



Product Disclosure Statement

For an offer of units in the
**NIKKO AM GLOBAL
EQUITY HEDGED FUND**

and

**NIKKO AM GLOBAL
EQUITY UNHEDGED
FUND**

Dated 18 June 2016

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.

1. Key information summary

What is this?

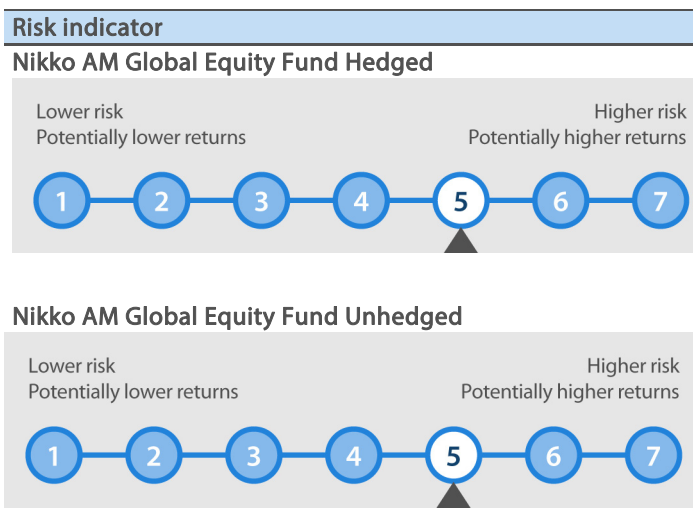
This is a managed investment scheme. Your money will be pooled with other investors' money and invested in various investments. Nikko Asset Management New Zealand Limited (**Nikko AM NZ, we, us or our**) will invest your money and charge you a fee for its services. The returns you receive are dependent on our investment decisions and the performance of the investments. The value of those investments may go up or down. The types of investments and the fees you will be charged are described in this document.

For retail investors, investment into this Fund is available via a Portfolio Investor Proxy (PIP) or custodial service – please see Section 10, "How to apply" of this PDS for further information. In these circumstances, the PIP or custodial service is the Investor, and many references in this document to "you" are therefore referring to the PIP or custodial service. The PIP or custodial services' policies may differ from ours.

What will your money be invested in?

This PDS is an offer of units in two funds: the Nikko AM Global Equity Hedged Fund and the Nikko AM Global Equity Unhedged Fund (each the **Fund** and together, the **Funds**). Each Fund is established within the Nikko AM NZ Investment Scheme (the **Scheme**). These investment options are summarised below. More information about the investment target and strategy for each investment option is provided at Section 3 of the PDS "Description of your investment option".

Fund	Brief description of the Fund and its investment objective	Fund charges (excluding GST)
Nikko AM Global Equity Hedged Fund	The Fund aims to outperform the MSCI All Countries World Index (net dividends reinvested), hedged 139% to NZD by 3.0% p.a. over a rolling three year period before fees, expenses and taxes. The Fund provides investors with long term growth from an actively managed investment portfolio selected from global equity markets with currency exposure created as a consequence of global equity investment hedged to the NZD.	Fund charges: Management fee: 1.25% per annum of the Fund's net asset value Estimate of expenses: 0.11% per annum of the Fund's net asset value Buy/sell spread: 0.07% of each investment/redemption
Nikko AM Global Equity Unhedged Fund	The Fund aims to outperform the MSCI All Countries World Index (net dividends reinvested), in NZD (unhedged) by 3.0% p.a. over a rolling three year period before fees, expenses and taxes. The Fund provides investors with long term growth from an actively managed investment portfolio selected from global equity markets.	Fund charges: management fee: 1.25% per annum of the Fund's net asset value Estimate of expenses: 0.11% per annum of the Fund's net asset value Buy/sell spread: 0.07% of each investment/redemption



These Funds have a high level of volatility.

See Section 4 of the PDS, "What are the risks of investing?" for an explanation of the risk indicator and for information about other risks that are not included in the risk indicator. To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz/tools/investor-kickstarter.

