

**NIKKO AM GLOBAL UMBRELLA TRUST**

**Fonds Commun de Placement à Compartiments Multiples**

**Audited Annual Report**

**For the Year Ended December 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 UMBRELLA TRUST**  
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## **NIKKO AM GLOBAL UMBRELLA TRUST**

### **Report of the Investment Manager**

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#### **Report of the Investment Manager**

#### **NIKKO AM GLOBAL UMBRELLA TRUST - High Income Sovereign Index Fund**

##### **Market Review**

From the start of 2016 until mid-February, the high income sovereign bond market saw increased uncertainty over the global economy, interest rate cuts in some countries included in the Fund's portfolio, and expectations for strengthened monetary easing by the Bank of Japan (BOJ) and the European Central Bank (ECB), leading to an overall rise in bond indexes of countries included in the portfolio. The bond indexes continued to climb for the most part from late February to late April on expectations for fiscal improvements in resource countries reflecting a recovery in oil prices, increased demand from foreign investors for purchases of emerging country bonds in view of their comparatively high yields amid negative interest rate policies in Japan and Europe, as well as receding inflation expectations and interest rate cuts by central banks in some countries included in the portfolio.

From May until late September, bond indexes of countries included in the portfolio saw some falls on expectations of additional interest rate rises fuelled by comments by an official of the US Federal Reserve Board (FRB), as well as receding expectations of interest cuts in some countries included in the portfolio. Nevertheless, the indexes rose overall on increased demand for the bonds of countries included in the portfolio with comparatively high yields after the US Federal Open market Committee (FOMC) decided against an additional interest rate rise, as well as cuts in the policy interest rates of some emerging countries by their central banks.

Bond indexes of countries included in the portfolio fell on the whole from early October until early November on increased concern among foreign investors that the bonds of the countries would see selling owing to expectations of an interest rate hike by the FRB by the end of the year. From mid-November until the end of the year, the comparatively high yields from bonds of countries included in the portfolio lost some of their luster as US long-term interest rates rose after the election of a US presidential candidate promising increased expenditure. At the same time, however, the bonds of oil producing countries and resource countries saw purchasing fuelled by oil price rises, leading to mixed movement in the bond indexes.

Looking at the foreign exchange markets, currencies of the countries included in the Fund's portfolio weakened against the yen in general from the start of 2016 until late March. Although a rebound in oil prices provided some support, increased concerns that additional US interest rate hikes would cause an outflow of money from emerging countries and others weighed the currencies down. They continued to weaken against the yen as a whole from early April until late August as risk avoidance demand on concerns over a global economic slowdown and the UK's exit from the European Union (EU) fuelled yen purchasing, while interest rate cuts in some of the countries included in the portfolio pushed up demand to sell their currencies. From mid-August until the end of the year, the currencies saw some selling on increased risk avoidance by investors after the ECB decided that further monetary easing was unnecessary. Even so, they rose against the yen for the most part on strong oil prices following an agreement by the Organization of the Petroleum Exporting Countries (OPEC) to reduce production, as well as a slowdown in demand for yen purchasing to avoid risk owing to continued expectations for economic stimulus measures by the new US administration.

##### **Performance Review**

The Fund returned 11.78% (including dividends; before deduction of fees) in 2016, underperforming by 0.73% the benchmark's return of 12.51%. The main reasons for this were the effects of annual rebalancing and factors related to weightings.

Switching bonds in and out of the portfolio in the annual rebalancing process took several days because we took into consideration the large size of the switches made, as well as sharp liquidity falls in some of the countries of bonds that were brought into the portfolio. Cash holdings used for monthly dividends had an impact on weightings.

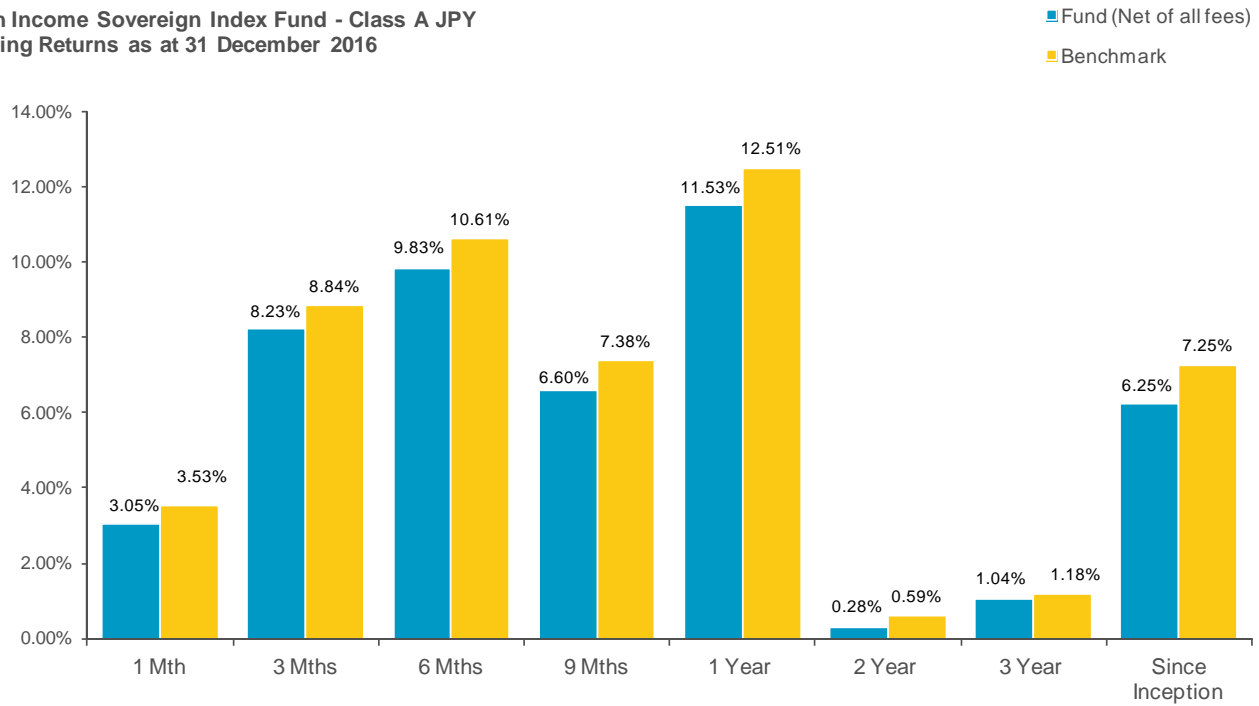
##### **Market Outlook**

As the Fund is passively managed, no changes will be made to the selection of investment countries or investment weightings based on market conditions. In principle, a risk control model will be used to construct the portfolio and attributes such as interest rate sensitivity will be maintained at about the same level as those of the benchmark in an effort to decrease tracking error. In addition, our policy is to maintain a high bond weighting ratio in the portfolio and carry out a monthly portfolio review in order to respond to changes in benchmark constituents and other developments.

**NIKKO AM GLOBAL UMBRELLA TRUST**  
**Management & Administration**

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**High Income Sovereign Index Fund - Class A JPY**  
**Rolling Returns as at 31 December 2016**



The inception date of the High Income Sovereign Index Fund shares was 1 June 2012. Investment returns are bid to bid, net of income reinvested and fees. Benchmark returns are based on the Bloomberg Barclays International High Income Sovereign Index (un-hedged, JPY base).

## **NIKKO AM GLOBAL UMBRELLA TRUST**

### **Management & Administration**

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#### **Report of the Investment Manager**

#### **NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Yield Bond Fund**

##### **Market Review**

2016 was a year of surprises. The Fed backtracked on its outlook on interest rate hikes, Britain voted to leave the European Union, Donald Trump triumphed over Hillary Clinton to become the 45th US President, and Italian Prime Minister Matteo Renzi resigned after a resounding defeat in the Italian referendum. Commodities rallied on expectations of acceleration of raw-material demand in China, and reflationary expectation after Mr. Trump's win. Asia credit spreads tightened against this backdrop, despite risk-free rates ending higher vis-à-vis the previous year.

The year opened with a spike in volatility. Concerns over the macro outlook in China and further unconventional monetary policy after the Bank of Japan adopted negative interest rates resulted in a significant widening of credit spreads. This bout of risk-aversion was however brief, as the European Central Bank subsequently announced an upsized quantitative easing (QE) programme and the US Federal Reserve (Fed) repriced the path of interest rates lower, setting off spread compression. Big rallies in global bond markets ensued. As global yields sank lower, capital flowed into Emerging Markets (EM). In June, overall cautiousness pervaded, in anticipation of the UK referendum. Although the knee-jerk reaction to the BREXIT vote was a sell-off in risk assets, sentiment quickly reversed, driven by expectations of further global monetary and fiscal easing. The persistent decline in yields triggered a massive allocation of funds into EM, including Asia. Indian and Indonesian bonds benefitted immensely from this capital flow, with spread performance reinforced by sustained reform progress in both countries. Leading up to the fourth quarter, Asia credits recorded strong returns. On 9 November, Donald Trump's upset win in the US presidential election triggered a myriad of uncertainties. As markets started pricing in upside inflation risk from a Trump administration, risk-free rates surged. Together with the increasing possibility of protectionist trade policies by the US going forward and a sharply higher USD, came an exodus of funds from EM, erasing a substantial portion of year-to-date (particularly Asia investment-grade) returns.

##### **Portfolio Review**

For 2016, the Fund's share class A and share class B returned 8.11% and 10.49% in JPY (gross; before deduction of fees) terms, as compared to the benchmark returns of 7.97% and 10.75% respectively. For the first half of the period, weaker credits in the Real Estate, Oil & Gas, Metals & Mining and Industrial sectors registered significant gains. As the portfolio held an underweight position in these, relative performance was affected. Nonetheless, we maintained our strategy of focusing on underlying credits' fundamental analysis and not chasing risk indiscriminately. Thus, the underweight in weaker high-beta high-yield credits was maintained throughout the year. In August, the portfolio took profit in some Chinese property holdings, prompted by the view that valuations have richened. This, together with the decision to stay cautious ahead of event risks such as the US Presidential elections, resulted in the fund holding a significant amount of cash holdings towards the end of the period. In December, our underweight duration stance benefitted the portfolio. However, cash holdings as well as the strong price recovery of weak oil credits and CCC bonds (which the Fund underweighted) dragged down performance.

As of 30th December 2016, the Fund had a duration and yield of 2.02 years and 5.82%, respectively, and a weighted average credit rating of BB. The Fund is diversified across 49 bonds, with 44 issuers from 9 countries, with an average weight of 1.97% per issuer. In terms of strategy, the Fund will remain focused on underlying credits' fundamental analysis and will not chase risk indiscriminately. We will look to selectively participate in new issuance but will also choose to take profit when we deem that valuations have turned rich.

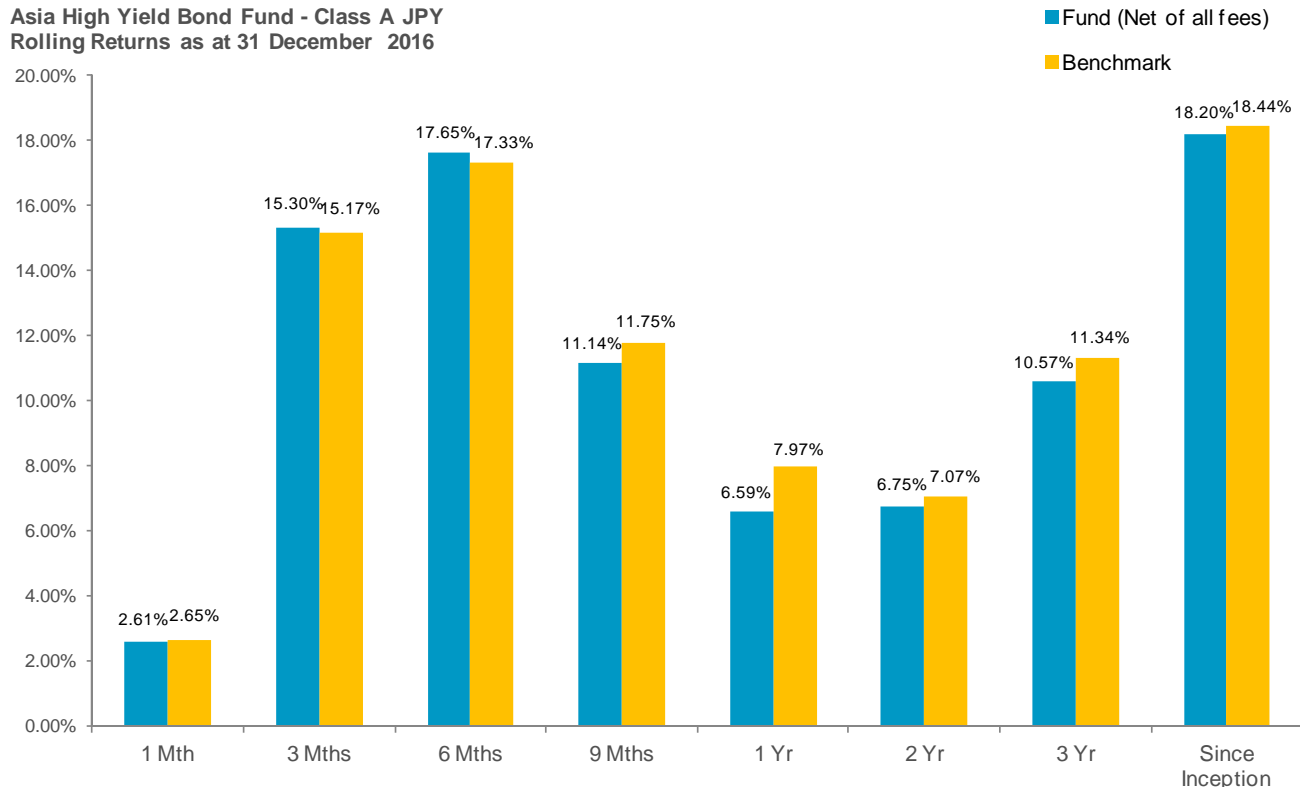
##### **Market Outlook**

Going forward, volatility is likely to remain, with the US Fed on a tightening path, uncertainty injected by policies of the new Trump administration, and risk events including elections in Europe. The myriad of factors, some conflicting, driving the direction of UST yields remain. These include potentially higher yields from reflationary policies of the new administration to potentially lower yields from lower growth stemming from protectionist policies. In addition, with spreads at the tight end of the historical range, we remain cautious.

Meanwhile, the supply of new issues is expected to remain heavy after the Chinese New Year lull in early February. The demand backdrop for Asian credit appears to be intact as spreads have broadly tightened, even as new issuance supply was fairly high in January. In addition, inflows into EM hard currency bonds have started the year on a positive note.

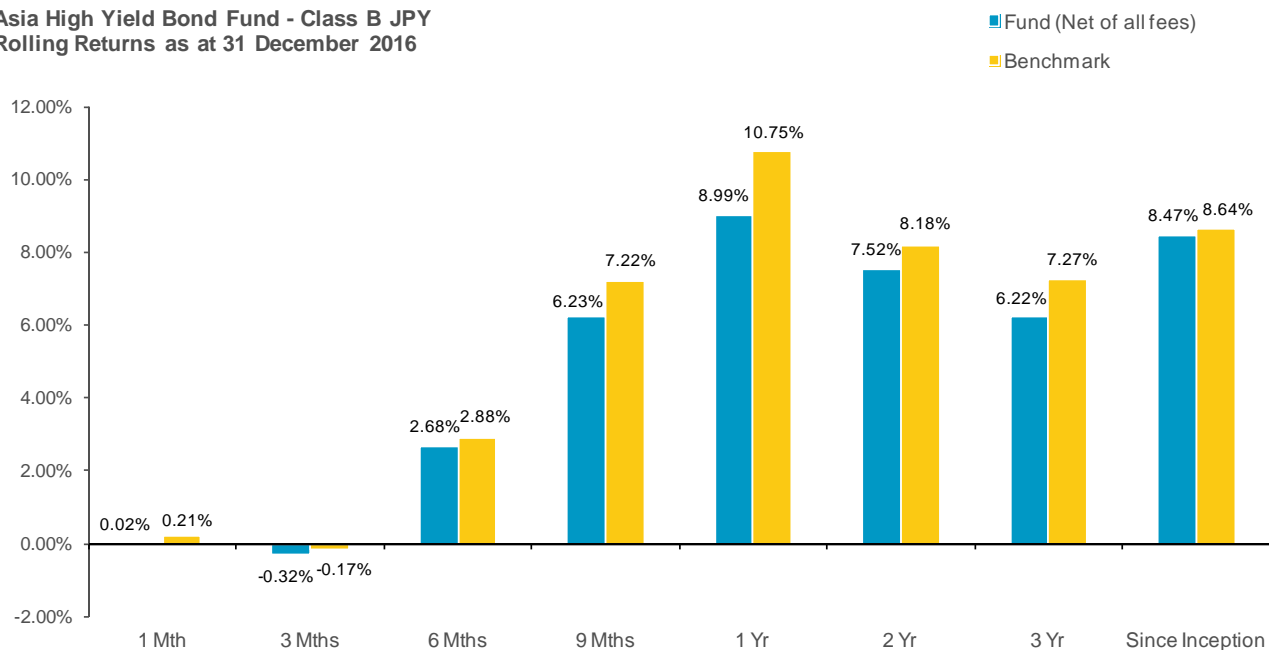
**NIKKO AM GLOBAL UMBRELLA TRUST**  
**Management & Administration**

**Asia High Yield Bond Fund - Class A JPY**  
**Rolling Returns as at 31 December 2016**



The inception date of the Asia High Yield Bond Fund Shares (A JPY) shares was 12 June 2012. Investment returns are bid to bid, net of income reinvested and fees. Benchmark returns are based on the JACI - Non-investment Grade Corporate Index (JPY base).

