

# ANNUAL REPORT

■ **NIKKO AM HONG KONG EXCHANGE  
TRADED FUND SERIES**

**NIKKO AM GLOBAL INTERNET ETF**

*For the financial year ended 30 June 2021*

**AND**

**NIKKOAM E-GAMES ACTIVE ETF**

*For the financial period from 11 June 2020  
(date of launch) to 30 June 2021*



**NIKKO AM HONG KONG EXCHANGE TRADED FUNDS SERIES**

*(An umbrella unit trust established in Hong Kong)*

**REPORT AND FINANCIAL STATEMENTS**

**NIKKO AM GLOBAL INTERNET ETF**

*For the financial year ended 30 June 2021*

**AND**

**NIKKOAM E-GAMES ACTIVE ETF**

*For the financial period from 11 June 2020 (date of launch) to 30 June 2021*

**NIKKO AM HONG KONG EXCHANGE TRADED FUNDS SERIES**  
(An umbrella unit trust established in Hong Kong)

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## **NIKKO AM HONG KONG EXCHANGE TRADED FUNDS SERIES**

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### **Directory**

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Eleanor Seet Oon Hui  
Kiyotaka Ryu

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#### **FUND ACCOUNTANT AND GLOBAL CUSTODIAN**

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#### **LISTING AGENT**

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This report is also available on our website ([www.nikkoam.com.hk](http://www.nikkoam.com.hk)).

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## NIKKO AM HONG KONG EXCHANGE TRADED FUNDS SERIES

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### REPORT OF THE MANAGER

#### PERFORMANCE SUMMARY

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	Since Inception
Nikko AM Global Internet ETF	9.38	10.45	43.75	-	-	58.51
Benchmark <sup>1</sup>	9.61	10.97	45.10	-	-	60.21

#### CALENDAR YEAR PERFORMANCE SUMMARY

Returns (%)	2019 <sup>2</sup>	2020	2021 (YTD)
Nikko AM Global Internet ETF	12.51	75.00	10.45
Benchmark <sup>1</sup>	12.74	76.98	10.97

Source: Nikko Asset Management Asia Limited as of 30 June 2021.

Returns are calculated on a NAV-NAV basis, USD, 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) The Benchmark/Underlying Index for the ETF is iEdge-Factset Global Internet Index Net Total Return
- (2) Calendar Year 2019 performance returns since listing date on 24 October 2019

**Listing date: 24 October 2019**

#### About Nikko AM Global Internet ETF

The Nikko AM Global Internet ETF is a sub-fund of the Nikko AM Hong Kong Exchange Traded Funds Series (the "Trust"), which is an umbrella unit trust created by the trust deed between the Nikko Asset Management Hong Kong Limited as manager and BNP Paribas Trust Services (Hong Kong) Limited as trustee made under Hong Kong law. The Trust and the Nikko AM Global Internet ETF is authorised as a collective investment scheme by the Hong Kong Securities and Futures Commission ("SFC") under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and falls within Chapter 8.6 of the Code on Unit Trusts and Mutual Funds issued by the SFC. The units of the Nikko AM Global Internet ETF are listed on the Stock Exchange of Hong Kong ("SEHK"). The units of Nikko AM Global Internet ETF have been accepted as eligible securities by Hong Kong Securities Clearing Company Limited ("HKSCC") for deposit, clearing and settlement in the Central Clearing and Settlement System ("CCASS").

The Nikko AM Global Internet ETF's investment objective is to seek to provide investment results that, before fees and expenses, closely correspond to the performance of the iEdge-Factset Global Internet Index (the "Index"). There is no assurance that the Nikko AM Global Internet ETF will achieve its investment objective.

In order to achieve the investment objective, the Nikko AM Global Internet ETF intends to primarily adopt a full replication strategy through investing directly in stocks included in the Index in substantially the same weightings as these stocks have in the Index.

The Index aims to track the performance of developed market securities in the internet technologies segments. Stocks captured within the Index include companies primarily in internet and data services, general internet and online services, internet support services, financial software and services, virtual reality and engineering software and online retail business segments. The Index has a basket size of 30 stocks and is free float market capitalisation weighted with a 10% stock cap on each individual Index constituent.

**Note: Investors are advised to refer to the Nikko AM Global Internet ETF's prospectus for more details on the Nikko AM Global Internet ETF.**

## NIKKO AM HONG KONG EXCHANGE TRADED FUNDS SERIES

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### REPORT OF THE MANAGER (continued)

#### PERFORMANCE SUMMARY

Returns (%)	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	Since Inception
NikkoAM E-Games Active ETF <sup>1</sup>	5.56	2.69	32.71	-	-	37.76

#### CALENDAR YEAR PERFORMANCE SUMMARY

Returns (%)	2020 <sup>2</sup>	2021 (YTD)
NikkoAM E-Games Active ETF <sup>1</sup>	35.90	2.69

Source: Nikko Asset Management Asia Limited as of 30 June 2021.

Returns are calculated on a NAV-NAV basis, USD, 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) The NikkoAM E-Games Active ETF does not seek to track any index or benchmark.
- (2) Calendar Year 2020 performance returns since listing date on 16 June 2020

**Listing date: 16 June 2020**

#### About NikkoAM E-Games Active ETF

The NikkoAM E-Games Active ETF is a sub-fund of the Nikko AM Hong Kong Exchange Traded Funds Series (the "Trust"), which is an umbrella unit trust created by the trust deed between the Nikko Asset Management Hong Kong Limited as manager and BNP Paribas Trust Services (Hong Kong) Limited as trustee made under Hong Kong law. The Trust and the NikkoAM E-Games Active ETF is authorised as a collective investment scheme by the Hong Kong Securities and Futures Commission ("SFC") under Section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and falls within Chapter 8.10 of the Code on Unit Trusts and Mutual Funds issued by the SFC. The units of the NikkoAM E-Games Active ETF are listed on the Stock Exchange of Hong Kong ("SEHK"). The units of NikkoAM E-Games Active ETF have been accepted as eligible securities by Hong Kong Securities Clearing Company Limited ("HKSCC") for deposit, clearing and settlement in the Central Clearing and Settlement System ("CCASS").

The NikkoAM E-Games Active ETF's investment objective is to achieve long term capital growth by primarily investing in companies directly or indirectly involved in electronic games, mobile games or electronic sports businesses (collectively "E-Games business"). There is no assurance that the NikkoAM E-Games Active ETF will achieve its investment objective.

The NikkoAM E-Games Active ETF will invest primarily (i.e. at least 70% of its Net Asset Value ("NAV")) in equities of companies which are directly or indirectly involved in E-Games business. Companies which are directly related to the E-Games business may include those which are involved in the design and development of electronic games, mobile games and/or involved in the organising of electronic sports events. Companies which are indirectly related to the E-Games business may provide ancillary services to these industries, such as providing hardware and software technology solutions, and/or providing global infrastructure and telecommunication solutions to facilitate these businesses. For avoidance of doubt, this is a non-exhaustive illustration of companies that may be directly involved or indirectly involved in E-Games business in which the NikkoAM E-Games Active ETF will primarily invest. These equities (which may include listed American Depositary Receipts ("ADRs") and Global Depositary Receipts ("GDRs")) may be listed on any exchange globally. Exposure to these equities may be obtained by investing in exchange traded funds ("ETFs") as a means of transition management if access to such equities is not yet available to the NikkoAM E-Games Active ETF. The NikkoAM E-Games Active ETF will invest up to 85% of its NAV in emerging markets. Investments in ETFs by the NikkoAM E-Games Active ETF are considered and treated as listed securities for the purposes of and subject to the requirements in Chapters 7.1, 7.1A and 7.2 of the Code.

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### **REPORT OF THE MANAGER** (continued)

The NikkoAM E-Games Active ETF may use financial derivatives instruments for hedging purposes only.

Currently, the Manager has no intention for the NikkoAM E-Games Active ETF to (i) invest in any financial derivative instruments for non-hedging (i.e. investment) purposes, (ii) invest in structured deposits, asset backed securities, asset backed commercial papers and mortgage backed securities, (iii) enter into securities lending transactions, sale and repurchase or reverse repurchase transactions or other similar over-the-counter transactions, or (iv) enter into securities borrowing transactions. The Manager will seek the prior approval of the SFC (if required) and provide at least one month's prior notice to unitholders before the NikkoAM E-Games Active ETF engages in any such investments.

In addition to the relevant investment restrictions set out in the Code, the NikkoAM E-Games Active ETF is subject to the following additional restrictions. The NikkoAM E-Games Active ETF does not currently:

- (i) intend to invest more than 5% of its net asset value in aggregate into collective investment schemes (excluding any collective investment scheme which is listed and traded on any exchange);
- (ii) intend to acquire shares in any single company if, as a result of such acquisition, the total number of shares in such company held by all collective investment schemes which are managed by the Manager would exceed 50% of the total number of all issued and outstanding shares in such company; or
- (iii) intend to engage in short selling.

**Note: Investors are advised to refer to the NikkoAM E-Games Active ETF's prospectus for more details on the NikkoAM E-Games Active ETF.**



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### **REPORT OF THE MANAGER** (continued)

This document is for information only with no consideration given to the specific investment objective, financial situation and particular needs of any specific person. Any securities mentioned herein are for reporting or 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 unit trusts or ETFs are not deposits in, obligations of, or guaranteed or insured by Nikko Asset Management Hong Kong Limited ("Nikko AM Hong Kong").

#### **Past performance or any prediction, projection or forecast is not indicative of future performance.**

The Sub-Funds may use or invest in financial derivative instruments. The value of units and income from them may fall or rise. Investments in the Sub-Funds are subject to investment risks, including the possible loss of principal amount invested. You should read the relevant prospectus and product key facts sheet obtainable from appointed distributors of Nikko AM Hong Kong before investing.

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Investment involves risks. Past performance or any prediction, projection or forecast is not indicative of future performance. The value of units and income from them may fall or rise. Investments in the Sub-Funds are subject to investment risks, including the possible loss of principal amount invested. You should not make investment decision on the basis of this material alone. You should read the Prospectus and Key Facts Statement for details including the risk factors and the arrangement in the event that the Sub-Funds are delisted. Investors should also note that the Sub-Funds are different from a typical unit trust and units may only be created or redeemed directly by a participating dealer in large creation or redemption units.

The trading price of the Units on the SEHK is driven by market factors such as the demand and supply of the Units. Therefore, the Units may trade at a substantial premium or discount to the NAV.

The Manager may at its discretion pay distribution to unitholders. There is no guarantee to the payment of distribution or frequency of payment. The Manager may at its discretion pay the dividends out of the capital. Payment of dividends out of capital or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any such distribution may result in an immediate reduction in the NAV per Unit of the Sub-Funds.

The Nikko AM Global Internet ETF is not in any way sponsored, endorsed, sold or promoted by Singapore Exchange Limited and/or its affiliates (collectively, "SGX") and SGX makes no warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the iEdge-Factset Global Internet Index (and/or the figure at which the iEdge-Factset Global Internet Index stands at any particular time on any particular day or otherwise). The iEdge-Factset Global Internet Index is sponsored, calculated and administrated by SGX. SGX shall not be liable (whether in negligence or otherwise) to any person for any error in the Nikko AM Global Internet ETF and the iEdge-Factset Global Internet Index and shall not be under any obligation to advise any person of any error therein. "SGX" is a trade mark of SGX and is used by Nikko Asset Management under licence. All intellectual property rights in the iEdge-Factset Global Internet Index vest in SGX.

