

Nikko AM NZ Investment Scheme

# NIKKO AM NZ CASH FUND

## Fund Update



### What is the purpose of this update?

This document tells you how the Nikko AM NZ Cash 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 Bloomberg NZ Bond Bank Bill Index by 0.20% p.a. over a rolling three year period before fees, expenses and taxes. The Fund provides investors with regular income by constructing an actively managed investment portfolio of short term deposits and bonds whilst preserving capital value.

Total value of the fund	\$121,430,629
The date the fund started	12 June 2014

### What are the risks of investing?



### Risk indicator for Nikko AM NZ Cash 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](http://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 the returns data for the five year period to March 2017.<sup>1</sup> 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.

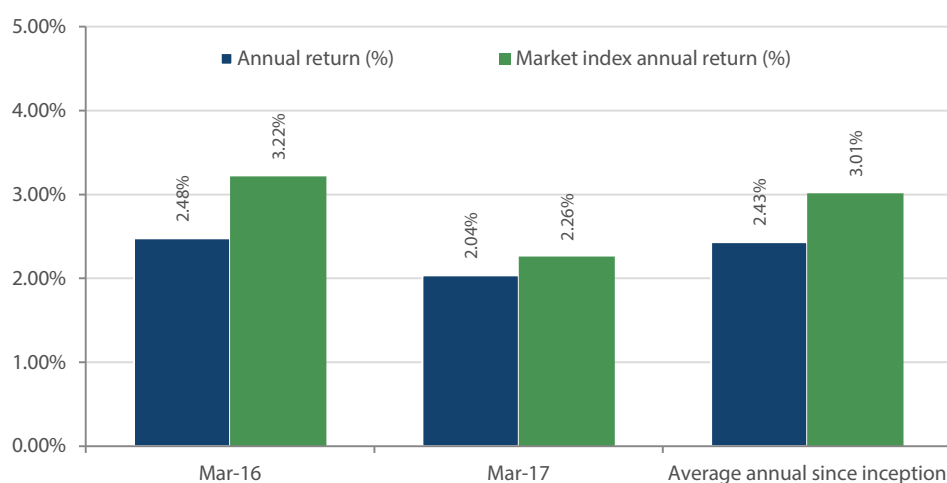
## How has the fund performed?

	Past year
Annual return <i>(after deductions for charges and tax)</i>	2.04%
Annual return <i>(after deductions for charges but before tax)</i>	2.84%
Market index annual return <i>(reflects no deduction for charges and tax)</i>	2.26%

The market index on which the annual return is based is the Bloomberg NZBond Bank Bill Index. The Nikko AM NZ Cash Fund aims to outperform the market index by 0.20% p.a. over a rolling three year period before fees, expenses and taxes.

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

## Annual return graph<sup>2</sup>



This shows the return after fund charges and tax for each year ending 31 March since the fund started. The last bar shows the average annual return since the fund started, up to March 2017.

**Important:** This does not tell you how the fund will perform in the future.

Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

## What fees are investors charged?

Investors in the Nikko AM NZ Cash Fund are charged fund charges. In the year to 31 March 2017, these were:

	% of net asset value
<b>Total fund charges</b>	<b>0.35%</b>
Which are made up of:	
<b>Total management and administration charges</b>	<b>0.35%</b>
Including:	
Manager's basic fee	0.25%
Other management and administration charges	0.10%
<b>Total performance-based fees</b>	<b>0.00%</b>

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 NZ Cash Fund PDS for more information about those fees.

## Example of how this applies to an investor

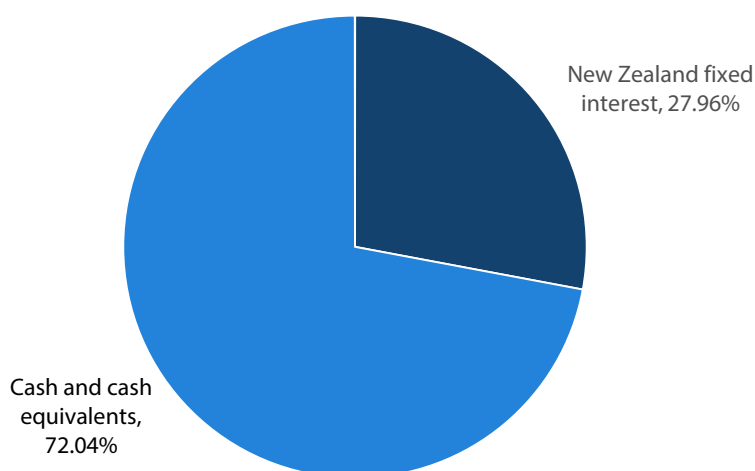
Small differences in fees and charges can have a big impact on your investment over the long term.

Hayley had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Hayley received a return after fund charges were deducted of \$284 (that is 2.84% of her initial \$10,000). Hayley paid no other charges. This gives Hayley a total return after tax of \$204 for the year.

## What does the fund invest in?

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

### Actual investment mix



### Target investment mix

Cash and cash equivalents and New Zealand fixed interest <sup>3</sup>	100%
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## Top 10 investments

	Name	Percentage of fund's net asset value	Type	Country	Credit rating (if debt securities)
1	Kiwi Bank Limited 130519 FRN	7.46%	New Zealand fixed interest	New Zealand	A+
2	ASB Bank Ltd 080319 FRN	6.95%	New Zealand fixed interest	New Zealand	AA-
3	ANZ Bank New Zealand Ltd 220319 FRN	6.27%	New Zealand fixed interest	New Zealand	AA-
4	Rabo Bank Nederland NZ 030517 5.38	3.67%	Cash and cash equivalents	New Zealand	A+
5	ASB Bank Ltd 011117 FRN	2.82%	Cash and cash equivalents	New Zealand	AA-
6	ANZ National Bank Ltd 180917 4.89	2.07%	Cash and cash equivalents	New Zealand	AA-
7	ASB Bank Limited 201217 4.476	1.96%	Cash and cash equivalents	New Zealand	AA-
8	Rabo Bank Nederland New Zealand 040918 FRN	1.65%	New Zealand fixed interest	New Zealand	A+
9	Westpac New Zealand Ltd 120717 FRN	1.63%	Cash and cash equivalents	New Zealand	AA-
10	Bank of New Zealand 100517 2.90	1.57%	Cash and cash equivalents	New Zealand	AA-

The total value of the top 10 investments make up 36.05% 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	Fergus McDonald	Head of Bonds and Currency	16 years and 9 months	NZ Fixed Interest Portfolio Manager - Nikko Asset Management New Zealand Limited	10 years and 5 months
2	Ian Bellew	Fixed Income Manager	5 years and 3 months	Cash Portfolio Manager - Nikko Asset Management New Zealand Limited	4 years and 10 months
3	Tim O'Loan	Fixed Income Analyst	5 years and 2 months	Operations Analyst – NZ Super Fund	3 years
4	George Carter	Managing Director	1 years and 5 months	Director, Head of Distribution, AMP Capital Investors NZ Limited	6 years and 4 months

## Further information

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

## Notes

<sup>1</sup> Because the fund is less than five years old, the risk indicator uses returns data partly from returns of the fund, and partly (from December 2011 to 12 June 2014) from the S&P/NZX Bank Bills 90-Day Index, which was the applicable index at the time.

<sup>2</sup> The bar chart shows fund returns after the deduction of fees and taxes, however, the market index returns are shown before any fees or taxes are deducted.

<sup>3</sup> All investments described in this fund update are in New Zealand dollars.