**Asia High Yield Bond Fund - Class B JPY**  
**Rolling Returns as at 31 December 2016**



The inception date of the Asia High Yield Bond Fund Shares (B JPY) shares was 12 June 2012. Investment returns are bid to bid, net of income reinvested and fees. Benchmark returns are based on the JACI - Non-investment Grade Corporate Index (USD hedged). Externally/separately sourced FX rate has been applied to recalculate the BM performance in the relevant denomination currency of the share/unit class.

## **NIKKO AM GLOBAL UMBRELLA TRUST**

### **Management & Administration**

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#### **Report of the Investment Manager**

#### **NIKKO AM GLOBAL UMBRELLA TRUST – Australian Bond Fund**

##### **Portfolio Review**

The Fund size held steady at around AUD 60 million throughout the year. It continued to hold underweight allocations to Commonwealth government bonds with a preference for 0-3 year corporate bonds and 7-10 year Semi-government bonds. The Fund also opportunistically increased its weighting to 3-5 year Australian bank bonds through the middle of the year before reducing it again after credit spreads had narrowed. The interest rate exposure of the Fund was increased early in the second quarter ahead of a weak inflation report that prompted the Reserve Bank of Australia (RBA) to cut interest rates. After the subsequent fall in interest rates, the exposure was reduced to a more neutral setting.

The Australian bond market performed strongly in the first half of the year before retreating along with global markets in the second half. 3 year bond yields fell from 1.99% to 1.4% before climbing back to 1.96% where they finished the year. 10 year bonds followed a similar path, falling from 2.88% to 1.82% before rising back to 2.77%.

##### **Performance Review**

Before fees and expenses, the Fund delivered a return of 3.38% in calendar year 2016, excluding the currency impact. A modest fall in bond yields and active positioning in the Fund around the time of the RBA's first cut in the official cash rate in May made a positive contribution to the Fund's performance. The Fund also benefited from outperformance in short dated corporate bonds and longer dated Semi-government bonds.

The 3-year bond yield fell by 0.03% and the 10-year bond yield fell by 0.11% for the year. While the Japanese yen appreciated against the Australian dollar during the year detracting from performance on an unhedged basis. The cross rate fell from 87.63 Yen per Australian dollar to 84.219, a return of -3.9%.

##### **Market Outlook**

The global bond market sell-off that took hold in the second half of 2016 has lost momentum and Australian bond yields have since stabilised. Although the Australian economy has stepped back a gear, as evidenced by the disappointing third quarter GDP result, a strong rebound in commodity prices has provided a well-timed improvement in the terms of trade. With a reasonably positive outlook for Australian growth and low inflation, we would expect the Reserve Bank of Australia (RBA) to keep the cash rate at 1.5 per cent in 2017.

Global bond yields however are likely to resume their path higher on the back of President Trump's agenda for lower taxes, increased infrastructure spending and a more protectionist US trade policy. With the US economy generating solid jobs growth, substantial fiscal stimulus at this stage in the economic cycle will be watched closely by the US Federal Reserve. We expect 10-year Australian bond yields to remain in a 2.5% - 3% range in the first quarter of 2017, before following global bonds to a new higher yield range later in the year.

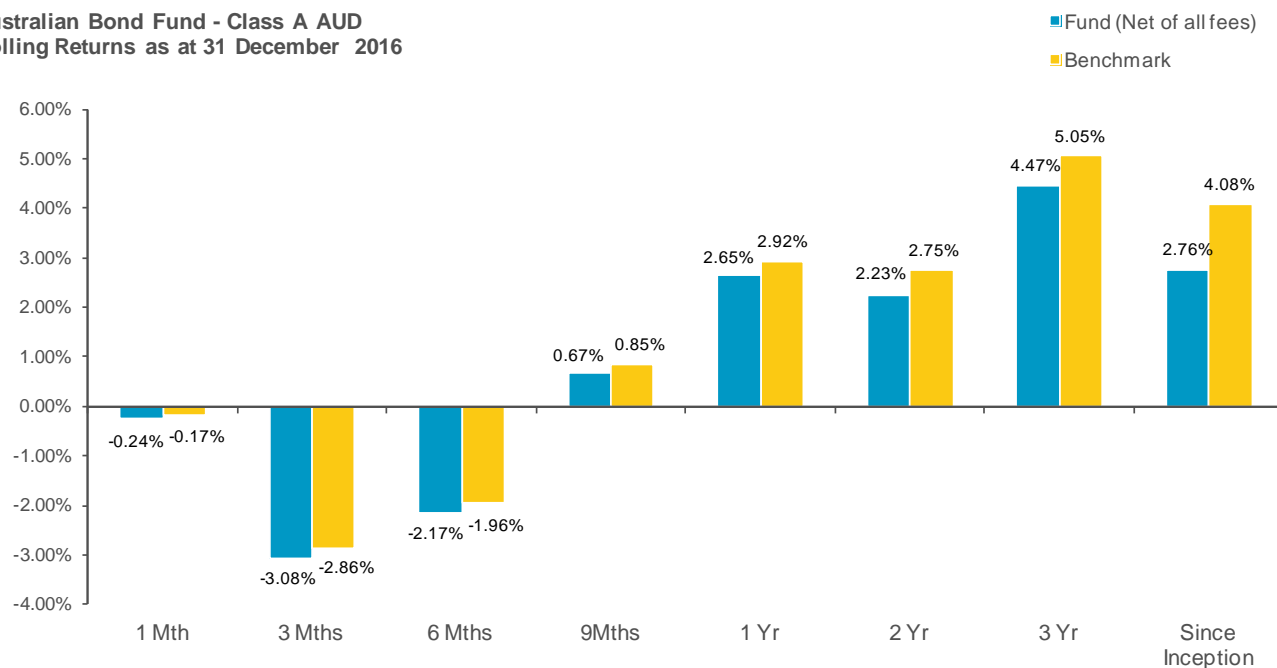
Australian bond issuance will once again be dominated by the Commonwealth Government. As a result, our preference is to be underweight government bonds along most of the yield curve. Semi-government bonds performed well over 2016 and we expect this to continue. Low levels of issuance expected in 2017 should see spreads remain relatively tight for most of the year, compared to government bonds.

The outlook for the credit sector is mixed. Credit spreads have been responding positively to any signs of improvement in the business climate through tighter spreads. However US equity markets are also at historical highs and are expensive on a number of valuation measures, which elevates the risk of any retreat in equity prices dragging credit spreads wider. On top of this, credit fundamentals did not end 2016 in a healthy position due to continued growth in corporate leverage. As a result, we continue to be wary of longer duration credit and favour being defensive by holding shorter duration credit.

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**Australian Bond Fund - Class A AUD**  
**Rolling Returns as at 31 December 2016**



The inception date of the Australian Bond Fund Shares was 12 July 2012. Investment returns are bid to bid, net of income reinvested and fees. Benchmark returns are based on the UBS Australian Composite Bond (All Maturities) Index (AUD base).



## NIKKO AM GLOBAL UMBRELLA TRUST

### Management & Administration

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#### Report of the Investment Manager

#### NIKKO AM GLOBAL UMBRELLA TRUST – Asia High Dividend Equity Fund

##### Market Review

The MSCI Asia ex-Japan (AxJ) benchmark finished 2016 up 5.4% in USD terms, underperforming MSCI World and MSCI Emerging Markets (EM) which returned 7.5% and 11.2% respectively.

##### *North Asia ended the year higher*

Hong Kong and China ended up 2.3% and 0.9% in USD terms respectively, amid significant volatility. In January, China's decision to impose circuit breakers proved ill-timed and led to further selling pressure in China and Hong Kong. However, better than expected 1H16 results for Chinese companies and a broad improvement in economic indicators in 2H2016 boosted sentiment. Hong Kong's exports and imports also returned to positive growth. While China's PMI continues to indicate expansion, concerns remain over capital outflows. In order to better manage yuan stability on a trade-weighted basis, China announced an adjustment to the composition of the trade-weighted Yuan Renminbi (CNY) index in December. Within properties, sector recovery was dampened following the introduction of property cooling measures in China and further stamp duties in Hong Kong in order to stem excessive volume and price growth.

In Taiwan, the market returned 18.5% in USD terms over the year, buoyed by the technology and financial sectors. Taiwan's opposition party, the Democratic Progressive Party (DPP), and its leader Tsai Ing-wen won a resounding victory in national elections in January. Meanwhile, Korea's Samsung faced setbacks following malfunctions of its Galaxy Note 7 smartphone, the National Assembly passed a bill to impeach President Park and the Bank of Korea revised down 3Q GDP growth estimates. Despite this, Korea returned 8.7% in USD terms over the one-year period.

##### *India supported by easing measures and reforms*

India returned -1.4% in USD terms over the one-year period. Further liberalisation of foreign direct investment (FDI), the appointment of new central bank governor Dr Urjit Patel and the passage of the GST bill in August brought the market near all-time highs. However, escalating tensions with Pakistan and Prime Minister Narendra Modi's unexpected demonetisation move in November muted sentiment. Furthermore, rollout of the GST bill faced delays from the Opposition and the Monetary Policy Committee (MPC) surprised by leaving interest rates unchanged in December, citing macroeconomic uncertainty.

##### *Southeast Asia markets a mixed bag*

Returns for ASEAN markets were mixed over the one-year period. Thailand outperformed peers on the back of improving government spending and monetary policy support. The local economy also remained relatively resilient despite mourning the passing of King Bhumibol Adulyadej. Indonesia returned 17.0% in USD terms over the period. Bank Indonesia cuts interest rates six times, while the passage of the tax amnesty law in June boosted expectation for additional public and private investment spending. Additionally, Fitch revised Indonesia's outlook to Positive and the Board of Governors predicted an economic recovery in 2017 in view of an improving corporate sector and increased financing. Singapore rebounded and returned 1.4% in USD terms as local banks, which were previously affected by concern over their exposure to commodities, were key beneficiaries of higher US interest rates.

In contrast, Philippines declined by 6.6% in USD terms over rising political uncertainties. Although Rodrigo Duterte's Presidential victory in May was initially greeted by strong local buying of domestic equities, the President's subsequent controversial rhetoric overshadowed better-than-forecasted second quarter GDP growth. Malaysia also ended the year in negative territory following fresh civil lawsuits by the US against the troubled 1Malaysia Development Bhd (1MDB) fund.

##### Market Outlook and Strategy

##### *Focus on beneficiaries of reflationary environment*

Globally investors seem transfixed by policy rhetoric and "tweets" from the newly sworn in President Trump. This has distracted from otherwise improving economic conditions in the US and a pick-up in trade across the Asia region towards the end of 2016. In today's new anti-globalisation world, the question remains whether traditional export orientated economies will benefit as much as they may have done in past cycles. We see a greater role for China in this equation, especially if the US remains focused on a protectionist/anti-trade agenda. As inflation picks up across a number of countries, we try to look for those companies that stand to benefit from a reflationary environment. MSCI AxJ trades on a 1.4 times forward price-to-book (P/B) multiple compared to a 2.2 times P/B multiple for MSCI World, while earnings revisions have started to trend up.

##### *Maintain overweight to China*

Economic data from China continues to improve despite the rise in domestic interbank rates and a plethora of policy actions to contain capital outflows. The government continues to push PPP programs to encourage greater investment in the near term while the rise in PPI should help ease some pressure at mining and industrial companies. Of note during January was the announcement by the Chinese Steel and Iron Ore Association that it will be clamping

## NIKKO AM GLOBAL UMBRELLA TRUST

### Management & Administration

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down on all illegal operating capacities with a view to eliminate 50 million tonnes per annum (mtpa) of steel capacity (or 6% of Chinese production) by June 2017. We maintain an overweight stance to Chinese stocks with a preference for new economy sectors including internet, tourism and healthcare.

#### *Continue to favour India*

India also remains a key overweight and with the reporting season well under way, we note many companies have witnessed limited impact from the government's de-monetisation policy. Private banks experienced large low cost deposit inflows which should structurally lower funding costs for the sector. Corporate orientated banks continued to show high credit costs which we believe is evidence that they are finally acknowledging and providing for problem assets in their legacy books. China's move to curtail illegal steel production has lifted prices globally and this should ease what has been a big problem sector for Indian banks. The upcoming budget session is likely to produce incremental hand-outs for the rural community, particularly in light of the disruption caused by de-monetisation.

#### *Remain selective in developed Asia*

We have become more constructive on more developed Asian market financial stocks owing to the potential improvement in profitability brought about by a pick-up in the global interest rate environment. We do not, however, believe this applies to all, and differentiate according to our views on outstanding asset quality issues and the negative impact of higher rates on domestic growth.

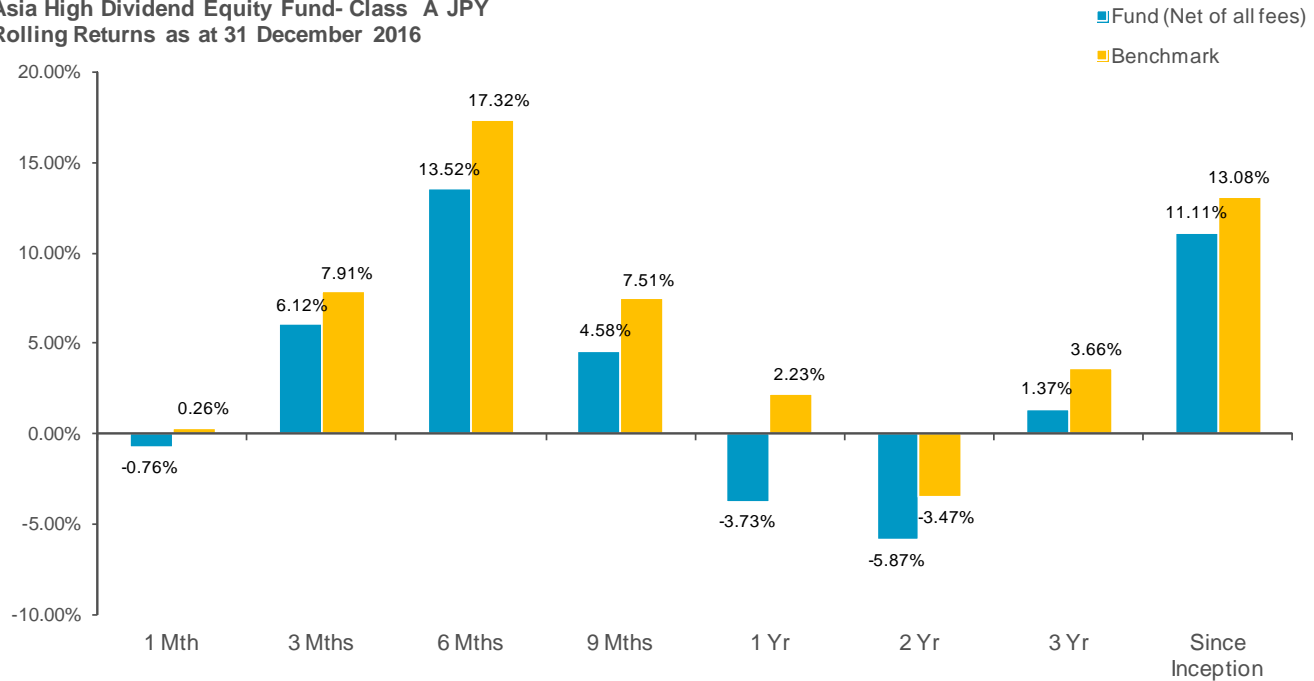
We remain very selective across the traditional export orientated economies of Taiwan, Korea and Singapore, preferring companies in niche sectors with sustainable earnings. While the technology sector has been a key driver of better export numbers thus far, we are wary of each country's sensitivity to US demand and as potential losers from any trade spat between the US and China as has already been evidenced by Korea's agreement to let the US install a Terminal High Altitude Area Defense.

#### *Selectively overweight in ASEAN*

We remain selectively overweight in ASEAN, favouring underappreciated and strong franchises in Indonesia, Thailand and Philippines focused on domestic demand and infrastructure. We continue to avoid the Malaysian equity market altogether.

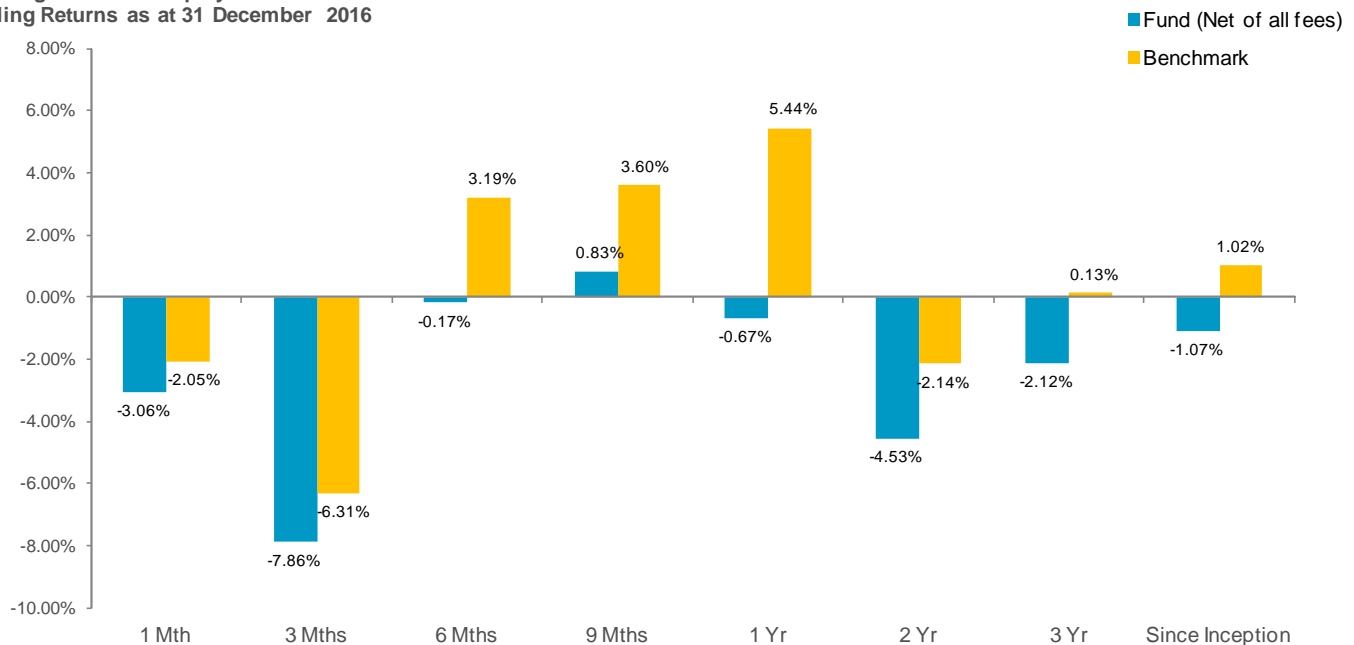
**NIKKO AM GLOBAL UMBRELLA TRUST**  
**Management & Administration**

**Asia High Dividend Equity Fund- Class A JPY**  
**Rolling Returns as at 31 December 2016**



The inception date of the Asia High Dividend Equity Fund (A JPY) shares was 23 August 2012. Investment returns are bid to bid, net of income reinvested and fees. Benchmark returns are based on the MSCI AC (all countries) Asia ex-Japan Index (USD base). Externally/separately sourced FX rate has been applied to recalculate the BM performance in the relevant denomination currency of the share/unit class.

