

SEMI-ANNUAL REPORT

For the financial period ending 30 June 2022

**NikkoAM-ICBCSG
China Bond ETF**

MANAGERS

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Singapore 018961
Company Registration No. 198202562H

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Kiyotaka Ryu
Seet Oon Hui Eleanor
Hiroki Tsujimura

TRUSTEE & REGISTRAR

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12 Marina Boulevard, Marina Bay Financial Centre Tower 3
Singapore 018982
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AUDITORS

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CUSTODIAN

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12 Marina Boulevard, Marina Bay Financial Centre Tower 3
Singapore 018982

INVESTMENT ADVISOR

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6 Raffles Quay #12-01,
Singapore 048580

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 |
|--|--------------|--------------|-------------|-------------|-------------|--------------|------------------------|
| NikkoAM-ICBCSG China Bond ETF- RMB | 0.72 | 1.27 | 4.19 | N/A | N/A | N/A | 4.36 |
| ChinaBond ICBC 1-10 Year Treasury and Policy Bank Bond Index | 0.80 | 1.43 | 4.51 | N/A | N/A | N/A | 4.71 |

Source: Nikko Asset Management Asia Limited & ChinaBond Pricing Center Co., Ltd. Returns as at 30 June 2022. Returns are calculated on a NAV-NAV¹ basis, in RMB, 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 |
|--|--------------|--------------|-------------|-------------|-------------|--------------|------------------------|
| NikkoAM-ICBCSG China Bond ETF- SGD | -1.82 | -0.79 | 3.82 | N/A | N/A | N/A | 5.31 |
| ChinaBond ICBC 1-10 Year Treasury and Policy Bank Bond Index | -1.78 | -0.32 | 4.44 | N/A | N/A | N/A | 5.68 |

Source: Nikko Asset Management Asia Limited & ChinaBond Pricing Center Co., Ltd. Returns as at 30 June 2022. Returns are calculated on a NAV-NAV¹ 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) Nil subscription fee or preliminary charge

Inception date: 24 November 2020

The ChinaBond ICBC 1-10 Year Treasury and Policy Bank Bond Index is constructed and calculated by ChinaBond Pricing Center Co., Ltd. All intellectual property rights and other interests in the index value and constituent list belong to ChinaBond Pricing Center Co., Ltd. ChinaBond Pricing Center Co., Ltd. does not make any express or implied warranty on the accuracy, completeness or timeliness of Index-related information, or on the conclusions that the data recipient may reach.

About NikkoAM-ICBCSG China Bond ETF

The NikkoAM-ICBCSG China Bond ETF (the "Fund") is a collective investment scheme authorised under the Securities and Futures Act 2001 and is established under the terms of a trust deed dated 19 October 2020 made between Nikko Asset Management Asia Limited as manager, and DBS Trustee Limited as trustee, of the Fund.

The investment objective of the Fund is to achieve long term capital growth by replicating the returns of the ChinaBond ICBC 1-10 Year Treasury and Policy Bank Bond 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, before fees and expenses. 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 adopting a representative sampling strategy or similar strategy. Representative sampling is a strategy of investing in a representative sample of securities in the Index which have a similar investment profile as that of the Index. The Manager may invest in certain securities that are not included in the Index (“non-Index Securities”) but have aggregate characteristics (such as yield and duration) similar to those of the Index.

The Fund will generally not hold all the securities that are included in the Index. Please refer to Section VI of this Prospectus for more information on the investment objective, focus and approach of the Fund.

The Fund is designed for investors who seek an “index-based” approach to investing in a portfolio of Chinese treasury bonds and bonds issued by the 3 Chinese policy banks in a cost effective and easy to access manner. The 3 Chinese policy banks refer to the Agricultural Development Bank of China, the China Development Bank and the Export-Import Bank of China, which are wholly owned by the Chinese government (through the Ministry of Finance and various investment companies) and under direct jurisdiction of the State Council of China to implement economic policies of the Chinese government.

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.

