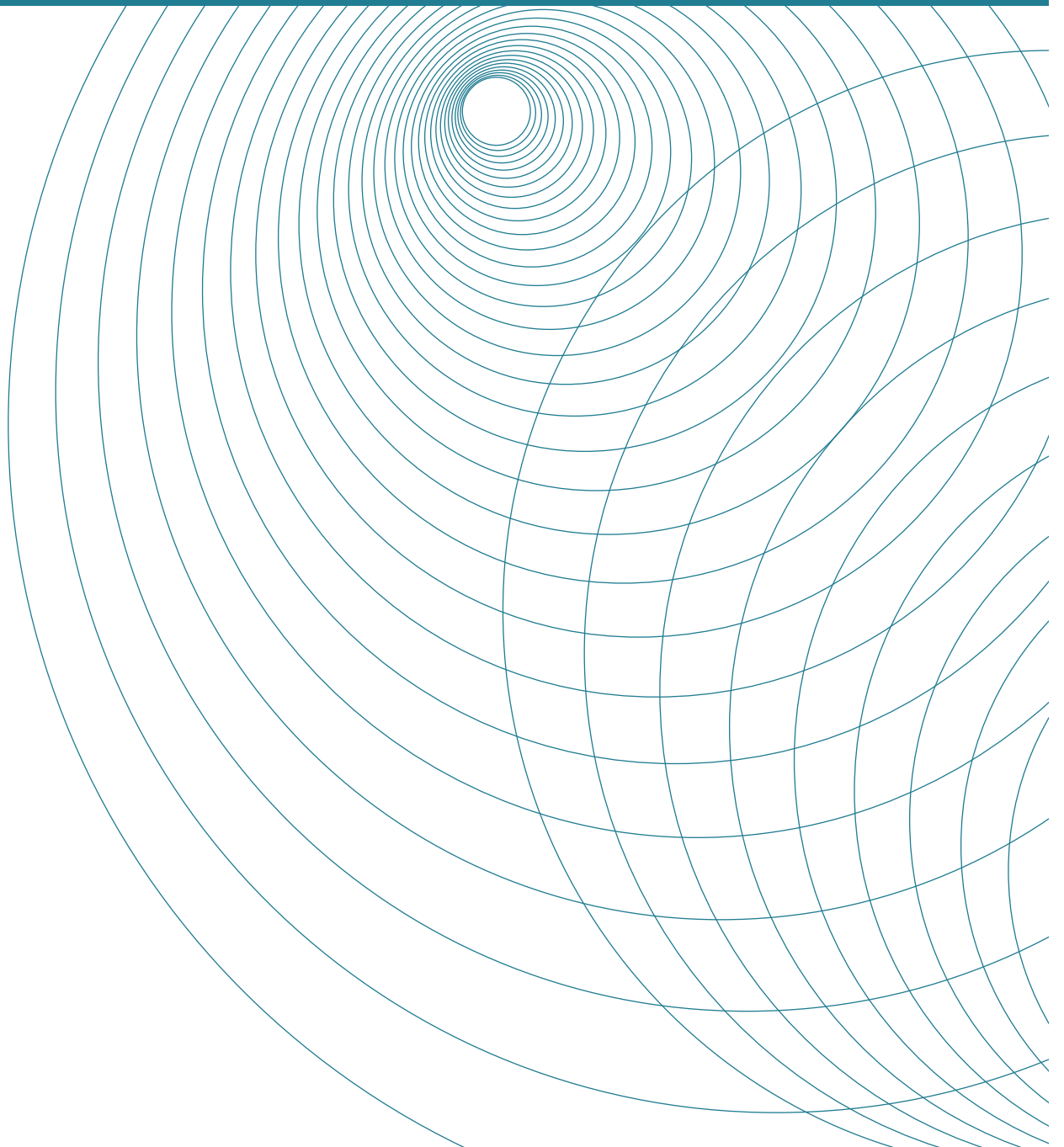

ANNUAL REPORT
Nikko AM Singapore STI ETF

Financial year ended 30 June 2024



MANAGERS

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

DIRECTORS OF THE MANAGERS

Seet Oon Hui Eleanor
Yutaka Nishida
Hiroshi Yoh
Allen Yan

TRUSTEE & REGISTRAR

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	5.44	5.36	8.95	6.35	3.86	3.75	8.06
Straits Times Index	5.62	5.67	9.41	6.80	4.40	4.24	8.76

Source: Nikko Asset Management Asia Limited & FTSE International Ltd. Returns as at 30 June 2024³. Benchmark returns are calculated on a total return basis. Returns are calculated on a NAV-NAV² 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.
- (3) Fund and benchmark performance returns are calculated as of the last NAV date of the fund for the reporting period.