**Asia High Dividend Equity Fund - Class C USD**  
**Rolling Returns as at 31 December 2016**



The inception date of the Asia High Dividend Equity Fund (C USD) shares was 18 December 2012. Investment returns are bid to bid, net of income reinvested and fees. Benchmark returns are based on the MSCI AC (all countries) Asia ex-Japan (USD base).

## **NIKKO AM GLOBAL UMBRELLA TRUST**

### **Management & Administration**

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#### **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, Chief Operating Officer & Chief Financial Officer, Nikko Asset Management Europe Ltd., 1 London Wall, London EC2Y 5AD, United Kingdom

*Director* Mr. Philip Yeo Phuy Lik, Head of Product Development and Management, Nikko Asset Management Asia Ltd., 12 Marina View, #18-02 Asia Square Tower 2, Singapore 018961

*Director* Mr. Nicolas P. Bocklandt, Certified Independent Director, 6B, Route de Treves, 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 Bank and Administrator**

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

#### **Investment Managers**

*NIKKO AM GLOBAL UMBRELLA TRUST - High Income Sovereign Index Fund:* Nikko Asset Management Co. Ltd., Midtown Tower, 9-7-1 Akasaka Minato-ku, Tokyo, Japan 107-6242

*NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Yield Bond Fund and NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Dividend Equity Fund:* Nikko Asset Management Asia Ltd., 12 Marina View, #18-02 Asia Square Tower 2, Singapore 018961

*NIKKO AM GLOBAL UMBRELLA TRUST - Australian Bond Fund:* Nikko AM Australia Limited, Level 31, 420 George Street, Sydney NSW 2000, Australia, GPO Box 3881, Sydney, NSW 2001, Australia

#### **Auditor of the Fund**

PricewaterhouseCoopers, Société coopérative, 2, rue Gerhard Mercator, L-2182 Luxembourg, Grand Duchy of Luxembourg

#### **Auditor of the Management Company**

KPMG Luxembourg, Société coopérative, 39, Avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

#### **Legal Adviser**

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



## **Audit report**

To the Unitholders of  
**Nikko AM Global Umbrella Trust**

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We have audited the accompanying financial statements of Nikko AM Global Umbrella Trust and of each of its sub-funds, which comprise the Statement of Net Assets and the Portfolio of Investments as at 31 December 2016 and the Statement of Operations and Changes in Net Assets for the year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

### *Responsibility of the Board of Directors of the Management Company for the financial statements*

The Board of Directors of the Management Company is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements and for such internal control as the Board of Directors of the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Responsibility of the “Réviseur d’entreprises agréé”*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier”. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgment of the “Réviseur d’entreprises agréé”, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the “Réviseur d’entreprises agréé” considers internal control relevant to the entity’s preparation and fair presentation of the financial statements 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 entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the Management Company as well as evaluating the overall presentation of the financial statements.

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



### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of Nikko AM Global Umbrella Trust and of each of its sub-funds as of 31 December 2016, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.

### **Other information**

The Board of Directors of the Management Company is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our audit 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 this fact. We have nothing to report in this regard.

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 24 April 2017

A handwritten signature in black ink, appearing to be 'Laurent Marx', written over a horizontal line.

Laurent Marx

**NIKKO AM GLOBAL UMBRELLA TRUST**  
**Fonds Commun de Placement à Compartiments Multiples**  
**Statement of Net Assets**  
**As at December 31, 2016**

	NIKKO AM GLOBAL UMBRELLA TRUST - High Income Sovereign Index Fund in JPY		NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Yield Bond Fund in USD	
ASSETS:				
Investments in securities, at market value (Note 2d, 2i) . . . . .	JPY	122,422,934,145	USD	9,704,473
Cash (Note 2c) . . . . .		1,432,610,457		1,517,392
Unrealized appreciation on forward foreign currency exchange contracts (Note 2h, 13) . . . . .		—		37,887
Unrealized appreciation on swap contracts (Note 2k & 13) . . . . .		—		—
Receivables for:				
Investments sold . . . . .		1,196		—
Interest (Note 2e) . . . . .		1,399,529,080		203,135
Units subscribed . . . . .		249,694,600		32,822
Total Assets . . . . .		125,504,769,478		11,495,709
LIABILITIES:				
Payables for:				
Depository fees (Note 5) . . . . .		19,780,401		3,100
Units redeemed . . . . .		13,526,546		—
Administrative Agent fees (Note 6) . . . . .		9,931,960		11,363
Taxe d'abonnement (Note 8) . . . . .		3,502,117		419
Audit fees . . . . .		2,183,969		269
Management fees (Note 3) . . . . .		902,864		379
Transfer Agent fees (Note 7) . . . . .		821,718		3,124
Investment management fees (Note 4) . . . . .		—		5,679
Interest . . . . .		—		1,909
Unrealized depreciation on futures contracts (Note 2j, 13) . . . . .		—		—
Other liabilities . . . . .		998,133		2
Total Liabilities . . . . .		51,647,708		26,244
TOTAL NET ASSETS . . . . .	JPY	125,453,121,770	USD	11,469,465
NET ASSET VALUE PER UNIT:				
Class A . . . . .	JPY	0.46		
Class A Un-hedged Units . . . . .			JPY	1.33
Class B JPY Hedged Units . . . . .			JPY	0.82
NET ASSET VALUE PER UNIT IN USD EQUIVALENT:				
Class B JPY Hedged Units . . . . .			USD	0.01
Class A Un-hedged Units . . . . .			USD	0.01

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

**NIKKO AM GLOBAL UMBRELLA TRUST**  
**Fonds Commun de Placement à Compartiments Multiples**  
**Statement of Net Assets (continued)**  
**As at December 31, 2016**

	NIKKO AM GLOBAL UMBRELLA TRUST - Australian Bond Fund in AUD		NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Dividend Equity Fund in USD		Combined In EUR	
ASSETS:						
Investments in securities, at market value (Note 2d, 2i) . . . . .	AUD	55,523,611	USD	8,627,096	EUR	1,050,673,727
Cash (Note 2c) . . . . .		827,577		430,072		14,060,208
Unrealized appreciation on forward foreign currency exchange contracts (Note 2h, 13) . . . . .		—		—		35,920
Unrealized appreciation on futures contracts (Note 2j, 13) . . .		5,699		—		3,912
Unrealized appreciation on swap contracts (Note 2k & 13) . . .		27,478		—		18,864
Receivables for:						
Investments sold . . . . .		3,007		—		2,074
Interest (Note 2e) . . . . .		661,307		—		12,023,357
Units subscribed . . . . .		540,000		—		2,431,604
Dividends (Note 2e) . . . . .		—		5,192		4,922
Total Assets . . . . .		57,588,679		9,062,360		1,079,254,588
LIABILITIES:						
Payables for:						
Depository fees (Note 5) . . . . .		9,955		11,400		181,376
Units redeemed . . . . .		—		—		109,957
Administrative Agent fees (Note 6) . . . . .		21,107		12,032		117,408
Taxe d'abonnement (Note 8) . . . . .		1,451		236		30,086
Audit fees . . . . .		1,284		743		19,594
Management fees (Note 3) . . . . .		1,928		308		9,314
Transfer Agent fees (Note 7) . . . . .		2,270		1,767		12,875
Investment management fees (Note 4) . . . . .		21,691		4,326		24,377
Interest . . . . .		17,402		—		13,757
Unrealized depreciation on futures contracts (Note 2j, 13) . . .		26,047		—		17,882
Other liabilities . . . . .		159		247		8,459
Total Liabilities . . . . .		103,294		31,059		545,085
TOTAL NET ASSETS . . . . .	AUD	57,485,385	USD	9,031,301	EUR	1,078,709,503
NET ASSET VALUE PER UNIT:						
Class A . . . . .	AUD	0.84	JPY	1.19		
Class C . . . . .			USD	7.94		
NET ASSET VALUE PER UNIT IN USD EQUIVALENT:						
Class A . . . . .			USD	0.01		

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



**NIKKO AM GLOBAL UMBRELLA TRUST**  
**Fonds Commun de Placement à Compartiments Multiples**  
**Statement of Operations and Changes in Net Assets**  
**For the Year Ended December 31, 2016**

	NIKKO AM GLOBAL UMBRELLA TRUST - High Income Sovereign Index Fund in JPY		NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Yield Bond Fund in USD	
NET INVESTMENT INCOME:				
Income:				
Interest (Note 2e) . . . . .	JPY	8,047,703,511	USD	828,718
Other income . . . . .		—		7,250
Total Income . . . . .		8,047,703,511		835,968
Expenses:				
Depository fees (Note 5) . . . . .		85,725,500		5,564
Administrative Agent fees (Note 6) . . . . .		28,699,027		50,423
Transaction costs (Note 9) . . . . .		24,961,085		8,739
Taxe d'abonnement (Note 8) . . . . .		12,051,279		1,269
Management fees (Note 3) . . . . .		10,800,635		5,073
Audit fees . . . . .		5,083,535		565
Transfer Agent fees (Note 7) . . . . .		2,902,190		11,551
Legal fees . . . . .		105,086		1,986
Investment management fees (Note 4) . . . . .		—		76,101
Interest expenses . . . . .		—		1,909
Other expenses . . . . .		8,741,786		828
Total Expenses . . . . .		179,070,123		164,008
Net Investment Income . . . . .		7,868,633,388		671,960
NET REALIZED AND UNREALIZED GAIN/(LOSS):				
Net realized gain/(loss) on investments (Note 2e, 2i) . . . . .		(12,483,418,673)		403,963
Net realized gain/(loss) on foreign currency transactions and forward foreign currency exchange contracts . . . . .		(469,489,351)		217,100
Net change in unrealized appreciation on investments . . . . .		18,068,844,738		140,475
Net change in unrealized appreciation/(depreciation) on foreign currency transactions and forward foreign currency exchange contracts . . . . .		223,432,130		(29,880)
Net Realized and Unrealized Gain on Investments . . . . .		5,339,368,844		731,658
Net Increase in Net Assets Resulting from Operations . . . . .		13,208,002,232		1,403,618
Increase/(decrease) in Net Assets from capital stock transactions . . . . .		33,950,730,376		(3,208,069)
Distributions declared to Unitholders (Note 2f, 12) . . . . .		(42,148,642,174)		(1,737,459)
Total Increase/(Decrease) in Net Assets . . . . .		5,010,090,434		(3,541,910)
NET ASSETS:				
Beginning of the year . . . . .		120,443,031,336		15,011,375
Notional exchange rate adjustment . . . . .		—		—
End of the year . . . . .	JPY	125,453,121,770	USD	11,469,465

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

**NIKKO AM GLOBAL UMBRELLA TRUST**  
**Fonds Commun de Placement à Compartiments Multiples**  
**Statement of Operations and Changes in Net Assets (continued)**  
**For the Year Ended December 31, 2016**

	NIKKO AM GLOBAL UMBRELLA TRUST - Australian Bond Fund in AUD		NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Dividend Equity Fund in USD		Combined in EUR	
NET INVESTMENT INCOME:						
Income:						
Interest (Note 2e) . . . . .	AUD	1,730,498	USD	568	EUR	67,394,030
Dividends (Note 2e) . . . . .		—		327,622		310,616
Other income . . . . .		—		—		6,874
Total Income . . . . .		1,730,498		328,190		67,711,520
Expenses:						
Depository fees (Note 5) . . . . .		23,543		17,828		735,203
Administrative Agent fees (Note 6) . . . . .		80,188		46,171		379,924
Transaction costs (Note 9) . . . . .		32,689		72,098		301,991
Taxe d'abonnement (Note 8) . . . . .		5,865		1,011		104,153
Management fees (Note 3) . . . . .		23,540		4,046		112,605
Audit fees . . . . .		3,031		968		44,858
Transfer Agent fees (Note 7) . . . . .		8,213		7,347		47,147
Legal fees . . . . .		2,877		2,115		6,717
Investment management fees (Note 4) . . . . .		264,822		56,646		307,660
Interest expenses . . . . .		17,999		—		14,166
Other expenses . . . . .		1,718		7,331		79,978
Total Expenses . . . . .		464,485		215,561		2,134,402
Net Investment Income . . . . .		1,266,013		112,629		65,577,118
NET REALIZED AND UNREALIZED GAIN/(LOSS):						
Net realized gain/(loss) on investments (Note 2e, 2i) . . . . .		831,729		(784,935)		(101,267,914)
Net realized loss on foreign currency transactions and forward foreign currency exchange contracts . . . . .		—		(11,747)		(3,621,785)
Net realized gain on futures contracts . . . . .		35,126		—		24,114
Net realized loss on swap agreements. . . . .		(4,397)		—		(3,019)
Net change in unrealized appreciation/(depreciation) on investments . . . . .		(554,940)		690,061		147,288,090
Net change in unrealized appreciation on foreign currency transactions and forward foreign currency exchange contracts . . . . .		—		77		1,788,024
Net change in unrealized depreciation on futures contracts . . . . .		(17,135)		—		(11,763)
Net change in unrealized appreciation on swap agreement . . . . .		27,478		—		18,864
Net Realized and Unrealized Gain/(Loss) on Investments . . . . .		317,861		(106,544)		44,214,611
Net Increase in Net Assets Resulting from Operations . . . . .		1,583,874		6,085		109,791,729
Increase/(decrease) in Net Assets from capital stock transactions . . . . .		(5,989,320)		(1,389,038)		267,515,261
Distributions declared to Unitholders (Note 2f, 12) . . . . .		(4,003,939)		(619,093)		(347,609,297)
Total Increase/(Decrease) in Net Assets . . . . .		(8,409,385)		(2,002,046)		29,697,693
NET ASSETS:						
Beginning of the year . . . . .		65,894,770		11,033,347		995,524,429
Notional exchange rate adjustment . . . . .		—		—		53,487,381
End of the year . . . . .	AUD	57,485,385	USD	9,031,301	EUR	1,078,709,503

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

**NIKKO AM GLOBAL UMBRELLA TRUST**  
**Fonds Commun de Placement à Compartiments Multiples**  
**Statistical Information**  
**As at December 31, 2016**

	<u>December 31, 2016</u>	<u>December 31, 2015</u>	<u>December 31, 2014</u>
<b>TOTAL NET ASSETS</b>			
NIKKO AM GLOBAL UMBRELLA TRUST -			
High Income Sovereign Index Fund			
Class A . . . . .	<u>JPY 125,453,121,770</u>	<u>JPY 120,443,031,336</u>	<u>JPY 140,584,123,587</u>
<b>UNITS OUTSTANDING</b>			
NIKKO AM GLOBAL UMBRELLA TRUST -			
High Income Sovereign Index Fund			
Class A . . . . .	<u>271,277,291,087</u>	<u>204,149,873,687</u>	<u>167,670,925,234</u>
<b>NET ASSET VALUE PER UNIT</b>			
NIKKO AM GLOBAL UMBRELLA TRUST -			
High Income Sovereign Index Fund			
Class A . . . . .	<u>JPY 0.46</u>	<u>JPY 0.59</u>	<u>JPY 0.84</u>
<b>TOTAL NET ASSETS</b>			
NIKKO AM GLOBAL UMBRELLA TRUST -			
Asia High Yield Bond Fund			
Class A Un-hedged Units . . . . .	<u>JPY 812,847,316</u>	<u>JPY 1,029,042,220</u>	<u>JPY 950,359,900</u>
Class B JPY Hedged Units . . . . .	<u>JPY 524,893,714</u>	<u>JPY 776,751,096</u>	<u>JPY 1,396,632,908</u>
Class A Un-hedged Units Equivalent in USD . . . . .	<u>USD 6,969,154</u>	<u>USD 8,554,323</u>	<u>USD 7,926,602</u>
Class B JPY Hedged Units Equivalent in USD . . . . .	<u>USD 4,500,311</u>	<u>USD 6,457,052</u>	<u>USD 11,648,800</u>
<b>UNITS OUTSTANDING</b>			
NIKKO AM GLOBAL UMBRELLA TRUST -			
Asia High Yield Bond Fund			
Class A Un-hedged Units . . . . .	<u>610,287,110</u>	<u>727,360,077</u>	<u>645,202,145</u>
Class B JPY Hedged Units . . . . .	<u>638,894,853</u>	<u>883,405,099</u>	<u>1,458,704,608</u>
<b>NET ASSET VALUE PER UNIT</b>			
NIKKO AM GLOBAL UMBRELLA TRUST -			
Asia High Yield Bond Fund			
Class A Un-hedged Units . . . . .	<u>JPY 1.33</u>	<u>JPY 1.41</u>	<u>JPY 1.47</u>
Class B JPY Hedged Units . . . . .	<u>JPY 0.82</u>	<u>JPY 0.88</u>	<u>JPY 0.96</u>
Class A Un-hedged Units Equivalent in USD . . . . .	<u>USD 0.01</u>	<u>USD 0.01</u>	<u>USD 0.01</u>
Class B JPY Hedged Units Equivalent in USD . . . . .	<u>USD 0.01</u>	<u>USD 0.01</u>	<u>USD 0.01</u>

