

Factsheet 30 April 2022

NIKKO AM GLOBAL SHARES UNHEDGED STRATEGY

Assets are held in the Nikko AM NZ Wholesale Global Shares Fund. The Nikko AM Global Shares Fund (retail) and Nikko AM KiwiSaver Scheme Global Shares Fund invest in units in the wholesale fund, which the commentary refers to.

Market Overview

- Factors that drove the weakness seen earlier in the year came back to market prominence in April. Foremost amongst these were fears over inflation and what the World's Central Bankers would do about it.
- The best performing sector this month was Consumer Staples, as investors sought out parts of the market with inflation-proof earnings.
- The US underperformed - dragged lower by its high exposure to Technology and the weak performance of index heavyweights such as Amazon, Tesla and Google.

Fund Highlights

- The fund was down 1.87% for the month, 0.46% bps behind the index.
- Positive contributors to fund performance over the month were Carlisle Companies, Coca-Cola Company and Anthem. Main detractors included Sony Group Corp., AdaptHealth and SolarEdge Tech.

Performance

	One month	Three months	One year	Three years (p.a)	Five years (p.a)
Wholesale ¹	-1.87%	-7.58%	-0.49%	13.54%	-
Benchmark ²	-1.41%	-7.35%	4.53%	10.41%	-
Retail ³	-0.28%	-3.98%	-0.05%	13.10%	-
KiwiSaver ³	-0.29%	-3.99%	-0.01%	13.43%	-

1. Returns are before tax and before the deduction of fees. Based on actual calendar periods.
2. Benchmark: MSCI All Countries World Index (net dividends reinvested), in NZD terms. No tax or fees.
3. Returns are before tax and after the deduction of fees and expenses and including tax credits (if any). Based on change in unit price.

Since Inception Cumulative Performance (gross), \$10,000 invested^{1,2}



Investment Manager

The Global Shares Strategy is managed by Nikko AM's Global Equity team that is based in Edinburgh, Scotland. With over 20 years average experience, team members have dual roles of portfolio manager and analyst responsibility and work together on an equal basis to construct client portfolios. This flat investment structure and investment process has been in place since the team's foundation.

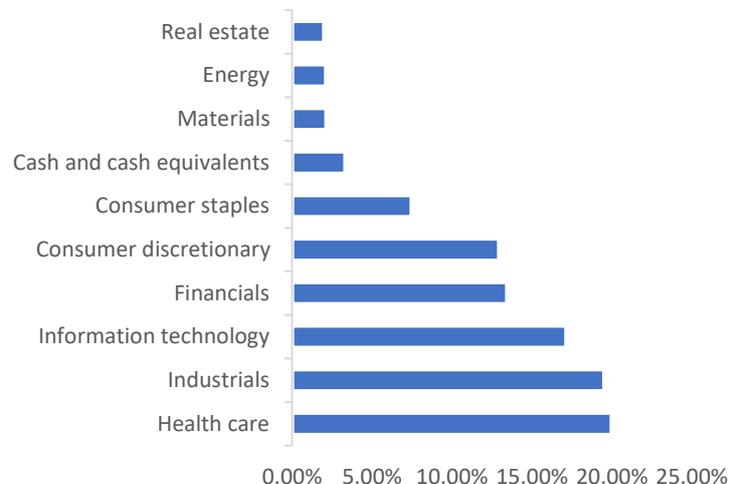
Overview

The fund provides investors with a relatively concentrated actively managed portfolio of global equities to achieve long term capital growth.

Objective

The fund aims to outperform the benchmark return by 3% per annum before fees, expenses and taxes over a rolling three-year period.

