

Nikko AM NZ Investment Scheme

NIKKO AM ARK DISRUPTIVE INNOVATION FUND

Fund Update



What is the purpose of this update?

This document tells you how the Nikko AM ARK Disruptive Innovation Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. Nikko AM NZ prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

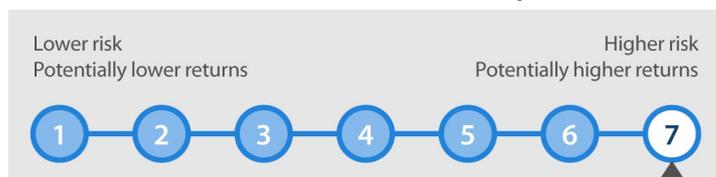
Description of this fund

The fund aims to outperform the benchmark of an absolute return of 10% per annum over a rolling five-year period before fees, expenses and taxes. The fund provides access to a global share portfolio that offers thematic exposure to disruptive innovation across a number of sectors, and geographies.

Total value of the fund	\$21,844,320
The date the fund started	4 September 2019

What are the risks of investing?

Risk indicator for Nikko AM ARK Disruptive Innovation Fund:



The risk indicator is rated from 1 (very low) to 7 (extremely high). The rating reflects how much the value of the fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz/tools/investor-kickstarter.

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for the five year period to September 2023¹. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates. See the product disclosure statement (PDS) for more information about the risks associated with investing in this fund.

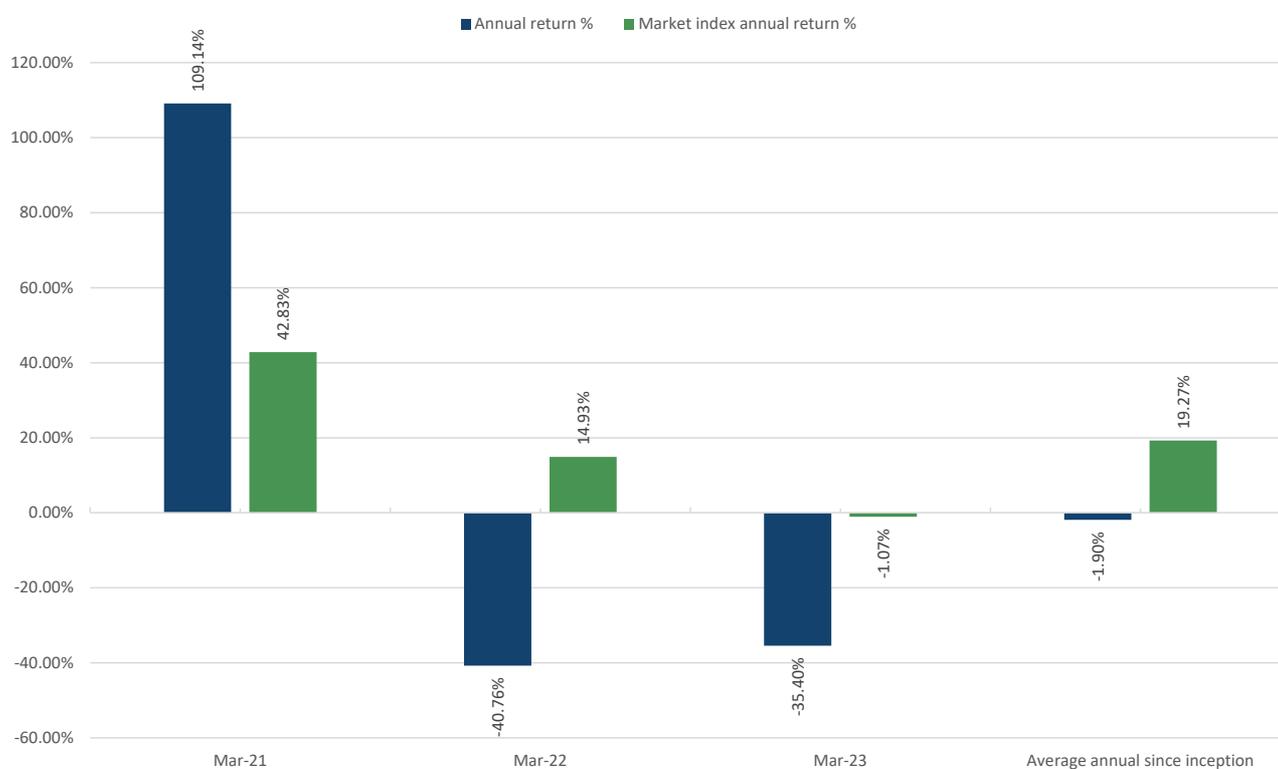
How has the fund performed?

	Past year
Annual return <i>(after deductions for charges and tax)</i>	0.47%
Annual return <i>(after deductions for charges but before tax)</i>	1.51%
Market index annual return <i>(reflects no deduction for charges and tax)</i>	26.66%

The market index on which the annual return is based is the NASDAQ-100 (in NZD).

Additional information about the market index is available on the offer register at <https://disclose-register.companiesoffice.govt.nz/>.

