

Annual Report

NIKKO AM NZ INVESTMENT SCHEME

31 March 2018

Prepared on 27 July 2018

Issued by Nikko Asset Management
New Zealand Limited

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on www.business.govt.nz/disclose. Nikko Asset Management New Zealand Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial adviser to help you to make an investment decision.

Contents

Details of scheme.....	3
Information on contributions and scheme participants.....	4
Changes relating to the scheme.....	5
Other information for particular types of managed funds.....	5
Changes to persons involved in the scheme.....	6
How to find further information.....	6
Contact details and complaints.....	7
How to complain.....	7

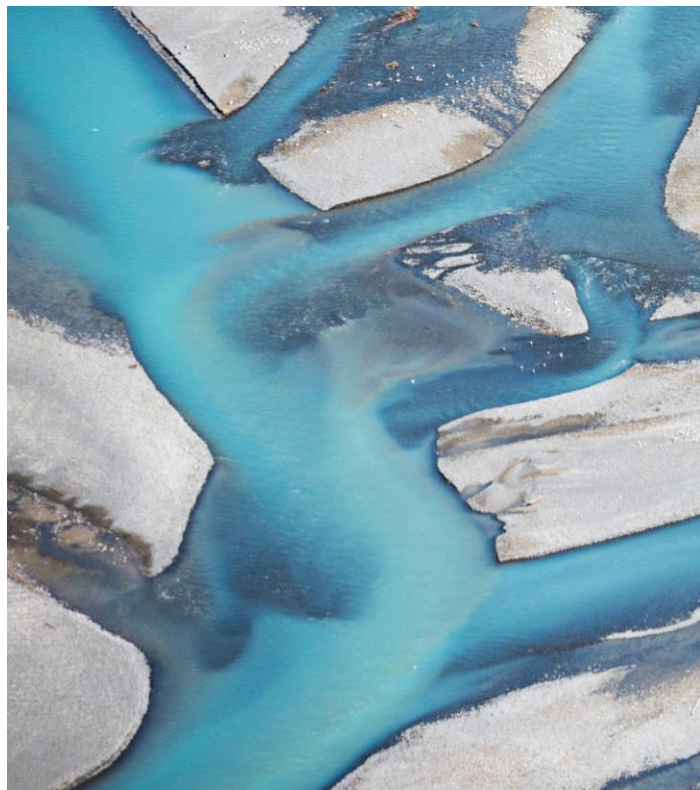


Image: Abstract aerial view of river bed, Canterbury Plains, Christchurch, NZ.

Details of scheme

Scheme name

Nikko AM NZ Investment Scheme

Scheme type

Managed Investment Scheme

Manager:

Nikko Asset Management New Zealand Limited

Supervisor:

Public Trust

Latest PDS:

Fund Name	Latest PDS (as at 31 March 2018)
Nikko AM Concentrated Equity Fund	23 November 2017 – Open for applications
Nikko AM Core Equity Fund	23 November 2017 – Open for applications
Nikko AM Global Bond Fund	23 November 2017 – Open for applications
Nikko AM Global Equity Hedged Fund	23 November 2017 – Open for applications
Nikko AM Global Equity Unhedged Fund	23 November 2017 – Open for applications
Nikko AM Global Shares Fund	23 November 2017 – Open for applications
Nikko AM Income Fund	23 November 2017 – Open for applications
Nikko AM Multi-Strategy Fund	23 November 2017 – Open for applications
Nikko AM NZ Cash Fund	23 November 2017 – Open for applications
Nikko AM NZ Bond Fund	23 November 2017 – Open for applications
Nikko AM NZ Corporate Bond Fund	23 November 2017 – Open for applications
Nikko AM Australasian Small Companies Fund	18 June 2016 – Withdrawn

Latest fund updates:

Fund Name	Latest fund Update
Nikko AM Concentrated Equity Fund	Quarter ended 31 March 2018
Nikko AM Core Equity Fund	Quarter ended 31 March 2018
Nikko AM Global Bond Fund	Quarter ended 31 March 2018
Nikko AM Global Equity Hedged Fund	Quarter ended 31 March 2018
Nikko AM Global Equity Unhedged Fund	Quarter ended 31 March 2018
Nikko AM Global Shares Fund	Quarter ended 31 March 2018
Nikko AM Income Fund	Quarter ended 31 March 2018
Nikko AM Multi-Strategy Fund	Quarter ended 31 March 2018
Nikko AM NZ Cash Fund	Quarter ended 31 March 2018
Nikko AM NZ Bond Fund	Quarter ended 31 March 2018
Nikko AM NZ Corporate Bond Fund	Quarter ended 31 March 2018
Nikko AM Australasian Small Companies Fund	Quarter ended 31 December 2016

Each fund's 31 March 2018 financial statements and auditor's report have been lodged with the Registrar.

Information on contributions and scheme participants

The number of managed investment products on issue was 11 at 1 April 2017 and 11 at 31 March 2018. The units for each of the managed investment products are:

Fund Name	Units on Issue as of 31 March 2017	Units on Issue as of 31 March 2018
Nikko AM Concentrated Equity Fund	16,658,024	17,805,338
Nikko AM Core Equity Fund	3,901,672	5,078,430
Nikko AM Global Bond Fund	18,535,926	19,364,162
Nikko AM Global Equity Hedged Fund	58,871,209	30,945,907
Nikko AM Global Equity Unhedged Fund	74,222,440	62,143,801
Nikko AM Global Shares Fund	n/a	65,820
Nikko AM Income Fund	8,684,622	9,174,779
Nikko AM Multi-Strategy Fund	106,998,553	97,552,590
Nikko AM NZ Cash Fund	118,963,851	107,323,973
Nikko AM NZ Bond Fund	61,624,993	50,025,975
Nikko AM NZ Corporate Bond Fund	296,020,582	92,705,858
Nikko AM Australasian Small Companies Fund	-	n/a

Changes relating to the scheme

On 22 August 2017 the Nikko AM Global Shares Fund was registered.