Nikko Asset Management Asia Limited. Registration Number 198202562H

NIKKOAM-ICBCSG CHINA BOND ETF*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF TOTAL RETURN***For the financial period ended 30 June 2022 (Unaudited)*

| | 30 June 2022 | For the financial period from 19 October 2020 (date of constitution) to 30 June 2021 |
|--|---------------------|---|
| | RMB | RMB |
| Income | | |
| Interest income | <u>18,783</u> | <u>38,755</u> |
| | 18,783 | 38,755 |
| Less: Expenses | | |
| Management fee | 1,120,178 | 1,225,043 |
| Expenses reimbursement | (29,897) | (201,024) |
| Custody fee | 179,752 | 225,033 |
| Trustee fee | 150,014 | 163,339 |
| Administrator fee | 141,889 | 159,003 |
| Audit fee | 55,976 | 75,175 |
| Transaction costs | 12,041 | 176,029 |
| Preliminary expenses | - | 345,151 |
| Other expenses | 548,675 | 456,318 |
| | <u>2,178,628</u> | <u>2,624,067</u> |
| Net losses | <u>(2,159,845)</u> | <u>(2,585,312)</u> |
| Net gains or losses on value of investments | | |
| Net gains on investments | 21,456,165 | 38,716,590 |
| Net (losses)/gains on foreign exchange | (71,813) | 52,171 |
| | <u>21,384,352</u> | <u>38,768,761</u> |
| Total return for the financial period before income tax | 19,224,507 | 36,183,449 |
| Less: Income tax | (1,878) | (3,875) |
| Total return for the financial period after income tax | <u>19,222,629</u> | <u>36,179,574</u> |

NIKKOAM-ICBCSG CHINA BOND ETF*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF FINANCIAL POSITION***As at 30 June 2022 (Unaudited)*

| | 30 June 2022 | 31 December 2021 |
|--|-----------------------------|----------------------|
| | RMB | RMB |
| ASSETS | | |
| Portfolio of investments | 1,484,245,014 | 1,489,416,437 |
| Cash and cash equivalents | 10,609,947 | 15,663,713 |
| Prepayment | 34,758 | 29,003 |
| Total assets | <u>1,494,889,719</u> | <u>1,505,109,153</u> |
| LIABILITIES | | |
| Payables | 842,576 | 459,414 |
| Distributions payable | 4,336,566 | 4,731,241 |
| Total liabilities | <u>5,179,142</u> | <u>5,190,655</u> |
| EQUITY | | |
| Net assets attributable to unitholders | <u>1,489,710,577</u> | <u>1,499,918,498</u> |

NIKKOAM-ICBCSG CHINA BOND ETF*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS***For the financial period ended 30 June 2022 (Unaudited)*

| | 30 June 2022 RMB | For the financial period from 19 October 2020 (date of constitution) to 31 December 2021 RMB |
|--|-----------------------------|--|
| Net assets attributable to unitholders at the beginning of financial period | 1,499,918,498 | - |
| Operations | | |
| Change in net assets attributable to unitholders resulting from operations | 19,222,629 | 76,816,888 |
| Unitholders' contributions/(withdrawals) | | |
| Creation of units | 43,275,489 | 1,463,533,538 |
| Cancellation of units | (68,367,245) | (31,414,567) |
| Change in net assets attributable to unitholders resulting from net creation and cancellation of units | (25,091,756) | 1,432,118,971 |
| Distributions | (4,338,794) | (9,017,361) |
| Total (decrease)/increase in net assets attributable to unitholders | (10,207,921) | 1,499,918,498 |
| Net assets attributable to unitholders at the end of financial period | 1,489,710,577 | 1,499,918,498 |

NIKKOAM-ICBCSG CHINA BOND ETF

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

STATEMENT OF PORTFOLIO

As at 30 June 2022 (Unaudited)