Nikko Asset Management Hong Kong Limited. Registration Number 30310338-000

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## **NIKKO AM HONG KONG EXCHANGE TRADED FUNDS SERIES**

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### **REPORT OF THE TRUSTEE TO THE UNITHOLDERS**

We hereby confirm that, in our opinion, the Manager of Nikko AM Global Internet ETF and NikkoAM E-Games Active ETF (collectively the "Sub-Funds"), the Sub-Funds of Nikko AM Hong Kong Exchange Traded Funds Series (the "Trust") has, in all material respects, managed the Sub-Funds in accordance with the provisions of the Trust Deed dated 27 August 2019, as amended and/or supplemented from time to time, for the financial year ended 30 June 2021 for Nikko AM Global Internet ETF and for the financial period from 11 June 2020 (date of launch) to 30 June 2021 for NikkoAM E-Games Active ETF.

For and on behalf of the Trustee  
BNP Paribas Trust Services (Hong Kong) Limited  
26 October 2021

**NIKKO AM HONG KONG EXCHANGE TRADED FUNDS SERIES**  
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**STATEMENT OF RESPONSIBILITIES OF THE MANAGER AND THE TRUSTEE**

**Manager's Responsibilities**

The Manager of Nikko AM Global Internet ETF and NikkoAM E-Games Active ETF (collectively the "Sub-Funds"), the sub-funds of Nikko AM Hong Kong Exchange Traded Funds Series, is required by the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong (the "SFC Code") and the Trust Deed dated 27 August 2019, as amended and/or supplemented from time to time (the "Trust Deed") to cause to be made up the financial statements for each annual accounting year which give a true and fair view of the financial position of the Sub-Funds at the end of that year and of the transactions for the year ended. In preparing these financial statements the Manager is required to:

- select suitable accounting policies and as agreed with the Trustee then apply them consistently;
- make judgements and estimates that are prudent and reasonable; and
- cause to be made up the financial statements on the basis that the Sub-Funds will continue in operation unless it is inappropriate to assume this.

The Manager is also required to manage the Sub-Funds in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

Nikko AM Hong Kong Exchange Traded Funds Series (the "Trust") is an open-ended umbrella unit trust governed by its Trust Deed. As at 30 June 2021, the Trust has established two sub-funds, namely, Nikko AM Global Internet ETF and NikkoAM E-Games Active ETF.

**Trustee's Responsibilities**

The Trustee of the Sub-Funds is required to

- ensure that the Sub-Funds, in all material respect, are managed in accordance with the Trust Deed and that the investment and borrowing powers are complied with;
- satisfy itself that sufficient accounting and other records have been maintained;
- safeguard the property of the Sub-Funds and rights attaching thereto; and
- report to the unitholders for each annual accounting year should the Manager not managing the Sub-Funds in accordance with the Trust Deed.

## **NIKKO AM HONG KONG EXCHANGE TRADED FUNDS SERIES**

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### **INDEPENDENT AUDITOR'S REPORT**

#### **TO THE UNITHOLDERS OF NIKKO AM GLOBAL INTERNET ETF AND NIKKOAM E-GAMES ACTIVE ETF (the Sub-Funds of Nikko AM Hong Kong Exchange Traded Funds Series)**

#### **Report on the Audit of the Financial Statements**

##### **Opinion**

###### *What we have audited*

The financial statements of Nikko AM Global Internet ETF for the year ended 30 June 2021 and NikkoAM E-Games Active ETF for the period from 11 June 2020 (date of launch) to 30 June 2021 ("relevant periods") and as at 30 June 2021 (each a separate sub-fund of Nikko AM Hong Kong Exchange Traded Funds Series and referred to individually or collectively as the "Sub-Funds"), set out on pages 12 to 36, which comprise:

- the statements of financial position as at 30 June 2021;
- the statements of comprehensive income for the relevant periods;
- the statements of changes in net assets attributable to unitholders for the relevant periods;
- the statements of cash flows for the relevant periods; and
- the notes to the financial statements, which include a summary of significant accounting policies.

###### *Our opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Funds as at 30 June 2021, and of its financial transactions and its cash flows for the relevant periods in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

##### **Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. 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 opinion.

###### *Independence*

We are independent of the Sub-Funds in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

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### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year/period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter identified in our audit is related to existence and valuation of investments.

#### Key Audit Matter

##### *Existence and valuation of investments*

The investments of Nikko AM Global Internet ETF and NikkoAM E-Games Active ETF mainly comprised of listed equities valued at US\$19,116,739 and US\$15,412,572 and depository receipts valued at US\$4,793,891 and US\$3,697,988, respectively.

We focused on the existence and valuation of the investments because the investments represented the principal element of the Sub-Funds' net asset value as at 30 June 2021.

Refer to Note 3(a) to the financial statements.

#### How our audit addressed the Key Audit Matter

Our work included an assessment of the key controls over the existence and valuation of the investments, which included the following:

1. We developed an understanding of the control objectives and related controls by obtaining the service organisation internal control reports provided by the trustee setting out the controls in place, and the independent service auditor's assurance report over the design and operating effectiveness of those controls thereon.
2. We evaluated the tests undertaken by the service auditor, the results of the tests undertaken and the opinions formed by the service auditor on the design and operating effectiveness of the controls, to the extent relevant to our audit of the Sub-Funds.

We tested the existence of investments by obtaining direct confirmations from the custodian and agreeing the Sub-Funds' holdings of investments to the confirmations. We found no material exceptions from our testing.

We agreed the valuation of the Sub-Funds' investments by comparing the pricing used by the Sub-Funds to external pricing sources as at 30 June 2021. We found no material exceptions from our testing.

### Other Information

The manager and the trustee (the "Management") of the Sub-Funds are responsible for the other information. The other information comprises all of the information included in the annual report other than 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.

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### **Responsibilities of the Management for the Financial Statements**

The Management of the Sub-Funds is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Management 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 Management of the Sub-Funds is responsible for assessing the Sub-Funds' 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 Management either intends to liquidate the Sub-Funds or to cease operations, or has no realistic alternative but to do so.

In addition, the Management of the Sub-Funds is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 27 August 2019, as amended and/or supplemented from time to time (the "Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

The Management is responsible for overseeing the Sub-Funds' 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. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs 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. In addition, we are required to assess whether the financial statements of the Sub-Funds have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and Appendix E of the SFC Code.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management'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 Sub-Funds' 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 Sub-Funds 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.

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We communicate with the Management 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 Management 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Management, 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.

### **Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and Appendix E of the SFC Code**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and Appendix E of the SFC Code.

The engagement partner on the audit resulting in this independent auditor's report is Chung, Chi Fai.

PricewaterhouseCoopers  
Certified Public Accountants  
Hong Kong, 26 October 2021

**NIKKO AM HONG KONG EXCHANGE TRADED FUNDS SERIES**  
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**STATEMENTS OF FINANCIAL POSITION**

	Note	Nikko AM Global Internet ETF		NikkoAM E-Games Active ETF
		As at 30 June 2021 US\$	As at 30 June 2020 US\$	As at 30 June 2021 US\$
<b>ASSETS</b>				
<b>Current assets</b>				
Financial assets at fair value through profit or loss	3(a)	23,910,630	21,696,350	19,110,560
Amount due from brokers		-	98,375	-
Expense reimbursement receivable	9(a)	7,448	106,747	51,266
Other receivables		-	40	3,505
Prepaid expenses		3,582	2,818	1,498
Cash and cash equivalents		15,676	829,766	213,647
<b>Total assets</b>		<u>23,937,336</u>	<u>22,734,096</u>	<u>19,380,476</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trustee fee payable	9(b)	1,262	3,020	1,117
Management fee payable	9(a)	32,984	31,498	24,154
Administration fee payable	9(c)	1,154	3,020	1,015
Audit fee payable		22,968	22,999	22,967
Custody fee payable	9(d)	697	2,732	610
Due to unitholders		-	892,548	-
Amount due to brokers		-	19,041	-
Other payables		5,551	3,301	4,704
<b>Total liabilities</b>		<u>64,616</u>	<u>978,159</u>	<u>54,567</u>
<b>EQUITY</b>				
Net assets attributable to unitholders	7	<u>23,872,720</u>	<u>21,755,937</u>	<u>19,325,909</u>

The financial statements were approved and authorised for issue by the Trustee and the Manager on 26 October 2021.

BNP Paribas Trust Services (Hong Kong) Limited  
as the Trustee

Nikko Asset Management Hong Kong Limited  
as the Manager

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



**NIKKO AM HONG KONG EXCHANGE TRADED FUNDS SERIES**  
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**STATEMENTS OF COMPREHENSIVE INCOME**

		Nikko AM Global Internet ETF	NikkoAM E-Games Active ETF
		For the period from 22 October 2019 (date of launch) to 30 June 2021 US\$	For the period from 11 June 2020 (date of launch) to 30 June 2021 US\$
	Note	Year ended 30 June 2021 US\$	Year ended 30 June 2021 US\$
<b>Income</b>			
Net gains on financial assets at fair value through profit or loss	6	8,783,005	9,153,502
Foreign exchange losses		(2,576)	(4,668)
Dividend income		16,675	41,531
Interest income on cash and cash equivalents		-	2,381
Expense reimbursement	9(a)	92,186	152,097
<b>Total net income</b>		<u>8,889,290</u>	<u>9,344,843</u>
<b>Expenses</b>			
Trustee fee	9(b)	4,593	3,020
Management fee	9(a)	131,241	86,289
Administration fee	9(c)	4,593	3,020
Transaction cost		5,896	8,954
Custody fees	9(d)	25,309	2,732
Audit fees		22,969	22,999
Legal and professional fee		4,022	8,558
Index license fee		5,278	3,459
Service agent fee		7,731	5,341
Preliminary expenses		-	180,567
Other expenses		23,939	17,860
<b>Total operating expenses</b>		<u>235,571</u>	<u>342,799</u>
<b>Net income before tax</b>		8,653,719	9,002,044
Withholding tax on dividends and other investment income	13	(1,758)	(2,531)
<b>Total comprehensive income</b>		<u>8,651,961</u>	<u>8,999,513</u>
		<u>6,339,503</u>	

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

**NIKKO AM HONG KONG EXCHANGE TRADED FUNDS SERIES**  
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**STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS**

Note	Nikko AM Global Internet ETF		NikkoAM E-Games Active ETF
	Year ended 30 June 2021 US\$	For the period from 22 October 2019 (date of launch) to 30 June 2020 US\$	For the period from 11 June 2020 (date of launch) to 30 June 2021 US\$
	<b>Net assets attributable to unitholders at the beginning of the year/period</b>	21,755,937	-
	Subscription of units in cash	5,743,548	20,826,748
	Redemption of units in cash	(12,278,726)	(8,070,324)
	<b>Net (decreases)/increases from units transaction</b>	(6,535,178)	12,756,424
	<b>Total comprehensive income</b>	8,651,961	8,999,513
	<b>Net assets attributable to unitholders at the end of the year/period</b>	23,872,720	21,755,937
7			19,325,909