Who manages the Scheme and the Fund?

The manager of the Scheme and the Funds is Nikko AM NZ. See Section 7 of the PDS, "Who is involved?" for more information.

How can you get your money out?

Investments in the Funds are redeemable.

You may at any time request, via your PIP or custodial service, the redemption of some or all of your investment. In some circumstances, we may suspend or defer withdrawals. See "Withdrawing your investments" under Section 2 of the PDS for more information.

Your investment in the Fund can be sold but there is no established market for trading these financial products. This means that you may not be able to find a buyer for your investment.

How will your investment be taxed?

The Funds offered under this PDS are Portfolio Investment Entities (PIE).

The amount of tax you pay in respect of a PIE is based on your prescribed investor rate (PIR). To determine your PIR, go to www.ird.govt.nz/toii/pir/workout/. See Section 6 of this PDS, "What taxes will you pay?" for more information.

Where can you find more key information?

Nikko AM NZ is required to publish quarterly updates for the Funds. The updates show the returns and the total fees actually charged to investors, during the previous year. The latest fund updates are available at www.nikkoam.co.nz/funds/individual.

The Manager will also give you copies of those documents on request.

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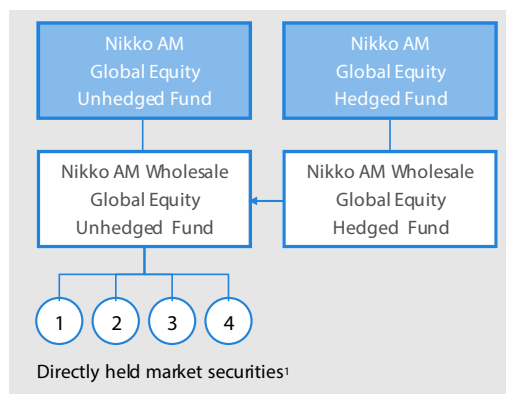
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Image: Melting ice from iceberg, Mount Cook, South Island, NZ.

2. How does this investment work?

This PDS is an offer of units in the Nikko AM Global Equity Hedged Fund and the Nikko AM Global Equity Unhedged Fund. Each Fund is a trust established within the Scheme and governed by a Trust Deed effective 1 July 2016 (the **Nikko AM NZ Trust Deed**).



¹ Directly held market securities are managed by the underlying investment managers (currently WCM Investment Management, Principal Global Investors (Australia) Limited, Epoch Investment Partners, Inc and Davis Select Advisors, L.P.).

The money you invest buys units in the Fund. When you invest in the Fund, your money is held on trust and pooled with the money of other investors in the Fund. We use this money to buy assets for the Fund on behalf of all investors in the Fund. Assets are selected and managed by a professional investment management team in the manner described in Section 3 of this PDS, "Description of your investment option".

The purchase of units gives you the right to the returns from the assets of the Fund, but does not give you legal ownership of the Fund's assets.

The assets of the Fund are not available to be applied to meet the liabilities of any other fund in the Scheme.

The Fund's unit price is usually calculated on each Business Day by dividing the total net value of the Fund's assets by the number of units on issue in the Fund, rounded to four decimal places.

The Fund's assets are valued independently of us by BNP Paribas Fund Services Australasia Pty Limited (the **Administration Manager**). The value of your investment will be impacted by any change in the value of the assets of the Fund which is reflected in the unit price of the Fund. You can calculate the value of your investment by multiplying the number of units you hold in the Fund by the exit price of a unit. The most recent unit prices are available at www.nikkoam.co.nz/funds/individual.

Benefits of investing in the Fund include the following:

- your money is managed by our investment professionals; and
- we have access to investment opportunities and markets that may not be accessible to all investors.

Distributions

The Nikko AM Global Equity Hedged Fund and the Nikko AM Global Equity Unhedged Fund do not currently distribute income or capital gains. Any income or capital gains will be included in the unit price calculated for the Fund.