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

**NIKKO AM GLOBAL UMBRELLA TRUST**  
**Fonds Commun de Placement à Compartiments Multiples**  
**Statistical Information (continued)**  
**As at December 31, 2016**

	<u>December 31, 2016</u>	<u>December 31, 2015</u>	<u>December 31, 2014</u>
<b>TOTAL NET ASSETS</b>			
NIKKO AM GLOBAL UMBRELLA TRUST -			
Australian Bond Fund			
Class A . . . . .	AUD 57,485,385	AUD 65,894,770	AUD 40,809,942
<b>UNITS OUTSTANDING</b>			
NIKKO AM GLOBAL UMBRELLA TRUST -			
Australian Bond Fund			
Class A . . . . .	68,081,840	74,808,250	44,146,061
<b>NET ASSET VALUE PER UNIT</b>			
NIKKO AM GLOBAL UMBRELLA TRUST -			
Australian Bond Fund			
Class A . . . . .	AUD 0.84	AUD 0.88	AUD 0.92
<b>TOTAL NET ASSETS</b>			
NIKKO AM GLOBAL UMBRELLA TRUST -			
Asia High Dividend Equity Fund			
Class A . . . . .	JPY 542,810,457	JPY 595,231,901	JPY 32,612,539
Class B . . . . .	JPY –	JPY 163,822,222	JPY 178,019,031
Class A Equivalent in USD . . . . .	USD 4,653,924	USD 4,948,113	USD 272,009
Class B Equivalent in USD . . . . .	USD –	USD 1,361,840	USD 1,484,791
Class C . . . . .	USD 4,377,377	USD 4,723,394	USD 6,178,695
<b>UNITS OUTSTANDING</b>			
NIKKO AM GLOBAL UMBRELLA TRUST -			
Asia High Dividend Equity Fund			
Class A . . . . .	454,933,677	446,532,936	21,290,588
Class B . . . . .	–	100,000,000	100,000,000
Class C . . . . .	551,485	557,400	635,870
<b>NET ASSET VALUE PER UNIT</b>			
NIKKO AM GLOBAL UMBRELLA TRUST -			
Asia High Dividend Equity Fund			
Class A . . . . .	JPY 1.19	JPY 1.33	JPY 1.53
Class B . . . . .	JPY –	JPY 1.64	JPY 1.78
Class A Equivalent in USD . . . . .	USD 0.01	USD 0.01	USD 0.01
Class B Equivalent in USD . . . . .	USD –	USD 0.01	USD 0.01
Class C . . . . .	USD 7.94	USD 8.47	USD 9.72

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

**NIKKO AM GLOBAL UMBRELLA TRUST - High Income Sovereign Index Fund**  
**Fonds Commun de Placement à Compartiments Multiples**  
**Portfolio of Investments**  
**As at December 31, 2016**

Currency	Principal Amount	Security Description	% of Net Assets	Market Value
<b>A. TRANSFERABLE SECURITIES QUOTED ON A STOCK EXCHANGE</b>				
<b>FIXED INCOME SECURITIES (97.6%)*</b>				
<b>AUSTRALIA (15.0%)</b>				
<b>GOVERNMENT BONDS (15.0%)</b>				
Australia Government Bonds				
AUD	10,900,000	1.75% due 11/21/20	0.7%	JPY 907,988,879
AUD	6,500,000	2.25% due 05/21/28	0.4	515,284,647
AUD	12,000,000	2.75% due 10/21/19	0.8	1,035,104,210
AUD	14,230,000	2.75% due 04/21/24	1.0	1,215,838,466
AUD	8,800,000	2.75% due 11/21/27	0.6	737,376,993
AUD	3,510,000	2.75% due 06/21/35	0.2	269,577,846
AUD	4,200,000	3.00% due 03/21/47	0.2	305,338,422
AUD	9,960,000	3.25% due 10/21/18	0.7	862,123,510
AUD	14,500,000	3.25% due 04/21/25	1.0	1,277,253,783
AUD	6,780,000	3.25% due 04/21/29	0.5	588,368,585
AUD	1,040,000	3.25% due 06/21/39	0.1	83,102,451
AUD	5,080,000	3.75% due 04/21/37	0.4	444,836,840
AUD	16,450,000	4.25% due 04/21/26	1.2	1,564,127,951
AUD	13,100,000	4.50% due 04/15/20	1.0	1,192,646,675
AUD	5,800,000	4.50% due 04/21/33	0.5	568,351,078
AUD	15,570,000	4.75% due 04/21/27	1.2	1,547,165,318
AUD	12,150,000	5.25% due 03/15/19	0.9	1,099,408,154
AUD	9,100,000	5.50% due 01/21/18	0.6	798,421,224
AUD	12,800,000	5.50% due 04/21/23	1.0	1,273,666,236
AUD	14,250,000	5.75% due 05/15/21	1.1	1,382,195,478
AUD	11,800,000	5.75% due 07/15/22	0.9	1,173,163,492
<b>TOTAL GOVERNMENT BONDS</b>				<b>18,841,340,238</b>
<b>TOTAL AUSTRALIA</b>				<b>18,841,340,238</b>
<b>INDONESIA (10.0%)</b>				
<b>GOVERNMENT BONDS (10.0%)</b>				
Indonesia Treasury Bonds				
IDR	85,000,000,000	5.25% due 05/15/18	0.6	717,470,791
IDR	83,900,000,000	5.63% due 05/15/23	0.5	646,295,514
IDR	70,000,000,000	6.13% due 05/15/28	0.4	516,539,839
IDR	32,000,000,000	6.38% due 04/15/42	0.2	214,833,688
IDR	51,000,000,000	6.63% due 05/15/33	0.3	375,197,928
IDR	74,000,000,000	7.00% due 05/15/22	0.5	621,214,079
IDR	66,000,000,000	7.00% due 05/15/27	0.4	539,953,584
IDR	77,000,000,000	7.88% due 04/15/19	0.5	671,942,237
IDR	81,000,000,000	8.25% due 07/15/21	0.6	718,418,762
IDR	65,000,000,000	8.25% due 06/15/32	0.4	559,175,914
IDR	57,000,000,000	8.25% due 05/15/36	0.4	495,931,394
IDR	132,800,000,000	8.38% due 03/15/24	1.0	1,175,552,625
IDR	125,900,000,000	8.38% due 09/15/26	0.9	1,119,378,233
IDR	89,500,000,000	8.38% due 03/15/34	0.6	778,699,294
IDR	5,500,000,000	8.75% due 02/15/44	0.0**	48,476,119
IDR	113,700,000,000	9.00% due 03/15/29	0.8	1,037,484,840
IDR	105,000,000,000	9.50% due 07/15/31	0.8	996,473,431
IDR	40,000,000,000	10.00% due 09/15/24	0.3	385,584,516
IDR	47,000,000,000	11.00% due 11/15/20	0.4	453,358,430
IDR	24,000,000,000	11.50% due 09/15/19	0.2	226,431,444
IDR	23,000,000,000	12.80% due 06/15/21	0.2	238,173,500
<b>TOTAL GOVERNMENT BONDS</b>				<b>12,536,586,162</b>
<b>TOTAL INDONESIA</b>				<b>12,536,586,162</b>
<b>MEXICO (13.3%)</b>				
<b>GOVERNMENT BONDS (13.3%)</b>				
Mexican Bonos				
MXN	388,000,000	4.75% due 06/14/18	1.6	2,133,054,783
MXN	290,000,000	5.00% due 12/11/19	1.2	1,557,812,074
MXN	122,000,000	5.75% due 03/05/26	0.5	612,850,397
MXN	335,000,000	6.50% due 06/10/21	1.5	1,849,418,216
MXN	132,000,000	6.50% due 06/09/22	0.6	721,527,841
MXN	92,000,000	7.50% due 06/03/27	0.4	518,371,743

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

**NIKKO AM GLOBAL UMBRELLA TRUST - High Income Sovereign Index Fund**  
**Fonds Commun de Placement à Compartiments Multiples**  
**Portfolio of Investments (continued)**  
**As at December 31, 2016**

Currency	Principal Amount	Security Description	% of Net Assets	Market Value
<b>FIXED INCOME SECURITIES (97.6%) (continued)</b>				
<b>MEXICO (13.3%) (continued)</b>				
<b>GOVERNMENT BONDS (13.3%) (continued)</b>				
MXN	156,000,000	7.75% due 05/29/31	0.7%	JPY 881,562,389
MXN	109,000,000	7.75% due 11/23/34	0.5	611,691,271
MXN	200,000,000	7.75% due 11/13/42	0.9	1,115,286,792
MXN	152,000,000	8.00% due 06/11/20	0.7	885,622,214
MXN	82,000,000	8.00% due 12/07/23	0.4	481,552,982
MXN	270,000,000	8.50% due 12/13/18	1.3	1,572,803,845
MXN	122,000,000	8.50% due 05/31/29	0.6	734,642,333
MXN	120,000,000	8.50% due 11/18/38	0.6	721,619,353
MXN	274,500,000	10.00% due 12/05/24	1.4	1,798,406,806
MXN	72,000,000	10.00% due 11/20/36	0.4	495,561,863
<b>TOTAL GOVERNMENT BONDS</b>				<b>16,691,784,902</b>
<b>TOTAL MEXICO</b>				<b>16,691,784,902</b>
<b>RUSSIA (20.7%)</b>				
<b>GOVERNMENT BONDS (20.7%)</b>				
Russian Federal Bonds - OFZ				
RUB	780,000,000	6.20% due 01/31/18	1.2	1,457,095,037
RUB	890,000,000	6.40% due 05/27/20	1.3	1,610,921,486
RUB	1,050,000,000	6.70% due 05/15/19	1.5	1,944,020,039
RUB	770,000,000	6.80% due 12/11/19	1.1	1,418,258,582
RUB	820,000,000	7.00% due 01/25/23	1.2	1,476,668,030
RUB	1,205,000,000	7.00% due 08/16/23	1.7	2,160,875,813
RUB	80,000,000	7.00% due 08/16/23	0.1	143,460,635
RUB	1,330,000,000	7.05% due 01/19/28	1.9	2,323,182,724
RUB	665,000,000	7.50% due 03/15/18	1.0	1,261,539,404
RUB	775,000,000	7.50% due 02/27/19	1.2	1,463,850,720
RUB	1,205,000,000	7.50% due 08/18/21	1.8	2,249,873,842
RUB	750,000,000	7.60% due 04/14/21	1.1	1,405,724,530
RUB	690,000,000	7.60% due 07/20/22	1.0	1,287,861,258
RUB	310,000,000	7.75% due 09/16/26	0.5	570,850,990
RUB	1,440,000,000	8.15% due 02/03/27	2.2	2,740,380,067
RUB	772,000,000	8.50% due 09/17/31	1.2	1,484,749,742
Russian Foreign Bonds - Eurobonds				
RUB	480,000,000	7.85% due 03/10/18	0.7	907,596,837
<b>TOTAL GOVERNMENT BONDS</b>				<b>25,906,909,736</b>
<b>TOTAL RUSSIA</b>				<b>25,906,909,736</b>
<b>SOUTH AFRICA (4.0%)</b>				
<b>GOVERNMENT BONDS (4.0%)</b>				
South Africa Government Bonds				
ZAR	47,700,000	6.25% due 03/31/36	0.2	289,942,201
ZAR	44,500,000	6.50% due 02/28/41	0.2	270,037,598
ZAR	29,800,000	6.75% due 03/31/21	0.2	240,303,973
ZAR	50,200,000	7.00% due 02/28/31	0.3	350,241,048
ZAR	33,600,000	7.25% due 01/15/20	0.2	279,741,799
ZAR	34,500,000	7.75% due 02/28/23	0.2	282,070,747
ZAR	24,200,000	8.00% due 12/21/18	0.2	206,599,506
ZAR	52,900,000	8.00% due 01/31/30	0.4	405,989,022
ZAR	39,900,000	8.25% due 03/31/32	0.2	306,151,522
ZAR	38,900,000	8.50% due 01/31/37	0.2	298,067,807
ZAR	33,700,000	8.75% due 01/31/44	0.2	262,854,332
ZAR	69,100,000	8.75% due 02/28/48	0.5	538,208,106
ZAR	21,400,000	8.88% due 02/28/35	0.1	171,289,811
ZAR	19,300,000	9.00% due 01/31/40	0.1	154,455,648
ZAR	99,900,000	10.50% due 12/21/26	0.8	939,457,476
<b>TOTAL GOVERNMENT BONDS</b>				<b>4,995,410,596</b>
<b>TOTAL SOUTH AFRICA</b>				<b>4,995,410,596</b>
<b>SOUTH KOREA (15.1%)</b>				
<b>GOVERNMENT BONDS (15.1%)</b>				
Korea Treasury Bonds				
KRW	30,000,000,000	1.38% due 09/10/21	2.3	2,842,075,588
KRW	54,200,000,000	1.50% due 06/10/19	4.1	5,216,077,055

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

**NIKKO AM GLOBAL UMBRELLA TRUST - High Income Sovereign Index Fund**  
**Fonds Commun de Placement à Compartiments Multiples**  
**Portfolio of Investments (continued)**  
**As at December 31, 2016**

Currency	Principal Amount	Security Description	% of Net Assets	Market Value
<b>FIXED INCOME SECURITIES (97.6%) (continued)</b>				
<b>SOUTH KOREA (15.1%) (continued)</b>				
<b>GOVERNMENT BONDS (15.1%) (continued)</b>				
KRW	20,000,000,000	1.50% due 09/10/36	1.4%	JPY 1,738,377,108
KRW	52,100,000,000	1.75% due 12/10/18	4.0	5,043,219,462
KRW	25,000,000,000	1.88% due 06/10/26	1.9	2,375,264,732
KRW	18,400,000,000	2.00% due 03/10/46	1.4	1,717,119,448
<b>TOTAL GOVERNMENT BONDS</b>				<b>18,932,133,393</b>
<b>TOTAL SOUTH KOREA</b>				<b>18,932,133,393</b>
<b>UNITED STATES (19.5%)</b>				
<b>GOVERNMENT BONDS (19.5%)</b>				
U.S. Treasury Bonds				
USD	10,600,000	3.00% due 05/15/45	1.0	1,219,620,730
USD	10,000,000	4.63% due 02/15/40	1.2	1,490,559,118
USD	700,000	5.25% due 11/15/28	0.1	103,937,284
USD	10,000,000	5.38% due 02/15/31	1.1	1,553,432,380
U.S. Treasury Notes				
USD	10,450,000	0.75% due 02/28/18	1.1	1,215,978,779
USD	10,000,000	1.38% due 09/30/18	0.9	1,170,723,793
USD	10,000,000	1.38% due 09/30/20	0.9	1,153,137,568
USD	900,000	1.38% due 04/30/21	0.1	102,974,625
USD	10,000,000	1.50% due 08/31/18	0.9	1,173,639,668
USD	10,000,000	1.50% due 02/28/19	0.9	1,172,728,749
USD	10,000,000	1.50% due 08/15/26	0.9	1,072,723,569
USD	10,000,000	1.63% due 07/31/19	0.9	1,174,505,100
USD	10,000,000	1.63% due 07/31/20	0.9	1,165,575,524
USD	9,550,000	1.75% due 05/15/23	0.9	1,084,885,940
USD	10,000,000	2.00% due 02/15/23	0.9	1,156,736,924
USD	11,150,000	2.13% due 08/15/21	1.0	1,312,824,387
USD	10,000,000	2.13% due 06/30/22	0.9	1,170,450,867
USD	10,000,000	2.13% due 05/15/25	0.9	1,143,386,882
USD	10,000,000	2.38% due 08/15/24	0.9	1,171,771,175
USD	10,000,000	3.13% due 05/15/19	1.0	1,216,056,318
USD	10,000,000	3.63% due 02/15/20	1.1	1,241,115,347
USD	10,000,000	3.63% due 02/15/21	1.0	1,252,004,391
<b>TOTAL GOVERNMENT BONDS</b>				<b>24,518,769,118</b>
<b>TOTAL UNITED STATES</b>				<b>24,518,769,118</b>
<b>TOTAL FIXED INCOME SECURITIES (Cost JPY 122,606,901,476)</b>				<b>122,422,934,145</b>
<b>TOTAL TRANSFERABLE SECURITIES QUOTED ON A STOCK EXCHANGE (Cost JPY 122,606,901,476)</b>				
			97.6%	JPY 122,422,934,145
<b>CASH AND OTHER ASSETS IN EXCESS OF LIABILITIES</b>			2.4	3,030,187,625
<b>TOTAL NET ASSETS</b>			<b>100.0%</b>	<b>JPY 125,453,121,770</b>

\* All securities are traded on official stock exchange.

\*\* Represents less than 0.05% of net assets.

