

**NIKKO AM GLOBAL  
INVESTMENTS  
(LUXEMBOURG)**

**Fonds Commun de Placement à  
Compartiments Multiples**

R.C.S K1392

Audited Annual Report for the Year Ended February 28, 2025



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## Management and Administration

### Management Company

Nikko Asset Management Luxembourg S.A.  
32 - 36, boulevard d'Avranches  
L-1160 Luxembourg  
Grand Duchy of Luxembourg

### Board of Directors of the Management Company

#### Directors:

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

Mr. Charles MULLER  
Independent Director, Avocat honoraire  
19, rue de Bitbourg  
L-1273 Luxembourg  
Grand Duchy of Luxembourg

Mr. Jun NISHIYAMA (until August 16, 2024)  
Global Head of Investment Compliance  
Co-Global Head of Business Compliance  
Chief Compliance Officer of Investments  
Nikko Asset Management Co., Ltd  
Midtown Tower, 9-7-1 Akasaka,  
Minato-ku, Tokyo 107- 6242  
Japan

Mr. Yutaka NISHIDA (since September 1, 2024)  
Representative Director & Executive Chairman  
Nikko Asset Management Co., Ltd.  
Midtown Tower, 9-7-1 Akasaka  
Minato-ku, Tokyo 107-6242  
Japan

Mr. Hervé PODEVYN (until September 1, 2024)  
Conducting Officer,  
Nikko Asset Management Luxembourg S.A.  
32-36, boulevard d'Avranches  
L-1160 Luxembourg  
Grand Duchy of Luxembourg

Mr. Robert BLUZMANIS  
Chief Executive Officer,  
Nikko Asset Management Europe Ltd.  
Level 5, City Tower, 40 Basinghall Street  
London, EC2V 5DE  
United Kingdom

Mr. Jiro IKEGAYA  
Deputy Chief Executive Officer,  
Nikko Asset Management Europe Ltd.  
Level 5, City Tower, 40 Basinghall Street  
London, EC2V 5DE  
United Kingdom

## Management and Administration (continued)

### Conducting Officer of the Management Company:

Mr. Colin BELL (until April 30, 2024)

Conducting Officer

Nikko Asset Management Luxembourg S.A.

32-36, boulevard d'Avranches

L-1160 Luxembourg

Grand Duchy of Luxembourg

Mr. Hervé PODEVYN (until September 1, 2024)

Conducting Officer

Nikko Asset Management Luxembourg S.A.

32-36, boulevard d'Avranches

L-1160 Luxembourg

Grand Duchy of Luxembourg

Mr. Fabien PIETROFORTE

Conducting Officer

Nikko Asset Management Luxembourg S.A.

32-36, boulevard d'Avranches

L-1160 Luxembourg

Grand Duchy of Luxembourg

Mr. Cyril LUSTAC

Conducting Officer

Nikko Asset Management Luxembourg S.A.

32-36, boulevard d'Avranches

L-1160 Luxembourg

Grand Duchy of Luxembourg

Mr. Marcel NYIRI

Conducting Officer

Nikko Asset Management Luxembourg S.A.

32-36, boulevard d'Avranches

L-1160 Luxembourg

Grand Duchy of Luxembourg

### Depositary, Registrar, Transfer and Administrative Agent

BNP Paribas, Luxembourg Branch

60, avenue J.F. Kennedy

L-1855 Luxembourg

Grand Duchy of Luxembourg

### Investment Manager

Nikko Asset Management Europe Ltd.

Level 5, City Tower, 40 Basinghall Street

London, EC2V 5DE

United Kingdom

### 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

9, Allée Scheffer

L-2520 Luxembourg

Grand Duchy of Luxembourg

### Legal Adviser

Elvinger Hoss Prussen

Société anonyme

2, Place Winston Churchill

L-1340 Luxembourg

Grand Duchy of Luxembourg

## Report of the Investment Manager

### NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) - World Core Sovereign Bond Fund

#### Portfolio Review

A Year of Surprises and Shifts. Global financial markets started the year strong, with global economic data exceeding expectations, pushing equities higher. The S&P 500 broke records, and Japan's Nikkei finally surpassed its 1989 peak. However, persistent inflation and rising oil prices led to a reassessment of rate cut expectations, challenging the bond market. Despite a strong first quarter, commercial real estate concerns loomed, pressuring US regional banks.