Making investments

For retail investors, investment in the Funds is available only through a PIP or other custodial or wrap service we deal with. To invest in a Fund, you will need to complete an application form and deliver this to the PIP or the custodial service, or to your financial adviser.

You may also apply via Rabodirect (www.rabodirect.co.nz), who are also a PIP.

Please see Section 10 of the PDS "How to apply" for more information or contact us at NZenquiries@nikkoam.com.

The PIP or custodial service makes an application for units in the Fund to us on your behalf.

The minimum initial investment in either Fund is \$5,000. The minimum investment amount is subject to change and may differ from the minimum investment amount set by your PIP or custodial service. Further investments must be at least \$1,000.

We may accept or refuse any application either in whole or part and we are not required to give any reason or ground for such refusal.

A PIP or custodial service may increase its investment in the Fund on your behalf by making either lump sum contributions at a minimum of \$1,000, or regular contributions. These amounts are subject to change. The PIP or custodial service may allow retail investors to make smaller contributions.

Withdrawing your investments

To redeem your units in the Fund, you will need to make your redemption request to your PIP or custodial service. Your PIP or custodial service is responsible for forwarding your redemption request to us on your behalf.

Nikko AM NZ sets no minimum redemption amount in the Fund, though a minimum may be applied by your PIP or custodial service. The number of units redeemed will be calculated by dividing the dollar amount you request to redeem, less any withdrawal fee (not currently charged), by the applicable exit price of a unit. Any redemption request which would cause an investor's holding in the Fund to fall below \$5,000 may be deemed by us to be a redemption request in respect of their entire holding in the Fund.

We will deduct from your redemption proceeds an amount equal to any applicable PIE tax on income allocated to redeemed units.

We will pay net proceeds to the PIP or custodial service as soon as possible after processing the request and in any event no later than 30 days after receipt. We may however suspend or defer withdrawals or delay payment from the Fund under certain conditions summarised in the Nikko AM NZ Other Material Information document (on the offer register) or set out in full in the Nikko AM NZ Trust Deed (on the scheme register). In those circumstances, you may have to wait a longer period of time before you can withdraw your investment.

How to switch between funds

You can request, via your PIP or custodial service, to switch part or all of your investment from either Fund to another fund within the Scheme at any time. We may decline or delay the switch without providing a reason. If we accept the application to switch, you must switch a minimum of \$1,000. Unless you are switching all of your investment, at least \$5,000 must remain in the Fund. Different minimums may apply if you invest through a PIP or custodial service. A buy/sell spread may be applicable.

A switch is regarded as a withdrawal from an investment and an acquisition of a new investment. If you make an application to withdraw or switch, we will deduct any PIE tax required from the amount that is withdrawn or switched between the Funds and pay any such PIE tax to Inland Revenue.

This PDS is for the Nikko AM Global Equity Hedged Fund and Nikko AM Global Equity Unhedged Fund. Information on investing in other funds in the Nikko AM NZ Investment Scheme can be found at www.nikkoam.co.nz/funds/individual.

