Nikko AM Asia Ex Japan Equity Fund

March 2025 Supplementary Information

Reference to any particular securities or sectors is purely for information only and does not constitute a recommendation to buy, sell or hold any securities or to be relied upon as financial advice in any way.

Top 10 Holdings

Issuers	Portfolio Weight	Benchmark Weight
Tencent Holdings Ltd	8.52%	6.01%
Taiwan Semiconductor Manufacturing Co Ltd	8.24%	10.06%
Samsung Electronics Co Ltd	3.93%	2.79%
Alibaba Group Holding Ltd	3.93%	3.87%
Meituan Dianping	3.37%	1.44%
Hdfc Bank Ltd	3.19%	1.72%
Byd Co Ltd	2.75%	0.91%
China Merchants Bank Co Ltd	2.47%	0.33%
Ping An Insurance (Group) Company Of China	2.28%	0.58%
MediaTek Inc	1.96%	0.96%

Source: Bloomberg, Brown Brothers Harriman (Luxembourg) S.C.A., SMBC Nikko Bank (Luxembourg) S.A., BNP Paribas, Luxembourg Branch, Nikko Asset Management Asia Limited and Nikko Asset Management Co., Ltd. Securities listed may not be marketed in your domicile country. As at the end of the reporting period

Top 10 Currencies

Currencies	Portfolio Weight	Benchmark Weight
Hong Kong Dollar (HKD)	38.14%	33.10%
New Taiwan Dollar (TWD)	19.26%	19.68%
Indian Rupee (INR)	14.49%	20.68%
South Korean Won (KRW)	9.28%	10.43%
Chinese Renminbi Onshore (CNY)	5.05%	0.00%
Singapore Dollar (SGD)	4.31%	3.38%
United States Dollar (USD)	4.03%	3.43%
Malaysian Ringgit (MYR)	3.06%	1.51%
Philippine Peso (PHP)	1.55%	0.54%
Indonesian Rupiah (IDR)	0.84%	1.39%

Source: Bloomberg, Brown Brothers Harriman (Luxembourg) S.C.A., SMBC Nikko Bank (Luxembourg) S.A., BNP Paribas, Luxembourg Branch, Nikko Asset Management Asia Limited and Nikko Asset Management Co., Ltd. As at the end of the reporting period.

Market Review

In a month when tariff announcements heavily influenced market movements, the MSCI Asia Ex Japan Index flat-lined in US dollar (USD) terms. Investors now await news on the White House's "Liberation Day" tariffs.

Chinese stocks (+2.0%) continued to gain momentum, with the MSCI China Index rising about 15% so far this year, fuelled by investor optimism surrounding progress in the country's generative AI capabilities and Beijing's stimulus measures aimed at boosting consumption and supporting the broader economy. Premier Li Qiang stressed during the annual National People's Congress meeting that the government's priority this year was to make "domestic demand the main engine and anchor of economic growth". China's State Council then mapped out what it called a "special action plan" to revive domestic consumption, which includes increasing residents' income and setting up a childcare subsidy scheme. On the economic front, data from China's statistics bureau indicated a pickup for the first two months of the year as retail sales strengthened 4% YoY , while industrial output climbed 5.9%. Hong Kong was flat this month, with investors taking profit from Chinese tech listings.

South Korea declined 1.0% amid looming US tariffs that could potentially impact sectors across chips, pharmaceuticals and autos. Separately, South Korea has lifted its short-selling ban for all shares on its stock market, after tightening measures to crackdown on illegal transactions. Export-reliant Taiwan slumped 11.5% as investors dumped stocks including index heavyweight TSMC in anticipation of Trump's next round of tariffs. Taiwan's central bank held its policy rate unchanged as expected, while slightly lowering its 2025 estimate for GDP growth to 3.05% from 3.13% previously.

ASEAN saw mixed performances. Indonesia (+6.6%) recovered from a mid-month tumble after its securities regulator reinstated a rule to allow publicly-listed companies to conduct share buybacks without shareholder approval to help restore investor confidence. Annual inflation in the Philippines (+6.2%) eased more than expected to 2.1% in February, driven largely by slower increases in food and utility costs. Singapore's (+1.9%) core inflation fell to 0.6% YoY, its slowest pace since June 2021. The relative stability compared to its Southeast Asian peers during this period of macro volatility also helped prop up the market. Meanwhile, Malaysia (-1.7%) and Thailand (-2.3%) were the laggards in the region.

India (+9.4%) staged a remarkable recovery in March, after a prolonged sell-off since late-September last year. The rally was driven by investors scooping up beaten-down stocks and the return of foreign inflows. Optimism is also growing over the economy, as well as the central bank's recent efforts to inject liquidity into the banking system. India's inflation rate in February fell to a lower-than-expected 3.61% in February, which could bolster the case for India's central bank to press ahead with further interest rate cuts.