Politics came to the fore amid numerous global elections. In Europe, right-wing gains in the European Parliament elections, particularly the National Rally's success in France, unsettled markets. The UK scheduled a general election for 4 July, and in India, Modi's coalition won a narrower-than-expected majority. In Mexico, Claudia Sheinbaum's historic presidential victory, and in South Africa, Cyril Ramaphosa's re-election as ANC leader, were notable events. Geopolitical tensions persisted, with ongoing conflict in the Middle East and escalating EU-China trade tensions.

In terms of global central banks, the ECB and Bank of Canada initiated rate cuts, reinforcing a broader shift toward easing policies. Economic data oscillated, fuelling uncertainty over the Fed's trajectory. Weakening US growth, rising unemployment, and slowing corporate earnings led to market turmoil mid-year, with fears of a sharper downturn. However, the Fed responded with rate cuts, and China's stimulus efforts boosted sentiment, driving a late-year market rebound.

By year-end, politics dominated, with Trump's election win sparking an equity rally, but concerns over tariffs and geopolitical risks dampened enthusiasm. The Fed's unexpectedly hawkish stance on future rate cuts sent markets lower, ending the year with renewed rate uncertainty. Meanwhile, European markets faced headwinds from political instability and tightening financial conditions.

#### Portfolio Outlook

Looking Ahead; 2024 was a year of economic resilience, market volatility, and shifting policy landscapes. With fiscal policy, geopolitical tensions, and central bank actions still in flux, uncertainty remains high for 2025. Investors will be watching closely as policymakers navigate a delicate balancing act between growth and inflation.

Emerging Markets (EM) continue to face a dynamic and volatile environment shaped by macroeconomic shifts, geopolitical uncertainty, and diverging regional growth trends. Key factors influencing EM performance include U.S. policy shifts, regional economic divergence, and evolving market sentiment. Trade tensions remain a focal point, with the U.S. administration's tariff policies particularly impacting China but also extending to broader global trade relationships. Geopolitical uncertainty, including shifts in global security and economic alliances, continues to weigh on capital flows and investor sentiment. Meanwhile, domestic disruptions in the U.S. have tempered expectations of economic outperformance, refocusing market concerns on potential U.S. slowdowns and their spillover effects on EM. North America's economic outlook has softened, requiring a reassessment of EM exposure to potential trade and investment slowdowns. Conversely, Europe has embraced a more pro-growth fiscal stance, with increased deficits fuelling stimulus and defence spending. This shift presents new opportunities for EM economies with strong European trade ties, influencing capital allocation strategies. Market volatility remains high, driven largely by unpredictable U.S. policy decisions. Initially bearish sentiment toward EM is evolving as macroeconomic assumptions shift. Investors must now weigh slowing North American demand, potential European economic support, and ongoing geopolitical risks when structuring EM allocations.

In terms of portfolio positioning, we continue to favour an increased allocation to interest rate risk by maintaining long-duration exposure across investable currencies. This is particularly true for Australia and Indonesia, where the central banks are still at the onset of their respective monetary policy easing cycles.

We also hold long-duration exposure in Mexico, where the recent easing of domestic and external conditions has led the central bank to turn increasingly dovish, with markets predicting a further 200bps of interest rate cuts for the remainder of the year.

#### Portfolio Performance

The fund recorded a positive net performance (+1.948%) on an absolute return basis, supported by strong local bond market performance and robust interest returns from bond holdings. However, the bond market remained volatile throughout the year. In the first half of the year, bond prices appreciated significantly, extending gains into mid-September as bond yields declined, with markets pricing in a substantial easing cycle by the U.S. Federal Reserve. Later in the year, higher CPI prints and rising expectations of a Republican sweep in the U.S. elections reignited market expectations for stronger growth and large-scale fiscal stimulus, pushing global bond yields higher. This positive performance was further complemented by a favourable currency effect, although its contribution was significantly less impactful than local bond market exposure.

