

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.

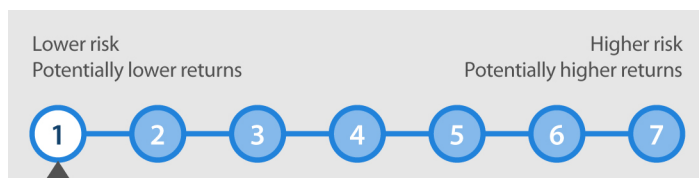
Description of this fund

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 aims to provide 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	\$204,331,532
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.

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 September 2021. 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.

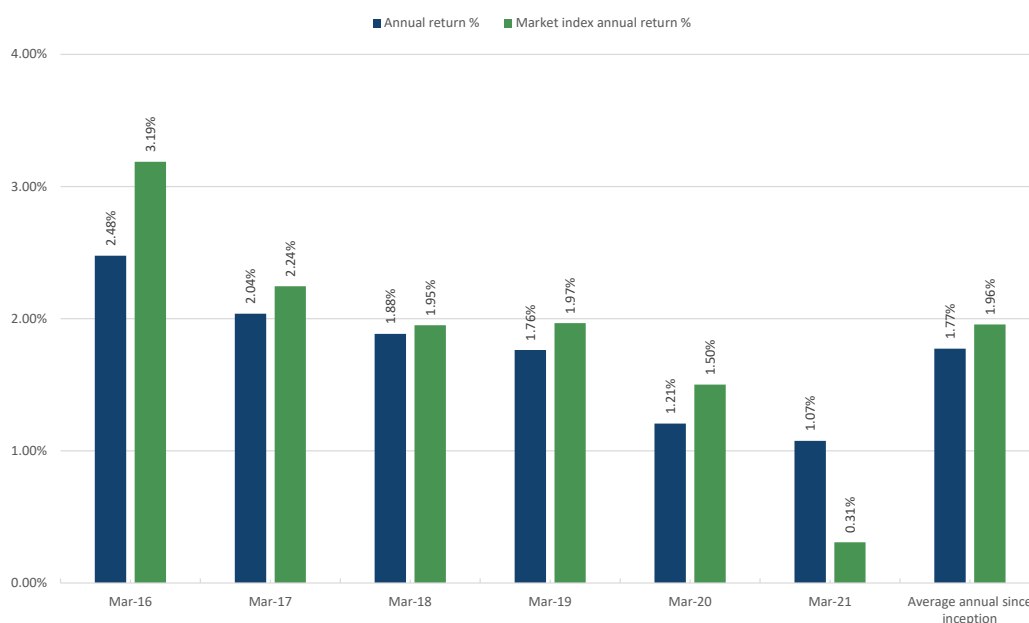
How has the fund performed?

	Average over past 5 years	Past year
Annual return <i>(after deductions for charges and tax)</i>	1.42%	0.42%
Annual return <i>(after deductions for charges but before tax)</i>	1.96%	0.59%
Market index annual return <i>(reflects no deduction for charges and tax)</i>	1.39%	0.32%

The market index on which the annual return is based is the Bloomberg NZBond Bank Bill Index.

Additional information about the market index is available on the offer register at <https://disclose-register.companiesoffice.govt.nz/>.

Annual return graph¹



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 30 September 2021.

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 2021, these were (inclusive of GST where applicable):

	% of net asset value
Total fund charges	0.33%
Which are made up of:	
Total management and administration charges	0.33%
Including:	
Manager's basic fee	0.33%
Other management and administration charges	0.00%
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 NZ Cash and Fixed Interest Funds PDS for more information about those fees.

Example of how this applies to an investor

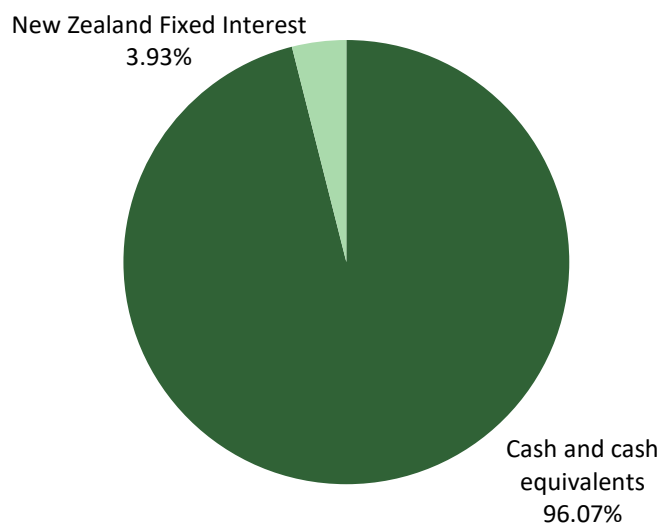
Small differences in fees and charges can have a big impact on your investment over the long term.

Simon 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, Simon received a return after fund charges were deducted of \$59 (that is 0.59% of his initial \$10,000). Simon also paid no other charges. This gives Simon a total return after tax of \$42 for the year.²

What does the fund invest in?

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

Actual investment mix



Target investment mix³

Cash and cash equivalents and New Zealand fixed interest	100%
--	------

Top 10 investments

	Name	Percentage of fund's net asset value	Type	Country	Credit rating (if debt securities)
1	Kiwibank Ltd 22/11/2021 FRN	7.41%	Cash and cash equivalents	NZ	A+
2	ASB Bank Ltd 22/02/2022 FRN	7.27%	Cash and cash equivalents	NZ	AA-
3	ICBC NZ 27/06/2022 FRN	6.00%	Cash and cash equivalents	NZ	A
4	Rabobank New Zealand 131021	3.98%	Cash and cash equivalents	NZ	A
5	MUFG Bank Ltd 04/04/2022 FRN	3.98%	Cash and cash equivalents	NZ	A
6	Inland Revenue Deposit 210622	3.20%	Cash and cash equivalents	NZ	AAA
7	Westpac NZ 14/02/2022 FRN	3.15%	Cash and cash equivalents	NZ	AA-
8	New Zealand Tax Trading Co 220622	3.03%	Cash and cash equivalents	NZ	AAA
9	Rabobank New Zealand 28/06/2024	2.88%	New Zealand Fixed Interest	NZ	A
10	New Zealand Inland Revenue 060522	2.77%	Cash and cash equivalents	NZ	AAA

The total value of the top 10 investments makes up 43.67% of the net asset value of the fund.

Key personnel

	Name	Current position	Time in current position	Previous position	Time in previous position
1	Fergus McDonald	Head of Bonds and Currency	21 years and 3 months	NZ Fixed Interest Portfolio Manager - Nikko Asset Management New Zealand Limited	10 years and 5 months
2	Ian Bellew	Fixed Income Manager	9 years and 9 months	Cash Portfolio Manager - Nikko Asset Management New Zealand Limited	4 years and 10 months
3	Matthew Johnson	Fixed Income Manager	3 years and 0 months	Senior Strategy Analyst – The Comfort Group	2 years and 6 months
4	George Carter	Managing Director	5 years and 11 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 and Fixed Interest Funds, and some additional information from the offer register at <https://disclose-register.companiesoffice.govt.nz/>.

Notes

¹ 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.

² For the purpose of this example, the start of the year is 1 October 2020.

³ All investments in this fund update are described in New Zealand dollars.