Units transactions	Nikko AM Global Internet ETF USD class		NikkoAM E-Games Active ETF USD class
	Year ended 30 June 2021 Units	For the period from 22 October 2019 (date of launch) to 30 June 2020 Units	For the period from 11 June 2020 (date of launch) to 30 June 2021 Units
Units outstanding at the beginning of the year/period	1,437,000	-	-
Units issued during the year/period	302,000	2,070,000	1,980,000
Units redeemed during the year/period	(645,000)	(633,000)	(589,000)
Units outstanding at the end of the year/period	1,094,000	1,437,000	1,391,000
Net asset value per unit - US\$	21.8215	15.1398	13.8935

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

**NIKKO AM HONG KONG EXCHANGE TRADED FUNDS SERIES**  
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**STATEMENTS OF CASH FLOWS**

	Nikko AM Global Internet ETF	NikkoAM E-Games Active ETF
	For the period from 22 October 2019 (date of launch) to 30 June 2020 US\$	For the period from 11 June 2020 (date of launch) to 30 June 2021 US\$
	Year ended 30 June 2021 US\$	Year ended 30 June 2020 US\$
<b>Cash flows from operating activities</b>		
Net income before tax	8,653,719	9,002,044
<b>Adjustments for:</b>		
- Dividend income	(16,675)	(41,531)
- Interest income	-	(2,381)
<b>Operating cash flow before working capital changes</b>	8,637,044	8,958,132
- Increases in financial assets at fair value through profit or loss	(2,214,280)	(21,696,350)
- Decreases/(increases) in amount due from brokers	98,375	(98,375)
- Decreases/(increases) in rebate and other receivables	99,339	(106,787)
- Increases in prepaid expenses	(764)	(2,818)
- (Decreases)/increases in trustee fee payable	(1,758)	3,020
- Increases in management fee payable	1,486	31,498
- (Decreases)/increases in administration fee payable	(1,866)	3,020
- (Decreases)/increases in audit fee payable	(31)	22,999
- (Decreases)/increases in custody fee payable	(2,035)	2,732
- (Decreases)/increases in amount due to brokers	(19,041)	19,041
- Increases in other payables	2,250	3,301
<b>Cash generated from/(used in) operations</b>	6,598,719	(12,860,587)
- Dividend income received	16,675	41,531
- Interest received	-	2,381
- Withholding tax paid	(1,758)	(2,531)
<b>Net cash generated from/(used in) operating activities</b>	6,613,636	(12,819,206)
<b>Cash flows from financing activities</b>		
Proceeds from subscriptions of units	5,743,548	20,826,748
Payments of redeemable units	(13,171,274)	(7,177,776)
<b>Net cash (used in)/generated from financing activities</b>	(7,427,726)	13,648,972
<b>Net (decreases)/increases in cash and cash equivalents</b>	(814,090)	829,766
Cash and cash equivalent at the beginning of the year/period	829,766	-
<b>Cash and cash equivalent at the end of the year/period</b>	15,676	829,766

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

## **NIKKO AM HONG KONG EXCHANGE TRADED FUNDS SERIES**

(An umbrella unit trust established in Hong Kong)

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### **NOTES TO THE FINANCIAL STATEMENTS**

#### **1. General**

Nikko AM Hong Kong Exchange Traded Funds Series (the "Trust") is an umbrella unit trust governed by its Trust Deed dated 27 August 2019 (date of establishment), as amended and/or supplemented from time to time (the "Trust Deed"). The Trust has two sub-funds, Nikko AM Global Internet ETF and NikkoAM E-Games Active ETF (each the "Sub-Fund" and collectively referred to as the "Sub-Funds"), of which one class of units was issued for each Sub-Fund. The units of the Sub-Funds, Nikko AM Global Internet ETF and NikkoAM E-Games Active ETF were first issued on 23 October 2019 and 15 June 2020 respectively.

The Trust is authorised by the Securities and Futures Commission of Hong Kong (the "SFC") under Section 104(1) of the Hong Kong Securities and Futures Ordinance and is required to comply with the Code on Unit Trusts and Mutual Funds established by the SFC (the "SFC Code").

#### **Nikko AM Global Internet ETF**

The Sub-Fund's investment objective is to seek to provide investment results that, before fees and expenses, closely correspond to the performance of the iEdge-Factset Global Internet Index (the "Index").

In order to achieve the investment objective, the Sub-Fund intends to primarily adopt a full replication strategy through investing directly in stocks included in the Index.

The Index aims to track the performance of developed market securities in the internet technologies segments. In order to provide the performance of the Index, the Sub-Fund may invest in stocks listed in United States of America, United Kingdom, France, Germany, Hong Kong, Japan, Korea and Singapore, and may include or exclude other markets from time to time.

#### **NikkoAM E-Games Active ETF**

The Sub-Fund's investment objective is to achieve long term capital growth by primarily investing in companies directly or indirectly involved in electronic games, mobile games or electronic sports businesses (collectively referred to as the "E-Games business").

The Sub-Fund will invest primarily (i.e. at least 70% of its net asset value ("NAV")) in equities of companies which are directly or indirectly involved in E-Games business.

These equities (which may include listed American Depositary Receipts ("ADRs") and Global Depositary Receipts ("GDRs")) may be listed on any exchange globally. Exposure to these equities may be obtained by investing in exchange traded funds ("ETFs") as a means of transition management if access to such equities is not yet available to the Sub-Fund. The Sub-Fund will invest up to 85% of its NAV in emerging markets.

#### **Manager**

The Manager of the Sub-Funds is Nikko Asset Management Hong Kong Limited (the "Manager"), a limited liability company incorporated under the laws of Hong Kong and regulated by the SFC.

#### **Sub-Manager**

Nikko Asset Management Asia Limited (the "Sub-Manager") has been appointed by the Manager as the Sub-Manager of the Sub-Funds. The Manager has delegated its management functions in relation to the Sub-Funds to the Sub-Manager.

The Manager and the Sub-Manager are wholly owned subsidiary of Nikko Asset Management International Limited, an indirectly owned subsidiary of Sumitomo Mitsui Trust Holdings, Inc..

**NIKKO AM HONG KONG EXCHANGE TRADED FUNDS SERIES**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**2. Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the financial year/period presented, unless otherwise stated.

All references to net asset value ("NAV") throughout these financial statements refer to net assets attributable to unitholders (after amortisation of preliminary expenses adjustment) unless otherwise stated.

**(a) Basis of preparation**

The financial statements of the Sub-Funds have been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs"). The financial statements are prepared under the historical cost convention as modified by the fair valuation of financial assets and financial liabilities (including derivative instruments) held at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Sub-Funds' accounting policies.

Standards and amendments to existing standards effective 11 June 2020 (for NikkoAM E-Games Active ETF) and 1 July 2020 (for Nikko AM Global Internet ETF)

There are no standards, amendments to standards or interpretations that are effective for annual period beginning 11 June 2020 (for NikkoAM E-Games Active ETF) and 1 July 2020 (for Nikko AM Global Internet ETF) that have a material impact on the financial statements of the Sub-Funds.

New standards, amendments and interpretations effective after 11 June 2020 (for NikkoAM E-Games Active ETF) and 1 July 2020 (for Nikko AM Global Internet ETF) and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 11 June 2020 (for NikkoAM E-Games Active ETF) and 1 July 2020 (for Nikko AM Global Internet ETF), and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Sub-Funds.

**(b) Financial assets at fair value through profit or loss**

**(i) Classification**

The Sub-Funds classify their investments based on both the Sub-Funds' business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Sub-Funds primarily focus on fair value information and uses that information to assess the assets' performance and to make decisions. The Sub-Funds have not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income.

As such, the Sub-Funds classify their investment portfolio as financial assets at fair value through profit or loss.

The Sub-Funds' policy requires the Manager to evaluate the information about these financial assets on a fair value basis together with other related financial information.

**NOTES TO THE FINANCIAL STATEMENTS**

**2. Summary of significant accounting policies (continued)**

**(b) Financial assets at fair value through profit or loss (continued)**

**(ii) Recognition, derecognition and measurement**

Regular purchases and sales of investments are recognised on the trade date – the date on which the Sub-Funds commit to purchase or sell the investment. Financial assets at fair value through profit or loss are initially recognised at fair value.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Sub-Funds have transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within net changes in fair value of financial assets at fair value through profit or loss in the year/period in which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in the statements of comprehensive income within dividend income when the Sub-Funds' right to receive payments is established.

**(c) Fair value estimation**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on quoted market price at the close of trading on the reporting date. The quoted market prices used for the financial assets and financial liabilities held by the Sub-Funds were the last traded market price which 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.

**(d) Transfer between levels of fair value hierarchy**

Transfers between levels of fair value hierarchy are deemed to have occurred at the end of the reporting year/period.

**(e) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

**(f) Due from and due to brokers and other receivables**

Amounts due from and to brokers 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. The due from brokers balance is held for collection.

These amounts are recognised initially at fair value and subsequently measured at amortised cost.

At each reporting date, the Sub-Funds shall measure loss allowance on amounts due from broker and other receivables at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Sub-Funds shall measure the loss allowance at an amount equal to 12-month expected credit losses. A significant increase in credit risk is defined as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

**NOTES TO THE FINANCIAL STATEMENTS**

**2. Summary of significant accounting policies (continued)**

**(g) Income and expenses**

Interest income is recognised on a time-proportionate basis using the effective interest method. It includes interest income from cash and cash equivalents.

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income when the Sub-Funds' right to receive payment are established with the corresponding foreign withholding taxes recorded as a taxation charge.

Expenses are accounted for on an accrual basis.

**(h) Transaction costs**

Transaction costs are costs incurred to acquire financial assets at fair value through profit or loss. They include fees and commissions paid to agents, brokers and dealers. Transaction costs when incurred, are immediately recognised in profit or loss as an expense.

**(i) Foreign currency translation**

**(i) Functional and presentation currency**

Items included in each of the Sub-Funds' financial statements are measured using the currency of the primary economic environment in which the Sub-Funds operate (the "functional currency"). The Manager considers the United States dollar (the "US\$") as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in United States dollar which is the Sub-Funds' functional and presentation currency.

**(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year/period end exchange rates of all assets and liabilities denominated in foreign currencies are recognised in the statements of comprehensive income.

The Sub-Funds do not isolate that portion of foreign exchange gains or losses on trading securities, which is due to changes in foreign exchange rates from which is due to changes in the market price of securities. Such fluctuations are included in the net gain or loss on financial assets at fair value through profit or loss in the statement of comprehensive income.

**(j) Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts, if any, are shown as liabilities in the statement of financial position.

**NOTES TO THE FINANCIAL STATEMENTS**

**2. Summary of significant accounting policies (continued)**

**(k) Redeemable units**

Units are redeemable at the unitholder's option. Units can be redeemed by the unitholders at any time, subject to redemption terms, whether in kind (i.e. the redemption of units in exchange for a transfer of securities plus any cash amount) or in cash only.

Units are issued and redeemed at the unitholder's option at prices based on each Sub-Fund's net asset value per unit at the time of issue or redemption. Each Sub-Fund's net asset value per unit is calculated by dividing the net assets attributable to the unitholders with the total number of outstanding units.

Units are classified as equity when there is one class of units that is the sole share class outstanding for a Sub-Fund as at the statement of financial position date and these units meet all the other conditions of equity classification under HKAS 32 (Amendment) "Financial Instruments: Presentation" and HKAS 1 (Amendment) "Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation".