Inception date: 24 February 2009

The units of Nikko AM Singapore STI ETF (the "Securities") are not in any way sponsored, endorsed, sold or promoted by FTSE International Limited ("FTSE"), the London Stock Exchange Group companies, SPH Data Services Pte Ltd or Singapore Press Holdings Ltd (together, "SPH") or Singapore Exchange Securities Trading Limited ("SGX") (collectively hereinafter referred to as the "Index Sponsor"). The Index Sponsor makes no warranty or representation whatsoever, either expressly or impliedly, either as to the results to be obtained from the Straits Times Index (the "Index") and / or the figure at which the Index stands at any particular time on any particular day or otherwise. The Index Sponsor further does not warrant nor represent nor guarantee to any broker or holder of any Securities sold or marketed by Nikko Asset Management Asia Limited or any member of the public as to the accuracy or completeness of the Index and its computation or any information related thereto. No warranty or representation or guarantee of any kind whatsoever relating to the Index or the Securities is given by the Index Sponsor. The Securities are not issued, endorsed, sold or promoted by the Index Sponsor and the Index Sponsor bears no liability in connection with the administration, marketing or trading of the Securities.

The Index is calculated by FTSE. The Index Sponsor accepts no liability (whether in negligence or otherwise) towards any person for any error in the Index and shall not be under any obligation to advise any person of any error therein. The compilation or composition of the Index or the constituent stocks and factors may be altered or changed by the Index Sponsor without notice.

The Index Sponsor is entitled to all relevant intellectual property rights in the Index.

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.

The information contained herein may not be copied, reproduced or redistributed without the express consent of Nikko AM Asia. While reasonable care has been taken to ensure the accuracy of the information as at the date of publication, Nikko AM Asia does not give any warranty or representation, either express or implied, and expressly disclaims liability for any errors or omissions. Information may be subject to change without notice. Nikko AM Asia accepts no liability for any loss, indirect or consequential damages, arising from any use of or reliance on this document.

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 suspended or delisted from the SGX-ST. Listing of the units does not guarantee a liquid market for the units. 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.

(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.

Nikko Asset Management Asia Limited. Registration Number 198202562H

NIKKO AM SINGAPORE STI ETF

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

REPORT OF THE TRUSTEE

For the financial year ended 30 June 2024

The Trustee is under a duty to take into custody and hold the assets of Nikko AM Singapore STI ETF (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 10 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
HSBC Institutional Trust Services (Singapore) Limited

Authorised signatory
27 September 2024

NIKKO AM SINGAPORE STI ETF

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

STATEMENT BY THE MANAGER

For the financial year ended 30 June 2024

In the opinion of Nikko Asset Management Asia Limited, the accompanying financial statements set out on pages 10 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 Singapore STI ETF (the "Fund") as at 30 June 2024, and the financial performance and movements in unitholders' funds for the financial year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the Fund will be able to meet its financial obligations as and when they materialise.

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

Authorised signatory
27 September 2024

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

Our Opinion

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

What we have audited

The financial statements of the Fund comprise:

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

Basis for Opinion

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

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

Independence

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

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

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

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.

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.

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

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

- 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.
- 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.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Paul Sammy Pak.

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

NIKKO AM SINGAPORE STI ETF*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF TOTAL RETURN***For the financial year ended 30 June 2024*

	Note	2024 S\$	2023 S\$
Income			
Dividends		34,999,344	30,557,365
Other income		204,355	82,798
		35,203,699	30,640,163
Less: Expenses			
Valuation fee		153,750	141,823
Audit fee*		20,477	19,200
Management fee		1,366,696	1,260,647
Expense reimbursement		(561,052)	(252,125)
Trustee fee		136,667	126,065
Custody fee		114,154	104,656
Transaction costs		198,971	212,411
Other expenses		553,258	424,625
		1,982,921	2,037,302
Net income		33,220,778	28,602,861
Net gains or losses on value of investments			
Net gains on investments		29,943,535	17,447,783
Net foreign exchange losses		(8,478)	(34,065)
		29,935,057	17,413,718
Total return for the financial year before income tax			
		63,155,835	46,016,579
Less: Income tax	3	(462,109)	(602,418)
Total return for the financial year after income tax		62,693,726	45,414,161

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

The accompanying notes form an integral part of these financial statements.

NIKKO AM SINGAPORE STI ETF*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF FINANCIAL POSITION***As at 30 June 2024*

	Note	2024 S\$	2023 S\$
ASSETS			
Portfolio of investments		753,084,121	646,771,727
Receivables	4	965,222	277,245
Cash and cash equivalents		623,256	655,680
Total assets		754,672,599	647,704,652
LIABILITIES			
Payables	5	283,458	372,018
Purchases awaiting settlement		-	562,396
Distribution payable	6	17,595,979	13,051,411
Total liabilities		17,879,437	13,985,825
EQUITY			
Net assets attributable to unitholders	7	736,793,162	633,718,827

The accompanying notes form an integral part of these financial statements.