Investment Review and Outlook

The Fund achieved a return of 0.33% in March in USD terms, trailing the benchmark's return of 0.08%. Being underweight in India detracted from performance, given India's strong recovery over the month. Our overweight position in China delivered a positive allocation effect, but stock selection detracted. Our stock selection and overweight position in Singapore, as well as our stock selection in Korea, made positive contributions.

Furthermore, we have added to HDFC Bank, India's largest private sector bank, as its focus on digital initiatives and customer-centric products enables it to capitalise on India's expanding financial services sector.

Conversely, we exited ASMPT, a Singapore-based manufacturer of machines and tools used in semiconductor and electronics assembly industries, due to limited recovery in its traditional businesses. Additionally, we took profits in eMemory, Taiwan's developer of IP for semiconductor foundries. While growth can remain robust, margins are pressured by higher operating expenses.

Market volatility continues to be elevated due to the unpredictable nature of Trump's protectionist policies. Against this backdrop and underlying geopolitical tensions, the Chinese authorities have named boosting consumption as the top task for the year. This is the first time in a decade that Beijing has given consumption such a high priority. Such policy support is positively impacting consumer confidence and the valuations of consumer companies. We continue to see green shoots of the real estate market showing signs of stabilising, as well as a more active stock market rally from a low base

Reference to any particular securities or sectors is purely for information only and does not constitute a recommendation to buy, sell or hold any securities or to be relied upon as financial advice in any way.

ST Engineering, the Singaporean multinational technology and engineering group in the aerospace, smart city, and security sectors, was a key contributor. The company projects accelerated growth driven by its digital business and a larger addressable market in global defence due to geopolitical uncertainties. Zijin Mining, China's global mining group, also contributed positively, thanks to its balanced exposure to appreciating gold and copper.

On the other hand, GDS Holdings, China's leading operator of high-performance data centres, saw profit-taking after a strong February. We continue to focus on China's long-term AI capex-up cycle and its position as a major beneficiary of Alibaba's USD 52 billion capex plan for the next three years. Silergy, China's multinational semiconductor company, faced share price pressure due to a cyclical trough and softer-than-expected overseas demand. We continue to hold it because of its strong automotive pipeline and sustained cost efficiency that will drive margin expansion.

Portfolio changes this month were driven by bottom-up selection. We invested in JD.com, the Chinese e-commerce company well-known for transactions in home appliances. This was funded by the exit of AIA, Asia's largest publicly traded life insurance group. Chinese regulatory support is more favourable for JD.com than AIA, especially with the implementation of the trade-in policy for household goods. We also took a new position in J&T Express, China's global logistics service provider, because of its strong position to capture the expected strong growth of e-commerce in Southeast Asia as well as new markets like Brazil and Mexico.

Another reason to be constructive on Chinese equities is the positive liquidity dynamics in China. The country's record USD 992 billion trade surplus in 2024, coupled with elevated household savings deposits, means there is plenty of money in the system looking to be deployed. Low government bond yields are a symptom of these positive liquidity dynamics and could lead domestic institutions to redirect their capital to equity markets for better returns. To that end, the securities regulator is further encouraging more investments in the equity market by unveiling measures for state-owned insurance firms to invest 30% of annual premiums from new policies in the domestic A-share markets. Despite short-term uncertainty stemming from US tariffs and retaliatory measures from Beijing, there are encouraging signs that a provisional truce could happen, given that US President Donald Trump said a trade deal with China was "possible." In our view, this 'grand bargain' will be the proverbial 'icing on the cake' to our scenario but not a base case.

India remains a compelling long-term investment opportunity despite short-term challenges. Pro-growth consumption policies and structural reforms will likely enable Indian companies to recover in the year ahead. We see the current correction as a healthy one, which hopefully brings the opportunity to invest in some high-quality companies at much more reasonable valuations. While we are still underweight India, given the challenges in earnings growth in small-cap companies, we appreciate that there are attractive large-cap companies with bottom-up drivers at more attractive valuations.

Despite recent political turmoil, characterised by leadership instability and public protests, Korea has delivered over 5% index returns year to date on the back of good results and the value-up program. Korean companies continue to grow globally and deliver good returns at reasonable valuations. Together with Taiwan, these countries and stock markets are amongst the most sensitive to trade disruption, and we observe several portfolio companies already adapting to limit those risks.