These conditions include:

- the puttable instruments must entitle the holder to a pro-rata share of net assets;
- the puttable instruments must be the most subordinated class and class features must be identical;
- there must be no contractual obligations to deliver cash or another financial asset other than the obligation on the issuer to repurchase; and
- the total expected cash flows from the puttable instrument over its life must be based substantially on the profit or loss of the issuer.

**(l) Taxation**

The Sub-Funds currently incur withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the statement of comprehensive income.

Withholding taxes are shown as a separate item in the statement of comprehensive income.

**(m) Preliminary expenses**

The preliminary expenses of the Trust and the Sub-Funds are borne by the Sub-Funds. The preliminary expenses incurred in the establishment of the Trust and the Sub-Funds are recognised as expenses of the Sub-Funds in the period in which they arise. For calculation of the published net asset value for the Sub-Funds, the preliminary expenses is amortised over 12 months period from 22 October 2019 (date of launch) and 11 June 2020 (date of launch) for Nikko AM Global Internet ETF and NikkoAM E-Games Active ETF respectively.

**(n) Comparative figures**

There are no comparative figures for NikkoAM E-Games Active ETF, as this is the first financial statements' reporting period that has been presented.

The comparative figures for Nikko AM Global Internet ETF, are not comparable due to the difference in the financial statements' reporting period.

**(o) Segmental reporting**

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Manager, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision-maker that makes strategic decisions.



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### NOTES TO THE FINANCIAL STATEMENTS

#### 3. Financial risk management

The Sub-Funds' activities expose them to a variety of risk, including but not limited to market price risk, interest rate risk, currency risk, credit risk and liquidity risk arising from the financial instruments held. The financial instruments are held in accordance with the published investment policies of the Sub-Funds and managed accordingly to achieve the investment objectives.

The COVID-19 pandemic continues to evolve and develop. The situation is dynamic with various cities and countries around the world responding in different ways to address the pandemic. As a result of the COVID-19 pandemic, global financial markets have experienced significant volatility. Given the extent of the crisis, it is difficult to estimate the impact or duration of the volatility on the portfolio of the Sub-Funds. The Manager is closely monitoring the development of the COVID-19 pandemic and its related impact.

The Sub-Funds' overall risks management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Sub-Funds' financial performance. The risk management policies employed by the Sub-Funds to manage these risks are discussed below:

##### (a) Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

##### **Nikko AM Global Internet ETF**

The Sub-Fund's investment objective is to seek to provide investment results that, before fees and expenses, closely correspond to the performance of the iEdge-Factset Global Internet Index (the "Index").

In order to achieve the investment objective, the Sub-Fund intends to primarily adopt a full replication strategy through investing directly in stocks included in the Index in substantially the same weightings as these stocks have in the Index.

The Sub-Fund may switch between the replication strategy and the representative sampling strategy in its absolute discretion, and as often as it believes is appropriate in order to achieve the investment objective of the Sub-Fund by tracking the Index as closely as possible for the benefit of investors. The Manager may cause the Sub-Fund to deviate from the index weighting (in pursuing a representative sampling strategy) on the condition that the maximum deviation from the index weighting of any constituent will not exceed 4 percentage points above or below such weighting.

The Index aims to track the performance of developed market securities in the internet technologies segments. In order to provide the performance of the Index, the Sub-Fund may invest in stocks listed in United States of America, United Kingdom, France, Germany, Hong Kong, Japan, Korea and Singapore, and may include or exclude other markets from time to time.

All securities investments present a risk of loss of capital. The Sub-Fund's market price risk is managed through diversification of investment portfolio. The Manager monitors the investments and rebalances the portfolio investments on a regular basis to reflect changes to the composition of, or the weightings of stocks in the Index.

As at 30 June 2021, a 24% (2020: 22%) fall or rise in the Index, with all other variables remaining constant, would have decrease or increase the net asset value of the Sub-Fund by US\$5,729,453 (2020: US\$4,786,306).

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**NOTES TO THE FINANCIAL STATEMENTS**

**3. Financial risk management** (continued)

(a) **Market price risk** (continued)

**NikkoAM E-Games Active ETF**

The Sub-Fund's investment objective is to achieve long term capital growth by primarily investing in companies directly or indirectly involved in E-Games business. The Sub-Fund will invest primarily (i.e. at least 70% of its net asset value ("NAV")) in equities of companies which are directly or indirectly involved in E-Games business. Companies which are directly related to the E-Games business may include those involved in the design and development of electronic games, mobile games and/or involved in the organisation of electronic sports events. Companies which are indirectly related to the E-Games business may provide ancillary services to these industries, such as providing hardware and software technology solutions, and/or providing global infrastructure and telecommunication solutions to facilitate these businesses.

These equities (which may include listed American Depositary Receipts ("ADRs") and Global Depositary Receipts ("GDRs")) may be listed on any exchange globally. Exposure to these equities may be obtained by investing in exchange traded funds ("ETFs") as a means of transition management if access to such equities is not yet available to the Sub-Fund. The Sub-Fund will invest up to 85% of its NAV in emerging markets.

The Manager employs an actively managed investment strategy for the Sub-Fund. The Sub-Fund does not seek to track any index or benchmark, and there is no replication or representative sampling conducted by the Manager. Instead, investments of the Sub-Fund will be based on the Manager's view of market conditions and international investment trends and environment.

As at 30 June 2021, a 19% fall or rise in the general market benchmark, with all other variables remaining constant, would have decrease or increase the net asset value of the Sub-Fund by US\$3,092,145.

The tables below disclose the financial assets at fair value through profit or loss of the Sub-Funds by geographical locations as at 30 June 2021 and 30 June 2020.

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**NOTES TO THE FINANCIAL STATEMENTS****3. Financial risk management (continued)****(a) Market price risk (continued)**

	<b>Nikko AM Global Internet ETF</b>			
	<b>As at 30 June 2021</b>		<b>As at 30 June 2020</b>	
	<b>US\$</b>	<b>% of NAV</b>	<b>US\$</b>	<b>% of NAV</b>
<b>Listed equities</b>				
Argentina	587,287	2.46	662,209	3.04
Britain	-	-	81,759	0.38
Canada	1,310,535	5.49	1,399,121	6.43
China	2,022,913	8.47	2,116,507	9.73
France	-	-	113,208	0.52
Germany	159,013	0.67	-	-
Japan	190,633	0.80	178,446	0.82
Netherlands	173,904	0.73	201,001	0.92
South Korea	624,588	2.62	378,324	1.74
Sweden	250,511	1.05	455,171	2.09
United States of America	13,797,355	57.79	10,558,937	48.54
	<u>19,116,739</u>	<u>80.08</u>	<u>16,144,683</u>	<u>74.21</u>
<b>Depository receipts</b>				
China	4,020,596	16.84	5,111,876	23.50
Singapore	773,295	3.24	439,791	2.02
	<u>4,793,891</u>	<u>20.08</u>	<u>5,551,667</u>	<u>25.52</u>
Total financial assets at fair value through profit or loss	<u>23,910,630</u>	<u>100.16</u>	<u>21,696,350</u>	<u>99.73</u>

	<b>NikkoAM E-Games Active ETF</b>	
	<b>As at 30 June 2021</b>	
	<b>US\$</b>	<b>% of NAV</b>
<b>Listed equities</b>		
Australia	914,102	4.73
Brazil	376,005	1.95
China	2,938,685	15.20
Ireland	562,062	2.91
Japan	2,925,260	15.14
Poland	388,492	2.01
South Korea	1,071,884	5.55
Sweden	417,586	2.16
Taiwan	1,736,617	8.99
United States of America	4,081,879	21.12
	<u>15,412,572</u>	<u>79.76</u>
<b>Depository receipts</b>		
China	1,680,055	8.69
Singapore	602,549	3.12
South Korea	713,400	3.69
Taiwan	701,984	3.63
	<u>3,697,988</u>	<u>19.13</u>
Total financial assets at fair value through profit or loss	<u>19,110,560</u>	<u>98.89</u>

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**NOTES TO THE FINANCIAL STATEMENTS**

**3. Financial risk management** (continued)

(a) **Market price risk** (continued)

The tables below disclose the financial assets at fair value through profit or loss of the Sub-Funds by industry sectors as at 30 June 2021 and 30 June 2020.

	<b>Nikko AM Global Internet ETF</b>			
	<b>As at 30 June 2021</b>		<b>As at 30 June 2020</b>	
	<b>US\$</b>	<b>% of NAV</b>	<b>US\$</b>	<b>% of NAV</b>
Computers	-	-	113,208	0.52
Internet	23,069,804	96.64	19,989,629	91.88
Retail	346,549	1.45	-	-
Software	494,277	2.07	1,593,513	7.33
Total financial assets at fair value through profit or loss	<u>23,910,630</u>	<u>100.16</u>	<u>21,696,350</u>	<u>99.73</u>

	<b>NikkoAM E-Games Active ETF</b>	
	<b>As at 30 June 2021</b>	
	<b>US\$</b>	<b>% of NAV</b>
Advertising	174,163	0.90
Computers	562,062	2.91
Diversified Financial Services	376,005	1.95
Electronics	1,266,847	6.56
Entertainment	215,122	1.11
Home Furnishings	1,804,905	9.34
Internet	2,903,874	15.03
Semiconductors	2,957,120	15.30
Software	7,560,743	39.12
Telecommunications	636,438	3.29
Toys/Games/Hobbies	653,281	3.38
Total financial assets at fair value through profit or loss	<u>19,110,560</u>	<u>98.89</u>

(b) **Interest rate risk**

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and their future cash flow.

The financial assets and liabilities of the Sub-Funds are mostly non-interest bearing except for the cash and cash equivalents. As a result, the Manager considers that the Sub-Funds are not currently subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Any temporary excess cash and cash equivalents are invested at short term market interest rates where appropriate.

As at 30 June 2021, Nikko AM Global Internet ETF and NikkoAM E-Games Active ETF have bank balances of US\$15,676 (2020: US\$829,766) and US\$213,647 respectively. A change in interest rate levels is not considered to have a material impact to the Sub-Funds.

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**3. Financial risk management (continued)**

**(c) Currency risk**

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

The Sub-Funds may invest in assets denominated in currencies other than its functional currency, the United States dollar. Consequently, the Sub-Funds are exposed to risks that the exchange rate of the United States dollar relative to other currencies may change in a manner which has an adverse effect on the reported value of that portion of the Sub-Funds' assets which are denominated in currencies other than the United States dollar.

To minimize currency risk, the Sub-Funds hold their excess cash mainly in its functional currency and executes foreign exchange contracts to facilitate trade settlements.

The tables below summarise the Sub-Funds' exposure to currency risks as at 30 June 2021 and 2020.

