

# Nikko AM Freedom Fund

Factsheet 31 May 2025

## About Freedom Fund

We are playing our part in creating change. That's why we launched the Nikko AM Freedom Fund. It gives investors the opportunity to do more with their money by investing in a fund that donates all the returns and fees to the charitable organisation - Tearfund.

## About Tearfund

Tearfund partners with organisations to fight the modern slavery and human trafficking battle on many fronts, aiming to protect, educate and empower the most vulnerable. This is all done while catching and prosecuting criminals and working with governments to make it more difficult for trafficking rings to exist.

These aims align with the 5 Ps approach, based on the International Framework for Action to Implement the Trafficking in Persons Protocol (UNDOC, 2009):

**Prevention, Prosecution, Protection, Policy and Partnership.**

To get an idea of what Tearfund endeavours to resolve, here are some key facts highlighting the ubiquity of modern-day slavery today:

- **27.6 million people in forced labour exploitation**, which is more than the entire population of Australia.
- **6.3 million people trapped in forced commercial sex**, which is more than the entire population of New Zealand.
- **22 million people in forced marriages**, where one/or both parties have not personally expressed their full, free and informed consent to the union. A child marriage is a form of a forced marriage.
- **Asia Pacific** accounts for **55%** (15.1 million people) and **41%** of global rates of **exploitation and child labour respectively**.

## How this fund works

The return on your investment will be paid directly to Tearfund (the charity) for use in its work to combat human trafficking and modern slavery. The unit price can never exceed \$1.00. However, if the unit price falls below \$1.00, then any investment gains will be used to bring the unit price back to \$1.00 before donations to the charity recommence. The fund makes a monthly distribution payment to the charity. Investors do not receive any financial returns but are able to access their capital when required.

## Performance

	1 Mth	3 Mths	1 Yr	3 Yrs (pa)	5 Yrs (pa)
Freedom Fund	0.04%	1.11%	6.90%	5.17%	-

## Fund Commentary (extracts from commentary the fund invests in)

**Nikko AM NZ Cash Fund:** As widely expected, the Reserve Bank cut the OCR by 25bps to 3.25%, however the RBNZ delivered their post statement press conference where comments suggested they no longer had an easing bias. The fund holds a longer than benchmark duration position and the fund has a yield advantage of 65bps over its benchmark, this may increase as the OCR approaches the endpoint of the current easing cycle.

**Nikko AN NZ Bond Fund:** NZ bonds had a challenging month with elevated uncertainty and fiscal deficit concerns pressuring yields higher. Over the month the move higher in interest rates was the primary driver of both absolute and relative returns. The fund has been positioned with a longer duration than benchmark and moves higher in rates are unhelpful. Given the fund's yield advantage over benchmark we expect the fund to perform well when rates are stable to lower.

## Portfolio Manager

**Stuart Williams** is

Managing Director of Nikko AM New Zealand, he joined in 2014. He has over 20 years' experience across all aspects of investment management. Stuart has extensive experience in conducting detailed research and developing investment recommendations on listed companies in both New Zealand and Australia. He holds a Bachelor of Commerce degree from the University of Auckland and is a Chartered Accountant.



## Overview

The purpose of this Fund is to utilise capital to generate returns to help support a charity. This fund gains its investment exposure by investing in NZ cash, fixed interest and Australasian equities via other Nikko AM Funds.

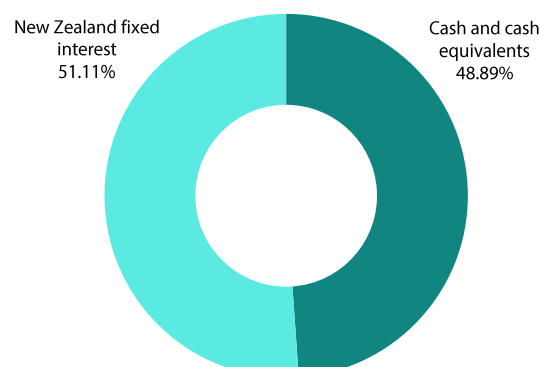
## Objective

The fund aims to provide a regular income to the charity from an actively managed investment portfolio and to maintain the value of investor's capital and to outperform the RBNZ Official Cash Rate by +1.50% p.a.

## Donations (for the 12 months ended 31 March)

2023	\$2,155
2024	\$31,374
2025	\$35,301
2026 YTD	\$259

## Asset Allocation



## Chanthavy's Story

Warning: Story content may disturb readers. Image changed to protect identity.

When Chanthavy was seven days old, her mother took her across the border to Cambodia and left her with her grandmother. Her mother returned three years later and tried to "sell" her daughter to a man. After three days, her grandmother found her and had her mother arrested. When Chanthavy was 15, one of her cousins told her about a job outside the city where she'd be paid a good salary and given annual leave to see her grandmother. As soon as she arrived at the new job, her cousin left. She was forced to work in this new family's house and at their market stall. She was never paid for her work.



Chanthavy was subject to repeated sexual abuse (as were some of her work colleagues) by her boss. Chanthavy became pregnant with his child.

By the time Chanthavy was freed, she'd already tried to escape many times and survived a murder attempt on both her and her son. She'd given up all hope of a life worth living, but she found a phone and rang TEAR fund's partner's hotline.

**Chanthavy was brought to a safe house where she was given a place to stay, education, counselling and care for her wellbeing and future. She loves her son and wants to give him all the chances she never had. "We are pursuing the prosecution of her former boss."**

Chanthavy's hope is to live with her precious grandmother again, but for now, she is safe and will remain in care until she is strong enough to begin rebuilding her life.

## How we are tackling Modern Slavery

**Though our experienced partners on the ground, we take a comprehensive approach to human trafficking by using the 5 P's:**

Prevention / Prosecution / Protection / Policy / Partnership

**Supported by our donors, our partners:**

- Help protect people vulnerable from trafficking and worker exploitation by running empowerment and education programmes.
- Assist police investigations into the criminal networks behind trafficking and slavery.
- Work with local law enforcement to prosecute traffickers, preventing more people from becoming enslaved.
- Give survivors a safe place to heal, recover and restore their dignity through rehabilitation and supported reintegration.

As we advocate for change in the fashion and shoe industries we help educate consumers on how to the most ethical purchases choices. We provide data showing which companies are making the most effort to reduce worker exploitation in their supply chains and to limit their environmental impact.



## Key Fund Facts

### Distributions:

The Fund distributes to the charity each month in the form of a donation.

The donation comprises two parts:

1. The management fee charged to the fund will be paid to the charity in full each month.
2. Investment returns above the invested capital will be paid to the charity monthly, with a final wash-up payment made at the year-end or shortly after, so all eligible investment returns will be fully paid to the charity each year.

No distributions are expected to be made to investors.

### Estimated annual fund charges (incl GST)

Retail: 0.30%, refer PDS for more details.

100% of this fee will be donated by the Manager to the charity. No other fees are charged.

<b>Buy / Sell spread</b>	0.00% / 0.00%
<b>Strategy Launch:</b>	September 2021
<b>Strategy Size</b>	\$520k

## Compliance

The fund complied with its investment mandate and trust deed.

## Contact Us

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