

Nikko AM Wholesale Conservative Fund

From 2 September 2024

Fund Purpose

To provide investors with a portfolio of predominately defensive assets to preserve the capital value of invested funds over the long term in real terms.

Investment Objective

The objective of the Fund is to achieve a return which exceeds the weighted composite benchmark return by 1.00% p.a. over a rolling three year period before fees, expenses and taxes (if any).

Authorised Investments

The Authorised Investments of the Fund are:

- The investments set out in the Strategic Asset Allocation below.
- Units, sub-units or other interests in any managed investment scheme, mutual fund, group investment fund or similar entity in any part of the world.
- Cash balances with brokers, agents or custodians (both local and overseas) pending investment or pending payment to the manager. Cash, including foreign currencies should be invested with organisations with a level of security equal to or better than a Standard & Poors A1 short term or A long term rating or Moody's equivalent.
- Any other investment agreed to by the Manager and Supervisor.

Currency Management

Currency hedging contracts, if any, are held in the sector funds listed in the Strategic Asset Allocation. Currency is managed in accordance with the Nikko AM NZ Currency Risk Management Policy.

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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Strategic Asset Allocation and Benchmark

Asset Class	Target Allocation	Range	Underlying Fund	Target Allocation	Benchmark
Australasian Equities	6.0%	0.0% - 12.0%	Nikko AM Wholesale Core Equity Fund	3.0%	S&P/NZX 50 Index Gross with Imputation Index
			Nikko AM Wholesale Concentrated Equity Fund	3.0%	
Listed Property	3.0%	0.0% -6.0%	Nikko AM Wholesale Property Fund	3.0%	S&P/NZX All Real Estate (Sector) Gross with Imputation Index
International Equities	14.0%	4.0% - 24-0%	Nikko AM Wholesale Global Equity Fund Hedged	7.0%	MSCI All Countries World Index (net dividends reinvested) 100% gross hedged to NZD
			Nikko AM Wholesale Global Equity Fund Unhedged	7.0%	MSCI All Countries World Index (net dividends reinvested), expressed in NZD
TOTAL GROWTH	23.0%	13.0% -33.0%		23.0%	
NZ Fixed Interest	31.0%	21.0% - 41.0%	Nikko AM Wholesale NZ Corporate Bond Fund	11.0%	Bloomberg NZBond Credit 0+ yr Index
			Nikko AM Wholesale NZ Bond Fund	20.0%	Bloomberg NZBond Composite 0+ yr Index
International Fixed Interest	31.0%	21.0% - 41.0%	Nikko AM Wholesale Global Bond Fund	31.0%	Bloomberg Global Aggregate Index hedged into NZD
Cash	15.0%	0.0% - 30.0%	Nikko AM Wholesale NZ Cash Fund	15.0%	Bloomberg NZBond Bank Bill Index
TOTAL DEFENSIVE	77.0%	67.0% - 87.0%		77.0%	
TOTAL	100.0%			100.0%	

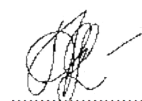
Noted by Supervisor

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Version Control	Reasons for Change	Author/Editor	Date
Version 1.0	Commencement Mandate	Investment Committee	30 May 2016
Version 2.0	Formal Review	Investment Committee	1 May 2017
Version 3.0	Adding Global Shares Fund	Investment Committee	22 June 2017
Version 4.0	Adding JP Morgan Multi manager Alternatives Fund and replacing Corporate Bond Fund with the Wholesale Corporate Bond Fund	Investment Committee	6 November 2017
Version 5.0	Add correct Benchmark for Alternative Fund	CRD	20 February 2018
Version 6.0		Investment Committee	9 April 2018
Version 7.0	Additional of Nikko AM Global Shares Hedged Fund	Investment Committee	5 June 2018
Version 8.0	Change of benchmarks	Investment Committee	11 December 2018
Version 9.0	Change of benchmark for dates to match	Tim Morrison	23 January 2019
Version 10.0	SAA Review	Investment Committee	8 March 2019
Version 11.0	SAA Review	Investment Committee	7 September 2020
Version 12.0	Amendment to reflect change in Multi Strategy Investment directly through Nikko AM Wholesale Fund	Investment Committee	5 May 2021
Version 13.0	SAA Review	Investment Committee	28 April 2022
Version 14.0	SAA Review Benchmark change for Nikko Am Wholesale Property Fund Change to hedging level for Nikko AM Wholesale Global Shares Hedged Fund	Investment Committee	26 April 2023
Version 15.0	SAA Review	Investment Committee	22 August 2024

Noted by Supervisor



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