

Nikko AM ARK Disruptive Innovation Strategy

Monthly Update 31 July 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 appreciated during the month, as the United States has reached a tariff agreement with major trading partners.
- Relative to the MSCI World Index, the Information Technologies, Energy and Utilities sectors outperformed on balance in July, while Healthcare, Consumer Staples, and Materials sectors lagged.

Fund Highlights

- The fund returned 8.98% over the month, well ahead of the benchmark.
- Key contributors for the month include Roblox (RBLX), Coinbase (COIN) and Palantir (PLTR).
- Key detractors for the month include Tempus AI (TEM), Spotify (SPOT) and Natera (NTRA).

Performance

	One month	Three months	One year	Three years (p.a.)	Five years (p.a.)
Wholesale¹	8.98%	36.55%	64.10%	23.58%	
Retail³	9.37%	34.85%	63.56%	21.09%	1.63%
KiwiSaver³	9.41%	35.03%	63.55%	21.11%	
Benchmark²	0.80%	2.41%	10.00%	10.00%	10.00%
NASDAQ⁴	5.77%	19.49%	21.53%	24.73%	19.75%

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

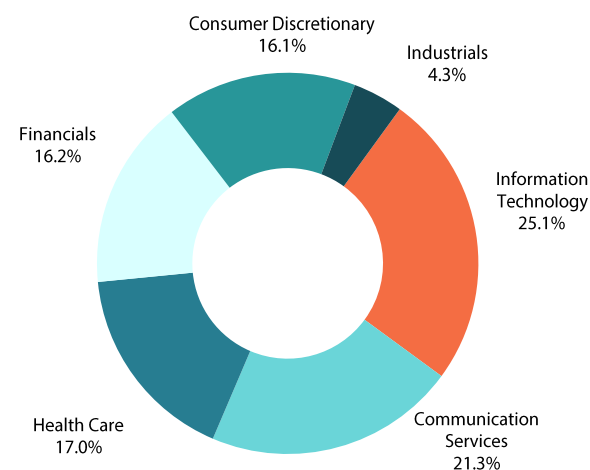
The fund provides access to a global share portfolio that offers thematic exposure to disruptive innovation across a number of sectors and geographies. Disruptive innovation is caused by the introduction of new technologically enabled products or services that permanently change an industry or economic 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	19.98	Adaptive Robotics	2.41
Next Gen Cloud	15.65	Programmable Biology	1.66
Digital Wallets	12.38	Reusable Rockets	0.25
Autonomous Mobility	10.93		
Neural Networks	9.55		
Multimic Technologies	8.05		
Cryptocurrencies	6.91		
Precision Therapies	4.69		
Smart Contracts	4.41		
Advanced Battery Tech	3.14		

Top 10 Holdings (Underlying Fund*)

	(%)	Country
Tesla Motors Inc	8.76	United States
Coinbase Global Inc	7.76	United States
Roblox Corp	7.32	United States
Robinhood Markets Inc	5.60	United States
Roku Inc	5.36	United States
Palantir Technologies Inc	4.83	United States
Shopify Inc	4.53	Canada
Tempus Ai Inc	3.64	United States
Advanced Micro Devices, Inc.	3.34	United States
Meta Platforms Inc	2.63	United States

Market Commentary (source: ARK Investment Management LLC)

Broad-based global equity indexes appreciated during the month, as the United States has reached a tariff agreement with major trading partners. Relative to the MSCI World Index, the Information Technologies, Energy and Utilities sectors outperformed on balance in July, while Healthcare, Consumer Staples, and Materials sectors lagged.

In ARK management's view, the innovation space is not only recovering but also being revalued. The headwinds that once pressured disruptive technologies are shifting into structural tailwinds, supported by broadening market participation, favourable policy shifts around crypto, AI, and healthcare, and potential fiscal catalysts like tax cuts. Should inflation continue to surprise to the downside, interest rates should follow and establish a constructive macroeconomic backdrop that will sustain momentum. The pro-growth policies of the Trump administration, as well as breakthroughs in AI, robotics, energy storage, blockchain, and multiomics, could drive a new cycle of productivity and long-term economic growth, particularly among underappreciated names not yet reflected in benchmark-heavy market leadership.

Fund Commentary

Key contributors for the month include Roblox (RBLX), Coinbase (COIN) and Palantir (PLTR).

Shares of Roblox contributed to the fund this month, following the launch of its new self-serve licensing platform, which enabled creators to legally incorporate blockbuster franchises into their Roblox experiences. Shares of Coinbase contributed to fund performance through the month of July. This rise was fuelled by strong crypto asset performance. Additionally, Coinbase announced several positive updates: a strategic partnership with a large U.S. bank to facilitate easier crypto purchases, the launch of the Base app, and the launch of CFTC-regulated perpetual futures. Shares of Palantir Technologies contributed to fund performance this month following a significant stock surge, reaching a record high driven by the continued success of its commercial AI business.

Key detractors for the month include Tempus AI (TEM), Spotify (SPOT) and Natera (NTRA).

Shares of Tempus AI contributed to fund performance this month following the announcement of FDA 510(k) clearance for its Tempus ECG-Low EF software, enhancing its credibility in the healthcare technology sector. However, the stock faced a decline attributed to ongoing class action lawsuits and concerns over unethical billing practices, which have raised scrutiny around the company's financial reporting and operational integrity. Shares of Spotify detracted from the fund this month. Spotify reported second quarter earnings with monthly active user growth year-over-year. However, management's guidance for revenue and gross margins in the third quarter missed Wall Street expectations, due to foreign exchange headwinds. Shares of Natera detracted from fund performance this month on no company-specific news, though there was a sell-off in biotech names generally during the month.

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:	\$63.2m
KiwiSaver:	1.45%, refer to PDS for more details.				
Hedging:	Any foreign currency exposure is unhedged.				

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