**Foreign Currency Legend**

AUD	Australian Dollar
IDR	Indonesian Rupiah
KRW	South Korean Won
MXN	Mexican Peso
RUB	Russian Ruble
USD	US Dollar
ZAR	South African Rand

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

**NIKKO AM GLOBAL UMBRELLA TRUST - High Income Sovereign Index Fund**  
**Fonds Commun de Placement à Compartiments Multiples**  
**Classifications**  
**As at December 31, 2016**

<b>Industry</b>	<b>% of Net Assets</b>
Government - National . . . . .	97.6%
<b>Total Investments</b> . . . . .	<b>97.6%</b>
<b>Cash and other net assets in excess of liabilities</b> . . . . .	<b>2.4%</b>
<b>Total Net Assets</b> . . . . .	<b>100.0%</b>

<b>Country</b>	<b>% of Net Assets</b>
Russia . . . . .	20.7%
United States . . . . .	19.5
South Korea . . . . .	15.1
Australia . . . . .	15.0
Mexico . . . . .	13.3
Indonesia . . . . .	10.0
South Africa . . . . .	4.0
<b>Total Investments</b> . . . . .	<b>97.6%</b>
<b>Cash and other assets in excess of liabilities</b> . . . . .	<b>2.4%</b>
<b>Total Net Assets</b> . . . . .	<b>100.00%</b>

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



**NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Yield Bond Fund**  
**Fonds Commun de Placement à Compartiments Multiples**  
**Portfolio of Investments**  
**As at December 31, 2016**

Currency	Principal Amount	Security Description	% of Net Assets	Market Value
<b>A. TRANSFERABLE SECURITIES QUOTED ON A STOCK EXCHANGE</b>				
<b>FIXED INCOME SECURITIES (84.6%)*</b>				
<b>BERMUDA (1.7%)</b>				
<b>CORPORATE BONDS &amp; NOTES (1.7%)</b>				
USD	200,000	GCX Ltd. 7.00% due 08/01/19	1.7%	USD 198,325
<b>TOTAL CORPORATE BONDS &amp; NOTES</b>				<b>198,325</b>
<b>TOTAL BERMUDA</b>				<b>198,325</b>
<b>BRITISH VIRGIN ISLANDS (5.3%)</b>				
<b>CORPORATE BONDS &amp; NOTES (5.3%)</b>				
USD	200,000	Chinalco Capital Holdings Ltd. 4.00% due 08/25/21	1.7	196,453
USD	200,000	Studio City Co. Ltd. 7.25% due 11/30/21	1.8	207,000
USD	200,000	Trillion Chance Ltd. 8.50% due 01/10/19	1.8	208,000
<b>TOTAL CORPORATE BONDS &amp; NOTES</b>				<b>611,453</b>
<b>TOTAL BRITISH VIRGIN ISLANDS</b>				<b>611,453</b>
<b>CAYMAN ISLANDS (41.9%)</b>				
<b>CORPORATE BONDS &amp; NOTES (41.9%)</b>				
USD	200,000	Agile Group Holdings Ltd. 8.38% due 02/18/19	1.8	209,018
USD	200,000	Central China Real Estate Ltd. 6.50% due 06/04/18	1.8	202,780
USD	200,000	China Aoyuan Property Group Ltd. 10.88% due 05/26/18	1.9	215,403
USD	200,000	11.25% due 01/17/19	1.9	212,783
USD	200,000	China Hongqiao Group Ltd. 6.88% due 05/03/18	1.8	205,352
USD	200,000	CIFI Holdings Group Co. Ltd. 8.88% due 01/27/19	1.8	210,030
USD	200,000	Country Garden Holdings Co. Ltd. 7.25% due 04/04/21	1.8	210,059
USD	200,000	eHi Car Services Ltd. 7.50% due 12/08/18	1.8	210,640
USD	200,000	Fantasia Holdings Group Co. Ltd. 10.63% due 01/23/19	1.8	212,023
USD	200,000	Future Land Development Holdings Ltd. 10.25% due 07/21/19	1.9	215,927
USD	200,000	Hengdeli Holdings Ltd. 6.25% due 01/29/18	1.8	202,500
USD	200,000	KWG Property Holding Ltd. 8.25% due 08/05/19	1.9	212,150
USD	200,000	8.98% due 01/14/19	1.9	209,251
USD	200,000	Logan Property Holdings Co. Ltd. 9.75% due 12/08/17	1.8	210,212
USD	200,000	MCE Finance Ltd. 5.00% due 02/15/21	1.7	198,726
USD	200,000	Moon Wise Global Ltd. 9.00% due 12/31/49 <sup>(1)</sup>	2.0	216,831
USD	200,000	New World China Land Ltd. 5.38% due 11/06/19	1.8	207,746
USD	200,000	Parkson Retail Group Ltd. 4.50% due 05/03/18	1.7	193,893
USD	200,000	Shimao Property Holdings Ltd. 8.13% due 01/22/21	1.9	216,150
USD	200,000	Shui On Development Holding Ltd. 10.13% due 12/31/49 <sup>(1)</sup>	1.8	210,343
USD	200,000	TVB Finance Ltd. 3.63% due 10/11/21	1.7	200,215
USD	200,000	Yestar International Holdings Co. Ltd. 6.90% due 09/15/21	1.8	204,215

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

**NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Yield Bond Fund**  
**Fonds Commun de Placement à Compartiments Multiples**  
**Portfolio of Investments (continued)**  
**As at December 31, 2016**

Currency	Principal Amount	Security Description	% of Net Assets	Market Value
		<b>FIXED INCOME SECURITIES (84.6%) (continued)</b>		
		<b>CAYMAN ISLANDS (41.9%) (continued)</b>		
		<b>CORPORATE BONDS &amp; NOTES (41.9%) (continued)</b>		
USD	200,000	Yuzhou Properties Co. Ltd. 8.63% due 01/24/19	1.8%	USD 208,965
		<b>TOTAL CORPORATE BONDS &amp; NOTES</b>		<b>4,795,212</b>
		<b>TOTAL CAYMAN ISLANDS</b>		<b>4,795,212</b>
		<b>HONG KONG (8.8%)</b>		
		<b>CORPORATE BONDS &amp; NOTES (8.8%)</b>		
USD	200,000	Bank of East Asia Ltd. 4.25% due 11/20/24	1.7	201,218
USD	200,000	5.50% due 12/31/49 <sup>(1)</sup>	1.7	191,530
USD	200,000	China CITIC Bank International Ltd. 7.25% due 12/31/49 <sup>(1)</sup>	1.8	209,700
USD	200,000	Chong Hing Bank Ltd. 6.50% due 12/31/49 <sup>(1)</sup>	1.8	205,535
USD	200,000	Zoomlion HK SPV Co. Ltd. 6.88% due 04/05/17	1.8	201,060
		<b>TOTAL CORPORATE BONDS &amp; NOTES</b>		<b>1,009,043</b>
		<b>TOTAL HONG KONG</b>		<b>1,009,043</b>
		<b>INDIA (1.7%)</b>		
		<b>CORPORATE BONDS &amp; NOTES (1.7%)</b>		
USD	200,000	JSW Steel Ltd. 4.75% due 11/12/19	1.7	197,128
		<b>TOTAL CORPORATE BONDS &amp; NOTES</b>		<b>197,128</b>
		<b>TOTAL INDIA</b>		<b>197,128</b>
		<b>JERSEY, CHANNEL ISLANDS (1.8%)</b>		
		<b>CORPORATE BONDS &amp; NOTES (1.8%)</b>		
USD	200,000	West China Cement Ltd. 6.50% due 09/11/19	1.8	208,131
		<b>TOTAL CORPORATE BONDS &amp; NOTES</b>		<b>208,131</b>
		<b>TOTAL JERSEY, CHANNEL ISLANDS</b>		<b>208,131</b>
		<b>MAURITIUS (1.8%)</b>		
		<b>CORPORATE BONDS &amp; NOTES (1.8%)</b>		
USD	200,000	HT Global IT Solutions Holdings Ltd. 7.00% due 07/14/21	1.8	206,740
		<b>TOTAL CORPORATE BONDS &amp; NOTES</b>		<b>206,740</b>
		<b>TOTAL MAURITIUS</b>		<b>206,740</b>
		<b>NETHERLANDS (1.8%)</b>		
		<b>CORPORATE BONDS &amp; NOTES (1.8%)</b>		
USD	200,000	Royal Capital BV 5.50% due 12/31/49 <sup>(1)</sup>	1.8	204,988
		<b>TOTAL CORPORATE BONDS &amp; NOTES</b>		<b>204,988</b>
		<b>TOTAL NETHERLANDS</b>		<b>204,988</b>
		<b>PHILIPPINES (3.6%)</b>		
		<b>CORPORATE BONDS &amp; NOTES (3.6%)</b>		
USD	200,000	Petron Corp. 7.50% due 12/31/49 <sup>(1)</sup>	1.8	208,400
USD	200,000	SMC Global Power Holdings Corp. 6.75% due 12/31/49 <sup>(1)</sup>	1.8	204,965
		<b>TOTAL CORPORATE BONDS &amp; NOTES</b>		<b>413,365</b>
		<b>TOTAL PHILIPPINES</b>		<b>413,365</b>

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

**NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Yield Bond Fund**  
**Fonds Commun de Placement à Compartiments Multiples**  
**Portfolio of Investments (continued)**  
**As at December 31, 2016**

Currency	Principal Amount	Security Description	% of Net Assets	Market Value
		<b>FIXED INCOME SECURITIES (84.6%) (continued)</b>		
		<b>SINGAPORE (7.2%)</b>		
		<b>CORPORATE BONDS &amp; NOTES (7.2%)</b>		
USD	200,000	Alam Synergy Pte Ltd. 6.95% due 03/27/20	1.8%	USD 203,000
USD	200,000	Golden Legacy Pte Ltd. 8.25% due 06/07/21	1.8	206,107
USD	200,000	Pacific Emerald Pte Ltd. 9.75% due 07/25/18	1.8	208,600
USD	200,000	Pakuwon Prima Pte Ltd. 7.13% due 07/02/19	1.8	209,921
		<b>TOTAL CORPORATE BONDS &amp; NOTES</b>		<b>827,628</b>
		<b>TOTAL SINGAPORE</b>		<b>827,628</b>
		<b>SOUTH KOREA (1.8%)</b>		
		<b>CORPORATE BONDS &amp; NOTES (1.8%)</b>		
USD	200,000	Woori Bank 4.75% due 04/30/24	1.8	201,768
		<b>TOTAL CORPORATE BONDS &amp; NOTES</b>		<b>201,768</b>
		<b>TOTAL SOUTH KOREA</b>		<b>201,768</b>
		<b>SRI LANKA (1.8%)</b>		
		<b>CORPORATE BONDS &amp; NOTES (1.8%)</b>		
USD	200,000	National Savings Bank 8.88% due 09/18/18	1.8	211,250
		<b>TOTAL CORPORATE BONDS &amp; NOTES</b>		<b>211,250</b>
		<b>TOTAL SRI LANKA</b>		<b>211,250</b>
		<b>THAILAND (1.8%)</b>		
		<b>CORPORATE BONDS &amp; NOTES (1.8%)</b>		
USD	200,000	Krung Thai Bank PCL 5.20% due 12/26/24	1.8	207,095
		<b>TOTAL CORPORATE BONDS &amp; NOTES</b>		<b>207,095</b>
		<b>TOTAL THAILAND</b>		<b>207,095</b>
		<b>UNITED KINGDOM (3.6%)</b>		
		<b>CORPORATE BONDS &amp; NOTES (3.6%)</b>		
USD	200,000	Vedanta Resources PLC 6.00% due 01/31/19	1.7	200,500
USD	200,000	9.50% due 07/18/18	1.9	211,847
		<b>TOTAL CORPORATE BONDS &amp; NOTES</b>		<b>412,347</b>
		<b>TOTAL UNITED KINGDOM</b>		<b>412,347</b>
		<b>TOTAL FIXED INCOME SECURITIES (Cost USD 9,430,238)</b>		<b>9,704,473</b>
		<b>TOTAL TRANSFERABLE SECURITIES QUOTED ON A STOCK EXCHANGE OR DEALT IN ON ANOTHER REGULATED MARKET (Cost USD 9,430,238)</b>	84.6%	USD 9,704,473
		<b>CASH AND OTHER ASSETS IN EXCESS OF LIABILITIES</b>	15.4	1,764,992
		<b>TOTAL NET ASSETS</b>	<b>100.0%</b>	<b>USD 11,469,465</b>

\* All Securities are traded on official stock exchange.

(1) Perpetual maturity.

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

**NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Yield Bond Fund**  
**Fonds Commun de Placement à Compartiments Multiples**  
**Classifications**  
**As at December 31, 2016**

<b>Industry</b>	<b>% of Net Assets</b>
Financial . . . . .	31.4%
Industrial . . . . .	28.4
Bank . . . . .	12.4
Special Purpose . . . . .	12.4
<b>Total Investments</b> . . . . .	<b>84.6%</b>
<b>Cash and other net assets in excess of liabilities</b> . . . . .	<b>15.4%</b>
<b>Total Net Assets</b> . . . . .	<b>100.0%</b>

<b>Country</b>	<b>% of Net Assets</b>
Cayman Islands . . . . .	41.9%
Hong Kong . . . . .	8.8
Singapore . . . . .	7.2
British Virgin Islands . . . . .	5.3
United Kingdom . . . . .	3.6
Philippines . . . . .	3.6
Sri Lanka . . . . .	1.8
Thailand . . . . .	1.8
Jersey, Channel Islands . . . . .	1.8
Mauritius . . . . .	1.8
Netherlands . . . . .	1.8
South Korea . . . . .	1.8
Bermuda . . . . .	1.7
India . . . . .	1.7
<b>Total Investments</b> . . . . .	<b>84.6%</b>
<b>Cash and other assets in excess of liabilities</b> . . . . .	<b>15.4%</b>
<b>Total Net Assets</b> . . . . .	<b>100.0%</b>

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

**NIKKO AM GLOBAL UMBRELLA TRUST - Australian Bond Fund**  
**Fonds Commun de Placement à Compartiments Multiples**  
**Portfolio of Investments**  
**As at December 31, 2016**

Currency	Principal Amount	Security Description	% of Net Assets	Market Value
<b>A. TRANSFERABLE SECURITIES QUOTED ON A STOCK EXCHANGE OR DEALT IN ON ANOTHER REGULATED MARKET</b>				
<b>FIXED INCOME SECURITIES (88.8%)</b>				
<b>AUSTRALIA (67.9%)</b>				
<b>ASSET-BACKED SECURITIES (1.0%)</b>				
AUD	500,000	Medallion Trust Series 2014-1, Class A3* 4.50% due 04/22/46	0.9%	AUD 514,185
AUD	55,262	Reds Trust Series 2007-2, Class A 2.05% due 12/03/38 <sup>(1)</sup>	0.1	55,091
<b>TOTAL ASSET-BACKED SECURITIES</b>				<b>569,276</b>
<b>CORPORATE BONDS &amp; NOTES (23.0%)</b>				
AUD	500,000	Bank of Queensland Ltd. 2.90% due 04/29/19 <sup>(1)</sup> *	0.9	500,866
AUD	500,000	4.00% due 06/12/18	0.9	507,790
AUD	500,000	BHP Billiton Finance Ltd. 3.00% due 03/30/20	0.8	495,510
AUD	200,000	3.75% due 10/18/17	0.4	201,565
AUD	500,000	BMW Australia Finance Ltd. 2.75% due 02/23/18	0.9	501,457
AUD	700,000	Caterpillar Financial Australia Ltd. 4.75% due 05/31/17	1.2	705,831
AUD	500,000	Commonwealth Bank of Australia* 3.25% due 11/17/26	0.8	472,554
AUD	500,000	Crown Group Finance Ltd. 4.50% due 11/18/19	0.9	506,422
AUD	300,000	Dexus Wholesale Property Fund* 4.25% due 07/01/19	0.5	306,897
AUD	500,000	FBG Finance Pty Ltd.* 3.75% due 08/07/20	0.9	499,584
AUD	500,000	General Property Trust 4.50% due 09/11/20	0.9	516,255
AUD	500,000	6.75% due 01/24/19	0.9	536,466
AUD	500,000	John Deere Financial Ltd. 3.50% due 12/18/19	0.9	504,730
AUD	600,000	MC Finance Australia Pty Ltd. 4.75% due 12/17/18	1.1	618,723
AUD	950,000	National Australia Bank Ltd. 7.25% due 03/07/18	1.7	1,002,374
AUD	500,000	Perth Airport Pty Ltd. 6.00% due 07/23/20	0.9	533,298
AUD	500,000	QPH Finance Co. Pty Ltd. 5.75% due 07/29/20	0.9	534,744
AUD	200,000	Telstra Corp. Ltd. 4.00% due 11/15/17	0.4	202,470
AUD	500,000	Toyota Finance Australia Ltd. 4.25% due 02/26/18	0.9	509,722
AUD	500,000	United Energy Distribution Pty Ltd. 6.25% due 04/11/17	0.9	504,849
AUD	100,000	Vicinity Holdings Ltd. 5.00% due 12/19/19	0.2	104,521
AUD	300,000	Volkswagen Financial Services Australia Pty Ltd. 4.00% due 11/21/19	0.5	303,608
AUD	500,000	5.00% due 06/27/17	0.9	504,627
AUD	200,000	Wesfarmers Ltd. 6.25% due 03/28/19	0.4	213,278
AUD	1,000,000	Westpac Banking Corp. 3.25% due 01/22/20	1.8	1,005,407
AUD	700,000	4.25% due 01/24/18	1.2	713,199
AUD	200,000	6.00% due 02/20/17	0.3	201,009
<b>TOTAL CORPORATE BONDS &amp; NOTES</b>				<b>13,207,756</b>
<b>GOVERNMENT BONDS (43.9%)</b>				
AUD	500,000	Australia Government Bonds 2.25% due 05/21/28	0.8	469,328

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

**NIKKO AM GLOBAL UMBRELLA TRUST - Australian Bond Fund**  
**Fonds Commun de Placement à Compartiments Multiples**  
**Portfolio of Investments (continued)**  
**As at December 31, 2016**