| By Industry (Primary) | Holdings at 30 June 2022 | Fair value at 30 June 2022 RMB | Percentage of total net assets attributable to unitholders at 30 June 2022 % |
|---|--------------------------------|---|--|
| Quoted Fixed Income Securities | | | |
| Banking | | | |
| Agricultural Development Bank of China 2.25% 22/04/2025 | 15,000,000 | 14,852,430 | 1.00 |
| Agricultural Development Bank of China 2.61% 09/03/2025 | 10,000,000 | 9,998,640 | 0.67 |
| Agricultural Development Bank of China 2.74% 23/02/2027 | 10,000,000 | 9,935,250 | 0.67 |
| Agricultural Development Bank of China 2.87% 14/05/2027 | 9,000,000 | 8,981,343 | 0.60 |
| Agricultural Development Bank of China 2.96% 17/04/2030 | 15,000,000 | 14,838,900 | 1.00 |
| Agricultural Development Bank of China 2.99% 11/08/2026 | 5,000,000 | 5,028,755 | 0.34 |
| Agricultural Development Bank of China 3.06% 05/08/2023 | 10,000,000 | 10,098,330 | 0.68 |
| Agricultural Development Bank of China 3.24% 14/08/2024 | 10,000,000 | 10,155,740 | 0.68 |
| Agricultural Development Bank of China 3.30% 05/11/2031 | 5,000,000 | 5,064,780 | 0.34 |
| Agricultural Development Bank of China 3.35% 24/03/2026 | 18,000,000 | 18,341,136 | 1.23 |
| Agricultural Development Bank of China 3.45% 23/09/2025 | 10,000,000 | 10,231,330 | 0.69 |
| Agricultural Development Bank of China 3.48% 04/02/2028 | 5,000,000 | 5,127,200 | 0.34 |
| Agricultural Development Bank of China 3.51% 03/04/2024 | 15,000,000 | 15,286,080 | 1.03 |
| Agricultural Development Bank of China 3.52% 24/05/2031 | 13,000,000 | 13,375,609 | 0.90 |
| Agricultural Development Bank of China 3.55% 21/11/2023 | 15,000,000 | 15,266,745 | 1.02 |
| Agricultural Development Bank of China 3.63% 19/07/2026 | 15,000,000 | 15,447,675 | 1.04 |
| Agricultural Development Bank of China 3.74% 12/07/2029 | 13,000,000 | 13,538,954 | 0.90 |
| Agricultural Development Bank of China 3.75% 25/01/2029 | 15,000,000 | 15,602,190 | 1.05 |
| Agricultural Development Bank of China 3.79% 26/10/2030 | 10,000,000 | 10,475,700 | 0.70 |
| Agricultural Development Bank of China 4.00% 12/11/2025 | 10,000,000 | 10,399,630 | 0.70 |
| Agricultural Development Bank of China 4.65% 11/05/2028 | 5,000,000 | 5,437,675 | 0.37 |
| Agricultural Development Bank of China 4.98% 12/01/2025 | 15,000,000 | 15,868,980 | 1.07 |
| China Development Bank 2.65% 24/02/2027 | 10,000,000 | 9,936,750 | 0.67 |
| China Development Bank 2.83% 10/09/2026 | 20,000,000 | 20,018,300 | 1.34 |
| China Development Bank 2.98% 08/01/2024 | 25,000,000 | 25,249,525 | 1.69 |
| China Development Bank 2.98% 22/04/2032 | 5,000,000 | 4,970,575 | 0.33 |
| China Development Bank 3.00% 07/08/2023 | 15,000,000 | 15,140,850 | 1.02 |
| China Development Bank 3.00% 17/01/2032 | 18,000,000 | 17,816,112 | 1.20 |
| China Development Bank 3.07% 10/03/2030 | 15,000,000 | 14,961,795 | 1.00 |
| China Development Bank 3.09% 09/08/2028 | 5,000,000 | 5,019,380 | 0.34 |
| China Development Bank 3.09% 18/06/2030 | 20,000,000 | 19,971,840 | 1.34 |
| China Development Bank 3.12% 13/09/2031 | 15,000,000 | 14,987,295 | 1.00 |
| China Development Bank 3.23% 10/01/2025 | 20,000,000 | 20,317,180 | 1.36 |
| China Development Bank 3.30% 01/02/2024 | 15,000,000 | 15,228,330 | 1.02 |
| China Development Bank 3.30% 03/03/2026 | 5,000,000 | 5,093,865 | 0.34 |
| China Development Bank 3.34% 14/07/2025 | 21,000,000 | 21,418,404 | 1.44 |
| China Development Bank 3.39% 10/07/2027 | 10,000,000 | 10,221,300 | 0.69 |
| China Development Bank 3.40% 08/01/2028 | 12,000,000 | 12,256,344 | 0.82 |
| China Development Bank 3.41% 07/06/2031 | 13,000,000 | 13,279,500 | 0.89 |
| China Development Bank 3.42% 02/07/2024 | 10,000,000 | 10,193,460 | 0.68 |
| China Development Bank 3.43% 14/01/2027 | 8,000,000 | 8,180,816 | 0.55 |
| China Development Bank 3.45% 20/09/2029 | 13,000,000 | 13,305,565 | 0.89 |
| China Development Bank 3.48% 08/01/2029 | 10,000,000 | 10,246,650 | 0.69 |
| China Development Bank 3.50% 13/08/2026 | 15,000,000 | 15,368,670 | 1.03 |
| China Development Bank 3.65% 21/05/2029 | 10,000,000 | 10,356,220 | 0.70 |

