	25,678,080	10.23
CapitaLand Retail China Trust	2,735,570	3,802,443	1.52
CDL Hospitality Trusts	2,807,800	3,565,906	1.42
Frasers Centrepoint Trust	3,836,529	9,437,861	3.76
Frasers Logistics & Industrial Trust	9,264,300	13,062,663	5.20
Keppel DC REIT	4,318,077	12,133,796	4.83
Keppel REIT	6,969,900	7,806,288	3.11
Manulife US REIT	5,014,100	4,937,030	1.97
Mapletree Commercial Trust	7,796,039	16,605,563	6.61
Mapletree Industrial Trust	5,822,800	16,827,892	6.70
Mapletree Logistics Trust	9,856,990	19,812,550	7.89
Mapletree North Asia Commercial Trust	7,878,100	7,641,757	3.04
Parkway Life Real Estate Investment Trust	1,370,400	5,303,448	2.11
Sasseur REIT	1,785,700	1,464,274	0.58
Suntec Real Estate Investment Trust	7,348,200	10,948,818	4.36
Total Singapore		191,341,881	76.20

NIKKOAM-STRAITSTRADING ASIA EX JAPAN REIT ETF
(Constituted under a Trust Deed registered in the Republic of Singapore)

STATEMENT OF PORTFOLIO
As at 31 December 2020 (Unaudited)

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 Real Estate Investment Trusts (REITS) (continued)			
THAILAND			
WHA Premium Growth Freehold & Leasehold Real Estate Investment Trust	4,801,400	2,817,047	1.12
Total Thailand		<u>2,817,047</u>	<u>1.12</u>
Total Quoted Real Estate Investment Trusts (REITS)		<u>253,874,269</u>	<u>101.10</u>
Portfolio of investments		253,874,269	101.10
Other net liabilities		(2,753,748)	(1.10)
Net assets attributable to unitholders		<u>251,120,521</u>	<u>100.00</u>

NIKKOAM-STRAITSTRADING ASIA EX JAPAN REIT 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 Real Estate Investment Trusts (REITS)		
Hong Kong SAR	16.86	17.26
India	2.62	-
Indonesia	0.17	0.56
Malaysia	4.13	4.66
Singapore	76.20	77.33
Thailand	1.12	1.40
Total Quoted Real Estate Investment Trusts (REITS)	101.10	101.21
Portfolio of investments	101.10	101.21
Other net liabilities	(1.10)	(1.21)
Net assets attributable to unitholders	100.00	100.00

Information on investment portfolio by industry segments is not presented as the Fund invests only into Real Estate Investment Trusts (REITS).

NIKKOAM-STRAITSTRADING ASIA EX JAPAN REIT ETF
(Constituted under a Trust Deed registered in the Republic of Singapore)

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 10.

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 %
CapitaLand Mall Trust	24,650,892	25,678,080	10.23
Ascendas Real Estate Investment Trust	24,910,675	25,464,368	10.14
Link REIT	26,183,316	24,955,749	9.94
Mapletree Logistics Trust	17,665,295	19,812,550	7.89
Mapletree Industrial Trust	14,130,694	16,827,892	6.70
Mapletree Commercial Trust	15,067,574	16,605,563	6.61
Frasers Logistics & Industrial Trust	10,944,317	13,062,663	5.20
Keppel DC REIT	9,930,177	12,133,796	4.83
Suntec Real Estate Investment Trust	12,540,579	10,948,818	4.36
Frasers Centrepoint Trust	9,765,797	9,437,861	3.76

10 largest holdings at 31 December 2019

	Cost S\$	Fair value S\$	Percentage of total net assets attributable to unitholders %
Ascendas Real Estate Investment Trust	19,312,439	20,695,851	10.05
Link REIT	19,227,568	20,651,096	10.03
CapitaLand Mall Trust	15,903,511	17,347,428	8.42
Mapletree Commercial Trust	11,790,142	15,344,849	7.45
CapitaLand Commercial Trust	13,451,201	14,709,881	7.14
Mapletree Logistics Trust	12,566,168	13,055,551	6.34
Mapletree Industrial Trust	9,298,684	11,712,740	5.69
Suntec Real Estate Investment Trust	11,077,869	11,050,120	5.37
Keppel DC REIT	7,295,787	7,370,640	3.58
Keppel REIT	6,842,563	7,222,876	3.51

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

REPORT TO UNITHOLDERS

For the financial period ended 31 December 2020 (Unaudited)

4. Exposure to derivatives

Nil

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 8 to 10.

9. Borrowings

Nil

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

	S\$
Units created	60,923,914
Units cancelled	<u>51,268,550</u>

11. Financial ratios

Expense ratio

	31 December 2020	31 December 2019
Total operating expenses	S\$ 1,400,741	1,082,925
Average daily net asset value	S\$ 231,789,934	179,306,967
Total expense ratio¹	% 0.60	0.60

NIKKOAM-STRAITSTRADING ASIA EX JAPAN REIT ETF
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REPORT TO UNITHOLDERS

For the financial period ended 31 December 2020 (Unaudited)

11. Financial ratios (continued)

Turnover ratio

		31 December 2020	31 December 2019
Lower of total value of purchases or sales	S\$	93,975,870	45,051,260
Average daily net asset value	S\$	246,136,519	193,541,178
Total turnover ratio²	%	38.18	23.28

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. Registrar fee, 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	1,778,431	1,032,381

NIKKOAM-STRAITSTRADING ASIA EX JAPAN REIT ETF

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

REPORT TO UNITHOLDERS

For the financial period ended 31 December 2020 (Unaudited)

13. Additional information

Service Providers:

Fund Manager	: Nikko Asset Management Asia Limited appointed on 27 Feb 17; any retirement or removal per Clause 29 of Trust Deed
Remuneration Basis	: 0.5% p.a. on NAV
Trustee/Custodian/ Valuation Agent/	
Fund Registrar	: HSBC Institutional Trust Services (Singapore) Limited
Market Makers	: Flow Traders Asia Pte Ltd, Societe Generale (Hong Kong), Phillip Securities Pte Ltd
Participating Dealers	: DBS Vickers Securities (S) Pte Ltd, UOB Kay Hian Pte Ltd, OCBC Securities Pte Ltd, CGS-CIMB Securities (S) Pte Ltd, ABN Amro Clearing Bank N.V.(S), Flow Traders Asia Pte Ltd, Societe Generale (Hong Kong), Phillip Securities Pte Ltd and Nomura Securities Singapore Pte Ltd
Corporate Secretariat	: Boardroom Corporate & Advisory Services Pte Ltd
Auditor	: PricewaterhouseCoopers appointed on 27 Feb 17
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.

The managers of the REITs into which the Fund may invest more than 10% of its asset value from time to time do not receive or intend to enter into soft dollar commissions or arrangements in their management of their REITs.

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Website: www.nikkoam.com.sg

Company registration number 198202562H