The Board of Directors of the Management Company,

Luxembourg, March 24, 2025

The information stated in this report is historical and is not representative of future results.



## **Audit report**

To the Shareholders of  
**NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG)**

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### **Our opinion**

In our opinion, the accompanying financial statements give a true and fair view of the financial position of NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) (the “Fund”) as at 28 February 2025, and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

#### *What we have audited*

The Fund’s financial statements comprise:

- the statement of net assets as at 28 February 2025;
- the statement of operations and changes in net assets for the year then ended;
- the securities portfolio as at 28 February 2025; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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### **Basis for opinion**

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier” (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the “Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the financial statements” section of our report.

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

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

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### **Other information**

The Board of Directors of the Management Company is responsible for the other information. The other information comprises the information stated 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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**Responsibilities of the 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 the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation 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.

In preparing the financial statements, the Board of Directors of the Management Company is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

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**Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the financial statements**

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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





- conclude on the appropriateness of the Board of Directors of the Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Fund to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 27 June 2025

Martin Wais

Statement of Net Assets as at February 28, 2025

		Combined Statement	NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) - World Core Sovereign Bond Fund
	Notes	EUR	JPY
<b>Assets</b>			
Investment in securities at cost		31,157,560	4,883,094,351
Unrealised appreciation / (depreciation) on securities		(199,721)	(31,300,874)
Investment in securities at market value	3d	30,957,839	4,851,793,477
Cash at bank	3c	385,282	60,382,429
Interest receivable	3e	457,766	71,742,358
<b>Total assets</b>		<b>31,800,887</b>	<b>4,983,918,264</b>
<b>Liabilities</b>			
Accrued expenses		39,372	6,170,482
Payable on redemptions		113,160	17,734,797
Interest payable		79	12,330
<b>Total liabilities</b>		<b>152,611</b>	<b>23,917,609</b>
<b>Net assets at the end of the year</b>		<b>31,648,276</b>	<b>4,960,000,655</b>

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

## Statement of Operations and Changes in Net Assets for the Year Ended February 28, 2025

	Notes	Combined Statement	NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) - World Core Sovereign Bond Fund
		EUR	JPY
<b>Income</b>			
Interest on bonds	3e	2,107,614	330,310,859
Bank interest	3e	1,015	159,060
<b>Total income</b>		<b>2,108,629</b>	<b>330,469,919</b>
<b>Expenses</b>			
Management fees	4	93,236	14,612,231
Depositary fees	5	9,158	1,435,245
Administrative Agent fees	5	20,420	3,200,340
Professional fees	10	24,435	3,829,539
Taxe d'abonnement	7	3,529	553,096
Bank interest and charges		6,992	1,095,827
Transfer Agent fees	6	15,331	2,402,741
Other expenses	9	21,659	3,394,493
<b>Total expenses</b>		<b>194,761</b>	<b>30,523,512</b>
<b>Net Investment income / (loss)</b>		<b>1,913,868</b>	<b>299,946,407</b>
Net realised gain / (loss) on:			
Investments	3e	1,193,978	187,123,339
Foreign currencies transactions	3g	(21,341)	(3,344,621)
<b>Net realised gain / (loss) for the year</b>		<b>3,086,505</b>	<b>483,725,125</b>
Net change in unrealised appreciation / (depreciation) on :			
Investments		(4,426,780)	(693,776,474)
<b>Increase / (Decrease) in net assets as a result of operations</b>		<b>(1,340,275)</b>	<b>(210,051,349)</b>
Proceeds received on subscription of units		2,861,965	448,534,597
Net amount paid on redemption of units		(5,760,086)	(902,735,738)
Dividend distribution	3f, 11	(3,282,530)	(514,446,697)
Net assets at the beginning of the year		37,910,923	6,138,699,842
Translation difference		1,258,279	-
<b>Net assets at the end of the year</b>		<b>31,648,276</b>	<b>4,960,000,655</b>

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

# NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG)

## Statement of changes in number of units for the Year Ended February 28, 2025

	Number of units issued at the beginning of the year	Number of Units subscribed	Number of Units redeemed	Number of units issued at the end of the year
<b>NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) - World Core Sovereign Bond Fund</b>				
Class A	14,862,058,068.00	1,145,847,552.00	(2,304,873,866.00)	13,703,031,754.00

