

Annual Report

NIKKO AM KIWISAVER SCHEME

31 March 2021

Prepared on 29 July 2021

Issued by Nikko Asset Management
New Zealand Limited

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on www.business.govt.nz/disclose. Nikko Asset Management New Zealand Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial adviser to help you to make an investment decision.

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Image: Abstract aerial view of river bed, Canterbury Plains, Christchurch, NZ.

Details of scheme

Scheme name

Nikko AM KiwiSaver Scheme

Scheme type

KiwiSaver Scheme

Manager:

Nikko Asset Management New Zealand Limited

Supervisor:

Public Trust

Latest PDS:

	Latest PDS (as at 31 March 2021)
Nikko AM KiwiSaver Scheme Diversified Funds	31 March 2021 – Open for applications
Nikko AM KiwiSaver Scheme Single Sector Funds	31 March 2021 – Open for applications

Latest fund updates:

Fund Name	Latest fund Update
ARK Disruptive Innovation Fund	Quarter ended 31 March 2021
Balanced Fund	Quarter ended 31 March 2021
Conservative Fund	Quarter ended 31 March 2021
Core Equity Fund	Quarter ended 31 March 2021
Global Shares Fund	Quarter ended 31 March 2021
Growth Fund	Quarter ended 31 March 2021
NZ Cash Fund	Quarter ended 31 March 2021
NZ Corporate Bond Fund	Quarter ended 31 March 2021
Option Fund	Quarter ended 31 March 2021 – the fund was closed during the March 2021 quarter.

The Scheme's 31 March 2021 financial statements and auditor's report have been lodged with the Registrar.

Information on contributions and scheme participants

Membership:

The scheme was open to participants (**members**) from 3 April 2018.

The table below provides a summary of the numerical changes in the membership of the scheme during the year.

Fund Name	Number of members	Total amount (\$'000)
Members as at 1 April 2020		
Contributing members	50	
Non-contributing members	27	
Total of scheme members as at 1 April 2020	77	
Total members' savings at 1 April 2020		7,314
<u>Plus new members</u>		
- Transfers from other schemes	1,300	
- Other new members	52	
Total new members during the period	1,352	
<u>Less exited members</u>		
- Retirement	-	
- Death	-	
- Transfers to other schemes	(17)	
- Other reasons	-	
Total members exited during the period	(17)	
Scheme participants as at 31 March 2021		
- Contributing members	1,105	
- Non-contributing members	307	
Total of scheme members as at 31 March 2021	1,412	
Total members' savings at 31 March 2021		52,229

Contributions:

The table below provides a summary of the contributions received during the year by way of:

Contribution type	Number of members	Total amount (\$'000)
Member contributions		
Member employee contributions	1,011	1,167
Transfer from other KiwiSaver schemes	1,254	47,072
Transfers from other superannuation schemes	2	52
Transfers from Australian superannuation schemes	1	55
Total member contributions		48,346
Employer or other sponsor contributions		
Employer or other sponsor contributions ¹	1,014	755
Crown contributions	86	40
Total employer or other sponsor contributions		795
Member voluntary contributions	401	445
Total contributions		49,586

¹ Employer or other sponsor contributions includes Crown contributions of \$39,696 for 86 members.

Changes relating to the scheme

On 1 June 2020 the SIPO was updated to reflect the new Strategic Asset Allcations (SAAs) for the Nikko AM Growth, Balanced and Conservative Funds and a change of composite benchmark for the Balanced and Growth Funds.

On 2 June 2020, the Nikko AM KiwiSaver Scheme Diversified Funds Product Disclosure Statement (PDS) was updated for new SAAs for the Growth, Balanced and Conservative funds.

On 1 July 2020, the Statement of Investment Policy and Objective (SIPO) was updated to include SRI restrictions for the NZ Cash, Corporate Bond and NZ Bond Fund.

On 7 September 2020, the Nikko AM KiwiSaver Scheme – ARK Disruptive Innovation Fund Establishment Deed was executed to provide for a new fund.

On 16 November 2020, the Nikko AM KiwiSaver Scheme Diversified Funds PDS was updated for new SAAs for the Growth, Balanced and Conservative funds and a reduction in management fees for these funds. The Nikko AM KiwiSaver Scheme Single Sector Funds PDS was updated to include the ARK Disruptive Innovation Fund.

On 16 November 2020, the SIPO was updated for new SAAs and composite benchmarks for the Growth, Balanced and Conservative funds. The SIPO was also updated to reflect that the Nikko AM ARK Disruptive Innovation Fund now invests in the Nikko AM Wholesale ARK Disruptive Innovation Fund, rather than direct in UCITS.

On 20 November 2020, the first investment was made into the Nikko AM KiwiSaver Scheme ARK Disruptive Innovation Fund.

On 26 November 2020, an Investor Notice was issued to investors in the Nikko AM KiwiSaver Scheme Option Fund to notify them of the closure of the fund in February 2021. The fund was closed to new investors on the Disclose register at this time also and the final investors exited the fund in March 2021.

