

NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG)

Fonds Commun de Placement à Compartiments Multiples

Unaudited Semi-Annual Report

For the Period Ended August 31, 2016

This report does not constitute an offer of Units. No subscriptions can be received on the basis of financial reports. Subscriptions are only valid if made on the basis of the current prospectus, supplemented by the last available annual report of the Fund.

Nikko Asset Management Luxembourg S.A.
R.C.S. B0123103

NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG)

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NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG)

Management and Administration

Management Company

Nikko Asset Management Luxembourg S.A., 19, rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg

Board of Directors of the Management Company

Director Mr. Michael John Cieran Mulholland, Finance Director, Nikko Asset Management Europe Ltd., 1 London Wall, London EC2Y 5AD, United Kingdom

Director Mr. Philip Yeo Phuyay Lik, Head of Product Development and Management, Nikko Asset Management Asia Ltd., 8 Cross Street, #8-07 PWC Building Singapore 048424

Director Mr. Nicolaus P. Bocklandt, Certified Independent Director, 6B, Route de Trèves, L-2633 Luxembourg, Grand Duchy of Luxembourg

Director Mr. David J. Semaya, Executive Chairman, Nikko Asset Management Co., Ltd., Midtown Tower, 9-7-1 Akasaka, Minato-ku, Tokyo 107-6242, Japan

Depositary and Administrator

Brown Brothers Harriman (Luxembourg) S.C.A., 80, Route d'Esch, L-1470 Luxembourg, Grand Duchy of Luxembourg

Investment Manager

Nikko Asset Management Europe Ltd., 1 London Wall, London EC2Y 5AD, United Kingdom

Auditor of the Fund

PricewaterhouseCoopers, Société Coopérative, 2, rue Gerhard Mercator, L-1014 Luxembourg, Grand Duchy of Luxembourg

Auditor of the Management Company

KPMG Luxembourg, Société Coopérative, 9, Allée Scheffer, L-2520 Luxembourg, Grand Duchy of Luxembourg

Legal Adviser

Elvinger, Hoss & Prussen, 2, Place Winston Churchill, L-1340 Luxembourg, Grand Duchy of Luxembourg

NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG)
Fonds Commun de Placement à Compartiments Multiples
Statement of Net Assets (unaudited)
As at August 31, 2016

	NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) Income & Growth Currency Fund in JPY		NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) World Core Sovereign Bond Fund in JPY		Combined in EUR	
ASSETS:						
Investments in securities, at market value (Note 3d)	JPY	2,775,739,740	JPY	28,872,582,967	EUR	274,646,574
Cash (Note 3c)		35,120,221		2,857,035		329,570
Receivables for:						
Investments sold		—		128,058,804		1,111,304
Interest (Note 3e)		80,337,928		589,613,253		5,813,888
Total Assets		<u>2,891,197,889</u>		<u>29,593,112,059</u>		<u>281,901,336</u>
LIABILITIES:						
Payables for:						
Units redeemed		5,197,623		103,596,656		944,125
Administrative Agent fees (Note 6)		2,022,459		8,098,175		87,828
Depositary fees (Note 6)		970,114		14,977,419		138,394
Investment management fees (Note 5)		532,312		5,529,296		52,603
Transfer Agent fees (Note 7)		513,013		760,381		11,051
Audit fees		256,081		2,934,373		27,687
Management fees (Note 4)		96,784		1,005,326		9,564
Taxe d'abonnement (Note 8)		61,426		663,516		6,291
Investments purchased		—		749,382		6,503
Other liabilities		49,211		453,569		4,363
Total Liabilities		<u>9,699,023</u>		<u>138,768,093</u>		<u>1,288,409</u>
TOTAL NET ASSETS	JPY	<u>2,881,498,866</u>	JPY	<u>29,454,343,966</u>	EUR	<u>280,612,927</u>
NET ASSET VALUE PER UNIT:						
Class A	JPY	0.3731	JPY	0.4841		

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

NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG)
Fonds Commun de Placement à Compartiments Multiples
Statement of Operations and Changes in Net Assets (unaudited)
For the Period Ended August 31, 2016

	NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) Income & Growth Currency Fund in JPY	NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) World Core Sovereign Bond Fund in JPY	Combined in EUR
NET INVESTMENT INCOME:			
Income:			
Interest (Note 3e)	JPY 129,840,186	JPY 366,374,877	EUR 4,306,192
Total Income	129,840,186	366,374,877	4,306,192
Expenses:			
Investment management fees (Note 5)	3,424,143	37,787,511	357,638
Administrative Agent fees (Note 6)	2,258,560	9,023,364	97,905
Depository fees (Note 6)	799,233	12,028,672	111,322
Management fees (Note 4)	622,571	6,870,456	65,025
Transfer Agent fees (Note 7)	572,218	843,770	12,288
Transaction costs (Note 9)	212,259	542,747	6,552
Audit fees	158,608	1,720,821	16,310
Taxe d'abonnement (Note 8)	152,619	1,593,551	15,153
Legal fees	7,218	55,438	544
Organization expenses (Note 3h)	136	—	1
Other expenses	54,617	465,957	4,518
Total Expenses	8,262,182	70,932,287	687,256
Net Investment Income	121,578,004	295,442,590	3,618,936
NET REALIZED AND UNREALIZED GAIN/(LOSS):			
Net realized loss on investments (Note 3e, 3g)	(184,234,571)	(275,065,986)	(3,985,845)
Net realized gain on foreign currency transactions and forward foreign currency exchange contracts	1,725,893	23,559,903	219,432
Net change in unrealized appreciation/(depreciation) on investments	123,896,780	(1,932,167,795)	(15,692,315)
Net change in unrealized appreciation/(depreciation) on foreign currency transactions and forward foreign currency exchange contracts	2,177,587	(8,335,317)	(53,437)
Net Realized and Unrealized Loss on Investments	(56,434,311)	(2,192,009,195)	(19,512,165)
Net Increase/(Decrease) in Net Assets Resulting from Operations	65,143,693	(1,896,566,605)	(15,893,229)
Decrease in Net Assets from capital stock transactions	(28,938,222)	(5,186,754,900)	(45,262,185)
Distributions declared to Unitholders (Note 3f, 10)	(343,011,158)	(3,026,387,691)	(29,239,902)
Total Decrease in Net Assets	(306,805,687)	(10,109,709,196)	(90,395,316)
NET ASSETS:			
Beginning of the period	3,188,304,553	39,564,053,162	348,385,713
Notional exchange rate adjustment	—	—	22,622,529
End of the period	JPY 2,881,498,866	JPY 29,454,343,966	EUR 280,612,926

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

NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG)
Fonds Commun de Placement à Compartiments Multiples
Statistical Information (unaudited)
As at August 31, 2016

	<u>August 31, 2016</u>	<u>February 29, 2016</u>	<u>February 28, 2015</u>
TOTAL NET ASSETS			
NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG)			
Income & Growth Currency Fund			
Class A.	<u>JPY 2,881,498,866</u>	<u>JPY 3,188,304,553</u>	<u>JPY 5,370,450,846</u>
UNITS OUTSTANDING			
NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG)			
Income & Growth Currency Fund			
Class A.	<u>7,722,650,191</u>	<u>7,801,375,282</u>	<u>9,406,986,658</u>
NET ASSET VALUE PER UNIT			
NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG)			
Income & Growth Currency Fund			
Class A.	<u>JPY 0.3731</u>	<u>JPY 0.4087</u>	<u>JPY 0.5709</u>
TOTAL NET ASSETS			
NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG)			
World Core Sovereign Bond Fund			
Class A.	<u>JPY 29,454,343,966</u>	<u>JPY 39,564,053,162</u>	<u>JPY 77,741,891,508</u>
UNITS OUTSTANDING			
NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG)			
World Core Sovereign Bond Fund			
Class A.	<u>60,846,313,760</u>	<u>70,780,412,957</u>	<u>97,805,235,169</u>
NET ASSET VALUE PER UNIT			
NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG)			
World Core Sovereign Bond Fund			
Class A.	<u>JPY 0.4841</u>	<u>JPY 0.5590</u>	<u>JPY 0.7949</u>

NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG)
Fonds Commun de Placement à Compartiments Multiples
NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) – Income & Growth Currency Fund
Portfolio of Investment (unaudited)
As at August 31, 2016

