

Nikko AM NZ Investment Scheme

NIKKO AM GLOBAL SHARES FUND

Fund Update



What is the purpose of this update?

This document tells you how the Nikko AM Global Shares Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. Nikko AM NZ prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

Description of this fund

The Fund aims to outperform the MSCI All Countries World Index, with net dividends reinvested, expressed in NZD (unhedged) by 3.0% p.a. over a rolling three year period before fees, expenses and taxes. The Fund seeks to provide investors with a relatively concentrated actively managed investment portfolio of global equities to achieve long term capital growth.

Total value of the fund	\$1043.54
The date the fund started	3 August 2017

What are the risks of investing?

Risk indicator for Nikko AM Global Shares Fund:



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. 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 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 5 year information including actual performance figures since 1 September 2017, and market index returns data for the period prior to that date. As a result of this, the risk indicator may provide a less reliable indicator of the potential future volatility of the fund. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates. See the product disclosure statement (PDS) for more information about the risks associated with investing in this fund.

How has the fund performed?

	Past year
Annual return <i>(after deductions for charges and tax)</i>	Not applicable
Annual return <i>(after deductions for charges but before tax)</i>	Not applicable
Market index annual return <i>(reflects no deduction for charges and tax)</i>	19.35%

The market index on which the annual return is based is the MSCI All Countries World Index (net dividends reinvested), expressed in NZD (unhedged).

Additional information about the market index is available on the offer register.

What fees are investors charged?

Investors in the Nikko AM Global Equity Hedged Fund are charged fund charges. Based on the PDS, dated 3 August 2017, these were expected to be:

	% of net asset value
Total fund charges	1.22%
Which are made up of:	
Total management and administration charges	1.22%
Including:	
Manager's basic fee	0.96%
Other management and administration charges (estimated)	0.26%
Total performance-based fees	0.00%

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the Nikko AM Global Shares Fund PDS for more information about those fees.

Example of how this applies to an investor

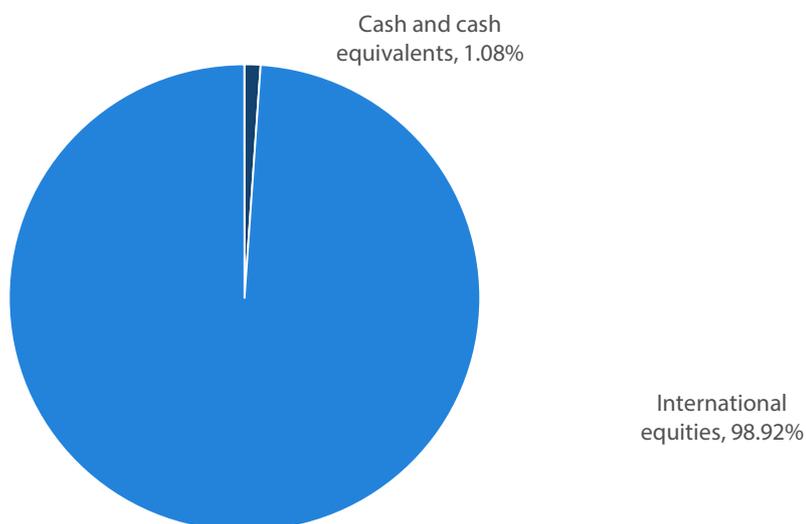
Small differences in fees and charges can have a big impact on your investment over the long term. For the purpose of this example, performance has been calculated from 22 August when the first investment was made into the fund.

Hayley made the first investment of \$10,000 into the fund and did not make any further contributions. As at 30 September 2017, Hayley received a return after fund charges were deducted of \$435 (that is 4.35% of her initial \$10,000). Hayley paid no other charges. This gives Hayley a total return after tax of \$425 for the period ending 30 September 2017.

What does the fund invest in?

This shows the types of assets that the fund invests in.

Actual investment mix



Target investment mix

International equities ¹	100%
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Top 10 investments

Name	Percentage of fund's net asset value	Type	Country	Credit rating (if debt securities)
1 Microsoft Corporation	4.64%	International equities	US	n/a
2 Facebook, Inc. Class A	4.24%	International equities	US	n/a
3 Tencent Holdings Ltd.	3.97%	International equities	China	n/a
4 LivaNova Plc	3.66%	International equities	US	n/a
5 Celgene Corporation	3.22%	International equities	US	n/a
6 Progressive Corporation	3.20%	International equities	US	n/a
7 American Tower Corporation	2.87%	International equities	US	n/a
8 TransUnion	2.85%	International equities	US	n/a
9 Royal Philips NV	2.84%	International equities	Netherlands	n/a
10 AIA Group Ltd	2.74%	International equities	Hong Kong	n/a

The total value of the top 10 investments makes up 34.23% of the net asset value of the fund.

Key personnel

	Name	Current position	Time in current position	Previous or other current position	Time in previous or other current position
1	George Carter	Managing Director and Investment Committee Member	1 year and 11 months	Director, Head of Distribution, AMP Capital Investors NZ Limited	6 years and 4 months
2	Fergus McDonald	Head of Bonds and Currency and Investment Committee Member	17 years and 3 months	NZ Fixed Interest Portfolio Manager - Nikko Asset Management New Zealand Limited	10 years and 5 months
3	Stuart Williams	Head of Equities and Investment Committee Member	3 years and 2 months	Portfolio Manager – OnePath (NZ) Limited	1 year and 7 months
4	James Wesley	Head of Distribution and Investment Committee Member	3 years and 10 months	Head of Australia, Wholesale – Threadneedle Investments	3 years
5	Reena Madhoo	Head of Operations and Investment Committee Member	3 years and 5 months	Senior Client Services Manager – Nikko Asset Management New Zealand Limited	1 year and 2 months

Further information

You can also obtain this information, the PDS for the Nikko AM Global Shares Fund, and some additional information from the offer register at <https://www.companiesoffice.govt.nz/disclose>.

Notes

¹ All investments described in this fund update are in New Zealand dollars.