

Nikko AM Wholesale Balanced Fund

From 11 July 2023

Fund Purpose

To provide investors with a carefully constructed balance of diversified assets in a manner that both aims to optimise investment returns and to minimise the risks of investment loss, and to preserve the capital value of investing funds over the long term in real terms.

Investment Objective

The objective of the Fund is to achieve a return which exceeds the benchmark return by 1.50% p.a. over a rolling three year period before fees.

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 management 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.

Strategic Asset Allocation and benchmark



Noted by the Supervisor

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Investment	Target %	Ranges %	Benchmark
Domestic Fixed Interest	25.0		
Nikko AM Wholesale NZ Bond Fund	12.0	7.0-17.0	Bloomberg NZ Bond Composite 0+ YR Index
Nikko AM Wholesale Corporate Bond Fund	8.0	3.0-13.0	Bloomberg NZ Bond Credit 0+ YR Index
Nikko AM Wholesale Cash Fund	5.0	0.0-10.0	Bloomberg NZ Bond Bank Bill Index
Global Fixed Interest (100% hedged)	11.0	6.0-16.0	
Nikko AM Wholesale Global Bond Fund			Bloomberg Barclays Global Aggregate Index, 100% hedged into NZD
Domestic Shares	18.0		
Nikko AM Wholesale Core Equity Fund	13.0	8.0-18.0	S&P/NZX 50 Index Gross with Imputation Index
Nikko AM Wholesale Concentrated Equity Fund	5.0	0.0-10.0	RBNZ Official Cash Rate plus 5.0% p.a.
Listed Property	6.0	1.0-11.0	
Nikko AM Wholesale Property Fund			S&P/NZX All Real Estate (Sector) Gross with Imputation
Global Shares	35.0		
Nikko AM Wholesale Global Shares Fund	16.0	11.0-21.0	MSCI All Countries World Index (net dividends reinvested), expressed in NZD
Nikko AM Wholesale Global Shares Hedged Fund	16.0	11.0-21.0	MSCI All Countries World Index (net dividends reinvested) 100% gross hedged to NZD
Nikko AM ARK Innovation Disruption Fund	3.0	0.0-8.0	Absolute Return of 10% per annum
Alternatives	5.0		
Nikko AM Wholesale Multi Strategy Fund	5.0	0.0-10.0	Bloomberg NZBond Bank Bill Index + 3.0% p.a.



Noted by the Supervisor

Version Control	Reasons for Change	Author/Editor	Date
Version 1.0	Commencement Mandate	Investment Committee	1 October 2007
Version 1.1	Global Equities hedging to 25%	Investment Committee	1 August 2008
Version 2.0	Strategic Asset Allocation review	Investment Committee	1 December 2008
Version 3.0	Strategic Asset Allocation review	Investment Committee	1 November 2009
Version 4.0	Strategic Asset Allocation review	Investment Committee	1 February 2012
Version 4.1	Formal annual review	Investment Committee	1 October 2012
Version 4.2	Strategic Asset Allocation review	Investment Committee	28 March 2013
Version 5.0	Strategic Asset Allocation review	Investment Committee	26 March 2014
Version 5.1	Benchmark change for Global Equities	Tyndall Operations	20 May 2014
Version 6.0	Name change	Investment Committee	12 September 2014
Version 7.0	Strategic Asset Allocation review	Investment Committee	20 March 2015
Version 7.1	Benchmark name change	Investment Committee	16 June 2015
Version 7.2	Benchmark name change	Investment Committee	1 December 2015
Version 8.0	Formal review	Investment Committee	18 May 2016
Version 9.0	Formal review	Investment Committee	1 May 2017
Version 10.0	Adding Global Shares Fund	Tim Morrison/James Rogers	22 June 2017
Version 11.0	Formal review. Adding JP Morgan Multi manager Alternatives Fund and replacing Corporate Bond Fund with the Wholesale Corporate Bond Fund	Investment Committee	6 November 2017
Version 12.0	Correct Benchmark added to Alternatives Fund	CRD	20 February 2018
Version 13.0	SAA Review	Investment Committee	9 April 2018
Version 14.0	Adding Nikko AM Global Shares Hedged Fund	Investment Committee	5 June 2018
Version 15.0	Change of benchmark	Investment Committee	11 December 2018
Version 16.0	Benchmark change for Corporate Bond Fund	Tim Morrison	23 January 2019

Version 17.0	SAA Review	Investment Committee	8 March 2019
Version 18.0	SAA Review	Investment Committee	8 April 2020
Version 19.0	SAA Review	Investment Committee	07 September 2020
Version 20.0	Amedment to reflect change in Multi Strategy Investment directly through Nikko AM Wholesale Fund	Investment Committee	5 May 2021
Version 21.0	SAA Review	Investment Committee	28 April 2022
Version 22.0	SAA Review Benchmark change for Property Fund Change of hedging level for Nikko AM Wholesale Global Shares Hedged Fund	Investment Committee	26 April 2023
Version 23	Correct typo in Cash Fund range (should be 0-10%)	Hilary McWhinnie	11 July 2023