Currency	Principal Amount	Security Description	% of Net Assets	Market Value
A. TRANSFERABLE SECURITIES QUOTED ON A STOCK EXCHANGE OR DEALT IN ON ANOTHER REGULATED MARKET				
FIXED INCOME SECURITIES (96.3%)				
FINLAND (8.9%)				
GOVERNMENT BONDS (8.9%)				
		Municipality Finance PLC		
TRY	2,200,000	0.50% due 10/27/16	2.6%	JPY 75,846,404
TRY	3,200,000	0.50% due 12/21/16	3.8	108,920,291
BRL	2,290,000	8.30% due 01/10/17	2.5	71,679,333
TOTAL GOVERNMENT BONDS				256,446,028
TOTAL FINLAND				256,446,028
GERMANY (0.2%)				
CORPORATE BONDS & NOTES (0.2%)				
		KFW		
BRL	210,000	9.50% due 12/15/16	0.2	6,589,248
TOTAL CORPORATE BONDS & NOTES				6,589,248
TOTAL GERMANY				6,589,248
SUPRANATIONAL (87.2%)				
CORPORATE BONDS & NOTES (87.2%)				
		Asian Development Bank		
TRY	5,000,000	0.50% due 02/23/17	5.8	167,437,975
TRY	4,640,000	0.50% due 11/21/17	5.0	144,881,559
		European Bank for Reconstruction & Development		
IDR	32,000,000,000	4.54% due 11/16/16	8.6	247,809,163
IDR	10,000,000,000	6.88% due 04/24/19	2.6	75,267,857
IDR	5,000,000,000	7.38% due 04/15/19	1.4	39,495,520
BRL	16,000,000	9.00% due 09/30/16	17.6	506,466,328
		European Investment Bank		
BRL	2,500,000	0.00% due 04/24/17	2.6	73,512,379
		Inter-American Development Bank		
IDR	25,000,000,000	4.16% due 05/24/18	6.2	180,541,906
IDR	16,480,000,000	7.00% due 02/04/19	4.4	126,274,102
		International Bank for Reconstruction & Development		
INR	120,000,000	5.00% due 05/24/17	6.3	182,750,676
INR	169,500,000	6.00% due 12/20/16	9.1	260,857,503
		International Finance Corp.		
TRY	3,910,000	4.60% due 10/28/16	4.7	135,629,145
TRY	4,460,000	4.70% due 11/29/16	5.3	154,049,638
INR	35,000,000	6.45% due 10/30/18	1.9	54,038,957
INR	104,000,000	7.75% due 12/03/16	5.7	163,691,756
TOTAL CORPORATE BONDS & NOTES				2,512,704,464
TOTAL SUPRANATIONAL				2,512,704,464
TOTAL FIXED INCOME SECURITIES (Cost JPY 3,286,471,308)				2,775,739,740
TOTAL TRANSFERABLE SECURITIES QUOTED ON A STOCK EXCHANGE OR DEALT IN ON ANOTHER REGULATED MARKET (Cost JPY 3,286,471,308)				
			96.3%	JPY 2,775,739,740
CASH AND OTHER ASSETS IN EXCESS OF LIABILITIES			3.7	105,759,126
TOTAL NET ASSETS			100.0%	JPY 2,881,498,866

Foreign Currency Legend

BRL	Brazilian Real
IDR	Indonesian Rupiah
INR	Indian Rupee
TRY	Turkish Lira

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

NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG)**Fonds Commun de Placement à Compartiments Multiples****NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) – Income & Growth Currency Fund****Classifications (unaudited)****As at August 31, 2016**

Industry	% of Net Assets
Supranational	87.2%
Government - Regional	8.9
Bank.	0.2
Total Investments	96.3%
Cash and other net assets in excess of liabilities	3.7%
Total Net Assets	100.0%

Country	% of Net Assets
Supranational	87.2%
Finland	8.9
Germany	0.2
Total Investments	96.3%
Cash and other assets in excess of liabilities	3.7%
Total Net Assets	100.0%

NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG)
Fonds Commun de Placement à Compartiments Multiples
NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) – World Core Sovereign Bond Fund
Portfolio of Investments (unaudited)
As at August 31, 2016