Currency	Principal Amount	Security Description	% of Net Assets	Market Value
<b>FIXED INCOME SECURITIES (88.8%) (continued)</b>				
<b>AUSTRALIA (67.9%) (continued)</b>				
<b>GOVERNMENT BONDS (43.9%) (continued)</b>				
AUD	2,700,000	2.75% due 04/21/24	4.8%	AUD 2,731,538
AUD	2,300,000	2.75% due 11/21/27	4.0	2,281,956
AUD	100,000	3.25% due 04/21/29	0.2	102,753
AUD	1,900,000	3.75% due 04/21/37	3.4	1,969,987
AUD	200,000	4.50% due 04/21/33	0.4	232,055
AUD	4,000,000	5.50% due 04/21/23	8.1	4,712,791
AUD	1,500,000	5.75% due 07/15/22	3.1	1,765,796
New South Wales Treasury Corp.				
AUD	100,000	3.00% due 03/20/28*	0.2	98,255
AUD	400,000	4.00% due 04/20/23	0.8	431,242
AUD	1,600,000	4.00% due 05/20/26*	2.9	1,735,600
AUD	1,200,000	5.00% due 08/20/24*	2.4	1,382,939
Queensland Treasury Corp.				
AUD	3,100,000	4.75% due 07/21/25	6.0	3,491,222
AUD	900,000	5.75% due 07/22/24	1.9	1,070,803
AUD	300,000	6.50% due 03/14/33	0.7	401,648
Treasury Corp. of Victoria				
AUD	200,000	4.75% due 11/20/30	0.4	229,501
AUD	700,000	5.50% due 11/17/26	1.5	849,652
Western Australian Treasury Corp.*				
AUD	1,300,000	2.50% due 07/22/20	2.3	1,303,783
<b>TOTAL GOVERNMENT BONDS</b>				<b>25,260,849</b>
<b>TOTAL AUSTRALIA</b>				<b>39,037,881</b>
<b>CANADA (2.6%)</b>				
<b>CORPORATE BONDS &amp; NOTES (2.6%)</b>				
Export Development Canada				
AUD	500,000	3.25% due 08/08/17	0.9	503,371
Royal Bank of Canada				
AUD	1,000,000	3.25% due 02/10/20	1.7	1,002,514
<b>TOTAL CORPORATE BONDS &amp; NOTES</b>				<b>1,505,885</b>
<b>TOTAL CANADA</b>				<b>1,505,885</b>
<b>GERMANY (4.1%)</b>				
<b>CORPORATE BONDS &amp; NOTES (4.1%)</b>				
Kreditanstalt fuer Wiederaufbau				
AUD	1,500,000	4.00% due 02/27/25	2.7	1,572,222
AUD	500,000	5.50% due 02/09/22	1.0	560,075
Landwirtschaftliche Rentenbank				
AUD	200,000	6.25% due 04/13/18	0.4	210,167
<b>TOTAL CORPORATE BONDS &amp; NOTES</b>				<b>2,342,464</b>
<b>TOTAL GERMANY</b>				<b>2,342,464</b>
<b>SUPRANATIONAL (7.7%)</b>				
<b>CORPORATE BONDS &amp; NOTES (7.7%)</b>				
Asian Development Bank*				
AUD	1,500,000	2.80% due 01/19/21	2.6	1,504,708
AUD	500,000	3.50% due 07/05/17	0.9	503,629
AUD	400,000	3.50% due 07/25/18	0.7	407,927
Inter-American Development Bank				
AUD	500,000	3.75% due 10/09/18	0.9	513,107

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

**NIKKO AM GLOBAL UMBRELLA TRUST - Australian Bond Fund**  
**Fonds Commun de Placement à Compartiments Multiples**  
**Portfolio of Investments (continued)**  
**As at December 31, 2016**

Currency	Principal Amount	Security Description	% of Net Assets	Market Value
		<b>FIXED INCOME SECURITIES (88.8%) (continued)</b>		
		<b>SUPRANATIONAL (7.7%) (continued)</b>		
		<b>CORPORATE BONDS &amp; NOTES (7.7%) (continued)</b>		
		International Bank for Reconstruction & Development		
AUD	400,000	5.75% due 10/21/19	0.8%	AUD 435,926
		International Finance Corp.		
AUD	500,000	2.70% due 02/05/21	0.9	498,985
AUD	500,000	5.75% due 07/28/20	0.9	553,386
		<b>TOTAL CORPORATE BONDS &amp; NOTES</b>		<b>4,417,668</b>
		<b>TOTAL SUPRANATIONAL</b>		<b>4,417,668</b>
		<b>UNITED KINGDOM (0.9%)</b>		
		<b>CORPORATE BONDS &amp; NOTES (0.9%)</b>		
		BP Capital Markets PLC		
AUD	500,000	4.75% due 11/15/18	0.9	515,352
		<b>TOTAL CORPORATE BONDS &amp; NOTES</b>		<b>515,352</b>
		<b>TOTAL UNITED KINGDOM</b>		<b>515,352</b>
		<b>UNITED STATES (5.6%)</b>		
		<b>CORPORATE BONDS &amp; NOTES (5.6%)</b>		
		Apple, Inc.		
AUD	500,000	3.70% due 08/28/22	0.9	506,219
		Bank of America Corp.		
AUD	400,000	4.50% due 08/23/18	0.7	408,933
		Citigroup, Inc.		
AUD	500,000	4.75% due 02/05/18	0.9	509,959
		Intel Corp.		
AUD	500,000	3.25% due 12/01/19	0.9	503,190
		JPMorgan Chase & Co.		
AUD	300,000	4.65% due 11/07/17	0.5	304,964
		Metropolitan Life Global Funding I		
AUD	385,000	4.75% due 09/28/17	0.7	390,390
		Wells Fargo & Co.		
AUD	600,000	4.00% due 08/08/19	1.0	611,821
		<b>TOTAL CORPORATE BONDS &amp; NOTES</b>		<b>3,235,476</b>
		<b>TOTAL UNITED STATES</b>		<b>3,235,476</b>
		<b>TOTAL FIXED INCOME SECURITIES (Cost AUD 51,110,579)</b>		<b>51,054,726</b>
		<b>SHORT TERM INVESTMENTS (7.8%)</b>		
		<b>AUSTRALIA (6.0%)</b>		
		<b>CERTIFICATES OF DEPOSIT (6.0%)</b>		
		Australia & New Zealand Banking Group Ltd.		
AUD	500,000	3.75% due 11/11/19	0.8	509,750
AUD	200,000	4.25% due 04/17/18	0.4	204,336
		Commonwealth Bank of Australia		
AUD	1,000,000	3.75% due 10/18/19	1.8	1,020,246
AUD	1,700,000	4.25% due 01/25/18	3.0	1,732,045
		<b>TOTAL CERTIFICATES OF DEPOSIT</b>		<b>3,466,377</b>
		<b>TOTAL AUSTRALIA</b>		<b>3,466,377</b>
		<b>CHINA (0.9%)</b>		
		<b>CERTIFICATES OF DEPOSIT (0.9%)</b>		
		Bank of China Ltd.		
AUD	500,000	3.25% due 04/09/18	0.9	501,472
		<b>TOTAL CERTIFICATES OF DEPOSIT</b>		<b>501,472</b>
		<b>TOTAL CHINA</b>		<b>501,472</b>

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

**NIKKO AM GLOBAL UMBRELLA TRUST - Australian Bond Fund**  
**Fonds Commun de Placement à Compartiments Multiples**  
**Portfolio of Investments (continued)**  
**As at December 31, 2016**

<b>Currency</b>	<b>Principal Amount</b>	<b>Security Description</b>	<b>% of Net Assets</b>	<b>Market Value</b>
		<b>JAPAN (0.9%)</b>		
		<b>CERTIFICATES OF DEPOSIT (0.9%)</b>		
		Bank of Tokyo-Mitsubishi UFJ Ltd.		
AUD	500,000	3.25% due 03/13/19	0.9%	AUD 501,036
		<b>TOTAL CERTIFICATES OF DEPOSIT</b>		<b>501,036</b>
		<b>TOTAL JAPAN</b>		<b>501,036</b>
		<b>TOTAL SHORT TERM INVESTMENTS (Cost AUD 4,465,588)</b>		<b>4,468,885</b>
		<b>TOTAL TRANSFERABLE SECURITIES QUOTED ON A STOCK EXCHANGE OR DEALT IN ON ANOTHER REGULATED MARKET (Cost AUD 55,576,167)</b>	96.6%	AUD 55,523,611
		<b>CASH AND OTHER ASSETS IN EXCESS OF LIABILITIES</b>	3.4	1,961,774
		<b>TOTAL NET ASSETS</b>	<b>100.0%</b>	<b>AUD 57,485,385</b>

\* Transferable investments dealt on other regulated market. All remaining investments are transferable securities which are traded on an official stock exchange.

<sup>(1)</sup> Floating Rate as of December 31, 2016.

**Foreign Currency Legend**

AUD Australian Dollar

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



**NIKKO AM GLOBAL UMBRELLA TRUST - Australian Bond Fund**  
**Fonds Commun de Placement à Compartiments Multiples**  
**Classifications**  
**As at December 31, 2016**

<b>Industry</b>	<b>% of Net Assets</b>
Government - National . . . . .	24.8%
Bank . . . . .	22.9
Government - Regional . . . . .	19.1
Supranational . . . . .	7.7
Industrial . . . . .	7.5
Special Purpose . . . . .	5.5
Financial. . . . .	5.0
Mortgage-Backed Securities . . . . .	1.0
Transportation-Non Rail . . . . .	0.9
Utility - Electric . . . . .	0.9
Government - Agency . . . . .	0.9
Telephone . . . . .	0.4
<b>Total Investments</b> . . . . .	<b>96.6%</b>
<b>Cash and other net assets in excess of liabilities . . . . .</b>	<b>3.4%</b>
<b>Total Net Assets</b> . . . . .	<b>100.0%</b>

<b>Country</b>	<b>% of Net Assets</b>
Australia. . . . .	73.9%
Supranational . . . . .	7.7
United States . . . . .	5.6
Germany . . . . .	4.1
Canada . . . . .	2.6
United Kingdom . . . . .	0.9
China . . . . .	0.9
Japan . . . . .	0.9
<b>Total Investments</b> . . . . .	<b>96.6%</b>
<b>Cash and other assets in excess of liabilities . . . . .</b>	<b>3.4%</b>
<b>Total Net Assets</b> . . . . .	<b>100.00%</b>

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

**NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Dividend Equity Fund**  
**Fonds Commun de Placement à Compartiments Multiples**  
**Portfolio of Investments**  
**As at December 31, 2016**

Currency	Number of Shares	Security Description	% of Net Assets	Market Value
<b>A. TRANSFERABLE SECURITIES QUOTED ON A STOCK EXCHANGE</b>				
<b>COMMON STOCKS (95.5%)*</b>				
<b>CHINA (18.6%)</b>				
<b>BANKS (2.6%)</b>				
HKD	100,000	China Merchants Bank Co. Ltd. Class H	2.6%	USD 234,485
<b>ELECTRONICS (1.1%)</b>				
HKD	451,000	Flat Glass Group Co. Ltd.	1.1	100,052
<b>ENGINEERING &amp; CONSTRUCTION (1.3%)</b>				
HKD	116,000	Beijing Capital International Airport Co. Ltd. Class H	1.3	117,299
<b>HEALTHCARE-PRODUCTS (2.0%)</b>				
HKD	113,000	China Medical System Holdings Ltd.	2.0	178,978
<b>INSURANCE (2.7%)</b>				
HKD	32,400	China Pacific Insurance Group Co. Ltd. Class H	1.3	113,041
HKD	85,880	PICC Property & Casualty Co. Ltd. Class H	1.4	133,807
<b>Total INSURANCE</b>				<b>246,848</b>
<b>INTERNET (3.6%)</b>				
HKD	13,400	Tencent Holdings Ltd.	3.6	327,865
<b>RETAIL (1.7%)</b>				
HKD	65,000	Shanghai Pharmaceuticals Holding Co. Ltd. Class H	1.7	149,062
<b>TELECOMMUNICATIONS (3.6%)</b>				
HKD	700,000	China Telecom Corp. Ltd. Class H	3.6	323,223
<b>TOTAL CHINA</b>				<b>1,677,812</b>
<b>HONG KONG (17.8%)</b>				
<b>BANKS (3.8%)</b>				
HKD	74,000	BOC Hong Kong Holdings Ltd.	2.8	264,860
HKD	4,800	Hang Seng Bank Ltd.	1.0	89,337
<b>Total BANKS</b>				<b>354,197</b>
<b>DIVERSIFIED FINANCIAL SERVICES (2.1%)</b>				
HKD	7,900	Hong Kong Exchanges & Clearing Ltd.	2.1	186,670
<b>ELECTRIC (1.8%)</b>				
HKD	18,000	Power Assets Holdings Ltd.	1.8	158,684
<b>ELECTRONICS (1.6%)</b>				
SGD	394,000	Valuetronics Holdings Ltd.	1.6	141,815
<b>ENGINEERING &amp; CONSTRUCTION (2.4%)</b>				
HKD	144,000	China State Construction International Holdings Ltd.	2.4	215,448
<b>HEALTHCARE-PRODUCTS (1.3%)</b>				
HKD	138,500	Universal Medical Financial & Technical Advisory Services Co. Ltd.	1.3	114,506
<b>INSURANCE (3.5%)</b>				
HKD	57,200	AIA Group Ltd.	3.5	322,772
<b>TEXTILES (1.3%)</b>				
HKD	108,000	Pacific Textiles Holdings Ltd.	1.3	117,289
<b>TOTAL HONG KONG</b>				<b>1,611,381</b>
<b>INDIA (11.1%)</b>				
<b>BANKS (2.2%)</b>				
INR	52,570	ICICI Bank Ltd.	2.2	197,554
<b>CHEMICALS (1.9%)</b>				
INR	30,624	Castrol India Ltd.	1.9	171,462
<b>HOME FURNISHINGS (1.0%)</b>				
INR	42,101	Crompton Greaves Consumer Electricals Ltd.	1.0	90,163
<b>LEISURE TIME (2.5%)</b>				
INR	5,788	Bajaj Auto Ltd.	2.5	224,629
<b>MACHINERY-DIVERSIFIED (1.0%)</b>				
INR	7,433	Cummins India Ltd.	1.0	89,274
<b>SOFTWARE (2.5%)</b>				
INR	2,956	Oracle Financial Services Software Ltd.	1.5	135,888

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

**NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Dividend Equity Fund**  
**Fonds Commun de Placement à Compartiments Multiples**  
**Portfolio of Investments (continued)**  
**As at December 31, 2016**

Currency	Number of Shares	Security Description	% of Net Assets	Market Value
		<b>COMMON STOCKS (95.5%) (continued)</b>		
		<b>INDIA (11.1%) (continued)</b>		
		<b>SOFTWARE (2.5%) (continued)</b>		
INR	12,965	Tech Mahindra Ltd.	1.0%	USD 93,326
		<b>Total SOFTWARE</b>		<b>229,214</b>
		<b>TOTAL INDIA</b>		<b>1,002,296</b>
		<b>INDONESIA (3.5%)</b>		
		<b>BANKS (1.5%)</b>		
IDR	490,900	Bank Danamon Indonesia Tbk PT	1.5	135,183
		<b>DIVERSIFIED FINANCIAL SERVICES (1.0%)</b>		
IDR	2,684,000	Kresna Graha Investama PT Tbk	1.0	93,235
		<b>PHARMACEUTICALS (1.0%)</b>		
IDR	799,300	Kalbe Farma Tbk PT	1.0	89,882
		<b>TOTAL INDONESIA</b>		<b>318,300</b>
		<b>PHILIPPINES (3.2%)</b>		
		<b>BANKS (1.6%)</b>		
PHP	79,970	Bank of the Philippine Islands	1.6	142,848
		<b>BUILDING MATERIALS (1.6%)</b>		
PHP	437,000	Holcim Philippines, Inc.	1.6	145,044
		<b>TOTAL PHILIPPINES</b>		<b>287,892</b>
		<b>SINGAPORE (7.0%)</b>		
		<b>DIVERSIFIED FINANCIAL SERVICES (1.0%)</b>		
SGD	19,000	Singapore Exchange Ltd.	1.0	94,165
		<b>ELECTRONICS (2.0%)</b>		
SGD	25,800	Venture Corp. Ltd.	2.0	176,441
		<b>REITS (3.0%)</b>		
HKD	97,000	Fortune Real Estate Investment Trust	1.2	111,473
SGD	196,038	Keppel DC REIT	1.8	160,798
		<b>Total REITS</b>		<b>272,271</b>
		<b>RETAIL (1.0%)</b>		
SGD	133,700	Sheng Siong Group Ltd.	1.0	87,455
		<b>TOTAL SINGAPORE</b>		<b>630,332</b>
		<b>SOUTH KOREA (14.7%)</b>		
		<b>AUTO PARTS &amp; EQUIPMENT (1.8%)</b>		
KRW	736	Hyundai Mobis Co. Ltd.	1.8	160,874
		<b>CHEMICALS (2.1%)</b>		
KRW	902	LG Chem Ltd.	2.1	194,918
		<b>DIVERSIFIED FINANCIAL SERVICES (2.1%)</b>		
KRW	5,102	Shinhan Financial Group Co. Ltd.	2.1	191,145
		<b>ELECTRIC (1.5%)</b>		
KRW	3,599	Korea Electric Power Corp.	1.5	131,260
		<b>HOME FURNISHINGS (1.4%)</b>		
KRW	1,684	Coway Co. Ltd.	1.4	123,114
		<b>INSURANCE (1.0%)</b>		
KRW	925	Samsung Life Insurance Co. Ltd.	1.0	86,159
		<b>INTERNET (1.3%)</b>		
KRW	3,622	Nasmedia Co. Ltd.	1.3	118,454
		<b>SEMICONDUCTORS (3.5%)</b>		
KRW	216	Samsung Electronics Co. Ltd.	3.5	322,266
		<b>TOTAL SOUTH KOREA</b>		<b>1,328,190</b>
		<b>TAIWAN (15.9%)</b>		
		<b>CHEMICALS (1.3%)</b>		
TWD	115,000	TSRC Corp.	1.3	118,108
		<b>ELECTRICAL COMPONENT &amp; EQUIPMENT (1.5%)</b>		
TWD	27,000	Delta Electronics, Inc.	1.5	133,622

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

**NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Dividend Equity Fund**  
**Fonds Commun de Placement à Compartiments Multiples**  
**Portfolio of Investments (continued)**  
**As at December 31, 2016**

Currency	Number of Shares	Security Description	% of Net Assets	Market Value
		<b>COMMON STOCKS (95.5%) (continued)</b>		
		<b>TAIWAN (15.9%) (continued)</b>		
		<b>ENVIRONMENTAL CONTROL (1.6%)</b>		
TWD	29,000	Cleanaway Co. Ltd.	1.6%	USD 148,019
		<b>INSURANCE (1.8%)</b>		
TWD	107,000	Cathay Financial Holding Co. Ltd.	1.8	160,024
		<b>RETAIL (1.4%)</b>		
TWD	18,000	President Chain Store Corp.	1.4	129,014
		<b>SEMICONDUCTORS (8.3%)</b>		
TWD	131,000	Advanced Semiconductor Engineering, Inc.	1.5	134,337
TWD	54,000	Powertech Technology, Inc.	1.6	145,769
TWD	58,000	Taiwan Semiconductor Manufacturing Co. Ltd.	3.7	326,631
TWD	90,000	Visual Photonics Epitaxy Co. Ltd.	1.5	138,230
		<b>Total SEMICONDUCTORS</b>		<b>744,967</b>
		<b>TOTAL TAIWAN</b>		<b>1,433,754</b>
		<b>THAILAND (3.7%)</b>		
		<b>BANKS (1.2%)</b>		
THB	22,900	Kasikornbank PCL	1.2	113,507
		<b>CHEMICALS (1.2%)</b>		
THB	62,600	PTT Global Chemical PCL	1.2	110,130
		<b>ELECTRONICS (1.3%)</b>		
THB	102,900	Hana Microelectronics PCL	1.3	113,502
		<b>TOTAL THAILAND</b>		<b>337,139</b>
		<b>TOTAL COMMON STOCKS (Cost USD 8,569,738)</b>		<b>8,627,096</b>
		<b>TOTAL TRANSFERABLE SECURITIES QUOTED ON A STOCK EXCHANGE (Cost USD 8,569,738)</b>	95.5%	USD 8,627,096
		<b>CASH AND OTHER ASSETS IN EXCESS OF LIABILITIES</b>	4.5	404,205
		<b>TOTAL NET ASSETS</b>	<b>100.0%</b>	<b>USD 9,031,301</b>

\* All securities are traded on official stock exchange.

