

**Nikko AM Wholesale Global Equity Hedged Fund**

From 01 June 2023

**Fund Purpose**

To provide investors with long term growth from an actively managed investment portfolio selected from global equity markets, with currency exposures created as a consequence of global equity investment hedged to the NZD.

**Investment Objective**

The objective of the Fund is to construct a portfolio of authorised investments that outperform the Fund's benchmark return by 3.00% p.a. over a rolling three year period before fees.

**Benchmark**

MSCI All Countries World Index (net dividends reinvested) gross hedged 100% to NZD

**Strategic Asset Allocation**

	Target %	Range %
Nikko AM Wholesale Global Equity Unhedged Fund	100	95.0 - 100.0
Cash for investor transactions	0	0.0- 5.0

**Authorised Investments**

The Authorised Investments of the Fund are:

- Nikko AM Wholesale Global Equity Unhedged Fund
- Any equity security listed on any recognised securities exchange.
- Any debt security listed on any recognised securities exchange or traded in secondary markets.
- Any right or option to acquire or take up any equity security or debt security.
- Cash, including foreign currencies held by the Custodian appointed by the Supervisor.
- Cash, including foreign currencies invested with organisations attracting a S&P short term rating equal to or better than A-1 or Moody's equivalent rating.
- Futures agreements, foreign exchange contracts as related to the authorised investments.

**Restrictions**

- Investment prohibited in any security that conducts activities listed on the Schedule to the Cluster Munitions Prohibition Act 2009.
- 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.
- Derivatives can only be transacted with counterparties listed in the Nikko AM NZ Approved Counterparty List.
- Investment prohibited in tobacco manufacturers, defined as those included in GICS code 30203010.

**Currency Management**

Foreign currency exposures created as a consequence of capital markets investment are gross hedged at 100% to NZD. The permitted operational hedging range is 95% - 105%.


**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.

 Brian Cheow Hin See  
Senior Manager Client Services  
Public Trust, Auckland

Noted by Supervisor

Version Control	Reasons for Change	Author/Editor	Date
Version 1.0	Commencement Mandate		14 October 2008
Version 1.1	Formal review		1 April 2011
Version 1.2	Hedging ranges review	Investment Committee	1 May 2012
Version 2.0	Formal review	Investment Committee	18 February 2014
Version 2.1	Benchmark change	Tyndall Operations	20 May 2014
Version 3.0	Name change	Investment Committee	12 September 2014
Version 4.0	Formal review	Investment Committee	17 March 2015
Version 5.0	Formal review	Investment Committee	23 May 2016
Version 6.0	Review with Manager	George Carter	6 March 2018
Version 7.0	Hedge ranges changed	Investment Committee	2 May 2023