Currency	Principal Amount	Security Description	% of Net Assets	Market Value
A. TRANSFERABLE SECURITIES QUOTED ON A STOCK EXCHANGE OR DEALT IN ON ANOTHER REGULATED MARKET				
FIXED INCOME SECURITIES (98.0%)				
FINLAND (4.2%)				
GOVERNMENT BONDS (4.2%)				
USD	9,500,000	Finnvera OYJ 2.38% due 06/04/25	3.4%	JPY 1,007,703,358
IDR	30,000,000,000	Municipality Finance PLC 4.00% due 07/28/17	0.8	224,256,009
TOTAL GOVERNMENT BONDS				1,231,959,367
TOTAL FINLAND				1,231,959,367
GERMANY (7.7%)				
CORPORATE BONDS & NOTES (7.7%)				
USD	7,000,000	KFW 1.63% due 03/15/21	2.5	731,264,083
USD	2,000,000	2.13% due 08/07/23	0.7	214,108,255
USD	4,000,000	2.38% due 08/25/21	1.5	431,919,346
USD	2,500,000	Landwirtschaftliche Rentenbank 1.38% due 10/23/19	0.9	259,851,979
USD	5,930,000	1.88% due 04/17/23	2.1	622,627,144
TOTAL CORPORATE BONDS & NOTES				2,259,770,807
TOTAL GERMANY				2,259,770,807
MEXICO (35.9%)				
GOVERNMENT BONDS (35.9%)				
MXN	189,100,000	Mexican Bonos 5.00% due 12/11/19	3.5	1,023,235,104
MXN	313,500,000	6.50% due 06/09/22	6.1	1,789,645,560
MXN	430,200,000	7.50% due 06/03/27	9.0	2,646,123,440
MXN	14,050,000	7.75% due 12/14/17	0.3	80,029,595
MXN	293,200,000	7.75% due 05/29/31	6.3	1,855,090,177
MXN	271,800,000	8.00% due 12/07/23	5.7	1,692,274,589
MXN	190,300,000	10.00% due 11/20/36	5.0	1,482,968,648
TOTAL GOVERNMENT BONDS				10,569,367,113
TOTAL MEXICO				10,569,367,113
NETHERLANDS (0.7%)				
CORPORATE BONDS & NOTES (0.7%)				
USD	1,916,000	Nederlandse Waterschapsbank NV 2.38% due 03/24/26	0.7	206,091,478
TOTAL CORPORATE BONDS & NOTES				206,091,478
TOTAL NETHERLANDS				206,091,478
SOUTH KOREA (0.6%)				
GOVERNMENT BONDS (0.6%)				
IDR	21,000,000,000	Export-Import Bank of Korea 8.00% due 05/15/18	0.6	163,213,865
TOTAL GOVERNMENT BONDS				163,213,865
TOTAL SOUTH KOREA				163,213,865
SUPRANATIONAL (43.4%)				
CORPORATE BONDS & NOTES (43.4%)				
IDR	18,000,000,000	European Bank for Reconstruction & Development 4.16% due 06/14/18	0.4	130,654,314
IDR	79,760,000,000	7.25% due 08/22/17	2.1	623,121,887
IDR	129,000,000,000	10.00% due 11/16/18	3.7	1,065,726,833
IDR	12,000,000,000	European Investment Bank 4.95% due 03/01/19	0.3	89,440,581
IDR	19,700,000,000	5.20% due 03/01/22	0.5	140,261,423
USD	4,000,000	Inter-American Development Bank 2.13% due 11/09/20	1.4	426,890,287

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

NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG)
Fonds Commun de Placement à Compartiments Multiples
NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) – World Core Sovereign Bond Fund
Portfolio of Investments (unaudited) (continued)
As at August 31, 2016

