Nikko Asset Management

Nikko AM NZ Investment Scheme

NIKKO AM GROWTH FUND

Fund Update

What is the purpose of this update?

This document tells you how the Nikko AM Growth 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 achieve a return which exceeds the benchmark return by 2.00% p.a. over a rolling three-year period before fees, expenses and taxes. The Nikko AM Growth Fund invests across a range of actively managed funds to create a diversified portfolio with a focus on higher risk assets.

Total value of the fund	$12,209,255
The date the fund started	3 April 2018

What are the risks of investing?
Risk indicator for the Growth 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 https://sorted.org.nz/tools/investor-profiler/.

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 2025. 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.

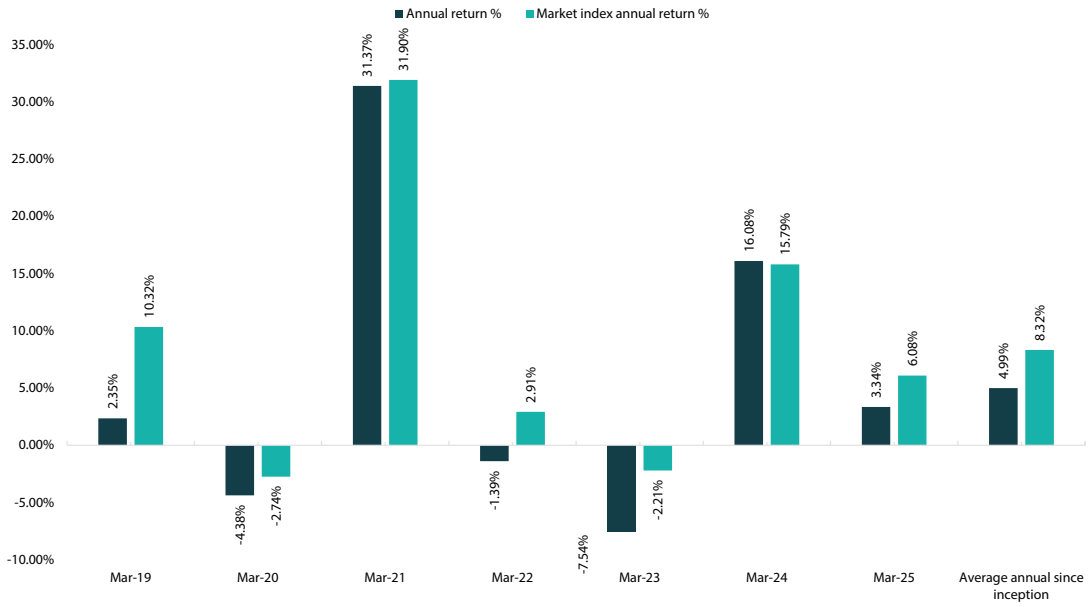
How has the fund performed?

	Average over past 5 years	Past year
Annual return *(after deductions for charges and tax)*	7.52%	3.34%
Annual return *(after deductions for charges but before tax)*	8.33%	4.46%
Composite of market index annual return and peer group indices annual return *(before charges and tax)*	10.27%	6.08%

Nikko AM is relying on the Financial Markets Conduct (Market Index) Exemption Notice 2024 and have created a composite index in order to calculate the market index annual return. The Manager believes the use of a composite benchmark for these funds would be useful to investors in assessing the performance of the fund as a whole. The composite market index for each fund is made up of the index of the underlying sector funds (where an Appropriate Market Index or Peer Group Index is available) multiplied by the respective target investment mix. Some of the underlying sector fund index returns include imputation credits. The fund returns include imputation credits.

Additional information is available on the officer register at https://disclose-register.companiesoffice.govt.nz/.

Annual return graph[2,1]



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 31 March 2025.

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 Growth Fund are charged fund charges. In the year to 31 March 2025, these were (inclusive of GST where applicable):

	% of net asset value
Total fund charges*	**1.09%**
Which are made up of:	
Total management and administration charges	**1.09%**
Including:	
Manager's basic fee	0.99%
Other management and administration charges	0.10%
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 Diversified Funds Product Disclosure Statement (PDS) for more information about fees.

