

### Fund manager

Nikko Asset Management New Zealand Limited (Nikko AM).  
Nikko AM is Asia's premier global asset manager. We actively manage NZ\$5 billion of investments for a diverse group of clients, including superannuation schemes, charitable trusts, KiwiSaver scheme providers, corporations and local government along with providing services to financial intermediaries through wrap platforms.

We offer investment management services in domestic sectors (equities, fixed interest and cash) through our Auckland-based investment team and employ offshore managers to manage global sectors (global equities, global bonds and alternative investments).

### Investment manager

The Fund currently obtains investment exposure by investing in the Nikko AM Wholesale Multi-Strategy Fund, a wholesale unit trust managed by Nikko AM.

Nikko AM invests in JP Morgan Alternative Asset Management Inc's (JPMAAM) multi-manager/multi-strategy fund, JP Morgan Multi-Strategy II Ltd (MSF II Ltd) to provide access to absolute return strategies. JPMAAM has operated its first such fund since April 1995 (JP Morgan Multi-Strategy Fund Ltd). This JPMAAM fund was closed to new investors in October 2001, and MSF II Ltd was created, based on similar principles to MSF Ltd to accommodate new cash flows and also new managers that JPMAAM wished to utilise.

### Fund launch

January 2014 (a similar portfolio has been operated by Nikko AM since June 2008).

### Investment objective

The objective of the Fund is to construct a portfolio of authorised investments that outperform the Fund's benchmark return over a rolling three year period after fees and expenses, before taxes.

### Benchmark

S&P/NZX Bank Bills 90-Day Index plus 2.5% pa

### Investment strategy

By integrating a number of hedge fund strategies into one fund, the MSF II Ltd fund's objective is to generate capital appreciation over the long term through a portfolio having a diversified risk profile with relatively low volatility and a low correlation with traditional equity and fixed-income markets.

### Structure and taxation

The Fund vehicle is a Unit Trust and Portfolio Investment Entity (PIE) which is priced daily. Unit holders elect their own Portfolio Investment Rate. Each unit holder's return is subject to the foreign investment taxation regime, under the Fair Dividend Rate approach. Information is provided to the IRD and unit holders on an annual basis.

### PIE eligibility

Nikko AM may take any action it deems appropriate to ensure the Fund remains eligible to be a PIE. This includes the ability of Nikko AM to compulsorily withdraw a unit holder's units and pay the proceeds to that unit holder's nominated bank account.

### Distributions

The Fund does not distribute income.

### Hedging policy

Invests into offshore manager's product NZD share class.

### Management fees and other charges

Nikko AM does not charge a management fee to the Fund, nor does it charge a management fee for this Fund's investment into the Nikko AM Wholesale Multi-Strategy Fund. JPMAAM charge a management fee, payable monthly in arrears of 1.0% per annum of the net asset value of funds invested in MSF II, which is directly deducted from MSF II. Nikko AM acts as distributor for JPMAAM in New Zealand. It receives a fee for arranging for the investment of New Zealand funds from JPMAAM and not from the Fund or MSF II. Nikko AM may recover expenses (including the Trustee fee) up to a maximum of 0.25% per annum from the Fund.

### Buy/sell spread

Nil

### Performance fee

JP Morgan charge a performance fee, calculated monthly on the gross return of MSF II, less all expenses including the JPMAAM management fee of 1.0% per annum. This fee is deducted from the Fund. A performance fee of 10% of the return is payable whenever the year to date return is greater than the 3-month US Treasury Bill Yield hurdle. Such performance fee is subject to loss carry-forward provisions in that if during any fiscal year there is a profit, there will be no performance fee payable until the amount of loss previously allocated to MSF II has been recovered.

### Trustee

Public Trust

### Custodian

Public Trust as legal custodian, BNP Paribas Fund Services Australasia Pty Limited delegated as functional custodian.

### Minimum investment

Initial investment \$150,000  
Further investments \$150,000

The Manager may change these amounts at any time.

### Applications

Investments can only be made into the Fund once each month. The table below outlines the application and investment dates for the next three months. Further information on applications is available in the "How much do I pay?" section of the Investment Statement.