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

## Statistics

		February 28, 2025	February 29, 2024	February 28, 2023
<b>NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) - World Core Sovereign Bond Fund</b>				
<b>Net Asset Value</b>	JPY	4,960,000,655	6,138,699,842	6,348,227,497
<b>Net Asset Value per unit</b>				
Class A	JPY	0.3620	0.4130	0.3828
<b>Number of units</b>				
Class A		13,703,031,754	14,862,058,068	16,584,555,722

## NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) - World Core Sovereign Bond Fund (in JPY)

### Securities Portfolio as at February 28, 2025

Quantity/ Nominal	Name	Currency	Market Value in JPY	% NAV
Transferable securities admitted to an official exchange listing				
Bonds and other debt instruments				
<b>Australia</b>				
3,505,000.00	AUSTRALIAN GOVT. 1.75% 20-21/06/2051	AUD	177,174,884	3.6
2,300,000.00	AUSTRALIAN GOVT. 1% 20-21/11/2031	AUD	176,930,385	3.6
5,570,000.00	NEW S WALES TREA 4.25% 23-20/02/2036	AUD	483,952,763	9.8
2,000,000.00	QUEENSLAND TREAS 4.5% 23-09/03/2033	AUD	184,253,424	3.7
4,300,000.00	TREAS CORP VICT 2% 21-17/09/2035	AUD	299,993,743	6.0
			<b>1,322,305,199</b>	<b>26.7</b>
<b>Indonesia</b>				
40,000,000,000.00	INDONESIA GOVT 7.375% 17-15/05/2048	IDR	374,552,503	7.6
67,500,000,000.00	INDONESIA GOVT 7.5% 17-15/05/2038	IDR	635,419,355	12.8
37,500,000,000.00	INDONESIA GOVT 8.25% 15-15/05/2036	IDR	373,747,220	7.5
			<b>1,383,719,078</b>	<b>27.9</b>
<b>Mexico</b>				
50,700,000.00	MEXICAN BONOS 10%06-20/11/2036	MXN	385,519,964	7.8
123,000,000.00	MEXICAN BONOS 7.75% 11-29/05/2031	MXN	835,012,155	16.9
43,500,000.00	MEXICAN BONOS 8.5% 09-18/11/2038	MXN	290,050,167	5.8
23,100,000.00	MEXICAN BONOS 8.5% 09-31/05/2029	MXN	165,094,068	3.3
			<b>1,675,676,354</b>	<b>33.8</b>
<b>United Kingdom</b>				
25,200,000,000.00	EURO BK RECON&DV 4.25% 21-07/02/2028	IDR	215,030,475	4.3
			<b>215,030,475</b>	<b>4.3</b>
<b>United States of America</b>				
400,000.00	INT BK RECON&DEV 0% 11-16/11/2026	AUD	34,943,063	0.7
11,300,000.00	INT BK RECON&DEV 0% 18-25/05/2033	MXN	39,198,159	0.8
2,000,000.00	INT BK RECON&DEV 4.2% 23-21/04/2033	AUD	180,921,149	3.6
			<b>255,062,371</b>	<b>5.1</b>
			<b>4,851,793,477</b>	<b>97.8</b>
Total securities portfolio			<b>4,851,793,477</b>	<b>97.8</b>

### Summary of net assets

	% NAV
Total securities portfolio	4,851,793,477 97.8
Cash at bank	60,382,429 1.2
Other assets and liabilities	47,824,749 1.0
Total net assets	4,960,000,655 100.0

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

NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) - World Core Sovereign Bond Fund (in JPY)

Portfolio Breakdowns

Sector allocation	% of portfolio	% of net assets
Government	90.3	88.4
Supranational organisation	9.7	9.4
	<b>100.0</b>	<b>97.8</b>

Country allocation	% of portfolio	% of net assets
Mexico	34.5	33.8
Indonesia	28.5	27.9
Australia	27.3	26.7
United States of America	5.3	5.1
United Kingdom	4.4	4.3
	<b>100.0</b>	<b>97.8</b>