**Foreign Currency Legend**

HKD	Hong Kong Dollar
IDR	Indonesia Rupiah
INR	Indian Rupee
KRW	South Korean Won
PHP	Philippine Peso
TWD	Taiwan Dollar
SGD	Singapore Dollar
THB	Thailand Baht
USD	US Dollar

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

**NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Dividend Equity Fund**  
**Fonds Commun de Placement à Compartiments Multiples**  
**Classifications**  
**As at December 31, 2016**

<b>Industry</b>	<b>% of Net Assets</b>
Banks . . . . .	12.9%
Semiconductors . . . . .	11.8
Insurance . . . . .	9.0
Chemicals . . . . .	6.5
Diversified Financial Services . . . . .	6.2
Electronics . . . . .	6.0
Internet . . . . .	4.9
Retail . . . . .	4.1
Engineering & Construction . . . . .	3.7
Telecommunications . . . . .	3.6
Healthcare-Products . . . . .	3.3
Electric . . . . .	3.3
REITS . . . . .	3.0
Software . . . . .	2.5
Leisure Time . . . . .	2.5
Home Furnishings . . . . .	2.4
Auto Parts & Equipment . . . . .	1.8
Environmental Control . . . . .	1.6
Building Materials . . . . .	1.6
Electrical Component & Equipment . . . . .	1.5
Textiles . . . . .	1.3
Pharmaceuticals . . . . .	1.0
Machinery-Diversified . . . . .	1.0
<b>Total Investments</b> . . . . .	<b>95.5%</b>
<b>Cash and other net assets in excess of liabilities</b> . . . . .	<b>4.5%</b>
<b>Total Net Assets</b> . . . . .	<b>100.0%</b>

<b>Country</b>	<b>% of Net Assets</b>
China . . . . .	18.6%
Hong Kong . . . . .	17.8
Taiwan . . . . .	15.9
South Korea . . . . .	14.7
India . . . . .	11.1
Singapore . . . . .	7.0
Thailand . . . . .	3.7
Indonesia . . . . .	3.5
Philippines . . . . .	3.2
<b>Total Investments</b> . . . . .	<b>95.5%</b>
<b>Cash and other assets in excess of liabilities</b> . . . . .	<b>4.5%</b>
<b>Total Net Assets</b> . . . . .	<b>100.00%</b>

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

**NIKKO AM GLOBAL UMBRELLA TRUST**  
**Fonds Commun de Placement à Compartiments Multiples**  
**Notes to Financial Statements**  
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**1. General Information**

NIKKO AM GLOBAL UMBRELLA TRUST (the “Fund”) has been established in Luxembourg as an open-ended unincorporated 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 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 amended 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 rights and duties of the depositary bank (the “Depositary Bank”), administrative agent (the “Administrative Agent”), registrar and transfer agent (the “Transfer Agent”) for the Fund. The Administrative Agent is responsible for the central administration of the Fund and in particular for processing the issuance, redemption and switching of Units, the determination of the Net Asset Value (“NAV”) of the Units of each Sub-Fund and for the maintenance of accounting records.

The Management Company has appointed, as specified in the Fund’s Prospectus, investment managers for each Sub-Fund to manage the assets of the Sub-Funds.

As at December 31, 2016 the Fund consists of four Sub-Funds:

<b>Name of the Sub-Fund</b>		<b>Starting Date</b>
NIKKO AM GLOBAL UMBRELLA TRUST - High Income Sovereign Index Fund	<i>(“High Income Sovereign Index Fund”)</i>	June 1, 2012
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Yield Bond Fund	<i>(“Asia High Yield Bond Fund”)</i>	June 12, 2012
NIKKO AM GLOBAL UMBRELLA TRUST - Australian Bond Fund	<i>(“Australian Bond Fund”)</i>	July 12, 2012
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Dividend Equity Fund	<i>(“Asia High Dividend Equity Fund”)</i>	August 23, 2012

As at December 31, 2016 the following classes were open:

<b>Name of the Sub-Fund</b>	<b>Class</b>	<b>Starting Date</b>
NIKKO AM GLOBAL UMBRELLA TRUST - High Income Sovereign Index Fund	Class A	June 4, 2012
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Yield Bond Fund	Class A Un-hedged	June 13, 2012
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Yield Bond Fund	Class B JPY Hedged	June 13, 2012
NIKKO AM GLOBAL UMBRELLA TRUST - Australian Bond Fund	Class A	June 28, 2012
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Dividend Equity Fund	Class A	August 24, 2012
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Dividend Equity Fund	Class B	August 24, 2012
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Dividend Equity Fund	Class C	December 18, 2012

**NIKKO AM GLOBAL UMBRELLA TRUST - High Income Sovereign Index Fund (the “Sub-Fund”)** seeks to provide an investment return linked as closely as possible to the performance of the Barclays International High Income Sovereign Index (un-hedged, Yen base) (the “Index”) by investing directly in the component securities of the Index.

The Index is designed to measure the performance of high-yield government debts of countries worldwide. The Index tracks the local currency government debts of countries that are rated investment grade (Baa3/BBB-/BBB- or higher using the middle rating of Moody’s Investors Service, Inc., Standard & Poor’s, Inc. and Fitch Inc., respectively).

On behalf of the Sub-Fund, the Management Company has appointed Nikko Asset Management Co., Ltd. as investment manager (the “Investment Manager”).

Under normal market conditions, the Sub-Fund will substantially invest all of its total assets in the component securities of the Index. However, under certain market circumstances, the Sub-Fund may also invest in other sovereign debt securities that the Investment Manager determines to have economic

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characteristics that are substantially identical to the economic characteristics of the securities that comprise the Index. Such sovereign debt securities include those issued or guaranteed by sovereign governments, their local authorities as well as those issued or guaranteed by supranational organizations.

The Sub-Fund may invest in cash and cash equivalents or money market instruments or futures contracts in seeking the performance that corresponds to its Index and in managing cash flows.

The Investment Manager will not, in principle, engage in currency hedging between the denominated currency of the classes of Units and the currency of the investments in the portfolio. However, there is a possibility that a currency strategy may be utilized through engaging in currency derivatives for risk management purposes.

The Sub-Fund offers two classes of units; Class A Units and Class B Units, denominated in Japanese Yen ("JPY"). Class A Units are available for subscription and are reserved to Institutional Investors approved by the Management Company. Class B Units are available for subscription to all investors. The Sub-Fund commenced operations on June 1, 2012.

**NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Yield Bond Fund (the "Sub-Fund")** seeks to achieve a high level of income and capital appreciation over the mid to long term by investing in Asian high yield fixed income securities.

The Sub-Fund intends to invest mainly in USD denominated high yield fixed income securities which are issued by corporate and quasi-sovereign issuers operating in the Asian region (the "Asian region"). The Asian region shall consist of those countries represented in the J.P. Morgan Asian Credit Index, and quasi-sovereign issuers shall be defined as entities owned 50% or more by governments in the Asian region.

The Sub-Fund will invest at least 70% of its net assets in fixed income securities issued by corporate and quasi-sovereign issuers which are rated Ba1/BB+ or lower by Moody's Investor Service, Inc. ("Moody's") and/or Standard & Poor's, Inc. ("S&P"), or unrated by either Moody's or S&P at the time of Investment.

The Sub-Fund may hold ancillary liquid assets in current or deposit accounts or in regularly traded short term money market instruments denominated in USD or other currency issued or guaranteed by highly rated institutions and having a remaining maturity of less than twelve months.

On behalf of the Sub-Fund, the Management Company has appointed Nikko Asset Management Asia Limited ("NAM Asia") as investment manager (the "Investment Manager").

The Investment Manager will not, in principle, engage in currency hedging between the denominated currency of the classes of Units and the currency of the investments in the portfolio. However, the Sub-Fund may issue a currency hedged Class of Units.

The Sub-Fund offers three classes of units; Class A Un-hedged Units, Class B JPY Hedged Units and Class C Units. Class A Un-hedged Units and Class B JPY Hedged Units are available for subscription and are reserved to Institutional Investors approved by the Management Company. Both classes are denominated in JPY. Class C Units are available for subscription to all investors and are denominated in USD. The Sub-Fund commenced operations on June 12, 2012.

**NIKKO AM GLOBAL UMBRELLA TRUST - Australian Bond Fund (the "Sub-Fund")** seeks to achieve an investment return greater than the performance of the UBS Australian Composite Bond (All Maturities) Index over any rolling three-year period.

The Sub-Fund intends to invest primarily in investment grade fixed income securities denominated in AUD. Such fixed income securities include, but are not limited to, government and local bonds, government guaranteed bonds, semi-government bonds and corporate bonds. Semi-government bonds refer to securities issued and guaranteed by Australian states through their treasury corporations to fund Australian state and territory government expenditure or loans to local governments and state government-owned entities.

The Sub-Fund may employ techniques and instruments relating to transferable securities and money market instruments, including but not limited to futures and swaps for the purpose of efficient portfolio management.

The Sub-Fund may hold ancillary liquid assets in current or deposit accounts or in regularly traded short term money market instruments denominated in AUD or other currency issued or guaranteed by highly rated institutions and having a remaining maturity of less than twelve months.

On behalf of the Sub-Fund, the Management Company has appointed Nikko AM Limited as investment manager.

The Sub-Fund offers two classes of units; Class A Units and Class B Units. Class A Units are available for subscription and are reserved to Institutional Investors approved by the Management Company. Class A Units are denominated in AUD. Class B Units are available for subscription to all investors and are denominated in JPY. The Sub-Fund commenced operations on July 12, 2012.

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**NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Dividend Equity Fund (the "Sub-Fund")** seeks to provide total return through a combination of current income, capital gains and capital appreciation.

The Sub-Fund intends to construct a portfolio of dividend producing equity securities listed and traded on the stock exchanges in countries represented in the MSCI AC (all Countries) Asia ex Japan Index (net, un-hedged). The Sub-Fund will invest in companies with relatively strong sustainable cash flows and stable dividend payout. In addition, top down approach will be used to select companies that are likely to be exposed to positive forces driving growth in Asia. In principle, an average dividend yield of the portfolio shall be maintained at or above that of the Index.

Under normal market conditions, the Sub-Fund will invest at least 90% of its total net assets in equity securities. The Sub-Fund normally expects that its assets will be invested across a broad range of countries, industries and market sectors, including investments in issuers located in countries with emerging markets. Equity securities held by the Sub-Fund may include common stocks, preferred shares, convertible securities, warrants, depositary receipts, ETFs and closed-ended REITs.

The Sub-Fund may hold ancillary liquid assets in current or deposit accounts or in regularly traded short term money market instruments denominated in USD or other currency issued or guaranteed by highly rated institutions and having a remaining maturity of less than twelve months.

On behalf of the Sub-Fund, the Management Company has appointed NAM Asia as investment manager (the "Investment Manager").

The Investment Manager will not, in principle, engage in currency hedging between the denominated currency of the classes of Units and the currency of the investments in the portfolio.

The Sub-Fund offers four classes of units; Class A Units, Class B Units, Class C Units and Class D Units. Class A Units, Class B Units and Class C Units are available for subscription and are reserved to Institutional Investors approved by the Management Company. Class D Units are available for subscription to all investors. Class A Units and Class B Units are denominated in JPY. Class C Units and Class D Units are denominated in USD. The Sub-Fund commenced operations on August 23, 2012.

## **2. 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.



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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 "First in First out" ("FIFO") cost basis. Dividend income, net of any applicable withholding tax, is recorded on the ex-dividend date. 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.

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.

Distributions are calculated and declared in respect to each of the following Sub-Funds:

*NIKKO AM GLOBAL UMBRELLA TRUST - High Income Sovereign Index Fund*

In respect to Class A Units, the Management Company may declare distributions every month which, if declared, will be paid in cash. The NAV per Unit determined on the 22<sup>nd</sup> day of each month (if such day is not a Valuation Day, then the next following Valuation Day) (an "Ex-Distribution Date") will be the ex-distribution NAV per Unit.

*NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Yield Bond Fund*

In respect to Class A Un-hedged Units and Class B JPY Hedged Units, the Management Company may declare distributions every month which, if declared, will be paid in cash. The NAV per Unit determined on the 8<sup>th</sup> day of each month (if such day is not a Valuation Day, then the next following Valuation Day) (an "Ex-Distribution Date") will be the ex-distribution NAV per Unit.

*NIKKO AM GLOBAL UMBRELLA TRUST - Australian Bond Fund*

In respect to Class A Units, the Management Company may declare distributions every month which, if declared, will be paid in cash. The NAV per Unit determined on the 12<sup>th</sup> day of each month (if such day is not a Valuation Day, then the next following Valuation Day) (an "Ex-Distribution Date") will be the ex-distribution NAV per Unit.

*NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Dividend Equity Fund*

In respect to Class A Units, the Management Company may declare distributions every month which, if declared, will be paid in cash. The NAV per Unit determined on the 8<sup>th</sup> day of each month (if such day is not a Valuation Day, then the next following Valuation Day) (an "Ex-Distribution Date") will be the ex-distribution NAV per Unit.

In respect to Class C Units, the Management Company may make distributions to Unitholders of such amount and frequency as shall be determined by the Management Company.

*(g) Foreign Exchange Transactions and Translations*

The combined financial statements are expressed in Euro, the relevant currency of the Fund, and the financial statements of the Sub-Funds are expressed in the relevant base currency. The applicable exchange rates prevailing at the end of the year are used to translate currencies other than Euro into Euro for the Statement of Net Assets at year end. The exchange rate as at December 31, 2016 is used to translate the foreign currency amounts in the Statement of Operations and Changes in Net Assets into Euro.

The assets and liabilities expressed in currencies other than the base currency of the relevant sub-fund are translated into the base currency of the relevant sub-fund at applicable exchange rates prevailing at the end of the year. Income and expenses expressed in currencies other than the base

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currency of the relevant sub-fund are translated into the base currency of the relevant sub-fund at applicable exchange rate prevailing at transaction date. Realized and unrealized foreign exchange gains or losses are included in the statement of operations and changes in net assets.

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 and Changes in Net Assets from the effects of changes in market prices of those securities, but are included with the net realized and unrealized gain or loss on investments.

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

EUR vs. AUD	0.686513
EUR vs. JPY	0.008129
EUR vs. USD	0.948092

*(h) Forward Foreign Currency Exchange Contracts*

Each Sub-Fund may enter into forward foreign currency exchange contracts in connection with settling planned purchases or sales of securities to hedge the currency exposure associated with some or all of a Sub-Fund's securities or classes of units as a part of an investment strategy. The market value of a forward foreign currency exchange contract fluctuates with changes in foreign currency exchange rates. Forward foreign currency exchange contracts are marked-to-market daily and the change in value is recorded by a Sub-Fund as unrealized gain or loss. A realized gain or loss is equal to the difference between the value of the contract at the time it was opened and the value at the time that the contract was settled.

*(i) Options*

A purchaser of a put option has the right, but not the obligation, to sell the underlying instrument at an agreed upon price ("strike price") to the option seller. A purchaser of a call option has the right, but not the obligation, to purchase the underlying instrument at the strike price from the option seller.

Purchased Options – Premiums paid by a Sub-Fund for purchased options are included in Investments in securities, at market value in the Statement of Net Asset. The option is adjusted daily to reflect the current market value of the purchased option and the change is recorded as net change in unrealized appreciation/(depreciation) on investments in the Statement of Operations and Changes in Net Assets. If the option is allowed to expire, a Sub-Fund will lose the entire premiums it paid and record a realized loss for the premium amount.

Written Options – Premiums received by a Sub-Fund for written options are included in the Statement of Net Assets. The amount of the liability is adjusted daily to reflect the current market value of the written option and the change in market value is recorded as net change in unrealized appreciation/(depreciation) on written options in the Statement of Operations and Changes in Net Assets. Premiums received from written options that expire are treated as realized gains. A Sub-Fund records a realized gain or loss on written options based on whether the cost of the closing transaction exceeds the premiums received.