On 3 August 2017 the SIPO was updated, replacing the version dated 1 March 2017. This update was made to reflect the launch of the Nikko AM Global Shares Fund.

On 7 September 2017 the SIPO was updated, replacing the version dated 3 August 2017, to reflect changes made to the structure of the Nikko AM NZ Corporate Bond Fund, in that a Nikko AM Wholesale NZ Corporate Bond Fund was launched and the Nikko AM NZ Corporate Bond Fund commenced interfunding in to that fund rather than holding securities directly.

On 29 September 2017, the SIPO was updated, replacing the version dated 7 September 2017, to reflect a change of investment objective for the Nikko AM Income Fund.

We confirm that there were no related party transactions entered into during the accounting period that were not on arm's-length terms.

Other information for particular types of managed funds

Fund Name	Unit Price as of 31 March 2017	Unit Price as of 31 March 2018
Nikko AM Concentrated Equity Fund	1.9197	2.3421
Nikko AM Core Equity Fund	1.8569	2.2556
Nikko AM Global Bond Fund	1.1415	1.1514
Nikko AM Global Equity Hedged Fund	1.6300	1.8233
Nikko AM Global Equity Unhedged Fund	1.6660	1.8551
Nikko AM Global Shares Fund	n/a	1.1314
Nikko AM Income Fund	1.2154	1.2320
Nikko AM Multi-Strategy Fund	1.1095	1.1490
Nikko AM NZ Cash Fund	1.0202	1.0262
Nikko AM NZ Bond Fund	1.0110	1.0239
Nikko AM NZ Corporate Bond Fund	1.1420	1.1567
Nikko AM Australasian Small Companies Fund	n/a	n/a

Changes to persons involved in the scheme

The only reportable changes (for example to the Manager, our directors or key personnel) during the accounting period were:

Regarding the Nikko AM New Zealand Board, the follow changes occurred:

- Tracey Jones was appointed as an Independent Director on 14 August 2017
- Anthony Harland ceased to be a Director on 1 October 2017
- David Semaya ceased to be a Director on 31 March 2018

Relating to Public Trust (the supervisor), in the year ending 31 March 2018 the following changes occurred in relation to the board:

- Lyn Lim retired 30 June 2017
- Sarah Roberts retired 31 August 2017
- Ian Fitzgerald appointed 22 May 2017, and appointed Chair since 1 September 2017

On 17 November 2017 MMC Ltd were appointed as Unit Registry provider for the scheme replacing BNP Paribas Security Services (BNPPSS).

How to find further information

Further information relating to the scheme and the managed investment products (including the trust deed, financial statements, SIPOs, the PDS and quarterly fund updates) is available on:

- the Disclose register www.business.govt.nz/disclose
- www.nikkoam.co.nz

Other information we will provide

Information	How to obtain
Latest unit price	The latest unit price is available on our website www.nikkoam.co.nz .
Fund information relevant to you	You can inspect documents we hold that are relevant to you and other documents that are legally required to be provided to you, at our office during normal business hours or request an extract of those documents, by writing to us.
Fund updates	Once available, the fund updates for the Fund will be publicly available from our website – https://www.nikkoam.co.nz/invest/retail – and can be requested from us.

You will not be charged any fee to access this information.

You can find more information about us and the Funds on our website www.nikkoam.co.nz.

Contact details and complaints

Nikko Asset Management New Zealand Limited

Level 9, Vero Centre, 48 Shortland Street, Auckland 1010, New Zealand
PO Box 3892, Shortland Street, Auckland 1140
09 307 6363
NZenquiries@nikkoam.com
www.nikkoam.co.nz

Please direct any enquiries or complaints to “the Managing Director” at the address above.

Public Trust

Manager Client Services
Level 9, 34 Shortland Street, Auckland 1010
PO Box 1598, Shortland Street, Auckland 1140
0800 371 471
CTS.enquiry@publictrust.co.nz
www.publictrust.co.nz/corporate-trustee-services

MMC Ltd (as unit registry provider)

Level 25, QBE Centre
125 Queen Street, Auckland 1010
PO Box 106 039, Auckland City, Auckland 1143
09 309 8926
nikkoregistry@mmcnz.co.nz

How to complain

Any complaints about a fund or the Scheme may be referred to the Manager, the Supervisor or Financial Services Complaints Limited.

The Manager and the Supervisor are both members of the Financial Services Complaints Limited independent dispute resolution scheme which is a scheme approved by the Ministry of Consumer Affairs.

If you have made a complaint to us and it has not been resolved within 40 days or if you are dissatisfied with the proposed resolution, you can refer it to:

Financial Services Complaints Limited

Level 4, 101 Lambton Quay, Wellington 6011
PO Box 5967, Wellington 6145
Freephone 0800 347 257 or 04 472-FSCL
www.fscl.org.nz

Financial Services Complaints Limited will not charge a fee to any complainant to investigate or resolve a complaint. Further information about referring a complaint to Financial Services Complaints Limited can be found at www.fscl.org.nz.