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

## Notes to the Financial Statements as at February 28, 2025

### 1. General Information

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

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

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

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

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

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

BNP Paribas Securities Services - Luxembourg Branch (since October 18, 2021), has been appointed as the depositary of the assets of the Company (the "Depositary") pursuant to the terms of a depositary agreement, as amended from time to time (the "Depositary Agreement"), administrative agent (the "Administrative Agent"), registrar and transfer agent (the "Transfer Agent") for the Company. The Administrative Agent is responsible for the central administration of the Company and in particular for processing the issuance, redemption and switching of Units, the determination of the Net Asset Value of the Units of each Sub-Fund and for the maintenance of accounting records.

The Fund at February 28, 2025 consists of one Sub-Fund: NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) – World Core Sovereign Bond Fund.

The Sub-Fund offers two classes of 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.

NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) – World Core Sovereign Bond Fund (the "Sub-Fund") commenced operations on March 18, 2010.

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

### 2. Significant Changes during the year

Mr Colin BELL resigned as Conducting Officer of Nikko Asset Management Luxembourg S.A. on April 30, 2024.

Mr Hervé PODEVYN resigned as a Director and Conducting Officer of Nikko Asset Management Luxembourg S.A. on September 1, 2024.

Mr Yutaka NISHIDA joined as a Director of Nikko Asset Management Luxembourg S.A. on September 1, 2024.

Mr Jun NISHIYAMA resigned as a Director of Nikko Asset Management Luxembourg S.A. on August 16, 2024.

### 3. Significant Accounting Policies

#### (a) Presentation of Financial Statements

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

#### (b) Determination of Net Asset Value per Unit

The Net Asset Value ("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, as described in the prospectus.

Any assets denominated in non-Reference Currency shall be converted into Reference Currency as of the Valuation Point based on Reuters 12 pm (EST) spot rate.



## Notes to the Financial Statements as at February 28, 2025 (continued)

### 3. Significant Accounting Policies (continued)

#### (c) Cash

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

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

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

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

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

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

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

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

#### (e) Securities Transactions and Investment Income

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

#### (f) Distribution Policy

Each year the Management Company may decide to distribute all available income as well as all other distributable items allowed by Luxembourg investment fund laws consisting, in addition of net income, of gains (realised or unrealised) 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.

#### (g) Foreign Exchange Transactions and Translations

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

The presentation currency of the Sub-Funds is denominated in Japanese Yen. The presentation currency of the Fund is denominated in Euro. The financial statements of each Sub-Fund on the Combined Statement of Assets and Liabilities and the Combined Statement of Operations have been translated from their presentation currency to the presentation currency of the Fund (EUR) at exchange rates prevailing at February 28, 2025 to arrive at the Fund totals.

## Notes to the Financial Statements as at February 28, 2025 (continued)

### 3. Significant Accounting Policies (continued)

#### (g) Foreign Exchange Transactions and Translations (continued)

The following table reflects the exchange rates used at February 28, 2025 for each of the above referenced statements:

JPY vs. AUD	0.010671
JPY vs. CAD	0.009560
JPY vs. EUR	0.006381
JPY vs. IDR	110.023561
JPY vs. MXN	0.136232
JPY vs. USD	0.006636
JPY vs. ZAR	0.123246

#### (h) Organisational Costs

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

### 4. Management fees

The Management Company is entitled to receive fees out of the assets of each Sub-Fund at the rate of 0.26% per annum of the NAV on the average daily aggregate NAVs of each Sub-Fund during the relevant calendar month. These fees shall be accrued daily and payable monthly.

The Investment Manager is entitled to receive the investment management fees which will be paid by the Management Company out of the management fees.

### 5. Depositary and Administrative Agent fees

The Depositary Bank is entitled to receive fees out of each Sub-Fund calculated and payable monthly at fixed rates per annum based on the market value of investments held in different countries by each Sub-Fund during the relevant month plus customary safekeeping fees.

The Administrative Agent is entitled to receive fees out of each Sub-Funds' assets at the rate of 0.018% per annum of net assets, subject to an annual minimum fee of EUR 12,000 per Sub-Fund, per annum plus additional fees for tax reporting if necessary.