3. Description of your investment option

Fund	Summary of investment objective and strategy	Target asset mix	Risk Indicator	Minimum suggested investment timeframe
Nikko AM Global Equity Hedged Fund	<p>Fund Objective: To outperform the MSCI All Countries World Index (net dividends reinvested), hedged 139% to NZD by 3.0% p.a. over a rolling three year period before fees, expenses and taxes.</p> <p>Strategy: The Fund invests in the Nikko AM Wholesale Global Hedged Fund which gains exposure to global equity securities by investing into the Nikko AM Wholesale Global Unhedged Fund (discussed further below, under “strategy” for the Nikko AM Global Equity Unhedged Fund). The Fund aims to provide investors with long term growth from an actively managed investment portfolio selected from global equity markets, with currency exposures created as a consequence of global equity investment hedged to the NZD.</p> <p>Foreign currency exposures created as a consequence of capital markets investment target a gross hedge of 139% to NZD.</p> <p>Full details of the strategy, permitted investments and restrictions for the Fund are outlined in the SIPO.</p>	<p>95-100% invested in the Nikko AM Wholesale Global Hedged Equity Fund; 0-5% invested in cash for investor transactions.</p> <p>The Nikko AM Wholesale Global Hedged Equity Fund targets 100% investment in the Nikko AM Wholesale Global Equity Unhedged Fund.</p> <p>The Nikko AM Wholesale Global Equity Unhedged Fund’s target asset allocation is 100% international equities.</p>	<p>5¹</p> <p>This Fund has a high level of volatility.</p>	Five years
Nikko AM Global Equity Unhedged Fund	<p>Fund Objective: To outperform the MSCI All Countries World Index (net dividends reinvested), in NZD (unhedged) by 3.0% p.a. over a rolling three year period before fees, expenses and taxes.</p> <p>Strategy: The Fund invests in the Nikko AM Wholesale Global Unhedged Fund. We utilise a multi-manager global equity strategy managed by a specialist team based in Nikko AM Australia and Singapore. Investment personnel from Nikko AM Australia, Singapore and Nikko AM NZ are responsible for the ongoing selection, monitoring and review of the investment managers. The fund’s investment managers (currently WCM Investment Management, Principal Global Investors (Australia) Ltd, Epoch Investment Partners, Inc and Davis Advisors L.P.) are responsible for the investment management of the global assets of the fund. The underlying managers are subject to change without notice.</p> <p>The fund aims to provide investors with long term growth from an actively managed investment portfolio selected from global equity markets. No foreign currency hedging is undertaken in this fund.</p> <p>Full details of the strategy, permitted investments and restrictions for the Fund are outlined in the SIPO.</p>	<p>95-100% invested in the Nikko AM Wholesale Global Unhedged Equity Fund; 0-5% invested in cash for investor transactions.</p> <p>The Nikko AM Wholesale Global Equity Unhedged Fund’s target asset allocation is 100% international equities.</p>	<p>5¹</p> <p>This Fund has a high level of volatility.</p>	Five years

¹ As each Fund has have been in existence for less than 5 years:

- the Fund’s actual returns have been used to calculate and fill in the risk indicator for the period from inception (January 2013) to March 2016 and
- market index returns, rather than the Fund’s actual returns, have been used to calculate and fill in the risk indicator for the period prior to inception, from April 2011 to December 2012.

As a result of market index returns being used, the risk indicator may provide a less reliable indicator of the potential future volatility of the Fund.

We may make changes to the Statement of Investment Policy and Objectives (SIPO) of the Scheme in respect of the Fund from time to time, after having given reasonable prior written notice to, and in consultation with, the Supervisor. We consider whether the changes are in your best interests and will notify your PIP or custodial service of any material changes before we make them. Material changes to the SIPO will also be described in the Scheme's annual report. The current SIPO for the Fund can be found on the Disclose register at www.business.govt.nz/disclose or on our website www.nikkoam.co.nz/funds/individual.

Further information about the assets in the Funds can be found in the fund updates at www.nikkoam.co.nz/funds/historic-fund-updates-individual.

4. What are the risks of investing?

Understanding the risk indicator

Managed funds in New Zealand must have a standard risk indicator. The risk indicator is designed to help investors understand the uncertainties both for loss and growth that may affect their investment. You can compare funds using the risk indicator.

Example Risk Indicator



This is an example Risk Indicator. For the Fund Risk Indicator, see the “Key Information Summary” section of the PDS.

The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down (volatility). A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz/tools/investor-kickstarter.

Note that even the lowest category does not mean a risk-free investment, and there are other risks (described under the heading “Other specific risks”) that are not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for the last five years. While risk indicators are usually relatively stable, they do shift from time to time. You can see the most recent risk indicator in the latest fund update for these Funds.

General investment risks

Some of the things that may cause the Fund's value to move up and down, which affect the risk indicator, are:

Market risk: Economic, technological, political and legal factors and market sentiment can change. These changes may affect the value of financial products in investment markets, the Fund's investments and the value of the units in the Fund.