Currency	Principal Amount	Security Description	% of Net Assets	Market Value
FIXED INCOME SECURITIES (98.0%) (continued)				
SUPRANATIONAL (43.4%)				
CORPORATE BONDS & NOTES (43.4%)				
IDR	50,000,000,000	5.80% due 07/26/18	1.3%	JPY 375,240,562
IDR	56,000,000,000	5.81% due 09/11/18	1.4	419,235,229
IDR	140,000,000,000	7.06% due 07/25/19	3.6	1,066,481,133
IDR	100,000,000,000	7.20% due 11/14/17	2.6	777,250,960
IDR	311,000,000,000	7.20% due 01/22/18	8.3	2,425,843,933
IDR	111,190,000,000	7.35% due 09/12/18	2.9	865,824,774
MXN	43,025,000	7.50% due 12/05/24	0.9	264,707,276
IDR	36,580,000,000	8.00% due 06/11/18	1.0	289,889,873
IDR	186,000,000,000	9.50% due 04/15/19	5.2	1,538,948,391
International Bank for Reconstruction & Development				
USD	6,500,000	2.13% due 11/01/20	2.4	694,503,119
USD	4,500,000	2.25% due 06/24/21	1.6	482,822,913
USD	8,170,000	2.50% due 11/25/24	3.0	894,588,894
USD	1,750,000	7.63% due 01/19/23	0.8	247,549,992
TOTAL CORPORATE BONDS & NOTES				12,818,982,374
TOTAL SUPRANATIONAL				12,818,982,374
UNITED STATES (5.5%)				
GOVERNMENT BONDS (5.5%)				
U.S. Treasury Note				
USD	3,774,000	2.38% due 08/15/24	1.4	415,688,898
USD	5,385,000	2.50% due 05/15/24	2.0	598,178,277
USD	5,400,000	2.75% due 02/15/24	2.1	609,330,788
TOTAL GOVERNMENT BONDS				1,623,197,963
TOTAL UNITED STATES				1,623,197,963
TOTAL FIXED INCOME SECURITIES (Cost JPY 33,909,668,510)				28,872,582,967
TOTAL TRANSFERABLE SECURITIES QUOTED ON A STOCK EXCHANGE OR DEALT IN ON ANOTHER REGULATED MARKET (Cost JPY 33,909,668,510)			98.0%	JPY 28,872,582,967
CASH AND OTHER ASSETS IN EXCESS OF LIABILITIES			2.0	581,760,599
TOTAL NET ASSETS			100.0%	JPY 29,454,343,966

Foreign Currency Legend

JPY	Japanese Yen
IDR	Indonesian Rupiah
MXN	Mexican Peso
USD	US Dollar

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

NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG)
Fonds Commun de Placement à Compartiments Multiples
NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) – World Core Sovereign Bond Fund
Classifications (unaudited)
As at August 31, 2016

Industry	% of Net Assets
Supranational	43.4%
Government - National	35.9
Bank.	8.4
United States Government – National	5.5
Government – Agency	4.0
Government – Regional	0.8
Total Investments	98.0%
Cash and other net assets in excess of liabilities	2.0%
Total Net Assets	100.0%

Country	% of Net Assets
Supranational	43.4%
Mexico	35.9
Germany	7.7
United States	5.5
Finland	4.2
Netherlands	0.7
South Korea	0.6
Total Investments	98.0%
Cash and other assets in excess of liabilities	2.0%
Total Net Assets	100.0%

NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG)
Fonds Commun de Placement à Compartiments Multiples
Notes to Financial Statements (unaudited)
As at August 31, 2016

1. General Information

The Fund was converted as a UCITS subject to Part I of the 2010 Law by decision of the Management Company and the Custodian with effect from 14 July 2014. Prior to 14 July 2014, the Fund was established in Luxembourg as an open-ended unincorporated mutual investment fund (Fonds Commun de Placement — Fonds d'Investissement Spécialisé) (Specialised Investment Fund) ("FCP-SIF"). The Fund was organised in Luxembourg pursuant to the amended Law of February 13, 2007 concerning Specialised Investment Funds.

NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) (the "Fund") has been established in Luxembourg as a mutual investment umbrella fund ("Fonds commun de placement à compartiments multiples") organized under the laws of the Grand Duchy of Luxembourg and registered under Part I of the Luxembourg Law of 17 December 2010, as amended, relating to undertakings for collective investment (the "2010 Law") for an unlimited period of time. The European Union Directive 2014/91/EU (known as "Ucits V Directive") transposed into national law and came into effect on 18 March 2016.

The Fund qualifies as an Undertaking for Collective Investments in Transferable Securities ("UCITS") under Article 1(2) of the UCITS Directive (the "Directive"), and may therefore be offered for sale in European Union ("EU") Member States (subject to registration in countries other than Luxembourg).

The Fund is managed by Nikko Asset Management Luxembourg S.A. (the "Management Company"), a company incorporated under the laws of Luxembourg and which has its registered office in Luxembourg. The Management Company was incorporated on November 29, 2006 as "société anonyme" under the laws of the Grand Duchy of Luxembourg and its articles of incorporation are on file with the Registre de Commerce et des Sociétés in Luxembourg. The Management Company is approved as a management company regulated by chapter 15 of the 2010 Law.