### 6. Transfer Agent fees

The Transfer Agent is entitled to receive an annual register maintenance fee for one Sub-Fund of EUR 1,800 per annum plus EUR 150 for each additional unit class and additional fees for transactions out of the assets of each Sub-Fund. These fees are payable monthly.

### 7. Taxe d'abonnement

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

### 8. Transaction Costs

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

Transaction costs are itemized separately as an expense in the Statement of Operations and Changes in Net Assets. The transaction fees for fixed income securities and derivatives are included in the spread.

### 9. Other expenses

Other expenses include FATCA fees, CSSF fees, risk monitoring fees and registration/distribution.

### 10. Professional fees

The caption "Professional fees" include mainly legal fees, audit fees and compliance fees.

## Notes to the Financial Statements as at February 28, 2025 (continued)

### 11. Dividends

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

Name of the Sub-Fund	Ex-Date	Currency	Dividend per Unit in JPY
NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) – World Core Sovereign Bond Fund – Class A	3/12/2024	JPY	0.0030
NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) – World Core Sovereign Bond Fund – Class A	4/12/2024	JPY	0.0030
NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) – World Core Sovereign Bond Fund – Class A	5/13/2024	JPY	0.0030
NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) – World Core Sovereign Bond Fund – Class A	6/12/2024	JPY	0.0030
NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) – World Core Sovereign Bond Fund – Class A	7/12/2024	JPY	0.0030
NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) – World Core Sovereign Bond Fund – Class A	8/12/2024	JPY	0.0030
NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) – World Core Sovereign Bond Fund – Class A	9/12/2024	JPY	0.0030
NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) – World Core Sovereign Bond Fund – Class A	10/15/2024	JPY	0.0030
NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) – World Core Sovereign Bond Fund – Class A	11/12/2024	JPY	0.0030
NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) – World Core Sovereign Bond Fund – Class A	12/12/2024	JPY	0.0030
NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) – World Core Sovereign Bond Fund – Class A	1/13/2025	JPY	0.0030
NIKKO AM GLOBAL INVESTMENTS (LUXEMBOURG) – World Core Sovereign Bond Fund – Class A	2/12/2025	JPY	0.0030

### 12. Forward Foreign Currency Exchange Contracts

The Sub-Fund held no forward foreign currency exchange contracts at year end.

### 13. Statement of Changes in Portfolio Composition

A statement giving the changes in the portfolio of investments for the year ended February 28, 2025, can be obtained free of charge from the registered office of the Management Company of the Fund.

### 14. Subsequent Events

Nikko Asset Management Co., Ltd., a 100% shareholder of the Management Company entered into a share purchase agreement with FundRock Fund Management S.A. ("FundRock") on 30 September 2024, whereby all the shares in the Management Company will be transferred to FundRock and the Management Company will merge into FundRock, subject to the CSSF approvals. As a consequence, the Fund's Management Company is expected to change to FundRock.

No other significant events occurred after the year ended February 28, 2025.

### 15. Sustainable Finance Disclosure Regulation

Information on environmental and/or social characteristics and/or sustainable investments are available under the (unaudited) Sustainable Finance Disclosure Regulation section and its relevant annexes where applicable.

## Additional Information (unaudited)

### Remuneration Policy of the Management Company

The Remuneration Policy and practices of Nikko Asset Management Luxembourg S.A. (the "Management Company") 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.

As of February 28, 2025, the board of directors (the "Board") of the Management Company consists of five (5) members (4 non-executive members from other entities within the Nikko AM Group, and 1 independent director). The Board has delegated the day-to-day business to three (3) conducting officers.

#### Remuneration of the Board members

Four (4) non-executive members are employed by the entities within the Nikko AM Group, and one (1) member is independent to the Nikko AM Group. The Nikko AM Group-related members are not remunerated by the Management Company for their positions as Board members of the Management Company. The other member is independent and is remunerated by the Management Company and receives a fixed annual directorship fee. The remuneration of the non-executive members is in no case linked to the performance and results of the Management Company. There is no variable remuneration paid by the Management Company for these Board members.

