

Nikko AM ARK Disruptive Innovation Strategy

Monthly Update 30 April 2025

Assets are held in the Nikko AM Wholesale ARK Disruptive Innovation Fund. The Nikko AM ARK Disruptive Innovation Fund (retail) and the GoalsGetter KiwiSaver Scheme Nikko AM ARK Disruptive Innovation Fund invest in units in the wholesale fund, which the commentary refers to.

Market Overview

- Broad-based global equity indexes traded up slightly, reflecting a strong bounce back after tariff announcements shocked the global markets.
- Relative to the MSCI World Index Utilities, Consumer Staples, and Communication Services sectors outperformed on balance in April, while the Energy, Health Care, and Real Estate sectors lagged.

Fund Highlights

- The fund returned 2.77% over the month, well ahead of the benchmark.
- Key contributors for the month include Palantir (PLTR), Coinbase (COIN), Roblox (RBLX), Robinhood (HOOD), and Tesla (TSLA).
- Key detractors for the month include Pinterest (PINS), Teradyne (TER), Roku (ROKU), Meta Platforms (META), and PagerDuty (PD).

	One month	Three months	One year	Three years (p.a.)	Five years (p.a.)
Wholesale¹	2.77%	-19.05%	26.27%	10.24%	
Retail³	2.64%	-19.15%	22.85%	7.87%	0.58%
KiwiSaver³	2.60%	-19.35%	22.67%	7.83%	
Benchmark²	0.80%	2.41%	10.00%	10.00%	10.00%
NASDAQ⁴	-2.93%	-12.68%	12.34%	19.06%	18.29%

1. Returns are before tax and before the deduction of fees and including tax credits (if any).

2. Absolute return of 10% per annum. No fees, expenses or taxes.

3. Returns are before tax and after the deduction of fees and expenses and including tax credits (if any). Based on change in unit price.

4. NASDAQ-100 Notional Net Total Return Index Unhedged in NZD.

Since Inception Cumulative Performance, \$10,000 Invested^{3,2}



Investment Manager

The fund invests in the Nikko AM ARK Disruptive Innovation Fund managed by Nikko AM Americas. ARK Investment Management LLC is the Investment Adviser to Nikko AM Americas. Cathie Wood is ARK's founder and portfolio manager and is a highly experienced thematic investor. ARK's transparent research approach is highly differentiated, seeking to capitalise on insights across multiple mediums.



Overview

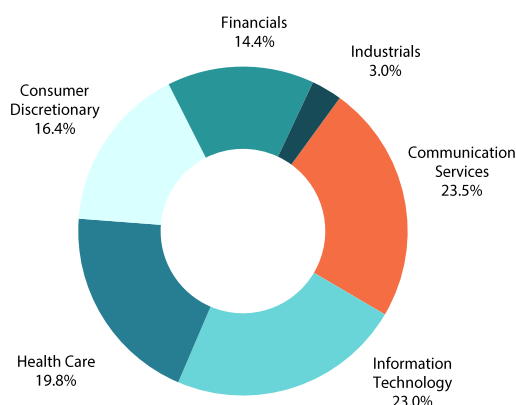
The fund provides access to a global share portfolio that offers thematic exposure to disruptive innovation across a number of sectors and geographies. Disruptive innovation is caused by the introduction of new technologically enabled products or services that permanently change an industry or economic sector by providing greater simplicity, accuracy, customisation and accessibility while driving down costs.

Objective

The fund aims to achieve an absolute return of 10% per annum over a rolling five year period before fees, expenses and taxes.

Sector Weights*

*Weights based on Manager's model portfolio, which may vary from the actual portfolio and does not factor in cash positions.



