

**Nikko AM Wholesale Global Shares Fund**

From 15 October 2021

**Fund Purpose**

To provide investors with a relatively concentrated actively managed investment portfolio of global equities to achieve long term capital growth.

**Investment Objective**

To achieve investment returns of 3% per annum in excess of the Fund's Benchmark over a rolling three year period before fees, expenses and taxes.

**Benchmark**

MSCI ACWI, with net dividends reinvested, expressed in NZD (unhedged).

**Authorised Investments**

The Authorised Investments of the Fund are;

**Global Equities:**

- Any equity security (as defined in Sn 8(2) of the Financial Markets Conduct Act 2013) listed or contemplated to be listed on any recognised securities exchange in the MSCI ACWI member countries.
- Any right or option to acquire or take up any equity security, including common stocks, preferred stocks, convertible bonds, warrants, depositary receipts, REITs.
- Futures agreements, options (either exchange traded or over-the-counter), forward foreign exchange contracts.
- Any other investment agreed to by the Manager and Trustee.

**Cash:**

- Cash, including foreign currencies held by the Custodian appointed by the Trustee.
- Cash balances with brokers, agents or custodians (both local and overseas) pending investment or pending payment to the manager..

**Strategic Asset Allocation**

	Target %	Range %
Global Equities	100	90.0⇔100.0
Cash	0	0.0⇔10.0

**General Restrictions**

Investment prohibited in any managed investment scheme that is not a portfolio investment entity for the purposes of Sn HM 2 of the Income Tax Act 2007, this includes ETFs and MLPs. (REITs are permitted as authorised investments).

Derivative counterparties limited to those in the NAM Global approved counterparty list.

Fund cannot hold more than 5% of the total shares on issue by any single issuer

The total exposure to securities of the same issuer should not exceed 10% of the fund's assets

Short selling of securities or purchase of securities on margin is not permitted

The aggregate exposure to securities in emerging markets as defined by MSCI should not exceed the Benchmark emerging market weight +10%, of the fund's assets.

**Specific Restrictions**

Controversial weapons/armaments: companies directly involved in the development and production (manufacture), sale or distribution of cluster munitions; anti-personnel mines; and biological, chemical or nuclear weapons.

Investment prohibited in tobacco manufactures, defined as those included in GICS code 30203010

Equity securities issued by organisations where a share of their revenue from the following industries are prohibited:-

Adult entertainment: Companies with > 10% revenue from adult entertainment related business activities.

Alcohol: Companies with > 10% revenue from alcohol-related business activities.

Fossil fuels: Companies with >10% revenue from the extraction of thermal coal and/or tar sands oil.

Gambling: Companies with > 10% revenue from gambling-related business activities.

**Currency Management**

All currency exposures created as a consequence of the global equity markets investments remain unhedged to NZD.

Noted by the Supervisor

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### Portfolio Management

The Fund is permitted to maintain an overdraft with a registered bank in order to provide liquidity to fund redemptions and facilitate settlements for the Fund.

The Manager shall not be deemed to have breached the Investment Mandate if any of the mandated minimum or maximum ranges are exceeded as the result of:

- the value of any asset changing solely as a result of market movements;
- contributions to or withdrawals from the Fund; or
- a change in the nature of any investment (whether through change in business activity or credit rating).

This is conditional upon the Manager within five business days of being aware of the range being exceeded, re-weighting the portfolio to be within the mandated ranges, unless the Supervisor otherwise agrees in writing.

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Noted by the Supervisor

## Nikko AM Wholesale Global Shares Fund

From 15 October 2021

Version Control	Reasons for Change	Author/Editor	Date
Version 1.1	Initial Draft for Review	James Rogers	13 February 2017
Version 2.1	Clarification on investment restrictions	James Rogers	20 March 2017
Version 2.2	Post Supervisor Review	James Rogers	5 April 2017
Version 2.3	Clarification on EM restriction	James Rogers	15 June 2017
Version 2.4	Final Formatting added MSCI countries	James Rogers	19 June 2017
Version 2.5	Addition of SRI restrictions	James Rogers	10 December 2018
Version 2.6	Threshold change SRI restrictions – Fossil Fuels	Hilary McWhinnie	18 December 2019
Version 2.7	Remove wording revenue assessment of financial statements	Compliance Department	8 October 2021

Noted by the Supervisor