

Nikko AM ARK Disruptive Innovation Strategy

Monthly Update 31 May 2025

Assets are held in the Nikko AM Wholesale ARK Disruptive Innovation Fund. The Nikko AM ARK Disruptive Innovation Fund (retail) and the GoalsGetter KiwiSaver Scheme Nikko AM ARK Disruptive Innovation Fund invest in units in the wholesale fund, which the commentary refers to.

Market Overview

- Broad-based global equity indexes traded up, due to favourable reactions to progress in trade negotiations between the United States and the United Kingdom, China, and other countries, as well as rising expectations for President Trump's tax cuts.
- Relative to the MSCI World Index, the Information Technologies, Communication Services, and Industrials sectors outperformed on balance in May, while Health Care, Real Estate and Consumer Staples sectors lagged.

Fund Highlights

- The fund returned 11% over the month, well ahead of the benchmark.
- Key contributors for the month include Roblox (RBLX), Tesla (TSLA) and Robinhood (HOOD).
- Key detractors for the month include Beam Therapeutics (BEAM), Twist Bioscience (TWST) and Recursion (RXRX).

Performance

| | One month | Three months | One year | Three years (p.a.) | Five years (p.a.) |
|------------------------------|-----------|--------------|----------|--------------------|-------------------|
| Wholesale¹ | 11.00% | -2.01% | 46.22% | 16.66% | |
| Retail³ | 10.62% | 0.95% | 43.76% | 14.35% | 1.16% |
| KiwiSaver³ | 10.66% | 0.81% | 43.65% | 14.34% | |
| Benchmark² | 0.80% | 2.41% | 10.00% | 10.00% | 10.00% |
| NASDAQ⁴ | 8.54% | -3.92% | 19.13% | 23.38% | 18.96% |

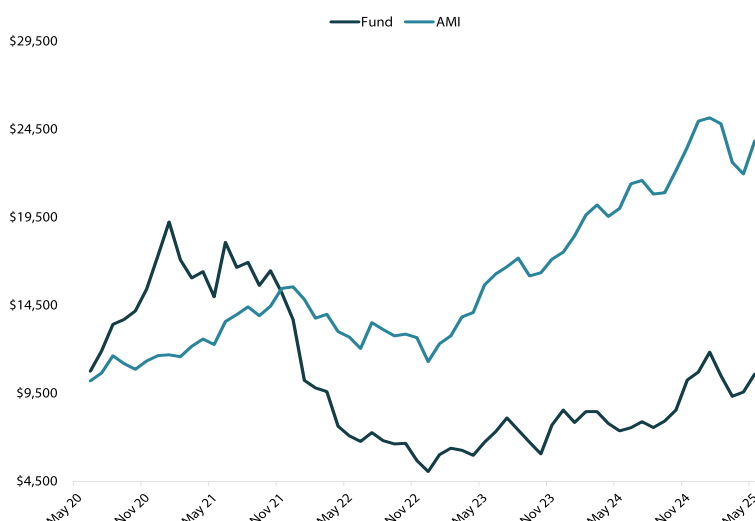
1. Returns are before tax and before the deduction of fees and including tax credits (if any).

2. Absolute return of 10% per annum. No fees, expenses or taxes.

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.

4. NASDAQ-100 Notional Net Total Return Index Unhedged in NZD.

Since Inception Cumulative Performance, \$10,000 Invested^{3,2}



Investment Manager

The fund invests in the Nikko AM ARK Disruptive Innovation Fund managed by Nikko AM Americas. ARK Investment Management LLC is the Investment Adviser to Nikko AM Americas. Cathie Wood is ARK's founder and portfolio manager and is a highly experienced thematic investor. ARK's transparent research approach is highly differentiated, seeking to capitalise on insights across multiple mediums.



Overview

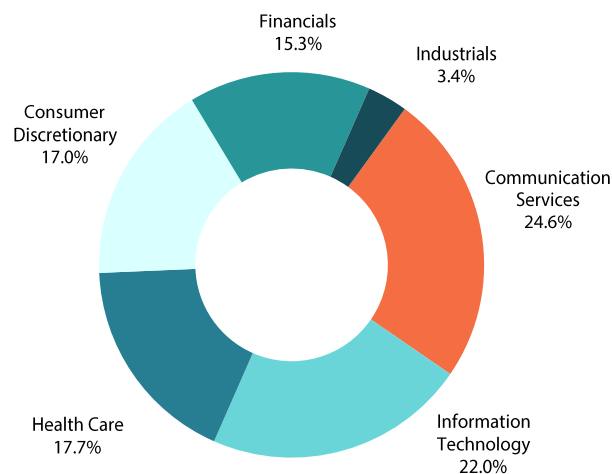
The fund provides access to a global share portfolio that offers thematic exposure to disruptive innovation across a number of sectors and geographies. Disruptive innovation is caused by the introduction of new technologically enabled products or services that permanently change an industry or economic sector by providing greater simplicity, accuracy, customisation and accessibility while driving down costs.

Objective

The fund aims to achieve an absolute return of 10% per annum over a rolling five year period before fees, expenses and taxes.

Sector Weights*

*Weights based on Manager's model portfolio, which may vary from the actual portfolio and does not factor in cash positions.