Annual Return Graph²



This shows the return after fund charges and tax for each year ending 31 March since the fund started. The last bar shows the average annual return since the fund started, up to 30 September 2023.

Important: This does not tell you how the fund will perform in the future.

Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

What fees are investors charged?

Investors in the Nikko AM ARK Disruptive Innovation Fund are charged fund charges. In the year to 31 March 2023 these were (inclusive of GST where applicable):

	% of net asset value
Total fund charges	1.30%
Which are made up of:	
Total management and administration charges	1.30%
Including:	
Manager’s basic fee	1.30%
Other management and administration charges (estimated)	0.00%
Total performance-based fees	0.00%

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the Nikko AM ARK Disruptive Innovation Fund PDS for more information about those fees.

Example of how this applies to an investor

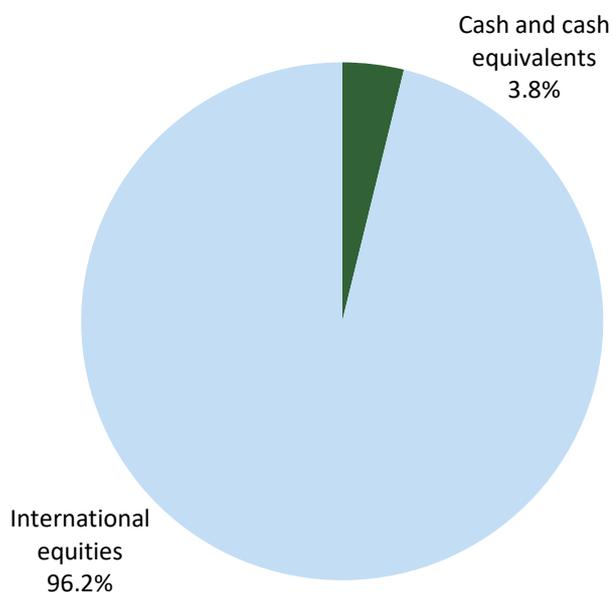
Small differences in fees and charges can have a big impact on your investment over the long term.

Noah had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Noah received a return after fund charges were deducted of \$151 (that is 1.51% of his initial \$10,000). Noah also paid no other charges. This gives Noah a total return after tax of \$47 for the year.³

What does the fund invest in?

This shows the types of assets that the fund invests in.

Actual investment mix



Target investment mix⁴

International equities	100%
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Top 10 investments

Name	Type	Country	Credit rating (if debt securities)	Percentage of fund's net asset value
1 Tesla Motors Inc	International equities	United States		8.28%
2 Roku Inc	International equities	United States		7.89%
3 Zoom Video Communications Inc	International equities	United States		7.68%
4 Coinbase Global Inc	International equities	United States		6.47%
5 Uipath Inc	International equities	United States		4.49%
6 Square Inc. Class A	International equities	United States		4.40%
7 Draftkings Inc	International equities	United States		4.36%
8 Twilio Inc. Class A	International equities	United States		3.80%
9 Westpac 11am Call Account	Cash and cash equivalents	New Zealand	AA-	3.59%
10 Unity Software Inc	International equities	United States		3.50%

The total value of the top 10 investments makes up 54.46% of the net asset value of the fund.

Foreign currency exposure in this fund is not hedged to New Zealand dollars.

Key personnel

	Name	Current position	Time in current position	Previous or other current position	Time in previous or other current position
1	Stuart Williams	Managing Director and Member of Investment Committee	0 years and 6 months	Head of Equities – Nikko Asset Management New Zealand Limited	8 years and 7 months
2	Fergus McDonald	Head of Bonds and Currency and Member of Investment Committee	23 years and 3 months	NZ Fixed Interest Portfolio Manager - Nikko Asset Management New Zealand Limited	10 years and 5 months
3	Michael Sherrock	Head of Equities and Member of Investment Committee	0 years and 6 months	Portfolio Manager – Nikko Asset Management New Zealand Limited	8 years and 5 months
4	Sam Bryden	Head of Distribution and Member of Investment Committee	0 years and 6 months	Senior Relationship Manager – Nikko Asset Management New Zealand Limited	4 years and 5 months
5	James Rogers	Chief Operating Officer and Member of Investment Committee	6 years and 6 months	Senior Project Manager – Nikko Asset Management New Zealand Limited	0 years and 5 months

Further information

You can also obtain this information, the PDS for the Nikko AM ARK Disruptive Innovation Fund, and some additional information from the offer register at <https://www.companiesoffice.govt.nz/disclose>.

Notes

¹ Because the fund is less than five years old, the risk indicator uses returns data partly from returns of the fund, and partly (for the period October 2019 to August 2019) from the NASDAQ-100 (in NZD). As a result of this, the risk indicator may provide a less reliable indicator of the potential future volatility of the fund.

² The bar chart show fund returns after the deduction of fees and taxes, however, the market index returns are shown before any fees or taxes are deducted.

³ For the purpose of this example, the start of the year is 1 October 2022.

⁴ All investments described in this fund updates are in New Zealand dollars.