*(j) Futures Contracts*

A futures contract is a firm commitment to buy or sell a specified quantity of a standardized amount of deliverable grade security, commodity or cash at a standardized price and specified future date, unless the contract is closed before the delivery date. Initial margin deposits are made to the broker upon entering into futures contracts. During the period the futures contract is open, changes in the value of the contract are recognized as unrealized appreciation or depreciation by "marking-to-market" on a daily basis to reflect the market value of the contract at the end of each day's trading. Variation margin payments are made or received, depending upon whether unrealized appreciation or depreciation is incurred. When the contract is closed, a realized gain or loss is recorded. This realized gain or loss is equal to the difference between the proceeds from (or cost of) the closing transaction and the Sub-Fund's basis in the contract.

*(k) Swap Contracts*

Interest Rate Swaps - An interest rate swap is an agreement between a Sub-Fund and a counterparty in which each party agrees to exchange a series of interest payments for another series of interest payments (usually fixed/floating) based on a notional amount agreed upon by both parties. Swap contracts are shown at market value on the Statement of Net Assets. Swap contracts are adjusted daily to reflect the current market value of the contract and the change is recorded as net change in unrealized appreciation/(depreciation) on swap contracts in the Statement of Operations and Changes in Net Assets.

*(l) Organizational Costs*

The organization expenses of each Sub-Fund are costs incurred by each Sub-Fund during its formation. Organization expenses are amortized on a straight-line basis over a maximum period of five years (High Income Sovereign Index Fund excluded). High Income Sovereign Index Fund's organization expenses are amortized over twelve months. Each Sub-Fund bears its own organization expenses. As at December 31, 2016, the organizational costs have been fully amortized.

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**3. Management Fees**

The Management Company is entitled to receive fees out of the assets of each Sub-Fund at the rate as determined in below table per annum of the NAV calculated monthly based on the average daily aggregate NAVs of each Sub-Fund during the relevant calendar month (High Income Sovereign Index Fund excluded). The Management Company of the High Income Sovereign Index Fund is entitled to receive a fee of EUR 90,000 per annum. These fees shall be accrued daily and payable monthly.

<b>Name of the Sub-Fund</b>	<b>Percentage of Net Assets</b>
NIKKO AM GLOBAL UMBRELLA TRUST - High Income Sovereign Index Fund	--
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Yield Bond Fund	0.64%
NIKKO AM GLOBAL UMBRELLA TRUST - Australian Bond Fund	0.49%
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Dividend Equity Fund	0.60%

**4. Investment Management Fees**

The Investment Managers are entitled to receive an investment management fees which will be paid by the Management Company out of the management fees. Investment Management fees for each Sub-Fund are calculated and payable monthly on the average daily aggregate NAVs of each Sub-Fund per annum.

**5. Depositary Fees**

The Depositary Bank is entitled to receive fees out of the assets 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.

**6. Administrative Agent Fees**

The Administrative Agent Fees comprise:

(i) A fee for Fund Accounting, Fund Administration and Compliance services. This fee is paid out of the assets of each Sub-Fund calculated and payable monthly at the rate of 0.05% based on the average daily aggregated net asset value (High Income Sovereign Index Fund excluded), subject to an annual minimum fee of EUR 37,000 per Sub-Fund, which is waived for the first six months from each Sub-Fund launch. High Income Sovereign Index Fund is subject to a tiered fee structure which is capped at EUR 231,000 per annum.

(ii) A fee for Domiciliation and Corporate Agency services. This fee is calculated in accordance with the agreed fee schedule.

The Administrative Agent is entitled to receive deemed supervision fees out of the assets of each Sub-Fund calculated and payable monthly at the rate of 0.006% per annum of its NAV. These fees will be tiered and capped at 15.00% of total safekeeping fees.

**7. Transfer Agent Fees**

The Transfer Agent is entitled to receive an annual register maintenance fee out of each Sub-Fund of EUR 3,700 per annum plus 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 starting 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.

**10. Capital Gains Tax**

No tax is payable in Luxembourg on realized or unrealized capital appreciation of the assets of the Sub-Funds, however, the Sub-Funds may suffer foreign taxes on capital gains upon realization of their assets.

**11. Dilution Levy**

A maximum dilution levy of 2.00% may be applied to a dealing request in circumstances where the value of the assets of a Sub-Fund may be reduced as a result of costs incurred in dealing in a Sub-Fund's investments, including taxes, stamp duties and transaction charges or as a result of dealings in such investments at prices other than the prices used to calculate the NAV of the Sub-Fund.

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A dilution levy of 0.20% may be applied to the redemption proceeds payable to the redeeming Unitholders of Class A Units.

*NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Dividend Equity Fund*

A dilution levy of 0.30% may be applied to the redemption proceeds payable to the redeeming Unitholders of Class A and Class C Units.

**12. Dividends**

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

<b>Name of the Sub-Fund</b>	<b>Ex-Date</b>	<b>Currency</b>	<b>Dividend per Unit in JPY</b>
NIKKO AM GLOBAL UMBRELLA TRUST - High Income Sovereign Index Fund Class A	1/22/2016	JPY	0.0150000
NIKKO AM GLOBAL UMBRELLA TRUST - High Income Sovereign Index Fund Class A	2/22/2016	JPY	0.0150000
NIKKO AM GLOBAL UMBRELLA TRUST - High Income Sovereign Index Fund Class A	3/22/2016	JPY	0.0150000
NIKKO AM GLOBAL UMBRELLA TRUST - High Income Sovereign Index Fund Class A	4/22/2016	JPY	0.0150000
NIKKO AM GLOBAL UMBRELLA TRUST - High Income Sovereign Index Fund Class A	5/23/2016	JPY	0.0150000
NIKKO AM GLOBAL UMBRELLA TRUST - High Income Sovereign Index Fund Class A	6/22/2016	JPY	0.0150000
NIKKO AM GLOBAL UMBRELLA TRUST - High Income Sovereign Index Fund Class A	7/22/2016	JPY	0.0150000
NIKKO AM GLOBAL UMBRELLA TRUST - High Income Sovereign Index Fund Class A	8/22/2016	JPY	0.0150000
NIKKO AM GLOBAL UMBRELLA TRUST - High Income Sovereign Index Fund Class A	9/22/2016	JPY	0.0150000
NIKKO AM GLOBAL UMBRELLA TRUST - High Income Sovereign Index Fund Class A	10/24/2016	JPY	0.0150000
NIKKO AM GLOBAL UMBRELLA TRUST - High Income Sovereign Index Fund Class A	11/22/2016	JPY	0.0150000
NIKKO AM GLOBAL UMBRELLA TRUST - High Income Sovereign Index Fund Class A	12/22/2016	JPY	0.0150000

<b>Name of the Sub-Fund</b>	<b>Ex-Date</b>	<b>Currency</b>	<b>Dividend per Unit in JPY</b>	<b>Dividend per Unit in USD</b>
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Yield Bond Fund Class A Un-hedged Units	1/08/2016	JPY	0.0130000	0.0001104
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Yield Bond Fund Class A Un-hedged Units	2/10/2016	JPY	0.0130000	0.0001135
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Yield Bond Fund Class A Un-hedged Units	3/08/2016	JPY	0.0130000	0.0001156
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Yield Bond Fund Class A Un-hedged Units	4/08/2016	JPY	0.0130000	0.0001199
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Yield Bond Fund Class A Un-hedged Units	5/09/2016	JPY	0.0130000	0.0001200
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Yield Bond Fund Class A Un-hedged Units	6/08/2016	JPY	0.0130000	0.0001219
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Yield Bond Fund Class A Un-hedged Units	7/08/2016	JPY	0.0130000	0.0001293
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Yield Bond Fund Class A Un-hedged Units	8/08/2016	JPY	0.0130000	0.0001268
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Yield Bond Fund Class A Un-hedged Units	9/08/2016	JPY	0.0130000	0.0001279
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Yield Bond Fund Class A Un-hedged Units	10/11/2016	JPY	0.0130000	0.0001255
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Yield Bond Fund Class A Un-hedged Units	11/08/2016	JPY	0.0130000	0.0001241
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Yield Bond Fund Class A Un-hedged Units	12/08/2016	JPY	0.0130000	0.0001138

<b>Name of the Sub-Fund</b>	<b>Ex-Date</b>	<b>Currency</b>	<b>Dividend per Unit in JPY</b>	<b>Dividend per Unit in USD</b>
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Yield Bond Fund Class B JPY Hedged Units	1/08/2016	JPY	0.0110000	0.0000934
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Yield Bond Fund Class B JPY Hedged Units	2/10/2016	JPY	0.0110000	0.0000960
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Yield Bond Fund Class B JPY Hedged Units	3/08/2016	JPY	0.0110000	0.0000978
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Yield Bond Fund Class B JPY Hedged Units	4/08/2016	JPY	0.0110000	0.0001015
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Yield Bond Fund Class B JPY Hedged Units	5/09/2016	JPY	0.0110000	0.0001015
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Yield Bond Fund Class B JPY Hedged Units	6/08/2016	JPY	0.0110000	0.0001031
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Yield Bond Fund Class B JPY Hedged Units	7/08/2016	JPY	0.0110000	0.0001094
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Yield Bond Fund Class B JPY Hedged Units	8/08/2016	JPY	0.0110000	0.0001073
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Yield Bond Fund Class B JPY Hedged Units	9/08/2016	JPY	0.0110000	0.0001082
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Yield Bond Fund Class B JPY Hedged Units	10/11/2016	JPY	0.0110000	0.0001062
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Yield Bond Fund Class B JPY Hedged Units	11/08/2016	JPY	0.0110000	0.0001050
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Yield Bond Fund Class B JPY Hedged Units	12/08/2016	JPY	0.0110000	0.0000963

**NIKKO AM GLOBAL UMBRELLA TRUST**  
**Fonds Commun de Placement à Compartiments Multiples**  
**Notes to Financial Statements (continued)**  
**As at December 31, 2016**

<b>Name of the Sub-Fund</b>	<b>Ex-Date</b>	<b>Currency</b>	<b>Dividend per Unit in AUD</b>
NIKKO AM GLOBAL UMBRELLA TRUST - Australian Bond Fund Class A	1/12/2016	AUD	0.0050000
NIKKO AM GLOBAL UMBRELLA TRUST - Australian Bond Fund Class A	2/12/2016	AUD	0.0050000
NIKKO AM GLOBAL UMBRELLA TRUST - Australian Bond Fund Class A	3/14/2016	AUD	0.0050000
NIKKO AM GLOBAL UMBRELLA TRUST - Australian Bond Fund Class A	4/12/2016	AUD	0.0050000
NIKKO AM GLOBAL UMBRELLA TRUST - Australian Bond Fund Class A	5/12/2016	AUD	0.0050000
NIKKO AM GLOBAL UMBRELLA TRUST - Australian Bond Fund Class A	6/14/2016	AUD	0.0050000
NIKKO AM GLOBAL UMBRELLA TRUST - Australian Bond Fund Class A	7/12/2016	AUD	0.0050000
NIKKO AM GLOBAL UMBRELLA TRUST - Australian Bond Fund Class A	8/12/2016	AUD	0.0050000
NIKKO AM GLOBAL UMBRELLA TRUST - Australian Bond Fund Class A	9/12/2016	AUD	0.0050000
NIKKO AM GLOBAL UMBRELLA TRUST - Australian Bond Fund Class A	10/12/2016	AUD	0.0050000
NIKKO AM GLOBAL UMBRELLA TRUST - Australian Bond Fund Class A	11/14/2016	AUD	0.0050000
NIKKO AM GLOBAL UMBRELLA TRUST - Australian Bond Fund Class A	12/12/2016	AUD	0.0050000

<b>Name of the Sub-Fund</b>	<b>Ex-Date</b>	<b>Currency</b>	<b>Dividend per Unit in JPY</b>	<b>Dividend per Unit in USD</b>
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Dividend Equity Fund Class A	1/08/2016	JPY	0.0070000	0.0000595
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Dividend Equity Fund Class A	2/10/2016	JPY	0.0070000	0.0000611
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Dividend Equity Fund Class A	3/08/2016	JPY	0.0070000	0.0000622
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Dividend Equity Fund Class A	4/08/2016	JPY	0.0070000	0.0000646
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Dividend Equity Fund Class A	5/09/2016	JPY	0.0070000	0.0000646
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Dividend Equity Fund Class A	6/08/2016	JPY	0.0070000	0.0000656
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Dividend Equity Fund Class A	7/08/2016	JPY	0.0070000	0.0000696
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Dividend Equity Fund Class A	8/08/2016	JPY	0.0070000	0.0000683
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Dividend Equity Fund Class A	9/08/2016	JPY	0.0070000	0.0000689
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Dividend Equity Fund Class A	10/11/2016	JPY	0.0070000	0.0000676
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Dividend Equity Fund Class A	11/08/2016	JPY	0.0070000	0.0000668
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Dividend Equity Fund Class A	12/08/2016	JPY	0.0070000	0.0000613

<b>Name of the Sub-Fund</b>	<b>Ex-Date</b>	<b>Currency</b>	<b>Dividend per Unit in USD</b>
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Dividend Equity Fund Class C	1/08/2016	USD	0.0400000
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Dividend Equity Fund Class C	2/10/2016	USD	0.0400000
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Dividend Equity Fund Class C	3/08/2016	USD	0.0400000
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Dividend Equity Fund Class C	4/08/2016	USD	0.0400000
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Dividend Equity Fund Class C	5/09/2016	USD	0.0400000
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Dividend Equity Fund Class C	6/08/2016	USD	0.0400000
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Dividend Equity Fund Class C	7/08/2016	USD	0.0400000
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Dividend Equity Fund Class C	8/08/2016	USD	0.0400000
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Dividend Equity Fund Class C	9/08/2016	USD	0.0400000
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Dividend Equity Fund Class C	10/11/2016	USD	0.0400000
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Dividend Equity Fund Class C	11/08/2016	USD	0.0400000
NIKKO AM GLOBAL UMBRELLA TRUST - Asia High Dividend Equity Fund Class C	12/08/2016	USD	0.0400000

**NIKKO AM GLOBAL UMBRELLA TRUST**  
**Fonds Commun de Placement à Compartiments Multiples**  
**Notes to Financial Statements (continued)**  
**As at December 31, 2016**

**13. Forward Foreign Currency Exchange Contracts, Futures Contracts and Interest Rate Swaps Contracts**

**Forward Foreign Exchange Contracts**

At year-end, the Sub-Fund Asia High Yield Bond Fund has entered into the following forward foreign contracts for hedging purposes:

Settlement Date	Counterparty	CCY Purchased	Amount Bought	CCY Sold	Amount Sold	Unrealized Appreciation
1/27/2017	Brown Brothers Harriman and Co.	JPY	37,821,485	USD	(324,612)	USD 126
1/27/2017	BNP Paribas SA	JPY	482,366,592	USD	(4,103,868)	USD 37,761
			Total			USD 37,887

The total commitment on open forward foreign currency contracts at year-end amounts to USD 4,428,480.

**Futures Contracts**

At year end, the Sub-Fund Australian Bond Fund has entered into the following futures contracts:

CCY	Number of Contracts Bought/(Sold)	Counterparty	Underlying	Exchange	Expiration Date	Notional Commitment	Unrealized Appreciation/(Depreciation)
AUD	6	Macquarie Bank Ltd.	Australian 10-Year Bond March Futures	Sydney Futures Exchange	3/15/2017	AUD 760,757	AUD 5,699
AUD	192	Macquarie Bank Ltd.	Australian 3-Year Bond March Futures	Sydney Futures Exchange	3/15/2017	AUD 21,427,741	AUD (26,047)
				Total		AUD 22,188,498	AUD (20,348)

At year-end, the sub-fund Australian Bond Fund paid to the broker AUD 203,536 cash collateral for futures.

**Interest Rate Swap Contracts**

At year end, the Sub-Fund Australian Bond Fund has entered into the following interest rate swap contracts:

Local Notional Amount	Pay	Receive	Counterparty	Currency	Maturity Date	Unrealized Appreciation
4,500,000	RBW3MP National Australia Bank Melbourne Long Index	Fixed, (2.095%)	National Australia Bank Melbourne	AUD	11/28/2019	AUD 8,505
5,000,000	RBW3MP Westpac Banking Corp. Long Index	Fixed, (2.030%)	Westpac Banking Corp.	AUD	12/01/2019	AUD 18,973
				Total		AUD 27,478

**14. Significant Events During the Year**

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 UMBRELLA TRUST**  
**Fonds Commun de Placement à Compartiments Multiples**  
**Additional Unaudited Information**  
**As at December 31, 2016**

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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 account of the netting and hedging arrangements.

The global exposure of each Sub-Fund is calculated using the commitment approach as detailed, in applicable laws and regulations, including but not limited to CSSF Circular 11/512.

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

**Remuneration Policy**

Nikko Asset Management Luxembourg S.A.'s remuneration policy and practices reflect our objectives of good corporate governance and sustained, long-term value creation for our shareholders. The remuneration policy and practices also aim to promote sound and effective risk management.

The Company's Management currently consists of a Board comprised of four (4) officers, who have delegated the day-to-day business to three (3) Conducting Officers.

Remuneration of the Board of Directors

Three of the Directors are employed by the Nikko Group, one Director is independent. The Nikko-related Directors are not remunerated by the Company for their positions as Board members of the Company. The other Director is independent and is remunerated by the Company and receives a fixed annual directorship fee of EUR 40,000

Remuneration of the Conducting Officers

Two of the Conducting Officers are independent from the Nikko Group and are remunerated by the Company. They receive a fixed annual fee of EUR 45,000. The Nikko-related Conducting Officer is not remunerated by the Company for her position as a Conducting Officer of the Company.

Neither the Directors nor the Conducting Officers receive any remuneration other than fixed fees in respect of activities in relation to the Company (i.e. no variable component).

The remuneration of the Directors and of the Conducting Officers has been negotiated at normal arm's length rates for the type of services provided. The structure and amount of the remunerations does not, in the opinion of the Directors, lead to any conflicts of interest other than those which are otherwise inherent in their positions with the Company.

Corporate Governance

The Board of Directors is responsible for monitoring compliance with the Remuneration Policy on an annual basis or when deemed appropriate.

**Securities Financing Transactions and of Reuse Regulation ("SFTR")**

The Fund does not use any instruments falling into the scope of SFTR.