Technology Composition (Underlying Fund*)

	(%)		(%)
Intelligent Devices	21.0	Programmable Biology	2.6
Next Gen Cloud	18.6	Humanoid Robotics	2.0
Neural Networks	11.1		
Digital Wallets	10.6		
Autonomous Mobility	10.2		
Multiomic Technologies	8.6		
Precision Therapies	5.1		
Cryptocurrencies	4.1		
Smart Contracts	3.2		
Advanced Battery Tech	2.9		

Top 10 Holdings (Underlying Fund*)

	(%)	Country
Palantir Technologies Inc	9.97%	United States
Tesla Inc	9.33%	United States
ROBLOX Corp	7.50%	United States
Coinbase Global Inc	7.14%	United States
Roku Inc	5.53%	United States
Robinhood Markets Inc	4.87%	United States
Tempus AI Inc	4.74%	United States
Shopify Inc	4.50%	Canada
Meta Platforms Inc	3.57%	United States
Amazon.com Inc	2.69%	United States

Market Commentary (source: ARK Investment Management LLC)

Broad-based global equity indexes traded up slightly, reflecting a strong bounce back after tariff announcements shocked the global markets. Relative to the MSCI World Index Utilities, Consumer Staples, and Communication Services sectors outperformed on balance in April, while the Energy, Health Care, and Real Estate sectors lagged. Slowing money velocity and a sharp drop in high-income consumer sentiment corroborate a pullback in spending by both consumers and corporations, signalling that the final stage of the rolling recession is playing out. Our research also suggests that a loss of pricing power will force corporations to curb employment, extending the pressure on growth. While short-term uncertainty is weighing on growth, we believe that interest rates are likely to surprise to the downside, setting the stage for a rebound as the Trump administration implements pro-growth policies. Longer-term, breakthroughs in AI, robotics, energy storage, blockchain, and multiomics sequencing should unleash productivity and real economic growth.

Fund Commentary

Key contributors for the month include Palantir (PLTR), Coinbase (COIN), Roblox (RBLX), Robinhood (HOOD), and Tesla (TSLA). Shares of Palantir contributed to fund performance this month following the announcement that NATO would be acquiring the Maven Smart System from Palantir. Palantir, along with SpaceX and Anduril, will also reportedly play a meaningful role in the US's Golden Dome missile defense project. Shares of Coinbase contributed to the fund this month, participating in a broad rally across technology stocks following President Trump's announcement of a 90 day pause on reciprocal tariffs on most countries. Coinbase's performance also largely tracks the increase in the price of bitcoin over the month. Shares of Roblox contributed to the fund this month. The company was upgraded to outperform by an investment bank, who suggested that revenue contribution from programmatic video ads will materialize in 2025 and in the long term, the company is well positioned to sustain bookings growth and margin expansion at rates that outperform the video game industry, based on its unique user growth momentum, technology infrastructure, and untapped monetization potential. Shares of Robinhood contributed to the fund this month, participating in a broad rally across technology stocks following President Trump's announcement of a 90 day pause on reciprocal tariffs on most countries. Shares of Tesla contributed to performance during the month re-bounding from an initial sell-off following heightened uncertainty in global markets triggered by U.S. tariff announcements as well as a lower-than-expected first-quarter delivery report. The company later reported its first-quarter earnings, with Elon Musk confirming that starting in May he will allocate more of his time to Tesla, while spending less time on DOGE. Notably, Tesla reaffirmed plans to launch its robotaxi service in Austin this June and to introduce a low-cost model in the first half of the year.

Key detractors for the month include Pinterest (PINS), Teradyne (TER), Roku (ROKU), Meta Platforms (META), and PagerDuty (PD). Shares of Pinterest, Roku, and Meta detracted from the fund this month due to weakness in consumer stocks. Shares of Teradyne detracted from the fund's performance this month following heightened uncertainty in global markets triggered by U.S. tariff announcements. Although the company reported better-than-expected results, the cautious second-quarter guidance from the management and limited visibility into near-term demand weighed on the stock. Shares of PagerDuty Inc. detracted from fund performance this month on little company-specific news, as macroeconomic uncertainty weighed on the stock.

Key Fund Facts

Estimated annual fund charges (incl. GST)		Distribution:	Generally does not distribute.	Strategy Launch:	September 2019
Retail:	1.30% refer to PDS for more details	Investment Manager:	*The fund invests in the Nikko AM ARK Disruptive Innovation Fund (the Underlying Fund), a sub-fund of the Nikko AM Global Umbrella Fund - an open-ended investment company established under Luxembourg law as a société d'investissement à capital variable (SICAV).	Strategy size:	\$49.47m
KiwiSaver:	1.45%, refer to PDS for more details.				
Hedging:	Any foreign currency exposure is unhedged.				

Contact Us www.nikkoam.co.nz | nzenquiries@nikkoam.com

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