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 year ended 30 June 2024*

	Note	2024 S\$	2023 S\$
Net assets attributable to unitholders at the beginning of financial year		633,718,827	582,057,570
Operations			
Change in net assets attributable to unitholders resulting from operations		62,693,726	45,414,161
Unitholders' contributions/(withdrawals)			
Creation of units		133,166,011	110,220,109
Cancellation of units		(59,473,040)	(78,818,494)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		73,692,971	31,401,615
Distributions	6	(33,312,362)	(25,154,519)
Total increase in net assets attributable to unitholders		103,074,335	51,661,257
Net assets attributable to unitholders at the end of financial year	7	736,793,162	633,718,827

The accompanying notes form an integral part of these financial statements.

NIKKO AM SINGAPORE STI ETF*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 30 June 2024***By Geography (Primary)**

	Holdings at 30 June 2024	Fair value at 30 June 2024 S\$	Percentage of total net assets attributable to unitholders at 30 June 2024 %
Quoted Equities			
HONG KONG SAR			
DFI Retail Group Holdings Limited	714,200	1,839,047	0.25
Hongkong Land Holdings Limited	2,633,166	11,526,572	1.56
Jardine Matheson Holdings Limited	468,800	22,478,372	3.05
Total Hong Kong SAR		35,843,991	4.86
SINGAPORE			
CapitaLand Limited	6,046,853	16,084,629	2.18
City Developments Limited	1,084,037	5,593,631	0.76
DBS Group Holdings Limited	4,840,050	173,225,390	23.51
Genting Singapore Limited	13,926,448	12,046,377	1.64
Jardine Cycle & Carriage Limited	235,141	6,254,751	0.85
Keppel Corporation Limited	3,325,009	21,512,808	2.92
Oversea-Chinese Banking Corporation Limited	8,454,470	121,998,002	16.56
SATS Limited	2,121,902	6,047,421	0.82
Seatrium Limited	4,873,400	6,725,292	0.91
Sembcorp Industries Limited	2,178,633	10,479,225	1.42
Singapore Airlines Limited	3,323,570	22,932,633	3.11
Singapore Exchange Limited	1,972,351	18,697,887	2.54
Singapore Technologies Engineering Limited	3,663,615	15,863,453	2.15
Singapore Telecommunications Limited	18,065,877	49,681,162	6.74
United Overseas Bank Limited	2,913,507	91,280,174	12.39
UOL Group Limited	1,172,319	6,096,059	0.83
Venture Corporation Limited	627,600	8,924,472	1.21
Wilmar International Limited	4,779,415	14,816,186	2.01
Yangzijiang Shipbuilding Holdings Limited	6,103,982	15,015,796	2.04
Total Singapore		623,275,348	84.59
THAILAND			
Thai Beverage Public Company Limited	19,588,116	8,814,652	1.20
Total Thailand		8,814,652	1.20
Total Quoted Equities		667,933,991	90.65

The accompanying notes form an integral part of these financial statements.

NIKKO AM SINGAPORE STI ETF*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 30 June 2024***By Geography (Primary) (continued)**

	Holdings at 30 June 2024	Fair value at 30 June 2024 S\$	Percentage of total net assets attributable to unitholders at 30 June 2024 %
Quoted Real Estate Investment Trusts (REITS)			
SINGAPORE			
CapitaLand Ascendas Real Estate Investment Trust	8,577,154	21,957,514	2.98
CapitaLand Mall Trust Real Estate Investment Trust	12,107,936	23,973,713	3.25
Frasers Centrepoint Trust	2,609,900	5,559,087	0.76
Frasers Logistics & Commercial Trust	6,920,300	6,574,285	0.89
Mapletree Industrial Trust	4,744,975	10,011,897	1.36
Mapletree Logistics Trust	8,015,200	10,339,608	1.40
Mapletree Pan Asia Commercial Trust	5,519,693	6,734,026	0.92
Total Singapore		85,150,130	11.56
Total Quoted Real Estate Investment Trusts (REITS)		85,150,130	11.56
Portfolio of investments		753,084,121	102.21
Other net liabilities		(16,290,959)	(2.21)
Net assets attributable to unitholders		736,793,162	100.00

By Geography (Summary)

	Percentage of total net assets attributable to unitholders at 30 June 2024 %	Percentage of total net assets attributable to unitholders at 30 June 2023 %
Quoted Equities		
Hong Kong SAR	4.86	6.93
Philippines	-	0.56
Singapore	84.59	80.46
Thailand	1.20	1.92
Total Quoted Equities	90.65	89.87
Quoted Real Estate Investment Trusts (REITS)		
Singapore	11.56	12.19
Total Quoted Real Estate Investment Trusts (REITS)	11.56	12.19
Portfolio of investments	102.21	102.06
Other net liabilities	(2.21)	(2.06)
Net assets attributable to unitholders	100.00	100.00

The accompanying notes form an integral part of these financial statements.