NIKKOAM-ICBCSG CHINA BOND ETF*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 30 June 2022 (Unaudited)*

| By Industry (Primary) (continued) | | | Percentage of total net assets attributable to unitholders at |
|---|---|---|--|
| | Holdings at 30 June 2022 | Fair value at 30 June 2022 RMB | 30 June 2022 % |
| Quoted Fixed Income Securities (continued) | | | |
| Banking (continued) | | | |
| China Development Bank 3.66% 01/03/2031 | 14,000,000 | 14,556,570 | 0.98 |
| China Development Bank 3.68% 26/02/2026 | 12,000,000 | 12,374,100 | 0.83 |
| China Development Bank 3.70% 20/10/2030 | 15,000,000 | 15,627,495 | 1.05 |
| China Development Bank 4.04% 06/07/2028 | 10,000,000 | 10,558,170 | 0.71 |
| China Development Bank 4.04% 10/04/2027 | 5,000,000 | 5,248,325 | 0.35 |
| China Development Bank 4.15% 26/10/2025 | 15,000,000 | 15,675,510 | 1.05 |
| China Development Bank 4.73% 02/04/2025 | 10,000,000 | 10,556,170 | 0.70 |
| China Development Bank 4.88% 09/02/2028 | 13,000,000 | 14,263,899 | 0.96 |
| Export Import Bank of China 2.50% 07/03/2024 | 10,000,000 | 10,018,720 | 0.68 |
| Export Import Bank of China 2.61% 27/01/2027 | 10,000,000 | 9,879,630 | 0.67 |
| Export Import Bank of China 2.63% 11/10/2023 | 20,000,000 | 20,101,780 | 1.35 |
| Export Import Bank of China 2.93% 02/03/2025 | 10,000,000 | 10,080,950 | 0.68 |
| Export Import Bank of China 3.14% 02/04/2024 | 30,000,000 | 30,378,600 | 2.04 |
| Export Import Bank of China 3.18% 11/03/2032 | 5,000,000 | 5,012,560 | 0.34 |
| Export Import Bank of China 3.22% 14/05/2026 | 11,000,000 | 11,161,601 | 0.75 |
| Export Import Bank of China 3.23% 23/03/2030 | 11,000,000 | 11,083,105 | 0.74 |
| Export Import Bank of China 3.26% 24/02/2027 | 13,000,000 | 13,205,231 | 0.89 |
| Export Import Bank of China 3.28% 11/02/2024 | 10,000,000 | 10,138,580 | 0.68 |
| Export Import Bank of China 3.33% 22/02/2026 | 15,000,000 | 15,276,540 | 1.03 |
| Export Import Bank of China 3.34% 04/09/2023 | 5,000,000 | 5,069,690 | 0.34 |
| Export Import Bank of China 3.38% 16/07/2031 | 10,000,000 | 10,189,120 | 0.68 |
| Export Import Bank of China 3.40% 11/01/2028 | 5,000,000 | 5,116,530 | 0.34 |
| Export Import Bank of China 3.43% 23/10/2025 | 14,000,000 | 14,310,548 | 0.96 |
| Export Import Bank of China 3.74% 16/11/2030 | 13,000,000 | 13,578,435 | 0.91 |
| Export Import Bank of China 3.86% 20/05/2029 | 5,000,000 | 5,241,130 | 0.35 |
| Export Import Bank of China 4.89% 26/03/2028 | 12,000,000 | 13,181,964 | 0.88 |
| | | 878,776,751 | 58.99 |