#### Remuneration of all Identified Staff other than the Board members

The remuneration level of the Management Company's employees (including the 3 full-time employees acting as conducting officers) is fixed with the aim of being sufficient to attract and retain qualified and experienced personnel and to ensure independence in the performance of their role. The fixed salary rewards employees for performing day-to-day responsibilities reflecting their function's characteristics, their unique set of competencies, and geographic location. This compensation is typically paid monthly over a twelve-month period. The full-time employees of the Management Company are eligible for variable remuneration in accordance with the Remuneration Policy.

#### Remuneration of Identified Staff of the Management Company's delegate investment managers

The Management Company will take steps to ensure that the delegate investment managers are subject to remuneration requirements which are equally as effective as the UCITS requirements, or alternatively will contractually impose the relevant remuneration guidelines upon the relevant investment managers in order to ensure that there is no circumvention of the remuneration rules.

#### Corporate Governance

The remuneration of the independent director has been negotiated at a normal arm's length rate for the type of services provided. The structure and amount of the remuneration does not, in the opinion of the Board, lead to any conflicts of interest other than those which are otherwise inherent in his/her position with the Management Company.

The Board has delegated to a Nikko AM Group entity the task of ensuring that the Remuneration Policy is properly implemented, applied and monitored, however the oversight of its implementation and review shall remain the ultimate responsibility of the Board, which is responsible for monitoring compliance with the Remuneration Policy on an annual basis or when deemed appropriate.

The Board reviews the Remuneration Policy on a yearly basis. The latest version is dated May 2024. It has been reviewed to reflect the consideration of the potential implementation of participative premium plans whereby the Identified Staff may participate in the positive results (profits) generated by the Management Company in accordance with the relevant Luxembourg Laws.

The Remuneration Policy is available free of charge on the website of the Management Company <http://www.emea.nikkoam.com> and a paper copy will be made available free of charge upon request at the Management Company's registered office.

### Quantitative Disclosure

Disclosure of information on the remuneration payable by the Management Company is foreseen by Article 151(3) of the 2010 UCITS Law. In particular, such information encompasses the remuneration of the relevant staff of the delegate investment managers, in accordance with the ESMA Q&A on the application of the UCITS Directive, as amended on 14 June 2023.

The table below provides an overview of the aggregate 2024 (ending as of 28 February 2025) fixed and variable remuneration paid to the Identified Staff and to the relevant staff of the delegate investment managers. Fixed remuneration is defined as fixed fees or base salaries plus other benefits. Variable remuneration is defined as annual bonuses. Identified Staff means (i) the Board, including the independent director and senior management of the Management Company, and (ii) other staff of the Management Company, i.e. staff involved in control functions, any employee who receives total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the Management Company's risk profile or the risk profiles of the UCITS that it manages, and other risk takers. The relevant staff of the delegate investment managers means any staff of this delegate who have a material impact on the risk profile of a sub-fund, i.e. portfolio managers and risk managers. For the Identified Staff of the Management Company, the disclosure is provided on a pro-rated basis for the Fund's assets compared to the Management Company's assets under management. For the relevant staff of a delegate, the disclosure is provided on a prorated basis for the part of the Fund's assets which are managed by the relevant staff within that delegate.

## Additional Information (unaudited) (continued)

### Remuneration Policy of the Management Company (continued)

	Number of beneficiaries	Fixed remuneration (EUR)	Variable remuneration (EUR)	Total remuneration (EUR)
The Board and Senior Management of the Management Company	6	980,890.55	244,000.00	1,224,890.55
Other staff of the Management Company	4	596,955.21	138,000.00	734,955.21
Relevant staff of the delegate investment managers	1	186,531.00	117,543.00	304,074.00

### Global Risk 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-Fund's total commitments to financial derivative instruments is limited to 100% of its total net asset value.

### Sustainable Finance Disclosure Regulation (SFDR)

The investment manager identifies, analyses and integrates sustainability risks in its investment decision making process as it considers that this integration could help to enhance long-term risk adjusted returns for investors, in accordance with the investment objectives and policies of the Sub-Fund. The Sub-Fund however does not promote any environmental or social characteristics, does not have a sustainable investment objective and investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

### Securities Financing Transactions Regulation (SFTR)

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