**Nikko AM Global Internet ETF**

	USD US\$	HKD US\$	JPY US\$	KRW US\$	EUR US\$	GBP US\$	Total US\$
<b>As at 30 June 2021</b>							
<b>Assets</b>							
Monetary assets	25,397	1,309	-	-	-	-	26,706
Non-monetary assets	20,913,483	2,022,913	190,633	624,588	159,013	-	23,910,630
<b>Total assets</b>	<b>20,938,880</b>	<b>2,024,222</b>	<b>190,633</b>	<b>624,588</b>	<b>159,013</b>	<b>-</b>	<b>23,937,336</b>
<b>Liabilities</b>							
Monetary liabilities	63,324	1,292	-	-	-	-	64,616
<b>Net currency exposure</b>	<b>20,875,556</b>	<b>2,022,930</b>	<b>190,633</b>	<b>624,588</b>	<b>159,013</b>	<b>-</b>	<b>23,872,720</b>
<b>As at 30 June 2020</b>							
<b>Assets</b>							
Monetary assets	939,371	74,371	7,311	16,693	-	-	1,037,746
Non-monetary assets	18,828,106	2,116,507	178,446	378,324	113,208	81,759	21,696,350
<b>Total assets</b>	<b>19,767,477</b>	<b>2,190,878</b>	<b>185,757</b>	<b>395,017</b>	<b>113,208</b>	<b>81,759</b>	<b>22,734,096</b>
<b>Liabilities</b>							
Monetary liabilities	977,838	321	-	-	-	-	978,159
<b>Net currency exposure</b>	<b>18,789,639</b>	<b>2,190,557</b>	<b>185,757</b>	<b>395,017</b>	<b>113,208</b>	<b>81,759</b>	<b>21,755,937</b>

**NikkoAM E-Games Active ETF**

	USD US\$	HKD US\$	JPY US\$	KRW US\$	CNY US\$	AUD US\$	TWD US\$	Others US\$	Total
<b>As at 30 June 2021</b>									
<b>Assets</b>									
Monetary assets	267,050	1,498	-	-	-	1,368	-	-	269,916
Non-monetary assets	8,155,872	963,776	2,925,260	1,071,884	1,974,909	914,102	1,736,617	1,368,140	19,110,560
<b>Total assets</b>	<b>8,422,922</b>	<b>965,274</b>	<b>2,925,260</b>	<b>1,071,884</b>	<b>1,974,909</b>	<b>915,470</b>	<b>1,736,617</b>	<b>1,368,140</b>	<b>19,380,476</b>
<b>Liabilities</b>									
Monetary liabilities	53,276	1,291	-	-	-	-	-	-	54,567
<b>Net currency exposure</b>	<b>8,369,646</b>	<b>963,983</b>	<b>2,925,260</b>	<b>1,071,884</b>	<b>1,974,909</b>	<b>915,470</b>	<b>1,736,617</b>	<b>1,368,140</b>	<b>19,325,909</b>

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**3. Financial risk management** (continued)

(c) **Currency risk** (continued)

The tables below summarise the sensitivity of the Sub-Funds' net monetary and non-monetary assets and liabilities to the change in foreign exchange rates at the reporting date. The analysis is based on the assumption that the relevant foreign exchange rates strengthened or weakened by 5% (2020: 5%) with all other variables held constant.

	<b>Nikko AM Global Internet ETF</b>			
	<b>2021</b>	<b>Estimated</b>	<b>2020</b>	<b>Estimated</b>
	<b>Increase/decrease</b>	<b>impact on</b>	<b>Increase/decrease</b>	<b>impact on</b>
	<b>in reasonable</b>	<b>NAV</b>	<b>in reasonable</b>	<b>NAV</b>
	<b>possible shift in rate</b>	<b>US\$ +/-</b>	<b>possible shift in rate</b>	<b>US\$ +/-</b>
	<b>+/--%</b>		<b>+/--%</b>	
JPY				
- Monetary	5	-	5	366
- Non-monetary	5	9,532	5	8,922
KRW				
- Monetary	5	-	5	835
- Non-monetary	5	31,229	5	18,916
EUR				
- Monetary	5	-	5	-
- Non-monetary	5	7,951	5	5,660
GBP				
- Monetary	5	-	5	-
- Non-monetary	5	-	5	4,088
<b>NikkoAM E-Games Active ETF</b>				
	<b>2021</b>	<b>Estimated</b>	<b>2021</b>	<b>Estimated</b>
	<b>Increase/decrease in</b>	<b>impact on</b>	<b>Increase/decrease in</b>	<b>impact on</b>
	<b>reasonable possible</b>	<b>NAV</b>	<b>reasonable possible</b>	<b>NAV</b>
	<b>shift in rate</b>	<b>US\$ +/-</b>	<b>shift in rate</b>	<b>US\$ +/-</b>
	<b>+/--%</b>		<b>+/--%</b>	
JPY				
- Monetary			5	-
- Non-monetary			5	146,263
KRW				
- Monetary			5	-
- Non-monetary			5	53,594
CNY				
- Monetary			5	-
- Non-monetary			5	98,745
AUD				
- Monetary			5	68
- Non-monetary			5	45,705
TWD				
- Monetary			5	-
- Non-monetary			5	86,831
GBP				
- Monetary			5	-
- Non-monetary			5	28,103
PLN				
- Monetary			5	-
- Non-monetary			5	19,425
SEK				
- Monetary			5	-
- Non-monetary			5	20,879

The Hong Kong dollar is currently pegged with the United States dollar within a narrow range, hence, it is not included in the sensitivity analysis above.

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**3. Financial risk management** (continued)

(d) **Credit risk**

Credit risk is the risk that a counterparty to a financial instrument fails to discharge its obligations and causes the Sub-Funds to incur a financial loss. The Sub-Funds seek to minimise the risk of loss by careful choice of counterparties and by minimising the reliance placed on individual counterparties.

All trade settlements with approved counterparties are on delivery versus payment and/or receipt versus payment basis, with exceptions of IPOs, new issues and placement transactions. Hence, the risk of default is minimised, as delivery of securities sold is only made when the broker has received payment. Payment is made on a purchase when the securities have been received by the broker. The trade will fail if either party fails to meet its obligation. The counterparty risk is minimised as all the investments and cash are held with financial institutions that the Manager considers as reputable.

Credit risk arises from cash and cash equivalents, expense reimbursement receivable, and credit exposures to brokers arising from outstanding and committed transactions. The Sub-Funds are also exposed to the risk that its assets held with the custodian may not be recoverable in the event of default by the custodian.

The tables below summarise the credit rating of banks and custodians in which the Sub-Funds' assets are held as at 30 June 2021 and 2020:

	<b>Nikko AM Global Internet ETF</b>			
	<b>As at 30 June 2021</b>		<b>As at 30 June 2020</b>	
	<b>US\$</b>	<b>Credit rating*</b>	<b>US\$</b>	<b>Credit rating*</b>
<b>Bank</b>				
- BNP Paribas Securities Services, acting through its Singapore Branch	15,676	A+	829,766	A+
<b>Custodian</b>				
- BNP Paribas Securities Services, acting through its Singapore Branch	23,910,630	A+	21,696,350	A+
<b>NikkoAM E-Games Active ETF</b>				
<b>As at 30 June 2021</b>				
	<b>US\$</b>	<b>Credit rating*</b>		
<b>Bank</b>				
- BNP Paribas Securities Services, acting through its Singapore Branch			213,647	A+
<b>Custodian</b>				
- BNP Paribas Securities Services, acting through its Singapore Branch			19,110,560	A+

\* The credit ratings are based on the Long-Term Local Issuer Ratings published by the rating agency, Standard and Poor's, for BNP Paribas S.A., which is the parent company of BNP Paribas Securities Services acting through its Singapore Branch.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

The Sub-Funds measure credit risk and expected credit losses using probability of default, exposure at default and loss given default. The Manager considers both historical analysis, current situation and forward looking information in determining any expected credit loss. As at 30 June 2021 and 2020, amount due from brokers, expense reimbursement receivable, other receivables and cash and cash equivalents are due to be settled within 1 month. 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. As a result, no loss allowance has been recognised based on 12-month expected credit loss as any such impairment would be wholly insignificant to the Sub-Funds.

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**3. Financial risk management** (continued)

**(e) Liquidity risk**

Liquidity risk is the risk that the Sub-Funds may encounter difficulties in settling a liability, including a redemption request.

The Sub-Funds are exposed to daily cash redemptions from redeeming unitholders. The Manager manages liquidity risk by maintaining sufficient cash and marketable securities to meet the normal operating commitments. Cash and cash equivalents have maturity less than three months and the majority of the Sub-Funds' investments are traded in active markets and can be readily disposed of.

The tables below analyse the Sub-Funds' financial liabilities into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	<b>Nikko AM Global Internet ETF</b>	
	<b>Less than 3 months</b>	
	<b>As at 30 June 2021</b>	<b>As at 30 June 2020</b>
	<b>US\$</b>	<b>US\$</b>
Trustee fee payable	1,262	3,020
Management fee payable	32,984	31,498
Administration fee payable	1,154	3,020
Audit fee payable	22,968	22,999
Custody fee payable	697	2,732
Due to unitholders	-	892,548
Amount due to brokers	-	19,041
Other payables	5,551	3,301
	64,616	978,159

	<b>NikkoAM E-Games Active ETF</b>	
	<b>Less than 3 months</b>	
	<b>As at 30 June 2021</b>	
	<b>US\$</b>	
Trustee fee payable		1,117
Management fee payable		24,154
Administration fee payable		1,015
Audit fee payable		22,967
Custody fee payable		610
Other payables		4,704
		54,567

Units are redeemed on demand at the unitholder's option.

The Sub-Funds manage their liquidity risk by investing predominantly in securities that expect to be able to liquidate within 1 month or less. The following tables illustrate the expected liquidity of assets held as at 30 June 2021 and 2020:

	<b>Nikko AM Global Internet ETF</b>	
	<b>Less than 1 month</b>	
	<b>As at 30 June 2021</b>	<b>As at 30 June 2020</b>
	<b>US\$</b>	<b>US\$</b>
Total assets	23,937,336	22,734,096

	<b>NikkoAM E-Games Active ETF</b>	
	<b>Less than 1 month</b>	
	<b>As at 30 June 2021</b>	
	<b>US\$</b>	
Total assets		19,380,476



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**3. Financial risk management** (continued)

(f) **Capital risk management**

The Sub-Funds' capital are represented by the net assets attributable to unitholders. In order to achieve the investment objectives, the Sub-Funds endeavour to invest the subscriptions in investments that meet the Sub-Funds' investment objectives while maintaining sufficient liquidity to meet redemption requests. Such liquidity is augmented by the holding of liquid investments.

**4. Fair value estimation**

The fair value of financial assets and liabilities traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the year/period end date. The Sub-Funds utilise the last traded market price as its fair valuation inputs for both financial assets and financial liabilities.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The carrying amounts of assets and liabilities other than financial assets at fair value through profit or loss are reasonable approximations of their fair values.

The Sub-Funds classify 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:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - 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 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

For the purpose of determining the appropriate level in the fair value hierarchy, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment and consideration of factors specific to the asset or liability.