The Management Company may on behalf of the Fund issue different classes of units (the "Units") which are related to specific pools of assets (each a "Sub-Fund") established within the Fund. In respect of each Sub-Fund, the Management Company pursues a specific investment policy. For the purposes of relations between the Unitholders, each Sub-Fund is deemed to be a separate entity.

The securities and other assets of the Fund are segregated from the assets of the Management Company and are managed by the Management Company in the interest of the Unitholders and on their behalf.

Brown Brothers Harriman (Luxembourg) S.C.A. has been entrusted with the duties of the depositary (the "Depositary") and of the administrator (the "Administrator").

The Fund currently consists of two Sub-Funds: NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) – World Core Sovereign Bond Fund and NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) – Income & Growth Currency Fund.

The Sub-Funds each offer a single class of units, Class A Units, denominated in Japanese Yen ("JPY"). They commenced operations on 18 March 2010 and 31 August 2010, respectively.

NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) – World Core Sovereign Bond Fund (the "Sub-Fund") seeks to achieve income and capital growth over the mid to long term through investment in sovereign debt securities denominated in different currencies.

NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) – Income & Growth Currency Fund (the "Sub-Fund") seeks to achieve income and capital growth over the mid to long term through investment in sovereign debt securities denominated in different currencies.

2. Significant Changes during the Period

The European Union Directive 2014/91/EU (known as "UCITS V Directive") was transposed into national law and came into effect on 18 March 2016.

A UCITS V Depositary Agreement was signed with BBH, effective from 18 March 2016. As a result, the Custodian is hereinafter referred to as the Depositary.

NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG)
Fonds Commun de Placement à Compartiments Multiples
Notes to Financial Statements (unaudited) (continued)
As at August 31, 2016

3. Significant Accounting Policies

(a) Presentation of Financial Statements

The financial statements are presented in accordance with Luxembourg legal and regulatory requirements. The preparation of financial statements, in accordance with Luxembourg requirements, requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

(b) Determination of Net Asset Value per Unit

The NAV per Unit of each Sub-Fund is expressed in its currency of denomination. The NAV per Unit of each Class of each Sub-Fund is calculated in the currency of the Sub-Fund on each valuation day ("Valuation Day") at the valuation point, which is the time, in New York City, as of which the New York financial markets for publicly-traded instruments close for "regular trading" on the relevant Valuation Day.

(c) Cash

Cash and other liquid assets are valued at their face value with interest accrued to the end of the Valuation Day.

(d) Valuation of the Investments in Securities and Financial Derivative Instruments

The assets of each Sub-Fund were valued as follows:

Securities and/or financial derivative instruments which are quoted or dealt in on any stock exchange shall be based on the last available closing price and each security traded on any other organized market shall be valued in a manner as similar as possible to that provided for quoted securities. For securities for which trading on the relevant stock exchanges is thin and secondary market trading is done between dealers who, as main market makers, offer prices in response to market conditions, the Management Company may decide to value such securities in line with the prices established.

For non-quoted securities or securities not traded or dealt in on any stock exchange or other organized market, as well as quoted or non-quoted securities on such other market for which no valuation price is available, or securities for which the quoted prices are not representative of the fair value, the value thereof shall be determined prudently and in good faith by the Management Company on the basis of foreseeable sales prices.

Financial derivative instruments which are not listed or traded on a regulated market are valued at their estimated market value in a reliable and verifiable manner, in accordance with market practice.

Shares or units in underlying open-ended investment funds shall be valued at their last available NAV reduced by any applicable charges.

In the event that extraordinary circumstances render such a valuation impracticable or inadequate, the Management Company is authorized, prudently and in good faith, to follow other rules in order to achieve a fair valuation of the assets of the Sub-Fund.

(e) Securities Transactions and Investment Income

Securities transactions are recorded as of trade date for financial reporting purposes. Realized gains and losses from securities sold are recorded on the identified cost basis. Interest income, including discount and amortization of premiums, is recorded daily on an accrual basis, net of any applicable withholding tax.

(f) Distribution Policy

Each year the Management Company may decide to distribute all available income as well as all other distributable items allowed by Luxembourg investment fund laws consisting, in addition of net income, of gains (realized or unrealized) or of capital as a distribution to the Unitholders, as long as and to the extent that the minimum sum of net assets of each Sub-Fund prescribed by Luxembourg law or its foreign equivalent is maintained. Distributions to Unitholders may be paid only if the net assets of the Fund do not fall below EUR 1,250,000. Annual distributions may be declared separately in respect of each Class of each Sub-Fund by the Management Company. Interim distributions may be paid at any time of the year as deemed appropriate upon a decision of the Management Company in relation to any of the Classes of each Sub-Fund.