NIKKOAM-ICBCSG CHINA BOND ETF*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 30 June 2022 (Unaudited)*

| By Industry (Primary) (continued) | Holdings at 30 June 2022 | Fair value at 30 June 2022 RMB | Percentage of total net assets attributable to unitholders at 30 June 2022 % |
|---|---|---|---|
| Quoted Fixed Income Securities (continued) | | | |
| Finance | | | |
| China Government Bond 1.99% 09/04/2025 | 50,000,000 | 49,388,550 | 3.31 |
| China Government Bond 2.26% 24/02/2025 | 10,000,000 | 9,957,820 | 0.67 |
| China Government Bond 2.36% 02/07/2023 | 10,000,000 | 10,034,400 | 0.67 |
| China Government Bond 2.37% 20/01/2027 | 15,000,000 | 14,830,980 | 1.00 |
| China Government Bond 2.47% 02/09/2024 | 10,000,000 | 10,031,020 | 0.67 |
| China Government Bond 2.56% 21/10/2023 | 10,000,000 | 10,052,670 | 0.67 |
| China Government Bond 2.68% 21/05/2030 | 40,000,000 | 39,404,240 | 2.65 |
| China Government Bond 2.69% 12/08/2026 | 15,000,000 | 15,047,520 | 1.01 |
| China Government Bond 2.75% 17/02/2032 | 15,000,000 | 14,851,245 | 1.00 |
| China Government Bond 2.85% 04/06/2027 | 33,000,000 | 33,298,353 | 2.24 |
| China Government Bond 2.88% 05/11/2023 | 20,000,000 | 20,194,540 | 1.36 |
| China Government Bond 2.89% 18/11/2031 | 10,000,000 | 10,007,570 | 0.67 |
| China Government Bond 2.91% 14/10/2028 | 12,000,000 | 12,070,728 | 0.81 |
| China Government Bond 2.94% 17/10/2024 | 40,000,000 | 40,552,200 | 2.72 |
| China Government Bond 3.01% 13/05/2028 | 15,000,000 | 15,197,805 | 1.02 |
| China Government Bond 3.02% 22/10/2025 | 30,000,000 | 30,498,000 | 2.05 |
| China Government Bond 3.02% 27/05/2031 | 16,000,000 | 16,161,776 | 1.08 |
| China Government Bond 3.03% 11/03/2026 | 5,000,000 | 5,087,140 | 0.34 |
| China Government Bond 3.12% 05/12/2026 | 30,000,000 | 30,651,390 | 2.06 |
| China Government Bond 3.13% 21/11/2029 | 15,000,000 | 15,269,025 | 1.02 |
| China Government Bond 3.19% 11/04/2024 | 20,000,000 | 20,340,400 | 1.37 |
| China Government Bond 3.22% 06/12/2025 | 10,000,000 | 10,235,570 | 0.69 |
| China Government Bond 3.25% 06/06/2026 | 25,000,000 | 25,653,250 | 1.72 |
| China Government Bond 3.25% 22/11/2028 | 15,000,000 | 15,410,940 | 1.03 |
| China Government Bond 3.27% 19/11/2030 | 27,000,000 | 27,809,244 | 1.87 |
| China Government Bond 3.28% 03/12/2027 | 10,000,000 | 10,312,150 | 0.69 |
| China Government Bond 3.29% 18/10/2023 | 10,000,000 | 10,158,560 | 0.68 |
| China Government Bond 3.29% 23/05/2029 | 10,000,000 | 10,318,630 | 0.69 |
| China Government Bond 3.30% 12/07/2023 | 10,000,000 | 10,138,710 | 0.68 |
| China Government Bond 3.61% 07/06/2025 | 10,000,000 | 10,363,790 | 0.70 |
| China Government Bond 3.69% 17/05/2028 | 10,000,000 | 10,592,540 | 0.71 |
| China Government Bond 3.85% 01/02/2028 | 10,000,000 | 10,679,620 | 0.72 |
| China Government Bond 2.84% 08/04/2024 | 10,000,000 | 10,102,870 | 0.68 |
| | | 584,703,246 | 39.25 |
| Total Quoted Fixed Income Securities | | 1,463,479,997 | 98.24 |
| Accrued interest receivable on quoted fixed income securities | | 20,765,017 | 1.39 |
| Portfolio of investments | | 1,484,245,014 | 99.63 |
| Other net assets | | 5,465,563 | 0.37 |
| Net assets attributable to unitholders | | 1,489,710,577 | 100.00 |