On 31 March 2021, both the Nikko AM KiwiSaver Scheme Diversified and Single Sector Funds PDS' were updated to reflect fee updates. Both PDS' were also updated for a change to the advice and servicing fee cap, increasing to 50bps from 25bps.

On 31 May 2021 the SIPO was updated to reflect the change of benchmark for the Nikko AM Wholsale Multi-Strategy Fund, and that the Nikko AM Conservative, Balanced and Growth Funds now invest in the Nikko AM Wholsale Multi-Strategy Fund rather than direct in the JPMAAM UCITs fund.

On 15 June 2021, the Nikko AM KiwiSaver Scheme Trust Deed was amended in response to changes to the Trusts Act 2021. These changes were largely “for the avoidance of doubt” changes intended to prevent the Trusts Act 2021 bringing changes to how the Deed would be governed and to maintain the status quo as far as possible .

We confirm that there were no related party transactions entered into during the accounting period that were not on arm’s-length terms.

Other information for particular types of managed funds

Withdrawals:

The table below sets out the withdrawals made from the scheme during the period.

Withdrawal reason	Number of members	Total amount (\$'000)
First home withdrawals	5	319
Mortgage diversion withdrawals	-	-
End payment withdrawals	2	198
Significant financial hardship	1	26
Serious illness	-	-
Death	-	-
Permanent emigration	-	-
Transfer to other KiwiSaver schemes	12	686
Transfers to Australian superannuation schemes	-	-
Release required under other enactments	155	30
Invalid enrolment withdrawals	-	-
Total withdrawals		1,259

Units prices:

Fund Name	Unit Price as of 31 March 2020	Unit Price as of 31 March 2021
ARK Disruptive Innovation Fund	-	1.0550
Balanced Fund	1.0106	1.2620
Conservative Fund	1.0619	1.1987
Core Equity Fund	1.0748	1.3479
Global Shares Fund	1.1926	1.6479
Growth Fund	0.9914	1.3225
NZ Cash Fund	1.0448	1.0591
NZ Corporate Bond Fund	1.1116	1.1565
NZ Option Fund	0.6171	-

Manager's Statement

Nikko Asset Management New Zealand Limited as manager of the scheme, confirms that:

- all benefits required to be paid from the scheme in accordance with the terms of the governing document and the KiwiSaver Scheme rules have been paid, and
- the market value of the scheme property at 31 March 2021 equalled or exceeded the total value of benefits that would have been payable had all members of the scheme ceased to be members at that date and had provision been made for the continued payment of all benefits being paid to members and other beneficiaries as at 31 March 2021.

Changes to persons involved in the scheme

There were no reportable changes (for example to the Manager, our directors or key personnel) during the accounting period.

Relating to Public Trust (the supervisor), in the year ending 31 March 2021 there were no changes in relation to the board.

How to find further information

Further information relating to the scheme and the managed investment products (including the trust deed, financial statements, SIPOs, the PDS and quarterly fund updates) is available on:

- the Disclose register www.business.govt.nz/disclose
- www.nikkoam.co.nz
- www.goalsgetter.co.nz

Other information we will provide

Information	How to obtain
Latest unit price	The latest unit price is available on our website www.nikkoam.co.nz .
Fund information relevant to you	You can inspect documents we hold that are relevant to you and other documents that are legally required to be provided to you, at our office during normal business hours or request an extract of those documents, by writing to us.
Fund updates	Once available, the fund updates for the Fund will be publicly available from our website – https://www.nikkoam.co.nz/invest/kiwisaver – and can be requested from us.

You will not be charged any fee to access this information.

You can find more information about us and the Funds on our website www.nikkoam.co.nz.

Contact details and complaints

Nikko Asset Management New Zealand Limited

Level 17, Vero Centre, 48 Shortland Street, Auckland 1010, New Zealand
PO Box 3892, Shortland Street, Auckland 1140
09 307 6363

NZenquiries@nikkoam.com

www.nikkoam.co.nz

Please direct any enquiries to "the Managing Director" at the address above.

Public Trust

Manager Client Services

Level 9, 34 Shortland Street, Auckland 1010

Private Bag 5902, Wellington 6140

0800 371 471

CTS.enquiry@publictrust.co.nz

www.publictrust.co.nz/corporate-trustee-services

MMC Ltd (as unit registry provider)

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PO Box 106 039, Auckland City, Auckland 1143

09 309 8926

nikkoregistry@mmcnz.co.nz

How to complain

Any complaints about a fund or the Scheme may be referred to the Manager, the Supervisor or Financial Services Complaints Limited.

The Manager and the Supervisor are both members of the Financial Services Complaints Limited independent dispute resolution scheme which is a scheme approved by the Ministry of Consumer Affairs.

If you have made a complaint to us and it has not been resolved within 40 days or if you are dissatisfied with the proposed resolution, you can refer it to:

Financial Services Complaints Limited

Level 4, 101 Lambton Quay, Wellington 6011

PO Box 5967, Wellington 6140

Freephone 0800 347 257 or 04 472-FSCL

www.fscl.org.nz

Financial Services Complaints Limited will not charge a fee to any complainant to investigate or resolve a complaint. Further information about referring a complaint to Financial Services Complaints Limited can be found at www.fscl.org.nz.