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Distributions, if declared, shall be paid as soon as practicable after the declaration, and considering that all Units of each Sub-Fund are entitled to participate equally in the profits made and dividends paid in respect of the relevant Sub-Fund of the Fund.

The amount of distributions to be paid to Unitholders, if any, is determined by the Management Company in its sole discretion. Distributions, if any, are paid to the relevant Unitholders generally on the second Business Day following the relevant Ex-Distribution Date. A Unitholder who submits subscription documents on or before the Business Day immediately prior to the relevant Ex-Distribution Date is entitled to receive relevant distributions.

Entitlement to distributions and allocations not claimed within 5 years of the due date shall be forfeited and the corresponding assets shall revert to the relevant Sub-Fund of the Fund.

(g) Foreign Exchange Transactions and Translations

The market values of foreign securities, currency holdings and other assets and liabilities, which are not denominated in the Sub-Fund's currency, are translated based on the current exchange rates each business day. Fluctuations in the value of currency holdings and other assets and liabilities resulting from changes in exchange rates are recorded as unrealized foreign currency gains or losses. Realized gains or losses and unrealized appreciation or depreciation on investment securities and income and expenses are translated on the respective dates of such transactions. The effects of changes in foreign currency exchange rates on investments in securities are not segregated on the Statements of Operations from the effects of changes in market prices of those securities, but are included with the net realized and unrealized gain or loss on investment securities.

The presentation currency of the Sub-Funds is denominated in Japanese Yen. The presentation currency of the Fund is denominated in Euro. The financial statements of each Sub-Fund on the Combined Statement of Assets and Liabilities and the Combined Statement of Operations have been translated from their presentation currency to the presentation currency of the Fund (EUR) at exchange rates prevailing at August 31, 2016 to arrive at the Fund totals.

The following table reflects the exchange rates used at August 31, 2016 for each of the above referenced statements:

JPY vs. BRL	0.03143348
JPY vs. EUR	0.00867808
JPY vs. IDR	128.33100914
JPY vs. INR	0.64757079
JPY vs. MXN	0.18235142
JPY vs. TRY	0.02862021
JPY vs. USD	0.00967258

(h) Organizational Costs

The organization expenses of the Sub-Fund are organization costs incurred by each Sub-Fund from its inception date. Organization expenses are amortized on a straight-line basis over a five year period. Each Sub-Fund bears its own organization expenses.

4. Management Fees

The Management Company is entitled to receive fees out of the assets of each Sub-Fund at the rate of 0.04% per annum of the NAV on the average daily aggregate NAVs of each Sub-Fund during the relevant calendar month. These fees shall be accrued daily and payable monthly.

5. Investment Management Fees

The Investment Manager is entitled to receive fees for investment advisory services conducted on behalf of the Fund out of the assets of each Sub-Fund at the rate of 0.22% per annum of the NAV on the average daily aggregate NAVs of each Sub-Fund during the relevant calendar month. Investment Management fees for each Sub-Fund are calculated and payable monthly.

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6. Depositary and Administrative Agent Fees

The Depositary Bank is entitled to receive fees out of each Sub-Fund calculated and payable monthly at fixed rates per annum based on the market value of investments held in different countries by each Sub-Fund during the relevant month plus customary safekeeping fees. The Administrative Agent is entitled to receive fees out of each Sub-Funds' assets at the rate of 0.05% per annum of net assets, subject to an annual minimum fee of EUR 37,000 per Sub-Fund, per annum plus additional fees for tax reporting if necessary.

7. Transfer Agent Fees

The Transfer Agent is entitled to receive an annual register maintenance fee for one Sub-Fund of EUR 3,700 per annum plus EUR 370 for each additional unit class and additional fees for transactions out of the assets of each Sub-Fund. These fees are payable monthly.

8. Taxe d'abonnement

The Fund is not liable to any Luxembourg income or corporation tax. However, the Fund is liable in Luxembourg to a tax of 0.05% of its net assets at the end of the relevant quarter. Each Sub-Fund is subject to Luxembourg law with respect to its tax status. In respect of the Sub-Funds the Units of which are comprised only of Institutional Investors, the rate is reduced to 0.01% per annum. This tax is payable quarterly and calculated on the basis of each Sub-Fund's Units.