The determination of what constitutes observable requires significant judgment by the Sub-Funds. The Sub-Funds consider observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following tables analyse within the fair value hierarchy the Sub-Funds' financial assets (by class) measured at fair value at the reporting date:

**Nikko AM Global Internet ETF**

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<b>As at 30 June 2021</b>				
<b>Assets</b>				
Financial assets at fair value through profit or loss:				
- Listed equities	19,116,739	-	-	19,116,739
- Depository receipts	4,793,891	-	-	4,793,891
	23,910,630	-	-	23,910,630

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**4 Fair value estimation (continued)**

**Nikko AM Global Internet ETF (continued)**

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<b>As at 30 June 2020</b>				
<b>Assets</b>				
Financial assets at fair value through profit or loss:				
- Listed equities	16,144,683	-	-	16,144,683
- Depository receipts	5,551,667	-	-	5,551,667
	<u>21,696,350</u>	<u>-</u>	<u>-</u>	<u>21,696,350</u>

**NikkoAM E-Games Active ETF**

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<b>As at 30 June 2021</b>				
<b>Assets</b>				
Financial assets at fair value through profit or loss:				
- Listed equities	15,412,572	-	-	15,412,572
- Depository receipts	3,697,988	-	-	3,697,988
	<u>19,110,560</u>	<u>-</u>	<u>-</u>	<u>19,110,560</u>

Investments that are valued based on quoted market prices in active markets, such as active listed equities, are classified within level 1. The Sub-Funds do not adjust the quoted prices for these investments.

There was no transfer between levels during the year/period ended 30 June 2021 and 2020.

**5. Financial instruments by category**

**Financial assets**

Apart from financial assets of investments as disclosed in the statement of financial position which are classified as at fair value through profit or loss, all other financial assets as disclosed in the statement of financial position, including expense reimbursement receivable, other receivable, amounts due from brokers and cash and cash equivalents, are categorised as "amortised cost".

**Financial liabilities**

All financial liabilities as disclosed in the statement of financial position, including administration fee payable, management fee payable, trustee fee payable, audit fee payable, custody fee payable, due to unitholders, amounts due to broker and other payables are categorised as "amortised cost".

**6. Net gains on financial assets at fair value through profit or loss**

	Nikko AM Global Internet ETF	NikkoAM E-Games Active ETF
	Year ended 30 June 2021 US\$	For the period from 22 October 2019 (date of launch) to 30 June 2020 US\$
		For the period from 11 June 2020 (date of launch) to 30 June 2021 US\$
Net realised gain on investments	7,059,102	1,791,247
Net change in unrealised gain on investments	1,723,903	7,362,255
	<u>8,783,005</u>	<u>9,153,502</u>
		<u>2,469,520</u>
		<u>3,926,391</u>
		<u>6,395,911</u>

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**7. Number of units in issue and net assets attributable to unitholders**

The Sub-Funds' net assets attributable to unitholders represent an equity in the statements of financial position, carried at the redemption amount that would be payable at the statements of financial position date if the unitholders exercised the right to redeem the units.

Units are issued in cash or through an in-kind creation of an Index Basket with the remaining balances in cash, and are redeemed in cash or through an in-kind with the remaining balances in cash by the participating dealer. Subscriptions and redemptions of units during the year/period ended 30 June 2021 and 2020 are shown on the statement of changes in net assets attributable to unitholders. In accordance with the objectives and risk management policies outlined in note 3(a), the Manager endeavors to invest in appropriate investments while maintaining sufficient liquidity to meet redemption, such liquidity being augmented by disposal of listed securities where necessary.

In accordance with the provisions of the Trust Deed and the Sub-Funds' prospectus, listed investments are stated at the last traded price on the valuation day for the purpose of determining the net asset value per unit for subscriptions and redemptions and for various fee calculations. The price is then adjusted at fair value within bid-ask spread for reporting purpose.

The movements in number of units for the year/period are as follows:

	<b>Nikko AM Global Internet ETF</b>	
	<b>For the period from</b>	
	<b>22 October 2019</b>	
	<b>(date of launch) to</b>	
	<b>Year ended</b>	<b>30 June 2020</b>
	<b>30 June 2021</b>	
Number of units in issue at the beginning of year/period	1,437,000	-
Units issued	302,000	2,070,000
Units redeemed	(645,000)	(633,000)
Number of units in issue at the end of year/period	1,094,000	1,437,000
Net assets attributable to unitholders - US\$	23,872,720	21,755,937
Net asset value per unit - US\$	21.8215	15.1398

	<b>NikkoAM E-Games Active ETF</b>	
	<b>For the period from</b>	
	<b>11 June 2020</b>	
	<b>(date of launch) to</b>	
	<b>30 June 2021</b>	
Number of units in issue at the beginning of period		-
Units issued		1,980,000
Units redeemed		(589,000)
Number of units in issue at the end of period		1,391,000
Net assets attributable to unitholders - US\$		19,325,909
Net asset value per unit - US\$		13.8935

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**8. Reconciliation between NAV per statement of financial position and published NAV (due to amortization of preliminary expenses)**

For calculation of published net asset value for the Sub-Funds, the preliminary expenses of the Sub-Funds are amortised over 12 months period from 22 October 2019 (date of launch) and 11 June 2020 (date of launch) for Nikko AM Global Internet ETF and NikkoAM E-Games Active ETF respectively. As at 30 June 2021, the Sub-Funds have no unamortised preliminary expenses. As at 30 June 2020, Nikko AM Global Internet ETF had unamortised preliminary expenses of US\$54,905 with remaining 4 months period. The accounting policy of the Sub-Funds for the purpose of financial statements preparation in compliance with HKFRSs is to expense preliminary expenses in the statement of comprehensive income as incurred. The differences between expensing the preliminary expenses as incurred in accordance with HKFRSs and capitalisation and amortisation of the preliminary expenses in calculation of the published NAV of the Sub-Funds resulted in adjustments in the net asset value.

**Nikko AM Global Internet ETF**

	As at 30 June 2021 US\$	As at 30 June 2020 US\$
Accounting net assets attributable to unitholders as reported in the statement of financial position	23,872,720	21,755,937
Adjustment for different basis adopted by the Sub-Fund in arriving at net assets attributable to unitholders and other adjustments	(116)	57,962
Net assets attributable to unitholders for issuing/redeeming per unit	<u>23,872,604</u>	<u>21,813,899</u>
Net asset value per unit (published net asset value per unit)	<u>21.8214</u>	<u>15.1802</u>

**NikkoAM E-Games Active ETF**

	As at 30 June 2021 US\$
Accounting net assets attributable to unitholders as reported in the statement of financial position	19,325,909
Adjustment for different basis adopted by the Sub-Fund in arriving at net assets attributable to unitholders and other adjustments	615
Net assets attributable to unitholders for issuing/redeeming per unit	<u>19,326,524</u>
Net asset value per unit (published net asset value per unit)	<u>13.8940</u>

**9. Transactions with the Trustee, the Manager and the Manager's connected persons**

The following is a summary of significant related party transactions/ transactions entered into during the year/period between each of the Sub-Fund and the Trustee, the Manager and the Manager's connected persons ("Connected Persons") respectively. Connected Persons are those defined in the SFC Code. All transactions entered into during the year/period between each of the Sub-Fund and its related parties were carried out in the normal course of business and on normal commercial terms. To the best of the Trustee's and Manager's knowledge, the Sub-Funds did not have any other transactions with the Connected Persons except for those disclosed below.

(a) Management fee

The Manager is entitled to receive a management fee of up to 2% per annum of the net asset value of the Sub-Funds, calculated and accrued on each dealing day and payable monthly in arrears. In respect of the Sub-Funds, the Manager currently charges a rate of 0.60% and 0.50% per annum for Nikko AM Global Internet ETF and NikkoAM E-Games Active ETF respectively.

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**9. Transactions with the Trustee, the Manager and the Manager's connected persons (continued)**

(a) Management fee (continued)

The Manager will reimburse Nikko AM Global Internet ETF when the aggregate expenses is over 0.88% of the average net asset value of the Sub-Fund.

The Manager will reimburse NikkoAM E-Games Active ETF when the aggregate expenses, excluding management fee, is over 0.20% of the average net asset value of the Sub-Fund.

Management fee charged for the year/period ended 30 June 2021 were US\$131,241 (2020: US\$86,289) and US\$103,676, of which US\$32,984 (2020: US\$31,498) and US\$24,154 were outstanding for Nikko AM Global Internet ETF and NikkoAM E-Games Active ETF respectively as at 30 June 2021.

Expenses reimbursed by the Manager for the year/period ended 30 June 2021 were US\$92,186 (2020: US\$152,097) and US\$221,644, of which US\$7,448 (2020: US\$106,747) and US\$51,266 were outstanding for Nikko AM Global Internet ETF and NikkoAM E-Games Active ETF respectively as at 30 June 2021.

Administration, Custody, Registrar and Trustee fees

The Sub-Funds will pay administration, custody, registrar and trustee fees at the rates agreed.

The Trustee is entitled to receive a fee of up to 1% per annum of the net asset value of the Sub-Funds, calculated and accrued on each dealing day. The current fee is at a rate of up to 0.095% per annum, subject to a minimum of US\$38,000 per annum, and includes trustee fee, administration fee, custody fee, registrar fee and financial reporting fee. In addition, all parties are entitled to recover out-of-pocket expenses in performing their services.

- (b) Trustee fee charged for the year/period ended 30 June 2021 were US\$4,593 (2020: US\$3,020) and US\$4,354, of which US\$1,262 (2020: US\$3,020) and US\$1,117 were outstanding for Nikko AM Global Internet ETF and NikkoAM E-Games Active ETF respectively as at 30 June 2021.
- (c) Administration fee charged for the year/period ended 30 June 2021 were US\$4,593 (2020: US\$3,020) and US\$4,354, of which US\$1,154 (2020: US\$3,020) and US\$1,015 were outstanding for Nikko AM Global Internet ETF and NikkoAM E-Games Active ETF respectively as at 30 June 2021.
- (d) Custody fee charged for the year/period ended 30 June 2021 were US\$25,309 (2020: US\$2,732) and US\$12,351, of which US\$697 (2020: US\$2,732) and US\$610 were outstanding for Nikko AM Global Internet ETF and NikkoAM E-Games Active ETF respectively as at 30 June 2021.
- (e) Registrar fee charged for the year/period ended 30 June 2021 were US\$4,156 (2020: US\$2,732) and US\$3,940, of which US\$1,044 (2020: US\$2,732) and US\$918 were outstanding for Nikko AM Global Internet ETF and NikkoAM E-Games Active ETF respectively as at 30 June 2021.
- (f) Financial reporting fee charged for the year/period ended 30 June 2021 were US\$499 (2020: US\$250) and US\$485, of which US\$248 (2020: US\$250) and US\$235 were outstanding for Nikko AM Global Internet ETF and NikkoAM E-Games Active ETF respectively as at 30 June 2021.

**Bank balances**

Bank balances are maintained with BNP Paribas Securities Services, acting through its Singapore Branch, a related party of the Trustee. Bank balances held as at 30 June 2021 and 2020, are as follows:

	<b>Nikko AM Global Internet ETF</b>	
	<b>As at 30 June 2021</b>	<b>As at 30 June 2020</b>
	<b>US\$</b>	<b>US\$</b>
Bank balances with related party of the Trustee	15,676	829,766

**NIKKO AM HONG KONG EXCHANGE TRADED FUNDS SERIES**  
(An umbrella unit trust established in Hong Kong)

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**NOTES TO THE FINANCIAL STATEMENTS**

**9. Transactions with the Trustee, the Manager and the Manager's connected persons** (continued)

**NikkoAM E-Games Active ETF**  
**As at 30 June 2021**  
**US\$**

Bank balances held with related party of the Trustee 213,647

There was no interest income for the year/ period ended 30 June 2021 for the Sub-Funds. Interest income arising from bank balances amounted to US\$2,381 for the period ended 30 June 2020 for Nikko AM Global Internet ETF.