NIKKO AM SINGAPORE STI ETF*(Constituted under a Trust Deed registered in the Republic of Singapore)***STATEMENT OF PORTFOLIO***As at 30 June 2024*

By Industry (Secondary)	Fair value at 30 June 2024 S\$	Percentage of	Percentage of
		total net assets attributable to unitholders at 30 June 2024 %	total net assets attributable to unitholders at 30 June 2023 %
Agriculture	14,816,186	2.01	2.69
Airlines	22,932,633	3.11	3.10
Automotive	6,254,751	0.85	1.17
Banks & Finance	421,286,082	57.18	51.21
Brewery	8,814,652	1.20	2.48
Capital Goods	22,478,372	3.05	4.58
Electric	8,924,472	1.21	1.31
Energy	6,725,292	0.91	1.71
Engineering/Machine	10,479,225	1.42	1.77
Entertainment	12,046,377	1.64	1.85
Foods	1,839,047	0.25	0.38
Real Estate	23,216,262	3.15	4.13
Real Estate Investment Trust (REITS)	85,150,130	11.56	12.19
Ship Building	36,528,604	4.96	4.45
Technology	15,863,453	2.15	1.91
Telecom Service	49,681,162	6.74	6.39
Transport – Air	6,047,421	0.82	0.74
Portfolio of investments	753,084,121	102.21	102.06
Other net liabilities	(16,290,959)	(2.21)	(2.06)
Net assets attributable to unitholders	736,793,162	100.00	100.00

The accompanying notes form an integral part of these financial statements.

NIKKO AM SINGAPORE STI ETF

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

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

1. General

Nikko AM Singapore STI ETF (the “Fund”) is a Singapore domiciled fund constituted by a Trust Deed dated 30 October 2008 as amended by Supplemental Deed 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 HSBC Institutional Trust Services (Singapore) Limited (the “Trustee”). The Manager of the Fund is Nikko Asset Management Asia Limited (the “Manager”).

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”) revised and issued 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 investment 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) 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 being 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.

NIKKO AM SINGAPORE STI ETF

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. Material accounting policy information (continued)

(c) Foreign currency translation (continued)

(ii) *Transactions and balances*

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

(d) Distributions

The Manager has the absolute discretion to determine whether a distribution is to be made. In such an event, an appropriate amount will be transferred to a distribution account to be paid on the distribution date. The amount shall not be treated as part of the property of the Fund. Distributions are accrued for at the point in time when the necessary approvals have been obtained and a legal or constructive obligation has been created.

(e) 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 are 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.

(f) 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 the 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.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. Material accounting policy information (continued)

(g) 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.

(h) 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.

(i) Cash and cash equivalents

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

(j) Payables

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

(k) Expenses

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

(l) 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.

(m) Creation and cancellation of units

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

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

2. Material accounting policy information (continued)

(n) Securities lending

Securities on loan are included in the investment portfolio of the Fund as the Fund is entitled to the interest income from equities on loan and retain substantially all the risks and rewards. Relevant securities lending income received by the Fund is included in other income in the statement of total return.

Collateral received for the purpose of securities on loan generally consists of fixed income securities collateral. Fixed income securities collateral received is treated as an off-balance sheet transaction and is therefore not included in the statement of financial position because the Fund is not entitled to the interest income from the fixed income securities collateral and do not retain substantially all the risks and rewards. Interest received from fixed income securities collateral is paid to the counterparty that provides the collateral to the Fund.

3. Income tax

The Manager and the 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 the 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 with 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 fee, 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 SINGAPORE STI ETF

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

3. Income tax (continued)

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

	2024	2023
	S\$	S\$
Overseas income tax	42,961	55,503
Singapore income tax	419,148	546,915
	462,109	602,418

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

4. Receivables

	2024	2023
	S\$	S\$
Dividends receivable	950,254	262,975
Other receivables	14,968	14,270
	965,222	277,245

5. Payables

	2024	2023
	S\$	S\$
Amount due to the Manager	82,544	256,750
Amount due to the Trustee	12,197	10,603
Valuation fee payable	13,722	11,928
Provision for audit fee	19,200	19,199
Other payables	155,795	73,538
	283,458	372,018

Amount due to the Manager comprises management fee payable to Nikko Asset Management Asia Limited. Amount due to the Trustee comprises trustee fee payable to HSBC Institutional Trust Services (Singapore) Limited. Valuation fee is payable to HSBC Institutional Trust Services (Singapore) Limited.