With uncertainties regarding structural reforms and political issues, ASEAN has underperformed China significantly year to date. Thailand stood out with over -15% index returns year to date, driven by tourism decline, concerns over high household debt, political uncertainties, and corporate scandals. Indonesia delivered -9% index returns year to date, driven by market chatter on cabinet reshuffles and expanding military influence. Singapore and Malaysia remain the preferred countries with relatively stable politics and tech-driven economic growth. We continue to believe that structural drivers of fundamental change remain. Under the Trump administration, we anticipate added impetus for "China plus one," as manufacturers—including those from China—continue to seek low-cost and low-tariff production locations. In addition, Chinese outbound direct investment, to facilitate greater intra-regional trade, is increasing. This will continue to benefit most ASEAN countries.

Risk Information

Class A (UCITS KIIDS)

Synthetic Risk & Reward Indicator (SRRI)

1	2	3	4	5	**6**	7

Lower risk — **Higher risk**

Potentially lower reward — Potentially higher reward

Class A (PRIIPS KIDS)

Summary Risk Indicator (SRI)

1	2	3	**4**	5	6	7

Lower risk — **Higher risk**

Potentially lower reward — Potentially higher reward

Besides the risks included in the risk indicator under the Risk Information section, other risks may affect the fund performance.

Lower Liquidity Risk - lower liquidity means there are insufficient buyers and sellers in the market to facilitate the Fund to buy or sell investments readily, this could be due to market events as well as large redemptions, causing investments to be sold at a discount, or liquidated at a lower price.

Deposits default risk - deposits and money market instruments are exposed to the risk that their issuer may not be able to meet its interest payment or principal reimbursement obligations.

Operational risk - due to issues such as natural disasters, technical problems and fraud.

Emerging markets risk - emerging markets may be exposed to political, fiscal and institutional instability that creates risks associated dealing, settlement, accounting, ownership, custody as well as liquidity (including the risk of internal or external embargos on the sale or acquisition of currencies and securities).

Currency Risk - In some circumstances, you may receive payments in a different currency, so the final return you will get may depend on the exchange rate between the two currencies.

Shenzhen-Hong Kong Stock Connect risk - The Sub-Fund may be investing in China "A" shares via the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock. Connect which may entail additional clearing and settlement, regulatory, operational and counterparty risks.

Important Information

Nikko AM Global Umbrella Fund is an open-ended investment company established in Luxembourg (the "Fund"). This information has been issued by Nikko Asset Management Luxembourg S.A. and is not aimed at or intended to be read by investors in any country in which the Fund is not authorised.

The Fund is registered in multiple jurisdictions and some sub-funds and/or share classes may not be available in all jurisdictions. Please contact Nikko Asset Management Europe Ltd for further information. This material is for information only and is not a recommendation to sell or purchase any investment.

The Sub-Fund promotes certain environmental and social characteristics within the meaning of article 8 of the SFD Regulation but does not have a sustainable investment objective.

Any investment in the Fund may only be made on the basis of the current Prospectus and the Key Investor Information Document (KIID), as well as the latest annual or interim reports. Please refer to the "Risk Factors" for all risks applicable in investing in this Fund. These documents are available from our website emea.nikkoam.com or can be obtained free of charge from the Funds registered office in Luxembourg: Private Business Center 32 – 36, boulevard d'Avranches, L-1160 Luxembourg, Luxembourg. Swiss representative, Swiss paying agent and place of jurisdiction in Switzerland: BNP Paribas, Paris, Zurich Branch, Selnaustrasse 16, 8002 Zurich. Telephone: +41 582 126374

Past performance is not a guide to future performance. Market and currency movements may cause the capital value of shares and income from them to fall as well as rise and you may get back less than you invested.

Contact Us

Nikko Asset Management Europe Limited
Level 5, City Tower, 40 Basinghall Street, London, EC2V 5DE United Kingdom
Phone: +44 (0)20 7796 9866
Email: EMEAenquiries@nikkoam.com

Nikko Asset Management Luxembourg S.A. (German Branch)
Frankfurt Spaces Tower One , Brüsseler Str. 1-3, 60327, Frankfurt am Main, Deutschland
Phone: +49 (0) 69 505047 301
Email: EMEAenquiries@nikkoam.com

Information sources include Bloomberg, Brown Brothers Harriman (Luxembourg) S.C.A., BNP Paribas, Luxembourg Branch, BNP Paribas, Luxembourg Branch, SMBC Nikko Bank (Luxembourg) S.A., Nikko Asset Management Asia and Nikko Asset Management Co., Ltd. All information as at 31 March 2025.

Authorised and regulated by the Financial Conduct Authority number 122084 and the Commission de Surveillance du Secteur Financier (CSSF) number RCS Luxembourg B 123.103.