**Holding in Sub-Funds**

Nikko AM Investment Fund II and Nikko AM Investment Fund III, schemes entered into the list of restricted Singapore schemes maintained by the Monetary Authority of Singapore and managed by the Sub-Manager, are investing into Nikko AM Global Internet ETF and NikkoAM E-Games Active ETF respectively.

For the year ended 30 June 2021, purchase and sales of Nikko AM Investment Fund II into Nikko AM Global Internet ETF were US\$1,985,166 (2020: US\$20,028,916) and US\$9,458,203 (2020: US\$8,099,885) respectively.

For the period from 11 June 2020 (date of launch) to 30 June 2021, purchase and sales of Nikko AM Investment Fund III into NikkoAM E-Games Active ETF were US\$18,209,205 and US\$6,945,314 respectively.

**10. Major non-cash transactions**

In accordance with the Trust Deed, units of the Sub-Funds may be issued through an in-kind creation (i.e. the creation of units in exchange for a transfer of securities) with the remaining balances in cash. For each creation in-kind unit (of 50,000 units), the Sub-Funds receive a portfolio of securities as determined by the Manager on a daily basis. During the year/period ended 30 June 2021 and 2020, there was no in-kind creation for the Sub-Funds.

**11. Investment limitations and prohibitions under the SFC Code**

**Nikko AM Global Internet ETF**

Pursuant to the SFC's Guidelines for Regulating Index Tracking Exchange Traded Funds (the "ETF Guidelines"), the Manager is permitted to overweight the holdings of the Sub-Fund relative to its respective weightings in the underlying index, on the condition that the maximum extra weighting in any constituent securities will not exceed the maximum limit reasonably determined by the Sub-Fund and after consultation with the SFC. The maximum limit for the Sub-Fund has been disclosed in the prospectus. The Manager has confirmed that the Sub-Fund has complied with this limit during the year/period ended 30 June 2021 and 2020.

The SFC Code allows the Sub-Fund to invest in constituent securities issued by a single issuer for more than 10% of the Sub-Fund's net asset value provided that the investment is limited to any constituent securities that each accounts for more than 10% of the weighting of the Index and the Sub-Fund's holding of any such constituent securities may not exceed their respective weightings in the Index (except as a result of changes in the composition of the Index and the excess is transitional and temporary in nature).

**NIKKO AM HONG KONG EXCHANGE TRADED FUNDS SERIES**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**11. Investment limitations and prohibitions under the SFC Code (continued)**

**Nikko AM Global Internet ETF (continued)**

Constituent securities that account for more than 10% of the net asset value of the Sub-Fund as at 30 June 2021 and 2020 were as follows:

	As at 30 June 2021		As at 30 June 2020	
	% weighting in the Index	% of NAV	% weighting in the Index	% of NAV
Alphabet Incorporated	11.58	11.57	-	-
Amazon.com Incorporated	10.67	10.65	10.97	10.91
Facebook Incorporated	12.94	12.95	-	-

Except as disclosed above, there were no other securities that individually accounted for more than 10% of the net asset value of the Sub-Fund as at 30 June 2021 and 2020.

The tables below detail the performance of the Sub-Fund as presented by the change in NAV per unit by comparison with the performance of the Sub-Fund's underlying index.

	30 June 2021 %	30 June 2020 %
NAV per unit	43.75	51.28
iEdge-Factset Global Internet Index	45.10	52.60

**12. Segment information**

The Manager makes the strategic resource allocations on behalf of the Sub-Funds. The Sub-Funds have determined the operating segments based on the reports reviewed by the Manager, which are used to make strategic decisions. The Manager is responsible for the Sub-Funds' entire portfolio and considers the business to have a single operating segment.

Nikko AM Global Internet ETF trades in the constituent shares of the Index with the objective to provide investment results that closely correspond to the performance of the Index. The internal reporting provided to the Manager for the Sub-Funds' assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of HKFRSs.

There were no changes in the reportable segment of the Sub-Funds during the year/period ended 30 June 2021 and 2020. The Sub-Funds are domiciled in Hong Kong. The Sub-Funds have no assets classified as non-current assets.

Nikko AM Global Internet ETF has invests directly in stocks included in the Index in substantially the same weightings as these stocks have in the Index. Please refer to note 11 for investment holdings account for more than 10% of the Sub-Fund's NAV.

**13. Taxation**

No provision for Hong Kong profits tax has been made for the Sub-Funds as they were authorised as collective investment schemes under Section 104 of the Hong Kong Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

Dividend income on, and proceeds from the sale of, certain securities which the Sub-Funds may own may be subject to withholding tax which would reduce the net proceeds. Such income or gains are recorded gross of withholding taxes in the statements of comprehensive income. Withholding taxes are shown as a separate item in the statements of comprehensive income.

**NIKKO AM HONG KONG EXCHANGE TRADED FUNDS SERIES**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**14. Security lending arrangements**

During the year/period ended 30 June 2021 and 2020, the Sub-Funds did not enter into any security lending arrangements.

**15. Contingent liabilities and capital commitments**

The Sub-Funds had no contingent liabilities or capital commitments as at 30 June 2021 and 2020.

**16. Distributions**

No distribution was made by the Sub-Funds for the year/period ended 30 June 2021 and 2020.

**17. Soft dollar commission**

During the year/period ended 30 June 2021 and 2020, the Manager and Connected Persons did not enter into any soft dollar commission arrangements with brokers in relation to the dealings in the assets of the Sub-Funds.

**18. Approval of financial statements**

The financial statements were approved and authorised for issue by the Trustee and the Manager on 26 October 2021.



**NIKKO AM HONG KONG EXCHANGE TRADED FUNDS SERIES**

(An umbrella unit trust established in Hong Kong)

**INVESTMENT PORTFOLIO (unaudited)**

As at 30 June 2021

**Nikko AM Global Internet ETF**

	Holdings at 30 June 2021	Fair value at 30 June 2021 US\$	Percentage of total net assets attributable to unitholders at 30 June 2021 %
<b>Listed equities</b>			
<b>ARGENTINA</b>			
Mercado Libre Incorporated	377	587,287	2.46
<b>Total Argentina</b>		<u>587,287</u>	<u>2.46</u>
<b>CANADA</b>			
Shopify Incorporated	897	1,310,535	5.49
<b>Total Canada</b>		<u>1,310,535</u>	<u>5.49</u>
<b>CHINA</b>			
Tencent Holdings Limited	26,900	2,022,913	8.47
<b>Total China</b>		<u>2,022,913</u>	<u>8.47</u>
<b>GERMANY</b>			
Zalando SE	1,312	159,013	0.67
<b>Total Germany</b>		<u>159,013</u>	<u>0.67</u>
<b>JAPAN</b>			
Z Holdings Corporation	38,000	190,633	0.80
<b>Total Japan</b>		<u>190,633</u>	<u>0.80</u>
<b>NETHERLANDS</b>			
Yandex NV	2,458	173,904	0.73
<b>Total Netherlands</b>		<u>173,904</u>	<u>0.73</u>
<b>SOUTH KOREA</b>			
Kakao Corporation	1,864	269,797	1.13
Naver Corporation	957	354,791	1.49
<b>Total South Korea</b>		<u>624,588</u>	<u>2.62</u>
<b>SWEDEN</b>			
Spotify Technology SA	909	250,511	1.05
<b>Total Sweden</b>		<u>250,511</u>	<u>1.05</u>

**NIKKO AM HONG KONG EXCHANGE TRADED FUNDS SERIES**

(An umbrella unit trust established in Hong Kong)

**INVESTMENT PORTFOLIO (unaudited)**

As at 30 June 2021

**Nikko AM Global Internet ETF**

	Holdings at 30 June 2021	Fair value at 30 June 2021 US\$	Percentage of total net assets attributable to unitholders at 30 June 2021 %
<b>Listed equities (continued)</b>			
<b>UNITED STATES OF AMERICA</b>			
Alphabet Incorporated	1,131	2,761,664	11.57
Amazon.com Incorporated	739	2,542,278	10.65
Carvana Company	621	187,536	0.79
eBay Incorporated	5,239	367,830	1.54
Etsy Incorporated	940	193,490	0.81
Facebook Incorporated	8,891	3,091,490	12.95
GoDaddy Incorporated	1,336	116,179	0.49
Match Group Incorporated	2,031	327,499	1.37
Netflix Incorporated	3,474	1,835,002	7.69
Pinterest Incorporated	4,209	332,301	1.39
Snap Incorporated	8,838	602,310	2.52
Twilio Incorporated	1,254	494,277	2.07
Twitter Incorporated	6,210	427,186	1.79
Verisign Incorporated	789	179,647	0.75
Wayfair Incorporated	593	187,358	0.78
Zillow Group Incorporated	1,238	151,308	0.63
<b>Total United States of America</b>		<u>13,797,355</u>	<u>57.79</u>
<b>Total listed equities</b>		<u>19,116,739</u>	<u>80.08</u>
<b>Depository receipts</b>			
<b>CHINA</b>			
Alibaba Group Holding Limited	9,657	2,190,014	9.17
Baidu Incorporated	1,695	345,339	1.45
JD.com Incorporated	7,512	599,533	2.51
Pinduoduo Incorporated	6,973	885,710	3.71
<b>Total China</b>		<u>4,020,596</u>	<u>16.84</u>
<b>SINGAPORE</b>			
Sea Limited	2,817	773,295	3.24
<b>Total Singapore</b>		<u>773,295</u>	<u>3.24</u>
<b>Total depository receipts</b>		<u>4,793,891</u>	<u>20.08</u>
<b>Total investments</b>		<u>23,910,630</u>	<u>100.16</u>
<b>Total investments at cost</b>		<u>14,824,472</u>	

**NIKKO AM HONG KONG EXCHANGE TRADED FUNDS SERIES**

(An umbrella unit trust established in Hong Kong)