NIKKO AM SINGAPORE STI ETF*(Constituted under a Trust Deed registered in the Republic of Singapore)***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 30 June 2024***6. Distributions**

	2024 S\$	2023 S\$
Final distribution of S\$7.68 per 100 units in respect of the financial year 30 June 2023	15,716,383	-
Interim distribution of S\$8.06 per 100 units in respect of the financial year 30 June 2024	17,595,979	-
Final distribution of S\$6.36 per 100 units in respect of the financial year 30 June 2022	-	12,103,108
Interim distribution of S\$6.68 per 100 units in respect of the financial year 30 June 2023	-	13,051,411
	33,312,362	25,154,519

7. Units in issue

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

	2024	2023
Units at beginning of the financial year	195,380,400	185,620,400
Units created	40,682,000	33,530,000
Units cancelled	(17,750,000)	(23,770,000)
Units at end of the financial year	218,312,400	195,380,400
Net assets attributable to unitholders – S\$	736,793,162	633,718,827
Net asset value per unit – S\$	3.3749	3.2435

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:

	2024 S\$	2023 S\$
Net assets attributable to unitholders as per financial statements per unit	3.3749	3.2435
Effect of distribution per unit	0.0806	0.0668
Effect for movement in the net asset value between the last dealing date and the end of the reporting period [^]	(0.0025)	0.0003
Net assets attributable to unitholders for issuing/redeeming per unit	3.4530	3.3106

[^] 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 the reporting period.

NIKKO AM SINGAPORE STI ETF

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

8. 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 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 replicate as closely as possible the performance of Straits Times Index (the "Index"), or such other index which tracks the performance of Singapore listed equity securities, before expenses.

The Fund's assets principally consist of investments in Index Shares in substantially the same weightings as reflected in the Index, and cash. The Manager may in its absolute discretion also invest in non-Index Shares to achieve the Fund's investment objective. The Manager will rebalance the Fund's investment from time to time to reflect any changes to the composition of, or the weighting of securities in, the Index with a view to minimise tracking error of the Fund's overall returns relative to the performance of the Index.

The 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 the 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 changes in fundamentals and valuation. 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.

As at 30 June 2024, an increase/decrease of the Index by 12% (2023: 14%), with all other variables remaining constant, the net asset attributable to unitholders for the year would increase/decrease by approximately 12% (2023: 14%). The analysis was based on the assumptions that the index components within the Index 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 the market volatility and other relevant factors.

NIKKO AM SINGAPORE STI ETF

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

8. 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 a 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.

	SGD S\$	USD S\$	Total S\$
As at 30 June 2024			
Assets			
Portfolio of investments	717,240,130	35,843,991	753,084,121
Receivables	718,662	246,560	965,222
Cash and cash equivalents	621,901	1,355	623,256
Total assets	718,580,693	36,091,906	754,672,599
Liabilities			
Payables	277,938	5,520	283,458
Distribution payable	17,595,979	-	17,595,979
Total liabilities	17,873,917	5,520	17,879,437
Net currency exposure	700,706,776	36,086,386	

NIKKO AM SINGAPORE STI ETF*(Constituted under a Trust Deed registered in the Republic of Singapore)***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 30 June 2024***8. Financial risk management (continued)****(c) Market Risk - Currency risk (continued)**

	SGD S\$	USD S\$	Total S\$
As at 30 June 2023			
Assets			
Portfolio of investments	602,876,541	43,895,186	646,771,727
Receivables	87,743	189,502	277,245
Cash and cash equivalents	592,280	63,400	655,680
Total assets	603,556,564	44,148,088	647,704,652
Liabilities			
Payables	362,550	9,468	372,018
Purchase awaiting settlement	562,396	-	562,396
Distribution payable	13,051,411	-	13,051,411
Total liabilities	13,976,357	9,468	13,985,825
Net currency exposure	589,580,207	44,138,620	

Portfolio of investment, 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 and real estate investment trusts, as part of price risk sensitivity analysis.

As of 30 June 2024 and 2023, the Fund does not hold substantial monetary assets/liabilities. Changes in foreign exchange rates on monetary assets/liabilities will not result in a significant change in the net asset value of the Fund. Therefore, 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 all the securities are listed on a recognised stock exchange.

The Fund's financial liabilities are analysed for maturity groupings using contractual undiscounted cashflows based on the remaining period at the Statement of Financial Position date to the contractual maturity date. As at 30 June 2024 and 2023, all liabilities are either payable on demand or due in less than 3 months. The impact of discounting is not significant.

