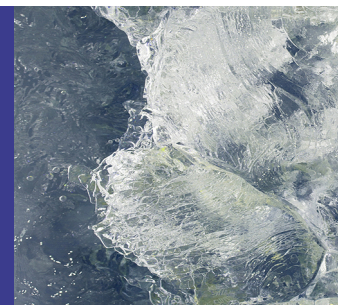


Nikko AM KiwiSaver Scheme

# NZ CASH FUND

## Fund Update



## What is the purpose of this update?

This document tells you how the NZ Cash 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.

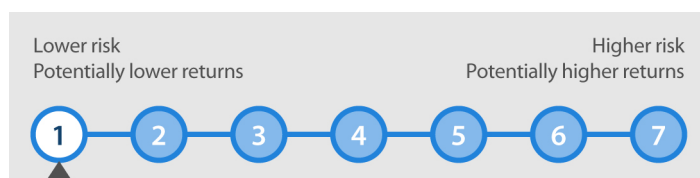
## Description of this fund

The Fund aims to outperform the Bloomberg NZBond Bank Bill Index by 0.20% p.a. over a rolling three year period before fees, expenses and taxes. The NZ Cash Fund provides investors with a portfolio of short term deposits and bonds while preserving capital value.

Total value of the fund	\$704,568
Number of investors in the fund	10
The date the fund started	3 April 2018

## What are the risks of investing?

### Risk indicator for the NZ Cash 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](http://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 December 2018.<sup>1</sup> 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 <sup>2</sup> <i>(reflects no deduction for charges and tax)</i>	1.95%

The market index on which the annual return is based is the Bloomberg NZBond Bank Bill Index.

Additional information about the market index is available on the offer register at [www.companiesoffice.govt.nz/disclose](http://www.companiesoffice.govt.nz/disclose).

## What fees are investors charged?

Investors in the Nikko AM NZ Cash 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
<b>Total fund charges*</b>	<b>0.46%</b>
Which are made up of:	
<b>Total management and administration charges</b>	<b>0.46%</b>
Including:	
Manager's basic fee	0.46%
Other management and administration charges	0.00%
<b>Total performance-based fees</b>	<b>0.00%</b>
<b>Other charges</b>	\$ amount per investor
Annual membership fee	\$30 per annum

\*Management fees are 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

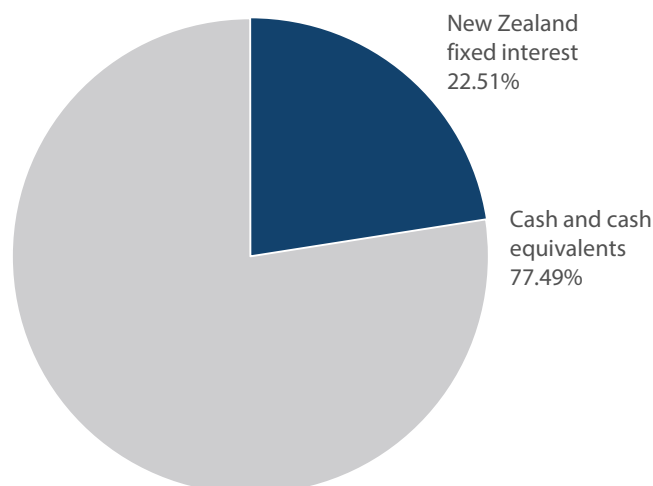
Small differences in fees and charges can have a big impact on your investment over the long term. For the purpose of this example, performance has been calculated from 23 April 2018 when the first investment was made into the fund.

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 31 December 2018, Hayley received a return after fund charges were deducted of \$196 (that is 1.96% of her initial \$10,000). Hayley also paid \$22.50 in other charges. This gives Hayley a total return after tax of \$116.50 for the period ending 31 December 2018.

## What does the fund invest in?

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

### Actual investment mix



### Target investment mix<sup>2</sup>

Cash and cash equivalents and New Zealand fixed interest	100%
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## Top 10 investments

	Name	Percentage of fund's net asset value	Type	Country	Credit rating (if debt securities)
1	Kiwibank Limited 221121 FRN	6.28%	New Zealand fixed interest	NZ	AA
2	New Zealand Tax Trading Co 150119	5.46%	Cash and cash equivalents	NZ	AA+
3	ASB Bank Ltd 080319 FRN	4.63%	Cash and cash equivalents	NZ	AA-
4	ANZ Bank New Zealand Ltd 220319 FRN	3.57%	Cash and cash equivalents	NZ	AA-
5	ANZ Bank New Zealand Ltd 181119 FRN	3.08%	Cash and cash equivalents	NZ	AA-
6	Bank Of New Zealand 150520 FRN	2.60%	New Zealand fixed interest	NZ	AA-
7	Bank Of New Zealand 140920 FRN	2.59%	New Zealand fixed interest	NZ	AA-
8	Rabobank 220321 FRN	2.50%	New Zealand fixed interest	NZ	A+
9	Westpac Call Cash Account	2.49%	Cash and cash equivalents	NZ	AA-
10	Bank Of New Zealand 250619 5.57 CB	2.32%	Cash and cash equivalents	NZ	AA-

The total value of the top 10 investments makes up 35.52% 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	Fergus McDonald	Head of Bonds and Currency	18 years and 6 months	NZ Fixed Interest Portfolio Manager - Nikko Asset Management New Zealand Limited	10 years and 5 months
2	Ian Bellew	Fixed Income Manager	7 years and 0 months	Cash Portfolio Manager - Nikko Asset Management New Zealand Limited	4 years and 10 months
3	Matthew Johnson	Fixed Income Manager	0 years and 3 months	Senior Strategy Analyst – the Comfort Group	2 years and 6 months
4	George Carter	Managing Director	3 years and 2 months	Director, Head of Distribution, AMP Capital Investors NZ Limited	6 years and 4 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

<sup>1</sup> Because the fund is less than five years old, the risk indicator uses returns data partly from returns of the fund, and partly (from January 2014 to March 2018) from the Bloomberg NZBond Bank Bill index. As a result of this, the risk indicator may provide a less reliable indicator of the potential future volatility of the fund.

<sup>2</sup> All investments in this fund update are described in New Zealand dollars.