**INVESTMENT PORTFOLIO (unaudited)**

As at 30 June 2021

**NikkoAM E-Games Active ETF**

	<b>Holdings at 30 June 2021</b>	<b>Fair value at 30 June 2021 US\$</b>	<b>Percentage of total net assets attributable to unitholders at 30 June 2021 %</b>
<b>Listed equities</b>			
<b>AUSTRALIA</b>			
Aristocrat Leisure Limited	6,650	215,122	1.11
Megaport Limited	28,800	398,479	2.06
NEXTDC Limited	33,750	300,501	1.56
<b>Total Australia</b>		<u>914,102</u>	<u>4.73</u>
<b>BRAZIL</b>			
Pagseguro Digital Limited	6,730	376,005	1.95
<b>Total Brazil</b>		<u>376,005</u>	<u>1.95</u>
<b>CHINA</b>			
Goertek Incorporated	105,200	695,919	3.60
Netjoy Holdings Limited	204,000	174,163	0.89
Perfect World Company Limited	174,196	644,654	3.34
Tencent Holdings Limited	10,500	789,613	4.09
Wuhu Sanqi Interactive Entertainment Network Technology Group Company Limited	170,623	634,336	3.28
<b>Total China</b>		<u>2,938,685</u>	<u>15.20</u>
<b>IRELAND</b>			
Keywords Studios Public Listed Company	16,340	562,062	2.91
<b>Total Ireland</b>		<u>562,062</u>	<u>2.91</u>
<b>JAPAN</b>			
Bandai Namco Holdings Incorporated	2,700	187,509	0.97
Capcom Company Limited	13,400	392,378	2.03
Koei Tecmo Holdings Company Limited	5,720	279,326	1.45
Nintendo Company Limited	800	465,772	2.41
Sony Group Corporation	12,500	1,218,015	6.30
Square Enix Holdings Company Limited	7,700	382,260	1.98
<b>Total Japan</b>		<u>2,925,260</u>	<u>15.14</u>
<b>POALND</b>			
Ten Square Games SA	3,000	388,492	2.01
<b>Total Poland</b>		<u>388,492</u>	<u>2.01</u>
<b>SOUTH KOREA</b>			
Com2uS Corporation	1,700	186,281	0.97
NCSOFT Corporation	887	645,864	3.34
WeMade Company Limited	4,770	239,739	1.24
<b>Total South Korea</b>		<u>1,071,884</u>	<u>5.55</u>
<b>SWEDEN</b>			
Embracer Group AB	15,400	417,586	2.16
<b>Total Sweden</b>		<u>417,586</u>	<u>2.16</u>

**NIKKO AM HONG KONG EXCHANGE TRADED FUNDS SERIES**

(An umbrella unit trust established in Hong Kong)

**INVESTMENT PORTFOLIO (unaudited)**

As at 30 June 2021

**NikkoAM E-Games Active ETF**

	Holdings at 30 June 2021	Fair value at 30 June 2021 US\$	Percentage of total net assets attributable to unitholders at 30 June 2021 %
<b>Listed equities (continued)</b>			
<b>TAIWAN</b>			
Mediatek Incorporated	17,000	586,954	3.04
Micro-Star International Company Limited	101,000	570,928	2.95
Powertech Technology Incorporated	150,000	578,735	3.00
<b>Total Taiwan</b>		<u>1,736,617</u>	<u>8.99</u>
<b>UNITED STATES OF AMERICA</b>			
Activision Blizzard Incorporated	9,080	866,595	4.48
Amazon.com Incorporated	182	626,109	3.24
Dolby Laboratories Incorporated	5,971	586,890	3.04
Electronic Arts Incorporated	5,434	781,572	4.04
Microsoft Corporation	3,118	844,666	4.37
Nvidia Corporation	470	376,047	1.95
<b>Total United States of America</b>		<u>4,081,879</u>	<u>21.12</u>
<b>Total listed equities</b>		<u>15,412,572</u>	<u>79.76</u>
<b>Depository receipts</b>			
<b>CHINA</b>			
Bilibili Incorporated	5,240	638,442	3.30
GDS Holdings Limited	4,280	335,937	1.74
NetEase Incorporated	6,123	705,676	3.65
<b>Total China</b>		<u>1,680,055</u>	<u>8.69</u>
<b>SINGAPORE</b>			
Sea Limited	2,195	602,549	3.12
<b>Total Singapore</b>		<u>602,549</u>	<u>3.12</u>
<b>SOUTH KOREA</b>			
Samsung Electronics Company Limited	400	713,400	3.69
<b>Total South Korea</b>		<u>713,400</u>	<u>3.69</u>
<b>TAIWAN</b>			
Taiwan Semiconductor Manufacturing Company Limited	5,845	701,984	3.63
<b>Total Taiwan</b>		<u>701,984</u>	<u>3.63</u>
<b>Total depository receipts</b>		<u>3,697,988</u>	<u>19.13</u>
<b>Total investments</b>		<u>19,110,560</u>	<u>98.89</u>
<b>Total investments at cost</b>		<u>15,184,169</u>	

**NIKKO AM HONG KONG EXCHANGE TRADED FUNDS SERIES**  
(An umbrella unit trust established in Hong Kong)

**STATEMENTS OF MOVEMENTS IN INVESTMENT PORTFOLIO (unaudited)**

For the period ended 30 June 2021

<b>Nikko AM Global Internet ETF</b>				
	<b>1 July 2020</b>			<b>30 June 2021</b>
	<b>holdings</b>	<b>Additions</b>	<b>Disposals</b>	<b>holdings</b>
58.com Incorporated	1,614	155	(1,769)	-
Alibaba Group Holding Limited	7,821	5,519	(3,683)	9,657
Alphabet Incorporated	1,214	592	(675)	1,131
Amazon.com Incorporated	861	321	(443)	739
Atos SE	1,328	141	(1,469)	-
Autohome Incorporated	1,632	240	(1,872)	-
Baidu Incorporated	3,864	617	(2,786)	1,695
Carvana Company	-	621	-	621
eBay Incorporated	10,781	1,673	(7,215)	5,239
Etsy Incorporated	-	940	-	940
Facebook Incorporated	8,456	4,243	(3,808)	8,891
GoDaddy Incorporated	2,452	491	(1,607)	1,336
IAC/InterActiveCorp	1,105	1,289	(2,394)	-
JD.com Incorporated	17,081	2,507	(12,076)	7,512
Kakao Corporation	-	2,041	(177)	1,864
Match Group Incorporated	-	3,606	(1,575)	2,031
Mercado Libre Incorporated	672	111	(406)	377
Naver Corporation	1,714	310	(1,067)	957
NetEase Incorporated	1,807	3,990	(5,797)	-
Netflix Incorporated	4,408	1,331	(2,265)	3,474
Nexon Company Limited	-	5,100	(5,100)	-
Pinduoduo Incorporated	9,137	3,130	(5,294)	6,973
Pinterest Incorporated	5,124	1,708	(2,623)	4,209
Rightmove Public Listed Company	12,119	961	(13,080)	-
Sea Limited	4,101	816	(2,100)	2,817
Shopify Incorporated	1,474	267	(844)	897
Snap Incorporated	13,999	2,674	(7,835)	8,838
Spotify Technology SA	1,763	303	(1,157)	909
Tencent Holdings Limited	32,900	11,100	(17,100)	26,900
Twilio Incorporated	1,724	343	(813)	1,254
Twitter Incorporated	10,646	1,796	(6,232)	6,210
Verisign Incorporated	1,448	253	(912)	789
Vipshop Holdings Limited	8,195	381	(8,576)	-
Wayfair Incorporated	-	593	-	593
Yandex NV	4,016	850	(2,408)	2,458
Z Holdings Corporation	36,600	19,700	(18,300)	38,000
Zalando SE	-	2,071	(759)	1,312
Zillow Group Incorporated	-	1,238	-	1,238

**NIKKO AM HONG KONG EXCHANGE TRADED FUNDS SERIES**

(An umbrella unit trust established in Hong Kong)

**STATEMENTS OF MOVEMENTS IN INVESTMENT PORTFOLIO (unaudited)**

For the period from 11 June 2020 to 30 June 2021

<b>NikkoAM E-Games Active ETF</b>				
	<b>Beginning holdings</b>	<b>Additions</b>	<b>Disposals</b>	<b>30 June 2021 holdings</b>
ABKO Company Limited	-	10,905	(10,905)	-
Activision Blizzard Incorporated	-	11,080	(2,000)	9,080
Amazon.com Incorporated	-	277	(95)	182
Aristocrat Leisure Limited	-	12,150	(5,500)	6,650
Bandai Namco Holdings Incorporated	-	7,800	(5,100)	2,700
Beijing Sinnet Technology Company Limited	-	99,600	(99,600)	-
Bilibili Incorporated	-	5,660	(420)	5,240
Capcom Company Limited	-	16,800	(3,400)	13,400
CD Projekt SA	-	3,296	(3,296)	-
Com2uS Corporation	-	1,700	-	1,700
Dolby Laboratories Incorporated	-	12,340	(6,369)	5,971
Electronic Arts Incorporated	-	5,834	(400)	5,434
Embracer Group AB	-	25,500	(10,100)	15,400
GDS Holdings Limited	-	4,280	-	4,280
Goertek Incorporated	-	133,600	(28,400)	105,200
HKBN Ltd	-	94,000	(94,000)	-
Hosiden Corporation	-	89,700	(89,700)	-
Huya Incorporated	-	9,600	(9,600)	-
Keywords Studios Public Listed Company	-	25,740	(9,400)	16,340
Koei Tecmo Holdings Company Limited	-	9,920	(4,200)	5,720
Kuaishou Technology	-	3,100	(3,100)	-
Mail.ru Group Limited	-	17,500	(17,500)	-
Mediatek Incorporated	-	20,000	(3,000)	17,000
Megaport Limited	-	53,300	(24,500)	28,800
Microsoft Corporation	-	3,730	(612)	3,118
Micro-Star International Company Limited	-	101,000	-	101,000
NCSOFT Corporation	-	887	-	887
NetEase Incorporated	-	8,875	(2,752)	6,123
Netjoy Holdings Limited	-	438,000	(234,000)	204,000
NEXTDC Limited	-	44,750	(11,000)	33,750
Nintendo Company Limited	-	1,300	(500)	800
Nvidia Corporation	-	590	(120)	470
Pagseguro Digital Limited	-	14,450	(7,720)	6,730
Pearl Abyss Corporation	-	1,920	(1,920)	-
Perfect World Company Limited	-	186,396	(12,200)	174,196
Powertech Technology Incorporated	-	150,000	-	150,000
Samsung Electronics Company Limited	-	1,242	(842)	400
Sea Limited	-	2,195	-	2,195
Sony Group Corporation	-	15,600	(3,100)	12,500
Square Enix Holdings Company Limited	-	14,200	(6,500)	7,700
Taiwan Semiconductor Manufacturing Company Limited	-	17,210	(11,365)	5,845
Take-Two Interactive Software Incorporated	-	4,090	(4,090)	-
Telkom Indonesia Persero TBK PT	-	7,400	(7,400)	-
Ten Square Games SA	-	3,000	-	3,000
Tencent Holdings Limited	-	14,300	(3,800)	10,500
WeMade Company Limited	-	4,770	-	4,770
Wuhu Sanqi Interactive Entertainment Network Technology Group Company Limited	-	170,623	-	170,623
ZTE Corporation	-	122,000	(122,000)	-

## NIKKO AM HONG KONG EXCHANGE TRADED FUNDS SERIES

(An umbrella unit trust established in Hong Kong)

### PERFORMANCE TABLE (unaudited)

For the year/period ended 30 June 2021

#### 1 Net asset value

##### Nikko AM Global Internet ETF

		Net asset value	Net asset value per unit
2021	US\$	23,872,604	21.8214
2020	US\$	21,813,899	15.1802

##### NikkoAM E-Games Active ETF

		Net asset value	Net asset value per unit
2021	US\$	19,326,524	13.8940

#### 2 Performance record since inception

##### Nikko AM Global Internet ETF

	Highest issue price per unit US\$	USD class Lowest redemption price per unit US\$
Financial year ended 30 June 2021	23.2007	15.7717
Financial period from 21 October 2019 (date of launch) to 30 June 2020	15.1642	11.2958

##### NikkoAM E-Games Active ETF

	Highest issue price per unit US\$	USD class Lowest redemption price per unit US\$
Financial period from 11 June 2020 (date of launch) to 30 June 2021	15.0175	9.9557

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**nikko am**

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