NIKKO AM SINGAPORE STI ETF

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

8. Financial risk management (continued)

(d) Liquidity risk (continued)

	<u>Less than 3 months</u>	
	As at 30 June 2024 S\$	As at 30 June 2023 S\$
Distribution payable	17,595,979	13,051,411
Payables	283,458	372,018
Purchases awaiting settlement	-	562,396
Contractual cash outflows	17,879,437	13,985,825

(e) Credit risk

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

Concentrations of credit risk are minimised primarily by:

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

The Fund is also exposed to counterparty credit risk on its financial assets held at amortised cost. As at 30 June 2024 and 2023, the Fund's financial assets held at amortised cost as disclosed in the Statement of Financial Position are realisable 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 settlements 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 also arises from cash and cash equivalents, and outstanding and committed transactions with brokers. The table below summarises the credit rating of the bank and custodian in which the Fund's assets are held as at 30 June 2024 and 2023.

	Credit rating as at 30 June 2024	Credit rating as at 30 June 2023
Bank and custodian		
- The Hong Kong and Shanghai Banking Corporation Limited	Aa3	Aa3

The credit ratings are based on the Local Long-Term Bank Deposits from Moody's. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

NIKKO AM SINGAPORE STI ETF

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

8. Financial risk management (continued)

(e) Credit risk (continued)

As at 30 June 2024, collateral securities of S\$115,898,980 (2023: S\$97,160,836) was held by HSBC Bank Plc as custodian of the collateral securities received for security lending transactions.

(f) Capital management

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

(g) Fair value estimation

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

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

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

	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
<u>As at 30 June 2024</u>				
Assets				
Portfolio of investments:				
- Quoted equities	667,933,991	-	-	667,933,991
- Quoted real estate investment trusts	85,150,130	-	-	85,150,130
	<u>753,084,121</u>	-	-	<u>753,084,121</u>
	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
<u>As at 30 June 2023</u>				
Assets				
Portfolio of investments:				
- Quoted equities	569,496,860	-	-	569,496,860
- Quoted real estate investment trusts	77,274,867	-	-	77,274,867
	<u>646,771,727</u>	-	-	<u>646,771,727</u>

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

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

8. Financial risk management (continued)

(g) Fair value estimation (continued)

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.

9. Securities lending transactions

The Fund may engage in securities lending transactions or repurchase transactions where such securities lending or repurchase transactions are carried out solely for the purpose of efficient portfolio management and do not amount to more than 50% of the Net Asset Value of the Fund. The collateral of the securities lending or repurchase transactions should exceed the market value of the transferable securities or money market instruments transferred.

The collateral will be marked-to-market on a daily basis and be safe kept by the Trustee or an agent appointed by the Trustee. Security lending income and expenses are accounted for in the Statement of Total Return on an accrual basis.

10. Related party transactions

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

	2024	2023
	S\$	S\$
Bank balances held with related party of the Trustee	623,256	655,680
Aggregate securities lending transactions through related party of the Trustee	108,107,166	77,698,838
	<u>108,730,422</u>	<u>78,354,518</u>

NIKKO AM SINGAPORE STI ETF

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

11. Financial ratios

Expense ratio

		2024	2023
Total operating expenses	S\$	1,783,950	1,824,891
Average daily net asset value	S\$	680,959,742	630,466,746
Total expense ratio^{1,2}	%	0.26	0.29

Turnover ratio

		2024	2023
Lower of total value of purchases or sales	S\$	91,132,917	119,744,682
Average daily net asset value	S\$	680,959,742	630,466,746
Total turnover ratio³	%	13.38	18.99

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 cap on the total expense ratio of the Fund is reduced to 0.25% with effect from 1 December 2023.

³ 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.

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REPORT TO UNITHOLDERS

For the financial year ended 30 June 2024

The following contains additional information relating to the Fund.

1. Distribution of investments

Please refer to the Statement of Portfolio on pages 13 to 15.

2. Credit rating of debt securities

Nil.

3. Top 10 holdings

10 largest holdings at 30 June 2024

	Fair value S\$	Percentage of total net assets attributable to unitholders %
DBS Group Holdings Limited	173,225,390	23.51
Oversea-Chinese Banking Corporation Limited	121,998,002	16.56
United Overseas Bank Limited	91,280,174	12.39
Singapore Telecommunications Limited	49,681,162	6.74
CapitaLand Mall Trust Real Estate Investment Trust	23,973,713	3.25
Singapore Airlines Limited	22,932,633	3.11
Jardine Matheson Holdings Limited	22,478,372	3.05
CapitaLand Ascendas Real Estate Investment Trust	21,957,514	2.98
Keppel Corporation Limited	21,512,808	2.92
Singapore Exchange Limited	18,697,887	2.54

10 largest holdings at 30 June 2023

	Fair value S\$	Percentage of total net assets attributable to unitholders %
DBS Group Holdings Limited	123,241,628	19.45
Oversea-Chinese Banking Corporation Limited	92,953,092	14.67
United Overseas Bank Limited	73,276,196	11.56
Singapore Telecommunications Limited	40,492,943	6.39
Jardine Matheson Holdings Limited	29,009,166	4.58
CapitaLand Mall Trust Real Estate Investment Trust	20,931,377	3.30
Keppel Corporation Limited	20,040,817	3.16
CapitaLand Ascendas Real Estate Investment Trust	19,984,531	3.15
Singapore Airlines Limited	19,622,961	3.10
CapitaLand Limited	18,115,474	2.86

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REPORT TO UNITHOLDERS

For the financial year ended 30 June 2024

4. Exposure to derivatives

Nil.