NIKKOAM-ICBCSG CHINA BOND ETF

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

STATEMENT OF PORTFOLIO

As at 30 June 2022 (Unaudited)

By Industry (Summary)

| | Fair value at 30 June 2022 RMB | Percentage of total net assets attributable to unitholders at 30 June 2022 % | Percentage of total net assets attributable to unitholders at 31 December 2021 % |
|--|---|--|--|
| Quoted Fixed Income Securities | | | |
| Banking | 878,776,751 | 58.99 | 57.13 |
| Finance | 584,703,246 | 39.25 | 40.54 |
| Accrued interest receivable on quoted fixed income securities | 20,765,017 | 1.39 | 1.63 |
| Portfolio of investments | 1,484,245,014 | 99.63 | 99.30 |
| Other net assets | 5,465,563 | 0.37 | 0.70 |
| Net assets attributable to unitholders | 1,489,710,577 | 100.00 | 100.00 |

As the Fund invests wholly into China fixed income securities, it is therefore not meaningful to classify the investments into geography.

NIKKOAM-ICBCSG CHINA BOND ETF

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

REPORT TO UNITHOLDERS

For the financial period ended 30 June 2022 (Unaudited)

The following contains additional information relating to the Fund.

1. Distribution of investments

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

2. Credit rating of debt securities

| | Fair value at 30 June 2022 RMB | Percentage of total net assets attributable to unitholders at 30 June 2022 % |
|--|--------------------------------------|---|
| A+ | 1,463,479,997 | 98.24 |
| Accrued interest receivable on quoted fixed income securities | 20,765,017 | 1.39 |
| Total | 1,484,245,014 | 99.63 |

3. Top 10 holdings

10 largest holdings at 30 June 2022

| | Fair value RMB | Percentage of total net assets attributable to unitholders % |
|--|-------------------|--|
| China Government Bond 1.99% 09/04/2025 | 49,388,550 | 3.32 |
| China Government Bond 2.94% 17/10/2024 | 40,552,200 | 2.72 |
| China Government Bond 2.68% 21/05/2030 | 39,404,240 | 2.65 |
| China Government Bond 2.85% 04/06/2027 | 33,298,353 | 2.24 |
| China Government Bond 3.12% 05/12/2026 | 30,651,390 | 2.06 |
| China Government Bond 3.02% 22/10/2025 | 30,498,000 | 2.05 |
| Export Import Bank of China 3.14% 02/04/2024 | 30,378,600 | 2.04 |
| China Government Bond 3.27% 19/11/2030 | 27,809,244 | 1.87 |
| China Government Bond 3.25% 06/06/2026 | 25,653,250 | 1.72 |
| China Development Bank 2.98% 08/01/2024 | 25,249,525 | 1.69 |

NIKKOAM-ICBCSG CHINA BOND ETF

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

REPORT TO UNITHOLDERS

For the financial period ended 30 June 2022 (Unaudited)

3. Top 10 holdings (continued)

10 largest holdings at 30 June 2021

| | Fair value RMB | Percentage of total net assets attributable to unitholders % |
|---|-------------------|--|
| China Government Bond 2.68% 21/05/2030 | 43,341,795 | 3.14 |
| China Government Bond 2.94% 17/10/2024 | 40,156,600 | 2.91 |
| China Government Bond 2.36% 02/07/2023 | 39,745,920 | 2.88 |
| China Government Bond 1.99% 09/04/2025 | 33,855,815 | 2.45 |
| China Development Bank 3.34% 14/07/2025 | 32,158,688 | 2.33 |
| China Government Bond 3.25% 06/06/2026 | 30,446,070 | 2.21 |
| China Government Bond 3.19% 11/04/2024 | 30,360,240 | 2.20 |
| China Government Bond 3.12% 05/12/2026 | 30,219,300 | 2.19 |
| China Government Bond 3.02% 22/10/2025 | 30,121,590 | 2.18 |
| China Government Bond 2.64% 13/08/2022 | 30,039,900 | 2.18 |