Company specific risk: In addition to market factors, a specific company's business outlook may deteriorate because of management changes, strategy decisions, competitor activities or declining demand for its products or services. Where the Fund invests in the securities of companies affected by these circumstances, investors' returns from their investment may be negatively affected.

Currency risk: Currency risk is relevant whenever a Fund invests in offshore markets. It occurs where there is a possibility that the New Zealand currency may appreciate or depreciate relative to the currency of the country in which the Fund invests. The return on or value of your investment may be reduced where the New Zealand dollar rises relative to other currencies.

The value of your investment in the Nikko AM Global Unhedged Fund will be affected by any change in exchange rates with the NZD.

Currency hedging risk: For the Nikko AM Wholesale Global Hedged Fund we enter in to foreign currency exchange contracts to mitigate currency risk. It is not possible to fully mitigate all currency risks, and therefore the currency hedging in place may not fully replicate the currency exposure of your investments.

Liquidity risk: The risk that an investment may not be able to be sold quickly enough to prevent or minimise a loss. A lack of liquidity may also affect the amount of time it takes to satisfy redemption requests.

Underlying fund investment manager selection risk: For the underlying fund, the Nikko AM Wholesale Global Unhedged Fund, Nikko AM NZ acts as a “manager of managers” and therefore there is the risk that a manager selected by us underperforms, resulting in lower returns than the relevant market or objective. To reduce this risk, we have a thorough manager research and monitoring process and diversify across a number of managers.

Other specific risks

There are no other specific risks.

5. What are the fees?

Statement about fees

You will be charged fees for investing in the Fund. Fees are deducted from your investment and will reduce your returns.

The fees you pay will be charged in two ways-

- Regular charges (for example, annual fund charges). Small differences in these fees can have a big impact on your investment over the long term.
- One-off fees (for example, the buy/sell spread).

Annual fund charges

	Management Fee	Estimate of Expenses	Estimated Total Annual Fund Charges
Nikko AM Global Equity Hedged Fund	1.25%p.a.	0.11% p.a.	1.36% p.a.
Nikko AM Global Equity Unhedged Fund	1.25%p.a.	0.11% p.a.	1.36% p.a.

Management fee: we charge an annual management fee to each of the Funds of 1.25% per annum of the net asset value of the Fund (excluding GST). Under the agreement between the Inland Revenue Department and the Financial Services Council of New Zealand Incorporated, GST is charged at 15% on 10% of the annual management fee. The Inland Revenue Department may choose to amend this agreement at any time.

Expenses estimate: we estimate each of the Fund's expenses to be 0.11% per annum of the net asset value of the Fund (excluding GST). We have decided to cap the general operating expenses at 0.25% per annum of the Fund's net asset value. Extraordinary expenses are not included in this cap, but are included in our estimate when known. "Expenses" may include, among other things, supervisor, custodian, audit and legal fees. Actual expenses over the previous 12 months are available in the latest fund update.

The Nikko AM Global Equity Hedged Fund invests in the Nikko AM Wholesale Global Equity Hedged Fund, and the Nikko AM Wholesale Global Equity Hedged Fund in turn invests in the Nikko AM Wholesale Global Equity Unhedged Fund.

The Nikko AM Global Equity Unhedged Fund invests in the Nikko AM Wholesale Global Equity Unhedged Fund.

There are no charges to the Funds for these investments.

The annual fund charges are calculated and accrued daily and reflected in the unit price, and paid monthly to the Manager.