Application Date	Investment Date
Funds deposited to Public Trust application account	Investment into JPMorgan Multi Strategy Fund II Limited – C-A NZD Class
13 July 2016	1 August 2016
15 August 2016	1 September 2016
14 September 2016	1 October 2016

### Redemptions

Withdrawals are processed quarterly with notice required to Nikko AM prior to the redemption date. The following table outlines the dates for the next two quarters that your withdrawal request is required to be with us and the date that your redemption will be processed. Further information on redemptions is available in the "How do I cash in my investment?" section of the Investment Statement.

Notice Date*	Redemption Date*
You submit redemption notice to Nikko AM NZ by	Redemption from JP Morgan Multi-Strategy Fund II Limited – C-A NZD Class
15 July 2016	30 September 2016
15 October 2016	31 December 2016

\* Cleared funds onshore New Zealand may be expected no earlier than three months after the notice date, which could be up to one month after the scheduled redemption date.

## Nikko AM NZ Unit Trusts (Retail)

## Fund Summary

### Nikko AM Multi-Strategy Fund

31 May 2016

#### Performance

(NZD returns; before tax, after fees and expenses)

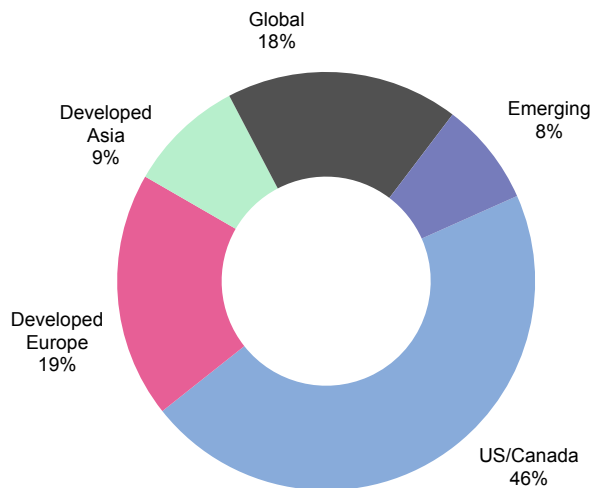
1 month	3 months	6 months	1 year
0.76%	2.09%	-0.30%	0.19%
2 years (pa)	3 years (pa)	5 years (pa)	Inception (pa)*
3.55%	n.a.	n.a.	3.17%

\* April 2014

#### Performance of key investments

Name	Strategy	Latest Month	Cal YTD
QVT	Relative Value	-0.14%	-1.00%
Deerfield	Long / Short Equities	5.11%	-3.41%
Palomino	Opportunistic / Macro	1.15%	0.29%
Senator Global Opportunity Fund	Merger Arbitrage / Event Driven	1.97%	-0.76%
Pelham Long/Short Fund	Long / Short Equities	-0.76%	-1.96%
<b>Key holdings as a percentage of the Fund:</b>		<b>15.6%</b>	

#### Portfolio composition by geography

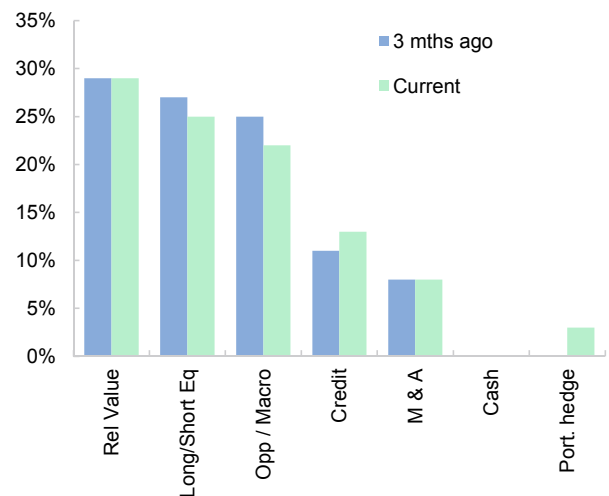


#### Investment profile

MSF II Ltd currently employs 37 managers

Opportunistic / Macro	11	Merger Arbitrage / Event	2
Long / Short Equities	10	Credit	5
Relative Value	8	Portfolio Hedge	1

#### Portfolio composition by strategy



All information and data, with the exception of Nikko AM Multi-Strategy Fund performance returns, is as at one month prior to the date shown at the top of this fund summary.

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General Enquiries: NZenquiries@nikkoam.com | +64 9 307 6363