5. Global exposure financial derivatives

Nil.

6. Collateral

Please refer to 7(b) on page 32 to 34.

7. Securities lending or repurchase transactions

(a) Transferable securities lent

As at 30 June 2024

Absolute amounts of the repurchase transactions - Nil

Counterparty	Security	Fair value of securities lent S\$	Percentage of total lendable assets %	Percentage of total net assets attributable to unitholders %
BNP Paribas Arbitrage - United Kingdom	SATS Limited	1,235,930	0.16	0.17
BNP Paribas Arbitrage - United Kingdom	Singapore Airlines Limited	3,516,053	0.47	0.48
Goldman Sachs International - United States	CapitaLand Ascendas REIT	5,664,435	0.75	0.77
Goldman Sachs International - United States	CapitaLand Investment Limited	4,178,126	0.55	0.57
Goldman Sachs International - United States	Frasers Logistics & Commercial Trust	730,523	0.10	0.10
Goldman Sachs International - United States	Hongkong Land Holdings Limited	6,293,781	0.83	0.86
Goldman Sachs International - United States	Keppel Corporation Limited	3,839,675	0.51	0.52
Goldman Sachs International - United States	Singapore Airlines Limited	13,734,045	1.82	1.86
Goldman Sachs International - United States	Thai Beverage Public Company Limited	2,114,080	0.28	0.29

NIKKO AM SINGAPORE STI ETF*(Constituted under a Trust Deed registered in the Republic of Singapore)***REPORT TO UNITHOLDERS***For the financial year ended 30 June 2024***7. Securities lending or repurchase transactions (continued)**

(a) Transferable securities lent (continued)

Counterparty	Security	Fair value of securities lent S\$	Percentage of total lendable assets %	Percentage of total net assets attributable to unitholders %
Goldman Sachs International - United States	Wilmar International Limited	279,450	0.04	0.04
Merrill - United States	CapitaLand Ascendas REIT	4,215,750	0.56	0.57
Merrill - United States	CapitaLand Investment Limited	7,994,205	1.06	1.08
Merrill - United States	City Developments Limited	3,039,019	0.40	0.41
Merrill - United States	Genting Singapore Limited	1,739,489	0.23	0.24
Merrill - United States	Jardine Cycle & Carriage Limited	460,872	0.06	0.06
Merrill - United States	Keppel Corporation Limited	9,492,350	1.26	1.29
Merrill - United States	Mapletree Logistics Trust	1,473,895	0.20	0.20
Merrill - United States	Oversea-Chinese Banking Corporation Limited	7,061,160	0.94	0.96
Merrill - United States	SATS Limited	1,353,270	0.18	0.18
Merrill - United States	Sembcorp Industries Limited	4,737,960	0.63	0.64
Merrill - United States	Singapore Airlines Limited	149,148	0.02	0.02
Merrill - United States	Thai Beverage Public Company Limited	1,556,823	0.21	0.21
Merrill - United States	United Overseas Bank Limited	4,070,300	0.54	0.55
Merrill - United States	Venture Corporation Limited	1,209,975	0.16	0.16
Merrill - United States	Wilmar International Limited	4,486,725	0.60	0.61
UBS - Switzerland	CapitaLand Investment Limited	424,800	0.06	0.06
UBS - Switzerland	DFI Retail Group Holdings Limited	1,558,150	0.21	0.21

NIKKO AM SINGAPORE STI ETF*(Constituted under a Trust Deed registered in the Republic of Singapore)***REPORT TO UNITHOLDERS***For the financial year ended 30 June 2024***7. Securities lending or repurchase transactions (continued)**

(a) Transferable securities lent (continued)

Counterparty	Security	Fair value of securities lent S\$	Percentage of total lendable assets %	Percentage of total net assets attributable to unitholders %
UBS - Switzerland	Genting Singapore Limited	7,540,795	1.00	1.02
UBS - Switzerland	Singapore Airlines Limited	959,795	0.13	0.13
UBS - Switzerland	Thai Beverage Public Company Limited	1,490,037	0.20	0.20
UBS - Switzerland	UOL Group Limited	1,506,550	0.20	0.21
		108,107,166	14.36	14.67

