

Annual Report

NIKKO AM NZ INVESTMENT SCHEME

31 March 2019

Prepared on 31 July 2019

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.

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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 2019)
Nikko AM Cash and Fixed Interest Funds	19 February 2019 – Open for applications
- Nikko AM NZ Cash Fund	
- Nikko AM NZ Corporate Bond Fund	
- Nikko AM NZ Bond Fund	
- Nikko AM Income Fund	
- Nikko AM Global Bond Fund	
Nikko AM Domestic Equity Funds	19 February 2019 – Open for applications
- Nikko AM Core Equity Fund	
- Nikko AM Concentrated Equity Fund	
Nikko AM Global Equity Funds	19 February 2019 – Open for applications
- Nikko AM Global Equity Hedged Fund	
- Nikko AM Global Equity Unhedged Fund	
- Nikko AM Global Shares Fund	
Nikko AM Diversified Funds	19 February 2019 – Open for applications
- Nikko AM Growth Fund	
- Nikko AM Balanced Fund	
- Nikko AM Conservative Fund	
Nikko AM Option Fund	19 February 2019 – Open for applications
Nikko AM Multi-Strategy Fund	3 April 2018– Withdrawn

Latest fund updates:

Fund Name	Latest fund Update
Nikko AM Balanced Fund	Quarter ended 31 March 2019
Nikko AM Concentrated Equity Fund	Quarter ended 31 March 2019
Nikko AM Conservative Fund	Quarter ended 31 March 2019
Nikko AM Core Equity Fund	Quarter ended 31 March 2019
Nikko AM Global Bond Fund	Quarter ended 31 March 2019
Nikko AM Global Equity Hedged Fund	Quarter ended 31 March 2019
Nikko AM Global Equity Unhedged Fund	Quarter ended 31 March 2019
Nikko AM Global Shares Fund	Quarter ended 31 March 2019
Nikko AM Growth Fund	Quarter ended 31 March 2019
Nikko AM Income Fund	Quarter ended 31 March 2019
Nikko AM NZ Cash Fund	Quarter ended 31 March 2019
Nikko AM NZ Bond Fund	Quarter ended 31 March 2019
Nikko AM NZ Corporate Bond Fund	Quarter ended 31 March 2019
Nikko AM Option Fund	Quarter ended 31 March 2019
Nikko AM Multi-Strategy Fund	Quarter ended 31 December 2018

Each fund's 31 March 2019 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 2018 and 14 at 31 March 2019. The units for each of the managed investment products are:

Fund Name	Units on Issue as of 31 March 2018	Units on Issue as of 31 March 2019
Nikko AM Balanced Fund	-	1,532,692
Nikko AM Concentrated Equity Fund	17,805,338	25,296,242
Nikko AM Conservative Fund	-	771,055
Nikko AM Core Equity Fund	5,078,430	10,542,742
Nikko AM Global Bond Fund	19,364,162	19,805,882
Nikko AM Global Equity Hedged Fund	30,945,907	26,624,659
Nikko AM Global Equity Unhedged Fund	62,143,801	57,685,182
Nikko AM Global Shares Fund	65,820	587,665
Nikko AM Growth Fund	-	129,748
Nikko AM Income Fund	9,174,779	10,892,390
Nikko AM NZ Cash Fund	107,323,973	121,488,121
Nikko AM NZ Bond Fund	50,025,975	56,976,010
Nikko AM NZ Corporate Bond Fund	92,705,858	109,836,626
Nikko AM Option Fund	-	68,435
Nikko AM Multi-Strategy Fund	97,552,590	n/a

Changes relating to the scheme

On 15 March 2019 the Nikko AM Multi-Strategy Fund was wound up.

On 19 February 2019 the SIPO was updated, replacing the version dated 31 May 2018. This update was made to:

- Reflect the wind up of the Nikko AM Multi-Strategy Fund,
- Remove reference to Global Equities Hedged and Unhedged Fund for the Nikko AM Growth, Balanced and Conservative Funds
- The change of benchmarks and objectives for both the Nikko AM NZ Corporate Bond Fund and the Nikko AM NZ Bond Fund
- Additional specific investment restrictions for the Nikko AM Global Shares Fund
- Additional specific investment restrictions for the Nikko AM Global Bond Fund

On 31 May 2018, the SIPO was updated, replacing the version dated 3 April 2018. This update was made to reflect the changes to the strategic asset allocations (SAAs) for the Nikko AM Growth, Balanced and Conservative Funds.

On 3 April 2018, the SIPO was updated to reflect the launch of the Nikko AM Option Fund, the Nikko AM Conservative Fund, Nikko AM Balanced Fund, Nikko AM Growth Fund.

On 3 April the Nikko AM Option Fund, the Nikko AM Conservative Fund, Nikko AM Balanced Fund, Nikko AM Growth Funds were registered for trading.

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 2018	Unit Price as of 31 March 2019
Nikko AM Balanced Fund	-	1.0513
Nikko AM Concentrated Equity Fund	2.3421	2.3078
Nikko AM Conservative Fund	-	1.0582
Nikko AM Core Equity Fund	2.2556	2.4489
Nikko AM Global Bond Fund	1.1514	1.1909
Nikko AM Global Equity Hedged Fund	1.8233	1.8910
Nikko AM Global Equity Unhedged Fund	1.8551	2.0281
Nikko AM Global Shares Fund	1.1314	1.2669
Nikko AM Growth Fund	-	1.0261
Nikko AM Income Fund	1.2320	1.2269
Nikko AM NZ Cash Fund	1.0262	1.0298
Nikko AM NZ Bond Fund	1.0239	1.0575
Nikko AM NZ Corporate Bond Fund	1.1567	1.1917
Nikko AM Option Fund	-	0.9915
Nikko AM Multi-Strategy Fund	1.1490	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 Berry was appointed as an Independent Director on 19 July 2018
- Junichi Sayato ceased to be a Director on 23 January 2019
- Kiyotaka Ryu was appointed a Director on 23 January 2019

Regarding other key personnel:

- Simon Haines was appointed General Counsel and Company Secretary on 11 March 2019.
- Hayley Cassidy stepped down as General Counsel and Company Secretary on 13 February 2019.

Relating to Public Trust (the supervisor), in the year ending 31 March 2019 the following changes occurred in relation to the board:

- Dianne Williams and Simon Craddock completed their term as a Board Member on 31 October 2018

Post year end, Kirsty Campbell and Vicki Sykes were appointed to the Board of Public Trust with effect from 1 April 2019.

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
- www.goalsgetter.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 17, Vero Centre, 48 Shortland Street, Auckland 1010, New Zealand

PO Box 3892, Shortland Street, Auckland 1140

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Please direct any enquiries to the "the Managing Director" at the address above.

Public Trust

Manager Client Services

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125 Queen Street, Auckland 1010

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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.