Example of how this applies to an investor

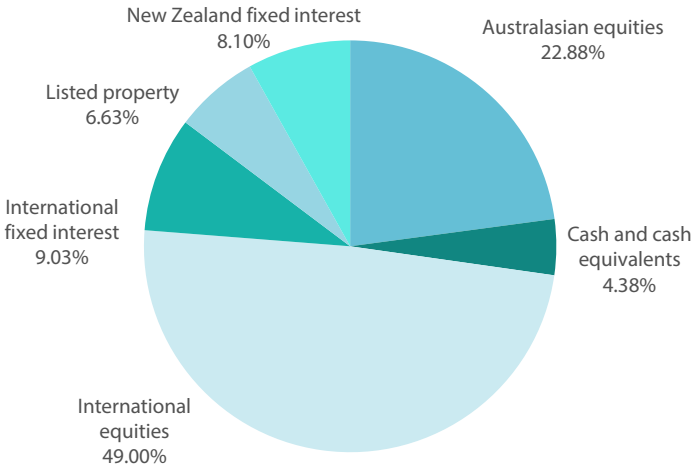
Small differences in fees and charges can have a big impact on your investment over the long term.

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 $446 (that is 4.46% of his initial $10,000). Simon also paid no other charges. This gives Simon a total return after tax of $334 for the year.[2]

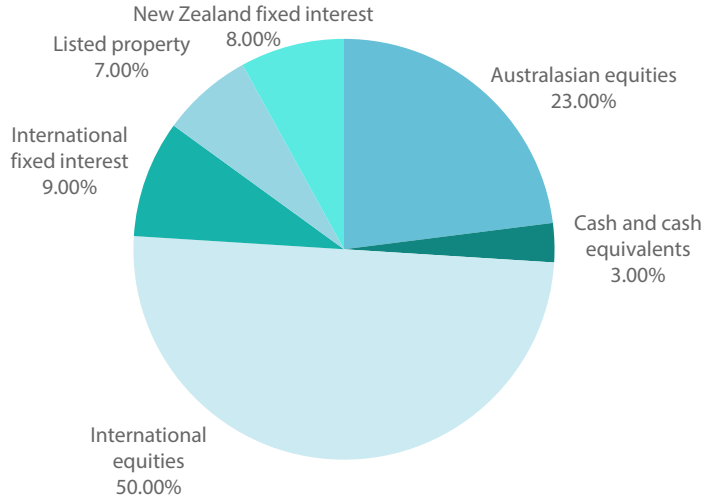
What does the fund invest in?

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

Actual investment mix



Target investment mix[3]



Top 10 investments

	Name	Type	Country	Credit rating (if debt securities)	Percentage of fund's net asset value
1	JPM Global Select Equity Fund	Other – interest in a diversified fund	Luxembourg		15.67%
2	NZD BNP Paribas A/C	Cash and cash equivalents	New Zealand	AA-	3.55%
3	Infratil Limited	Australasian equities	New Zealand		2.13%
4	Contact Energy Limited	Australasian equities	New Zealand		2.06%
5	Fisher & Paykel Healthcare	Australasian equities	New Zealand		1.77%
6	Microsoft Corp	International equities	United States		1.62%
7	Amazon Com Inc	International equities	United States		1.58%
8	Meridian Energy Ltd NPV	Australasian equities	New Zealand		1.45%
9	Summerset Group Holdings Ltd	Listed property	New Zealand		1.42%
10	Kiwi Property Group Limited	Listed property	New Zealand		1.36%

The total value of the top 10 investments makes up 32.61% of the net asset value of the fund.

There is currency exposure on international assets in the fund as only a portion of this is hedged. Currently the fund's foreign currency exposure is 29.02%

For underlying funds that the Fund invests in which use currency hedging, foreign currency exchange contracts are used to mitigate currency risk. However, 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. It should be noted the allocation to funds which currency hedge their assets comprises the value of the underlying assets and the value of the currency hedges. Accordingly, as the value of currency hedges change the exposure to underlying assets will be less than or greater than the disclosed allocation.

For more information on currency exposure please refer to the Statement of Investment Policy and Objectives (SIPO) which can be found on the Disclose register at https://disclose-register.companiesoffice.govt.nz/.

Key personnel

	Name	Current position	Time in current position	Previous or other current position	Time in previous or other current position
1	Alan Clarke	Portfolio Manager, Diversified Funds & External Managers and member of the Investment Committee	1 year and 6 months	Co-Head of Diversified Portfolio Management – ANZ Investments	3 years and 8 months
2	Stuart Williams	Managing Director and Chair of Investment Committee	2 years and 0 months	Head of Equities – Nikko Asset Management New Zealand Limited	8 years and 7 months

Further information

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

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 April 2024.
[3] All investments in this fund update are described in New Zealand dollars.