Individual action fees and trading costs

There are currently no contribution, establishment, termination, withdrawal or switching fees being charged to the Funds offered under this PDS. We can introduce these fees in the future as set out in the Nikko AM NZ Trust Deed

Buy/sell spreads: A buy/sell spread is a trading cost charged on application and withdrawal of units from the Fund to cover the external costs of buying and selling assets of the Fund. When you enter or leave the Fund, any buy or sell spread applicable at that time will be a cost to you. The buy spread is added to the unit price on entry to the Fund, and the sell spread is deducted from the unit price on exit from the Fund. The buy/sell spread stays in the Fund to cover the transaction costs and is not a fee paid to us. The purpose of the buy/sell spread is to ensure that transaction costs incurred as a result of an investor entering or leaving the Fund are borne by that investor, and not other investors in the Fund. We may vary the buy/sell spread from time to time.

Current buy/sell spread of each investment/ redemption:

- Nikko AM Global Equity Hedged Fund 0.07%
- Nikko AM Global Equity Unhedged Fund 0.07%

There are no other individual action fees or trading costs currently being charged to the Funds.

Example of how fees apply to investors

Hayley invests \$10,000 in the Nikko AM Global Equity Hedged Fund, or the Nikko AM Global Equity Unhedged Fund.

A buy spread of 0.07% is incorporated in the unit price that she pays for her investment. This equates to \$7.

This brings the starting value of her investment to \$9,993.

She is also charged management and administration fees, which work out to about \$135.90 (1.36% of \$9,993). These fees might be more or less if her account balance has increased or decreased over the year.

Estimated total fees for the first year

Individual action fees: \$7

Fund charges: \$135.90

See the latest fund updates for an example of the actual returns and fees investors were charged over the past year.

Note that you may incur additional fees from your PIP or custodial service. See section 10 “How to apply” for more information.

This example applies only to the Nikko AM Global Equity Hedged Fund or the Nikko AM Global Equity Unhedged Fund. If you are considering investing in other funds or investment options in the Scheme, this example may not be representative of the actual fees you may be charged.

The fees can be changed

We have the right to impose new fees or change the annual fund charges and other fees outlined in this section. We will give your PIP or the custodial service at least one month’s notice if we increase any fee or commence charging any new fee. Any change to fees will be made in accordance with the Nikko AM NZ Trust Deed.

Nikko AM NZ must publish a fund update for each Fund showing the fees actually charged during the most recent year. Fund updates, including past updates, are available at www.nikkoam.co.nz/funds/historic-fund-updates-individual.

6. What taxes will you pay?

The Fund is a portfolio investment entity. The amount of tax you pay is based on your prescribed investor rate (PIR). To determine your PIR, go to www.ird.govt.nz/toii/pir/workout/. If you are unsure of your PIR, we recommend you seek professional advice or contact the Inland Revenue Department. It is your responsibility to tell us your PIR when you invest or if your PIR changes. If you do not tell us, a default rate may be applied. If the advised PIR is lower than the correct PIR, you will need to complete a personal tax return and pay any tax shortfall, interest, and penalties. If the default rate or the advised PIR is higher than your correct PIR, you will not get a refund of any overpaid tax.

If you invest in the Fund through a PIP, the PIP will be the investor in the Fund on your behalf. It is your responsibility to tell your PIP your PIR when you invest in the Fund or if your PIR changes. If you do not tell your PIP, the default rate of the PIP may be applied.

For more information in relation to taxation refer to the “Nikko AM NZ Investment Scheme – Other Material Information” document on the Disclose register.

7. Who is involved?

Nikko Asset Management New Zealand Limited is the Manager of the Funds.

About Nikko Asset Management New Zealand Limited

Nikko AM NZ is a wholly owned subsidiary of Nikko Asset Management Co., Ltd (**Nikko AM**), headquartered in Tokyo, Japan. Nikko AM is a dedicated global asset manager with over 200 investment professionals across the world's major financial centres. In New Zealand we provide investment management services for domestic assets (equities, bonds, cash and alternatives) through our Auckland-based investment team and contract offshore managers to manage global assets (global equities, global bonds and alternatives).

Contact details

Level 9, Vero Centre, 48 Shortland Street, Auckland 1010
 (09) 307 6363
NZenquiries@nikkoam.com
www.nikkoam.co.nz

Who else is involved?