(b) Collateral for securities lending transactions

As at 30 June 2024

Cash collateral	Nil
Collateral has been re-used or re-hypothecated	Nil
Proportion of cash versus non-cash collateral	Nil
Collateral type	Government bonds
Maturity tenor	Open tenor
Settlement/clearing	Bilateral

Collateral provider	Credit rating of the collateral provider by Moody's	Nature of the collateral	Fair value of collateral S\$	Percentage of total net assets attributable to unitholders %
BNP Paribas Arbitrage - United Kingdom	Aa3	Government bond	4,985,525	0.68
Goldman Sachs International - United States	A1	Government bond	39,244,264	5.33
Merrill - United States	Not rated	Government bond	55,629,871	7.55
UBS - Switzerland	Aa3	Government bond	16,039,320	2.18

NIKKO AM SINGAPORE STI ETF*(Constituted under a Trust Deed registered in the Republic of Singapore)***REPORT TO UNITHOLDERS***For the financial year ended 30 June 2024***7. Securities lending or repurchase transactions (continued)**

(b) Collateral for securities lending transactions (continued)

BNP Paribas Arbitrage – United Kingdom

Government bond	Credit rating of the collateral by Moody's	Currency	Fair value of Collateral S\$	Percentage of total net assets attributable to unitholders %
JAPAN JPGV 0.900 03/20/57	A1	JPY	4,985,525	0.68
			4,985,525	0.68

Goldman Sachs International - United States

Government bond	Credit rating of the collateral by Moody's	Currency	Fair value of Collateral S\$	Percentage of total net assets attributable to unitholders %
JAPAN JPGV 2.100 03/20/30	A1	JPY	21,146,232	2.87
US TREASURY UST 1.125 08/31/28	Aaa	USD	18,098,032	2.46
			39,244,264	5.33

Merrill - United States

Government bond	Credit rating of the collateral by Moody's	Currency	Fair value of Collateral S\$	Percentage of total net assets attributable to unitholders %
JAPAN JPGV 1.700 12/20/43	A1	JPY	44,842,527	6.09
JAPAN JPGV 0.700 06/20/48	A1	JPY	10,787,344	1.46
			55,629,871	7.55

UBS - Switzerland

Government bond	Credit rating of the collateral by Moody's	Currency	Fair value of Collateral S\$	Percentage of total net assets attributable to unitholders %
JAPAN JPGV 2.200 03/20/31	A1	JPY	5,086,313	0.69
JAPAN JPGV 1.200 12/20/34	A1	JPY	10,891,986	1.48
US TREASURY UST 6.250 05/15/30	Aaa	USD	61,021	0.01
			16,039,320	2.18

NIKKO AM SINGAPORE STI ETF*(Constituted under a Trust Deed registered in the Republic of Singapore)***REPORT TO UNITHOLDERS***For the financial year ended 30 June 2024***7. Securities lending or repurchase transactions (continued)**

(b) Collateral for securities lending transactions (continued)

Top 10 collateral securities at 30 June 2024

	Fair value of collateral S\$	Percentage of total net asset attributable to unitholders %
JAPAN JPGV 1.700 12/20/43	44,842,527	6.09
JAPAN JPGV 2.100 03/20/30	21,146,232	2.87
US TREASURY UST 1.125 08/31/28	18,098,032	2.46
JAPAN JPGV 1.200 12/20/34	10,891,986	1.48
JAPAN JPGV 0.700 06/20/48	10,787,344	1.46
JAPAN JPGV 2.200 03/20/31	5,086,313	0.69
JAPAN JPGV 0.900 03/20/57	4,985,525	0.68
US TREASURY UST 6.250 05/15/30	61,021	0.01

(c) Custodians and the amount of assets held by each custodian

As at 30 June 2024

Custodian of collateral securities
HSBC Bank Plc**Fair value
S\$****115,898,980**Custodian of securities lent
HSBC Bank Plc**108,107,166**

(d) Revenue earned

Securities lending income of \$204,355 earned for the financial year ended 30 June 2024.

(e) Split between the return from securities lending and repurchase transactions and the return from cash collateral reinvestment

100% from securities lending.

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

Please refer to the Statement of Portfolio on pages 13 to 15.

9. Borrowings

Nil.

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

Units created

133,166,011

Units cancelled

(59,473,040)

NIKKO AM SINGAPORE STI ETF

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

REPORT TO UNITHOLDERS

For the financial year ended 30 June 2024

11. Turnover ratios

Please refer to Note 11 of the Notes to the Financial Statements on page 28.

12. Expense ratios

Please refer to Note 11 of the Notes to the Financial Statements on page 28.

13. Related party transactions

Please refer to Note 10 of the Notes to the Financial Statements on page 27.

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 commissions or arrangements.

Intentionally left blank.