Technology Composition (Underlying Fund*)

| | (%) | | (%) |
|------------------------|-------|----------------------|------|
| Intelligent Devices | 21.94 | Programmable Biology | 1.90 |
| Next Gen Cloud | 17.86 | Humanoid Robotics | 1.86 |
| Digital Wallets | 11.06 | | |
| Neural Networks | 10.67 | | |
| Autonomous Mobility | 10.17 | | |
| Multiomic Technologies | 8.94 | | |
| Cryptocurrencies | 4.67 | | |
| Precision Therapies | 3.94 | | |
| Smart Contracts | 3.68 | | |
| Advanced Battery Tech | 3.29 | | |

Top 10 Holdings (Underlying Fund*)

| | (%) | Country |
|---------------------------|------|---------------|
| Tesla Motors Inc | 8.98 | United States |
| Roblox Corp | 8.38 | United States |
| Coinbase Global Inc | 7.96 | United States |
| Palantir Technologies Inc | 6.79 | United States |
| Roku Inc | 5.39 | United States |
| Robinhood Markets Inc | 4.76 | United States |
| Shopify Inc | 4.60 | Canada |
| Tempus Ai Inc | 4.09 | United States |
| Meta Platforms Inc | 3.13 | United States |
| Amazon Com Inc | 2.58 | United States |

Market Commentary (source: ARK Investment Management LLC)

Broad-based global equity indexes traded up, due to favourable reactions to progress in trade negotiations between the United States and the United Kingdom, China, and other countries, as well as rising expectations for President Trump's tax cuts. Relative to the MSCI World Index, the Information Technologies, Communication Services, and Industrials sectors outperformed on balance in May, while Health Care, Real Estate and Consumer Staples sectors lagged.

While short-term uncertainty is weighing on growth, ARK management believe that interest rates are likely to surprise to the downside. A loss of pricing power will force corporations to curb employment, extending the pressure on growth. Longer-term, setting the stage for a rebound as the Trump administration implements pro-growth policies, breakthroughs in AI, robotics, energy storage, blockchain, and multiomics sequencing should unleash productivity and real economic growth.

Fund Commentary

Key contributors for the month include Roblox (RBLX), Tesla (TSLA) and Robinhood (HOOD).

Shares of Roblox contributed to the fund this month. The company reported first quarter earnings, including revenue growth year-over-year and Bookings growth year-over-year that beat analysts' expectations. The company also raised its annual guidance for this year. Shares of Tesla contributed to performance during the month as Elon re-focused on accelerating growth through his companies, stepping back from government involvement. Tesla highlighted its AI progress with new videos of Optimus dancing and completing practical tasks, while also strengthening its leadership with the appointment of Jack Hartung to the Board. Separately, it was reported that Tesla may launch robotaxi operations in Austin on June 12, with Musk confirming several days of incident-free testing of driverless Model Ys in the city. Shares of Robinhood contributed to the fund's performance during the month following the company's strong first quarter earnings report, which showed a year-over-year revenue increase and a rise in net income. The stock also gained after Robinhood announced its acquisition of crypto exchange Bitstamp, expanding its global crypto services and institutional client base. Additionally, increased trading activity amid market volatility contributed to the company's robust performance.

Key detractors for the month include Beam Therapeutics (BEAM), Twist Bioscience (TWST) and Recursion (RXRX).

Shares of Beam Therapeutics detracted from fund performance this month following first quarter earnings results. Despite this, Beam reported several notable regulatory milestones in May, including FDA Orphan Drug and Regenerative Medicine Advanced Therapy designations for BEAM-302, an in vivo base editing therapy for alpha-1 antitrypsin deficiency. Additionally, the company received Orphan Drug Designation for BEAM-101, its ex vivo base editing candidate for sickle cell disease. Shares of Twist Bioscience detracted from fund performance this month following the announcement of the spinout of its DNA data storage technology into a new company, Atlas Data Storage, which secured significant seed financing; despite this spinout, Twist still retains the ability to use the technology internally. Although the company reported year-over-year revenue growth and improved gross margins, the stock faced downward pressure amid concerns over the strategic shift and its implications for the company's focus on core business areas. Shares of Recursion Pharmaceuticals detracted from fund performance this month. Recursion provided a business update and decision to trim its pipeline, cutting three clinical programs, pausing one clinical candidate, and discontinuing a preclinical effort. This reflects a positive strategic focus on higher-confidence assets, with these discontinued programs stemming from earlier iterations of their platform and underscoring their evolution toward more robust, validated pipeline candidates.

Key Fund Facts

| | | | | | |
|--|--|----------------------------|---|-------------------------|----------------|
| Estimated annual fund charges (incl. GST) | | Distribution: | Generally does not distribute. | Strategy Launch: | September 2019 |
| Retail: | 1.30% refer to PDS for more details | Investment Manager: | *The fund invests in the Nikko AM ARK Disruptive Innovation Fund (the Underlying Fund), a sub-fund of the Nikko AM Global Umbrella Fund - an open-ended investment company established under Luxembourg law as a société d'investissement à capital variable (SICAV). | Strategy size: | \$53.4m |
| KiwiSaver: | 1.45%, refer to PDS for more details. | | | | |
| Hedging: | Any foreign currency exposure is unhedged. | | | | |

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