	Name	Role
Supervisor	Public Trust	Supervisor of the Scheme under the Financial Markets Conduct Act 2013 and responsible for monitoring Nikko AM NZ's compliance with its obligations as Manager of the Funds.
Custodian	BNP Paribas Fund Services Australasia Pty Limited	Appointed by the Supervisor to hold all of the assets of the Funds on behalf of the investors.
Administration Manager	BNP Paribas Fund Services Australasia Pty Limited	Appointed by us to perform services including fund valuation, unit pricing, fund accounting, PIE fund administration, and unit register services to the Funds.
Auditor	Pricewaterhouse Coopers	Auditor of the Scheme and the Funds.
Underlying wholesale fund investment managers	WCM Investment Management Principal Global Investors (Australia Ltd) Epoch Investment Partners, Inc Davis Selected Advisors, L.P	Appointed by us to manage the assets of the Nikko AM Wholesale Global Equity Unhedged Fund.

8. How to complain

Any complaints about the Funds or the Scheme may be referred to the Manager via the contact details provided under Section 7 of the PDS, "Who is involved?".

You can also complain to the Supervisor at:

Public Trust

Level 9, 34 Shortland Street, Auckland 1010
 PO Box 1598, Shortland Street, Auckland 1140
 09 958 5300
enquiry@trustee.co.nz
www.publictrust.co.nz/corporate-trustee-services

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 6145
 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.

9. Where you can find more information

Further information relating to the Scheme, the units and the Funds (for example, financial statements) is available on the offer register and the scheme register at www.business.govt.nz/disclose and a copy of information on the offer register or scheme register is available on request to the Registrar of Financial Service Providers.

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.
Personal information	We do not collect, access or store personal information of retail investors who invest through a PIP or custodial service. You may contact your PIP to access any personal information about you that it holds.
Fund updates	Once available, the fund updates for the Funds will be publicly available from our website – www.nikkoam.co.nz/funds/historic-fund-updates-individual – 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.

10. How to apply

For retail investors, investment in the Funds is available only through a PIP or other custodial service we deal with.

To invest in a Fund, you will need to complete our application and deliver this to the PIP nominated by your financial adviser, the custodial service or to your financial adviser, together with any other documents requested and your initial investment amount paid to the PIP's trust account. The PIP or the custodial service then makes an application for units in the Fund to us on your behalf.

You may also apply via Rabodirect (www.rabodirect.co.nz) who are a PIP.

We may accept or refuse any application either in whole or part and we are not required to give any reason or ground for such refusal.

Investing through a PIP or a custodial service

When you invest through a PIP or a custodial service, you will not become a direct Investor in the Fund and will not have a direct relationship with us or the Supervisor. Rather, the PIP or the custodial service has the direct relationship with us and will be able to exercise any rights attached to Units held.

All reports, notices and other documentation will be sent directly to the PIP or the custodial service and not to you.

The PIP and any custodial service may have entered into an arrangement with us in respect of the Fund which may vary the terms and conditions of investment in the Fund. You should contact your PIP or the custodial service for details of:

- the minimum investments or minimum withdrawals required by your PIP or the custodial service, and the consequences of failing to meet those minimums;
- the timing of cut-off times for applications and withdrawals; and
- whether any fees and charges are payable to the PIP or the custodial service (in addition to fees and charges set out in this PDS).

When you invest through a PIP then neither the Manager nor the Supervisor will undertake the following responsibilities, which will instead be undertaken by the PIP:

- calculating and organising payment of tax liability on income attributed to the PIP by applying the PIRs of the underlying investor;
- making adjustments to the units held on your behalf (by requesting the redemption of units) or the distributions (if any) or requiring payments to be made which reflect the tax liability on income attributed to you;
- organising the provision of returns and other information to the Inland Revenue Department; and
- providing us any information concerning the underlying investor that may be relevant to whether the Fund continues to meet PIE eligibility requirements.

If you would like further information on how to invest in the Funds, please contact us at NZenquiries@nikkoam.com.