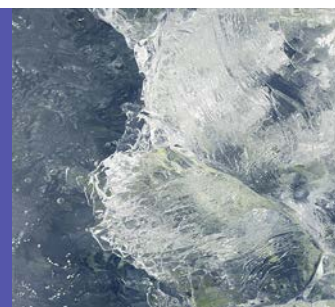


NIKKO AM GLOBAL EQUITY UNHEDGED FUND

Monthly Fact Sheet

31 August 2016



Investment objective

The objective of the Fund is to construct a portfolio of permitted investments that outperform the Fund's benchmark return by 3.0% per annum over a rolling three year period before fees, expenses and taxes.

Benchmark

MSCI All Countries World Index (net dividends reinvested), expressed in NZD (unhedged)

Fund description

The Fund aims to provide investors with long term growth from an actively managed investment portfolio selected from global equity markets.

The Fund gains its investment exposure by investing into the Nikko AM Wholesale Global Equity Unhedged Fund.

For the Nikko AM Wholesale Global Equity Unhedged Fund we utilise a multi-manager global equity strategy managed by a specialist team based in Sydney and Singapore. Investment personnel from Nikko AM Australia, Singapore and New Zealand are responsible for the ongoing selection, monitoring and review of all underlying investment managers.

Currency management

All currency exposures created as a consequence of global equity market investment remain unhedged to NZD.

Management fees and other charges

A management fee of 1.25% per annum calculated as a percentage of the net asset value of the Fund will be calculated and deducted from the Fund.

Nikko AM may also recover expenses (including the Trustee fee) from the Fund up to a maximum of 0.25% per annum of the Fund's net asset value. An estimate of expenses as at the date of publication is 0.09% per annum.

Buy/sell spread

0.07% / 0.07%

Strategic asset allocation

	Target	Range
Nikko AM Wholesale Global Equity Unhedged Fund	100%	95% ⇔ 100%
Cash on call for investor transactions	0%	0% ⇔ 5%

Refer to the SIPO for full details of permitted investments and restrictions.

Performance

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

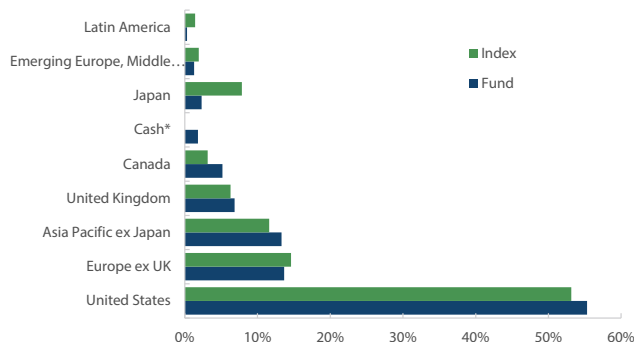
1 month	3 months	6 months	1 year
-0.80%	-3.59%	4.19%	-3.54%
2 years (pa)	3 years (pa)	5 years (pa)	Inception (pa)*
10.13%	10.10%	na	12.80%

* January 2013

Manager allocation

Manager	Range	Actual*
WCM Investment Mgmt	10-30%	27.7%
Principal Global Investors	10-30%	26.4%
Epoch Investments Partners Inc	10-30%	22.0%
Davis Selected Advisors LP	10-30%	22.6%
Nikko AM Limited (Derivatives)	0-10%	2.8%

Geographical allocation



* includes the sum of the underlying managers' cash allocations

Top 10 holdings

Amazon.com Inc (US)	Alphabet Inc Class A (US)
Encana Corp (Canada)	Alphabet Inc Class C (US)
Berkshire Hathaway Inc (US)	Reckitt Benckiser Grp PLC (US)
Facebook Inc (US)	Wells Fargo & Co (US)
Taiwan Semiconductor Manufacturing Co Ltd (Taiwan)	Naspers Ltd (RSA)

Sector allocation

Manager	Fund	Index
Consumer Discretionary	15.5	12.8
Consumer Staples	10.7	10.4
Energy	7.4	6.6
Financials	14.0	20.5
Health Care	10.2	11.9
Industrials	10.1	10.5
Information Technology	18.2	15.7
Materials	4.9	5.1
Telecommunication Services	3.7	3.8
Utilities	3.5	3.3
Cash*	1.8	0.0

* includes the sum of the underlying managers' cash allocations

Commentary

During August it was Davis's return of 4.1% that provided the bulk of the positive performance with PGI (-0.8%) and WCM (-0.3%) modestly underperforming and Epoch lagging with a return of -2.5% (all in unhedged terms).

Emerging Markets strongly outperformed their Developed Market counterparts during the month (MSCI EM index was up 2.52% in the month), and it was Davis's emerging market stocks that were the major factor in its outperformance.

A significant detractor for Epoch was the holding in Corrections Corporation (CCA) which fell just over 50% in the month on the back of the Department of Justice's decision to end its use of private prisons. Epoch's overweight positions in the telecom and utility sectors also hurt performance.

Across the Fund as a whole, stock positions adding the most value in August included MercadoLibre (up 12%), TD Ameritrade (up 9%), Ctrip (up 8.5%), and Angie's List (up 25.5%).

Within the healthcare sector, the Fund benefitted from a nil position in pharmaceutical company Bristol-Myers Squibb, which fell 23% due to disappointing results regarding its cancer immunotherapy, Opdivo. Similarly, nil positions in Allergan (down 7.3%) and UnitedHealth Group (down 5%) also added to performance. While the portfolio maintains an underweight to Healthcare, strong stock selection within the sector added to performance, with the gains in Livanova (+16.9%) and Sinopharm (+7.1%) being the most notable.

Major detractors for the month included TripAdvisor (down 12.8%), Techtronic Industries (down 4.2%), Apache Corp (5.3%), and Core Laboratories (down 4.3%).

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