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

Nil

9. Borrowings

Nil

NIKKOAM-ICBCSG CHINA BOND ETF

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

REPORT TO UNITHOLDERS

For the financial period ended 30 June 2022 (Unaudited)

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

| | RMB |
|-----------------|---------------------|
| Units created | 43,275,489 |
| Units cancelled | <u>(68,367,245)</u> |

11. Financial ratios

Expense ratio

| | | For the financial period from 19 October 2020 (date of constitution) to 30 June 2021 |
|---|-------------------|---|
| | 30 June 2022 | |
| RMB Class | | |
| Total operating expenses | | |
| - Including preliminary expenses | RMB 3,418,851 | 2,006,309 |
| - Excluding preliminary expenses | RMB 3,248,371 | 1,723,469 |
| Average daily net asset value | RMB 1,161,768,426 | 1,085,031,253 |
| Total expense ratio¹ | | |
| - Including preliminary expenses (annualised) | % | 0.29 |
| - Excluding preliminary expenses (annualised) | % | <u>0.28</u> |

SGD Class

| | | |
|---|-----------------|-------------|
| Total operating expenses | | |
| - Including preliminary expenses | RMB 913,736 | 441,729 |
| - Excluding preliminary expenses | RMB 869,717 | 379,418 |
| Average daily net asset value | RMB 303,375,233 | 238,951,415 |
| Total expense ratio¹ | | |
| - Including preliminary expenses (annualised) | % | 0.30 |
| - Excluding preliminary expenses (annualised) | % | <u>0.29</u> |

Turnover ratio

| | | |
|--|-------------------|---------------|
| Lower of total value of purchases or sales | RMB 307,242,998 | 325,158,422 |
| Average daily net asset value | RMB 1,504,883,199 | 1,323,982,668 |
| Total turnover ratio² | % | <u>20.42</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 period end was based on total operating expenses divided by the average net asset value for the period. 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 and sales of the underlying investments, divided by the average daily net asset value.

NIKKOAM-ICBCSG CHINA BOND ETF

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

REPORT TO UNITHOLDERS

For the financial period ended 30 June 2022 (Unaudited)

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 DBS Trustee Limited (the "Trustee").

Management fee is payable to the Manager. Trustee fee is payable to the Trustee. Custody fee and administrator fee are payable to a related company of the Trustee, DBS Bank 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:

| | 30 June 2022 RMB | 31 December 2021 RMB |
|--|---------------------------------|----------------------------|
| Bank balances held with a related party of the Trustee | 9,441,651 | 15,077,607 |

13. Additional information

Service Providers:

| | | |
|---|---|---|
| Fund Manager | : | Nikko Asset Management Asia Limited appointed on 19 October 2020; any retirement or removal per Clause 29 of Trust Deed |
| Remuneration basis Trustee/ | : | 0.15% per annum of the Deposited Property |
| Fund Registrar Valuation Agent/ Custodian | : | DBS Trustee Limited |
| Market Makers | : | DBS Bank Limited |
| Participating Dealers | : | Flow Traders Asia Pte Ltd, CLSA Singapore Pte Ltd and Phillip Securities Pte Ltd |
| Corporate Secretariat Auditor | : | DBS Vickers Securities (S) Pte Ltd, CGS-CIMB Securities (S) Pte Ltd, iFast Financial Pte Ltd, Industrial and Commercial Bank of China (S) Ltd, Phillip Securities Pte Ltd, Flow Traders Asia Limited and UOB Kay Hian Pte Ltd |
| Audit Partner | : | Boardroom Corporate & Advisory Services Pte Ltd |
| Tax Agent | : | PricewaterhouseCoopers LLP appointed on 19 October 2020 |
| Solicitors to Managers | : | Lim Kheng Wah |
| Solicitors to Trustee | : | Ernst & Young Solutions LLP |
| | : | Chan & Goh LLP |
| | : | Dentons Rodyk & Davidson LLP |

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 Manager currently does not receive or enter into any soft dollar commission or arrangements.

Intentionally left blank.

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Company registration number 198202562H