

Nikko AM Wholesale Conservative Fund

From 1 July 2023

Fund Purpose

To minimise the risk of investment loss while optimising investment returns. 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:

- Cash balances with brokers, agents or custodians (both local and overseas) pending investment or pending payment to the manager.
- 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.
- The investments set out in the Strategic Asset Allocation below.
- Any other investment agreed to by the Manager and Supervisor.
- 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.

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

Investment	Target%	Ranges %	Benchmark
Domestic Fixed Interest	55.0		
Nikko AM Wholesale NZ Cash Fund	20.0	15.0-25.0	Bloomberg NZ Bond Bank Bill Index
Nikko AM Wholesale NZ Bond Fund	17.5	12.5-22.5	Bloomberg NZ Bond Composite 0+ YR Index
Nikko AM Wholesale Corporate Bond Fund	17.5	12.5-22.5	Bloomberg NZ Bond Credit 0+ YR Index
Global Fixed Interest (100% hedged)	22.0	17.0-27.0	Bloomberg Barclays I Global Aggregate Index hedged into NZD
Nikko AM Wholesale Global Bond Fund			
Domestic Shares	6.0	1.0-11.0	S&P/NZX 50 Index Gross with Imputation Index
Nikko AM Wholesale Core Equity Fund			
Domestic Listed Property	5.0	0.0-10.0	S&P/NZX All Real Estate (Sector) Gross with Imputation
Nikko AM Wholesale Property Fund			
Global Shares	12.0		
Nikko AM Wholesale Global Shares Fund	6.0	1.0-11.00	MSCI All Countries World Index (net dividends reinvested), expressed in NZD
Nikko AM Wholesale Global Shares Hedged Fund	6.0	1.0-11.00	MSCI All Countries World Index (net dividends reinvested) 100% gross hedged to NZD



Brian Cheow Hin See
Senior Manager Client Services
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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	Ame dment 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