9. Transaction Costs and Depositary Transaction Fees

Transaction costs are the costs incurred by a Sub-Fund in connection with transactions on its portfolio of investments. These costs are both incremental and directly attributable to the acquisition, issue or disposal of financial assets and liabilities, with incremental costs being those that would not have been incurred if the Sub-Fund had not entered into the transaction. These costs comprise fees and commissions paid to depositary, agents, advisers, brokers and dealers, in addition to any taxes associated with the transaction.

Transaction costs are itemized separately as an expense in the Statement of Operations and Changes in Net Assets.

The transaction fees for fixed income securities and derivatives are included in the spread.

10. Dividends

The Board of Directors decided to distribute the following dividends for the Sub-Funds below:

Name of the Sub-Fund	Ex-Date	Currency	Dividend per Unit in JPY
NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) – World Core Sovereign Bond Fund – Class A	3/14/2016	JPY	0.0080
NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) – World Core Sovereign Bond Fund – Class A	4/12/2016	JPY	0.0080
NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) – World Core Sovereign Bond Fund – Class A	5/12/2016	JPY	0.0080
NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) – World Core Sovereign Bond Fund – Class A	6/13/2016	JPY	0.0080
NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) – World Core Sovereign Bond Fund – Class A	7/12/2016	JPY	0.0070
NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) – World Core Sovereign Bond Fund – Class A	8/12/2016	JPY	0.0070

Name of the Sub-Fund	Ex-Date	Currency	Dividend per Unit in JPY
NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) – Income & Growth Currency Fund – Class A	3/15/2016	JPY	0.0080
NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) – Income & Growth Currency Fund – Class A	4/15/2016	JPY	0.0080
NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) – Income & Growth Currency Fund – Class A	5/16/2016	JPY	0.0080
NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) – Income & Growth Currency Fund – Class A	6/15/2016	JPY	0.0080
NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) – Income & Growth Currency Fund – Class A	7/15/2016	JPY	0.0060
NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) – Income & Growth Currency Fund – Class A	8/15/2016	JPY	0.0060

11. Forward Foreign Currency Exchange Contracts

The Sub-Funds held no forward foreign currency exchange contracts at period end.

12. Statement of Changes in Portfolio Composition

A statement giving the changes in the portfolio of investments for the year ended August 31, 2016, can be obtained free of charge from the registered office of the Management Company of the Fund.

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13. Remuneration policy

Pursuant to the 2010 Law, the Management Company has established a remuneration policy for those categories of staff, including senior management, risk takers, control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, and whose professional activities have a material impact on the risk profiles of the Management Company or the Company, that are consistent with and promote sound and effective risk management and do not encourage risk-taking which is inconsistent with the Company's risk profiles or the Articles of Incorporation.

The remuneration policy is in line with the business strategy, objectives, values and interests of the Management Company and the Company and of its Shareholders, and includes measures to avoid conflicts of interest.

The remuneration policy only provides for a fixed remuneration for the independent directors and conducting officers. Members of the Management Company, which have an employment agreement with Nikko Group do not receive remuneration from the Management Company. Where remuneration is performance-related for the identified staff (as this term is defined in the ESMA Guidelines on sound remuneration policies under the UCITS Directive and AIFMD) the Management Company shall ensure that:

- the assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the funds managed by the Management Company in order to ensure that the assessment process is based on the longer-term performance of the funds and their investment risks; and
- fixed and variable components of total remuneration are appropriately balanced and the fixed component represents a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component.

The up-to-date remuneration policy of the Management Company states that its directors are responsible for monitoring compliance with the policy and includes a description of how remuneration and benefits are calculated. The remuneration policy is available at www.nikkoam.lu and a paper copy will be made available free of charge upon request at the Management Company's registered office.

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Global Exposure

The Management Company employs the standard commitment approach to comply with the CSSF Circular 11/512 which requires each UCITS Fund to calculate its global risk exposure. The standard commitment approach requires the Investment Manager to convert each financial derivative instrument position into the market value of an equivalent position in the underlying asset of that financial derivative taking into account of the netting and hedging arrangements.

The Sub-Funds' total commitments to financial derivative instruments is limited to 100% of its total net asset value.