

Nikko AM KiwiSaver Scheme

GLOBAL SHARES FUND

Fund Update



What is the purpose of this update?

This document tells you how the Global Shares 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 MSCI All Countries World Index, with net dividends reinvested, expressed in NZD (unhedged) by 3.0% p.a. over a rolling three year period before fees, expenses and taxes. The Global Shares Fund seeks to provide investors with a relatively concentrated actively managed portfolio of global equities to achieve long term capital growth.

Total value of the fund	\$316,555
Number of investors in the fund	7
The date the fund started	3 April 2018

What are the risks of investing?

Risk indicator for the Global Shares 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 2018¹. 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?

	Past year
Annual return <i>(after deductions for charges and tax)</i>	Not applicable
Annual return <i>(after deductions for charges but before tax)</i>	Not applicable
Market index annual return ² <i>(reflects no deduction for charges and tax)</i>	19.70%

The market index on which the annual return is based is the MSCI All Countries World Index (net dividends reinvested), expressed in NZD (unhedged).

Additional information about the market index is available on the offer register at www.companiesoffice.govt.nz/disclose.

What fees are investors charged?

Investors in the Global Shares Fund are charged fund charges. Based on the PDS, dated 31 May 2018, these were expected to be (inclusive of GST where applicable):

	% of net asset value
Total fund charges*	1.17%
Which are made up of:	
Total management and administration charges	1.17%
Including:	
Manager's basic fee	1.17%
Other management and administration charges	0.00%
Total performance-based fees	0.00%
Other charges	\$ amount per investor
Annual membership fee	\$30 per annum

*Management fees have been waived until 31 March 2019.

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 KiwiSaver Scheme PDS for more information about those fees.

Example of how this applies to an investor

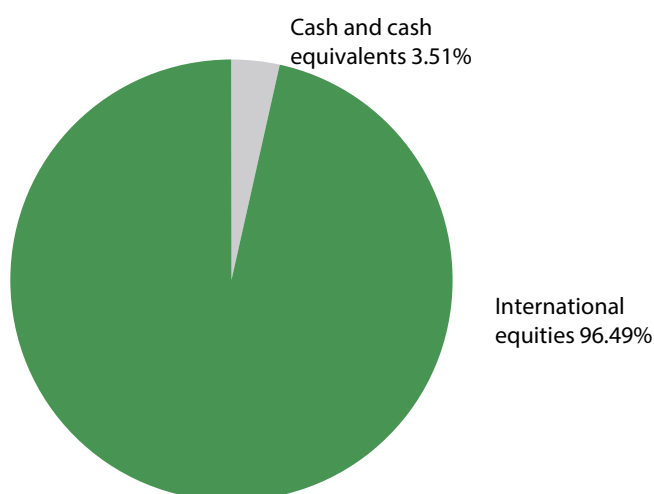
Small differences in fees and charges can have a big impact on your investment over the long term. For the purpose of this example, performance has been calculated from 23 April 2018 when the first investment was made into the fund.

Hayley made the first investment of \$10,000 into the fund and did not make any further contributions. There were no management fees charged during this period. As at 30 September 2018, Hayley received a return after fund charges were deducted of \$1369 (that is 13.69% of her initial \$10,000). Hayley also paid \$15 in other charges. This gives Hayley a total return after tax of \$1301 for the period ending 30 September 2018.

What does the fund invest in?

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

Actual investment mix



Target investment mix²

International equities	100%
------------------------	------

Top 10 investments

Name	Percentage of fund's net asset value	Type	Country	Credit rating (if debt securities)
1 Microsoft Corp	5.75%	International equities	US	n/a
2 Amazon Com Inc	4.99%	International equities	US	n/a
3 Progressive Corp	3.89%	International equities	US	n/a
4 Sony Corp Y50	3.53%	International equities	JP	n/a
5 Livanova Plc	3.50%	International equities	US	n/a
6 Anthem Inc	3.43%	International equities	US	n/a
7 Transunion	3.12%	International equities	US	n/a
8 Unilever Plc	2.75%	International equities	UK	n/a
9 Koninklijke Philips NV	2.71%	International equities	NL	n/a
10 Verisk Analytics	2.58%	International equities	US	n/a

The total value of the top 10 investments makes up 36.25% of the net asset value of the fund.

Key personnel

	Name	Current position	Time in current position	Previous or other current position	Time in previous or other current position
1	George Carter	Managing Director and Member of Investment Committee	2 years and 11 months	Director, Head of Distribution, AMP Capital Investors NZ Limited	6 years and 4 months
2	Fergus McDonald	Head of Bonds and Currency and Member of Investment Committee	18 years and 3 months	NZ Fixed Interest Portfolio Manager - Nikko Asset Management New Zealand Limited	10 years and 5 months
3	Stuart Williams	Head of Equities and Member of Investment Committee	4 years and 2 months	Portfolio Manager – OnePath (NZ) Limited	1 year and 7 months
4	James Wesley	Head of Distribution and Member of Investment Committee	4 years and 10 months	Head of Australia, Wholesale – Threadneedle Investments	3 years
5	James Rogers	Head of Product and Operations and Member of Investment Committee	1 year and 6 months	Senior Project Manager – Nikko Asset Management New Zealand Limited	5 months

Further information

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

Notes

¹ Because the fund is less than five years old, the risk indicator uses returns data partly from returns of the fund, and partly (for the period October 2013 to March 2018) from the MSCI World Index (net dividends reinvested), expressed New Zealand Dollars (unhedged). As a result of this, the risk indicator may provide a less reliable indicator of the potential future volatility of the fund.

² All investments in this fund update are described in New Zealand dollars.