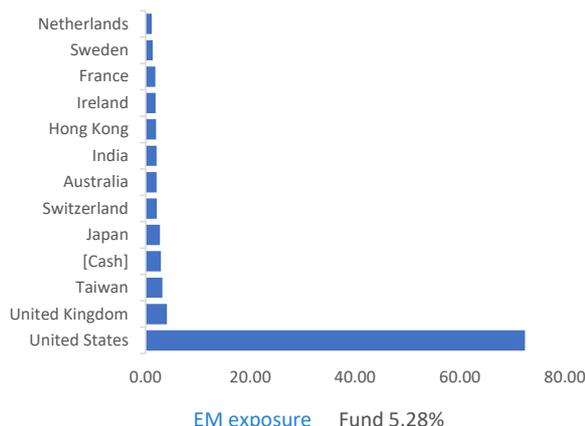
Asset Allocation



Top 10 Holdings

	% of Fund	Country
Microsoft Corp	6.77	US
Coca Cola Co	3.45	US
Compass Group	3.43	UK
Encompass Health Corp	3.29	US
Emerson Electric Co	3.25	US
Taiwan Semicon Co	3.17	Taiwan
LHC Group Inc	3.02	US
Accenture Plc	3.00	Ireland
Carlisle Cos Inc	2.94	US
Sony Corp	2.74	Japan

Geographical Allocation



Market Commentary

March proved to be something of a lull that preceded April’s storm, as the factors that drove the weakness seen earlier in the year came back to market prominence. Foremost amongst these were fears over inflation and what the World’s Central Bankers would do about it. The S&P 500 lost more than 8% in the month – marking its worst April since 1970. The best performing sector this month was Consumer Staples, as investors sought out parts of the market with inflation-proof earnings. Defensive sectors generally fared well in April, with Utilities, Real Estate and Healthcare all outperforming the broader market too. Regionally speaking, Europe fared relatively well. Whilst the region’s economic prospects will probably dim the most in the event of any escalation in the war in Ukraine, a lot of caution was reflected in equity valuations already, heading into April. European indices also have a relatively high exposure to commodities, with Energy and Materials contributing to approximately 14% of the region’s benchmark (versus 6% in the US). The US underperformed, dragged lower by its high exposure to Technology and the weak performance of index heavyweights such as Amazon, Tesla and Google.

Fund Commentary

The fund was down 1.87% for the month, 0.46% behind the index. Positive contributors to fund performance over the month were Carlisle Companies, Coca-Cola Company and Anthem. Carlisle Companies outperformed on the back of strong Q1 results. Management has disclosed a new segmentation for their Construction division, which dominates Carlisle’s business and investment case. Coca-Cola Company outperformed on the back of extremely strong quarterly results. The company achieved 18% organic revenue growth, of which 11% was volume-led, illustrating robust demand in a sustained inflationary environment. Anthem continued to outperform in April following Q1 results which reaffirmed the positive managed care setup for 2022. Main detractors included Sony Group Corp., AdaptHealth and Solar Edge Tech. Sony Corp underperformed in April as concerns grew over consumer discretionary spending as costs of living continued to increase. AdaptHealth underperformed this month following an update from Philips regarding its sleep apnea product recall. SolarEdge Tech shares declined on the back of the US Department of Commerce’s anti-dumping investigation of solar cell imports from China and Southeast Asian countries. Approximately 85% of US solar cell imports may be liable for anti-dumping tariffs if deemed to be circumventing rules.

Key Fund Facts

Distributions

Generally does not distribute.

Exclusions

Securities that conduct activities listed on the Schedule to Cluster Munitions Prohibition Act 2009. Tobacco manufacturers.

Restrictions

Adult entertainment, tobacco stocks, ‘controversial weapons’, gambling, fossil fuels, alcohol stocks. For more information, please refer to the Statement of Investment Policy and Objectives (SIPO) which can be found on our website <https://www.nikkoam.co.nz/invest/retail>.

Estimated annual fund charges

Wholesale: negotiated outside of the unit price
 Retail 1.20%, refer to PDS for more details
 KiwiSaver 1.15% refer to PDS for more details

Buy / Sell spread:

0.07%/0.07%

Strategy Launch

July 2017

Strategy size

\$518m

Compliance

The wholesale fund complied with its investment mandate and trust deed during the month.

Contact Us

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