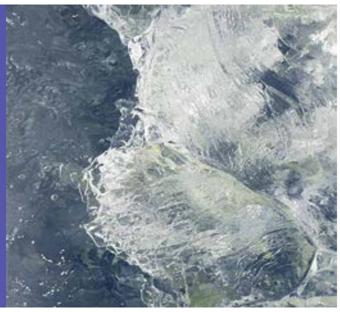
NIKKO AM GLOBAL EQUITY HEDGED FUND

Monthly Fact Sheet 30 April 2017



Investment objective

The objective of the Fund is to construct a portfolio of permitted investments that outperform the Fund's benchmark return by 3.0% per annum over a rolling three year period before fees, expenses and taxes.

Benchmark

MSCI All Countries World Index (net dividends reinvested), gross hedged 139% to NZD. Prior to 1 July 2016 MSCI All Countries World Index (net dividends reinvested) 100% hedged to NZD. Prior to 1 June 2014 MSCI World Index (net dividends reinvested) 100% hedged to NZD).

Fund description

The Fund aims to provide investors with long term growth from an actively managed investment portfolio selected from global equity markets.

The Fund gains its investment exposure by investing into the Nikko AM Wholesale Global Equity Hedged Fund.

We utilise a multi-manager global equity strategy managed by a specialist team based in Sydney and Singapore. Investment personnel from Nikko AM Australia, Singapore and New Zealand are responsible for the ongoing selection, monitoring and review of all underlying investment managers.

Currency management

Foreign currency exposures created as a consequence of capital market investment are gross hedged at 139% to NZD. The permitted operational hedging range is 134% - 144%.

Management fees and other charges

A management fee of 1.25% per annum calculated as a percentage of the net asset value of the Fund will be calculated and deducted from the Fund.

Nikko AM may also recover expenses (including the Trustee fee) from the Fund up to a maximum of 0.25% per annum of the Fund's net asset value. An estimate of expenses as at the date of publication is 0.09% per annum.

Buy/sell spread

0.07% / 0.07%

Strategic asset allocation

	Target	Range
Nikko AM Wholesale Global Equity Unhedged Fund via the Nikko AM Wholesale Global Equity Hedged Fund	100%	95% ⇔ 100%
Cash on call for investor transactions	0%	0% ⇔ 5%

Refer to the SIPO for full details of permitted investments and restrictions.

Performance

(NZD returns; before tax, after fees and expenses)

1 month	3 months	6 months	1 year
0.45%	3.18%	8.90%	13.81%

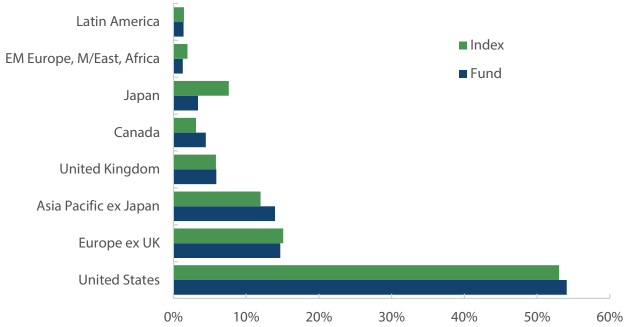
2 years (pa)	3 years (pa)	5 years (pa)	Inception (pa)*
5.60%	9.72%		12.05%

* January 2013

Manager allocation

Manager	Range	Actual*
WCM Investment Mgmt	10-30%	25.48%
Principal Global Investors	10-30%	25.37%
Epoch Investments Partners Inc	10-30%	21.55%
Davis Selected Advisors LP	10-30%	25.57%
Nikko AM Limited (Derivatives)	0-10%	3.43%
Nikko AM Limited (Cash)	0-10%	-1.40%

Geographical allocation



Emerging markets **13.4% of Fund**

Sector allocation (% of fund)

Sector	Fund	Benchmark
Consumer Discretionary	17.1	12.4
Consumer Staples	9.2	9.5
Energy	6.9	6.4
Financials	11.5	18.3
Health Care	11.1	11.1
Industrials	9.8	10.8
Information Technology	18.9	16.7
Materials	5.5	5.3
Real Estate	2.2	3.1
Telecommunication Services	3.6	3.3
Utilities	3.3	3.1
Cash*	0.9	0.0

* includes the sum of the underlying managers' cash allocations

Top 10 holdings (% of fund)

Company	Fund (%)	MSCI (%)	Country
Amazon.com	3.0	0.9	US
Alphabet Class C	2.1	0.7	US
Facebook	1.9	0.9	US
Wells Fargo & Co	1.6	0.6	US
Encana Corp	1.3	0.0	Canada
Apple	1.2	1.9	US
Taiwan Semiconductor	1.2	0.4	Taiwan
Naspers	1.1	0.2	Sth Africa
Berkshire Hathaway Class B	1.1	0.5	US
New Oriental Education	1.1	0.0	China

Fund commentary*

The Fund outperformed the benchmark by 17 bps (gross return) in April as both Growth and Quality continued to outperform Value by a significant margin. As expected, WCM (134 bps), PGI (93 bps) and Davis (84 bps) outperformed, while the Value manager Epoch (-120 bps) underperformed.

WCM had a very strong month, with value added mostly by holdings from the Technology, Consumer and Healthcare sectors. Top of the list was Edwards Lifesciences (up 19%), Cerner (up 12%) and Mercadolibre (up 11%). Although there was no stock specific news, Tencent Holdings (up 11.5%) benefitted from the continued outperformance of growth stocks in April. The Technology sector has been a particularly strong performer year-to-date, with a return of 18.0% for the first four months of the year, compared to the benchmark return of 10.3%.

PGI's Global Growth strategy has significant overweights to Apple, Amazon, Facebook and Google. With the exception of Apple, the other three performed well in April and made a positive impact on performance. Value was also added by French luxury goods names, Louis Vuitton Moet Hennessy (up 16%) and Christian Dior (up 21%).

The Davis portfolio also gained from stock selection in the Growth sectors. Alphabet (up 11%) added the most value, followed by emerging market consumer holdings, Naspers (up 12%), JD.com (up 15%) and TAL Education (up 14%).

Epoch's underperformance was due to a large overweight to the Telecoms sector, which underperformed, as well as stock selection in the Healthcare and Information Technology sectors. In addition to Telecoms being one of the worst performing sectors in April, three of Epoch's holdings in the sector had poor returns. Telstra (down 9.6%) was the main detractor from performance, followed by Verizon Communications (down 3%) and AT&T (down 1.7%). Qualcomm (down 4.6%) was the worst performing Technology holding, while the return from the Healthcare sector was negatively impacted by pharma companies, Astrazeneca (down 1.1%) and GlaxoSmithKline plc (down 1.6%).

*all return percentages expressed as unhedged in NZD unless otherwise stated.