

Nikko AM Freedom Fund

Factsheet 31 December 2023

About Freedom Fund

We are playing our part in creating change. That's why we launched the Nikko AM Freedom Fund. It gives investors the opportunity to do more with their money by investing in a fund that donates all the returns and fees to the charitable organisation - Tearfund.

About Tearfund

Tearfund partners with organisations to fight the modern slavery and human trafficking battle on many fronts, aiming to protect, educate and empower the most vulnerable. This is all done while catching and prosecuting criminals and working with governments to make it more difficult for trafficking rings to exist. These aims align with the 5 Ps approach, based on the International Framework for Action to Implement the Trafficking in Persons Protocol (UNDOC, 2009):

Prevention, Prosecution, Protection, Policy and Partnership.

To get an idea of what Tearfund endeavours to resolve, here are some key facts highlighting the ubiquity of modern-day slavery today:

- **27.6 million people in forced labour exploitation**, which is more than the entire population of Australia.
- **6.3 million people trapped in forced commercial sex**, which is more than the entire population of New Zealand.
- **22 million people in forced marriages**, where one/or both parties have not personally expressed their full, free and informed consent to the union. A child marriage is a form of a forced marriage.
- **Asia Pacific** accounts for **55%** (15.1 million people) and **41%** of global rates of **exploitation and child labour respectively**.

How this fund works

The return on your investment will be paid directly to TearFund (the charity) for use in its work to combat human trafficking and modern slavery. The unit price can never exceed \$1.00. However, if the unit price falls below \$1.00, then any investment gains will be used to bring the unit price back to \$1.00 before donations to the charity recommence. The fund makes a monthly distribution payment to the charity. Investors do not receive any financial returns but are able to access their capital when required.

Performance

	3 Months	1 Year
Freedom Fund	2.12%	3.68%

Fund Commentary

Global financial markets ended 2023 on an unexpected high, bucking negative expectations. Stocks rallied and bonds reversed heavy losses made early in the year as recession fears were replaced by growing confidence that US policymakers would achieve an economic soft landing. While geopolitics cast a shadow over the markets, firms linked to artificial intelligence soared as investors backed the potential of the technology. The Freedom Fund returned 3.68% for the 2023 calendar year and contributions have been made to Tearfund.

Portfolio Manager

Stuart Williams is

Managing Director of Nikko AM New Zealand, he joined in 2014. He has over 20 years' experience across all aspects of investment management. Stuart has extensive experience in conducting detailed research and developing investment recommendations on listed companies in both New Zealand and Australia. He holds a Bachelor of Commerce degree from the University of Auckland and is a Chartered Accountant.



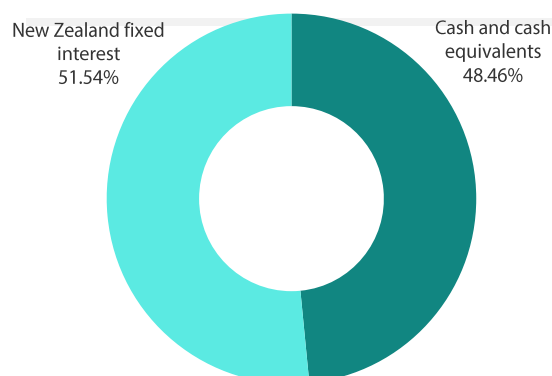
Overview

The purpose of this Fund is to utilise capital to generate returns to help support a charity. This fund gains its investment exposure by investing in NZ cash, fixed interest and Australasian equities via other Nikko AM Funds.

Objective

The fund aims to provide a regular income to the charity from an actively managed investment portfolio and to maintain the value of investor's capital and to outperform the RBNZ Official Cash Rate by +1.50% p.a.

Asset Allocation



Achievements in the year of 2023

Fiji - Our partner in Fiji works with survivors of forced sex and in the prevention of domestic and sexual abuse. It is also the only organisation in the country working specifically to address commercial sexual exploitation. Under the five-year, government-funded Safe, Aware, Free and Empowered (SAFE) partnership, this programme will support 40 vulnerable communities.

- 102 survivors and vulnerable girls were trained in recognising and avoiding forced sex situations and received holistic skills training.
- 24 women were successfully reintegrated to their identified place of safety in Fiji.
- 31 leaders were trained.
- Ten Trauma-Informed Care trainings were conducted for staff.

Thailand - Tearfund and our supporters have worked with our partner to help strengthen justice systems in Thailand and Southeast Asia. Their work is lifting enforcement and judicial practices and standards so that Thailand is more effective in addressing modern-day slavery. By supporting criminal investigations and the court system, removing victims from harm, and ensuring care for survivors, our partner has helped disrupt criminal networks, facilitated the prosecution of more traffickers, and seen survivors removed from harm and receive justice.

- 149 victims were removed from harm.
- Nine offenders convicted.
- 284 law enforcement and NGO staff attended training.

Nepal - Tearfund's partner has supported rural Nepalese communities to reduce their vulnerability to modern slavery and exploitation. This is being achieved predominantly through prevention and awareness programmes and supporting survivors of modern slavery. The district where this project is centred has the second-highest rate of human trafficking in Nepal.

- 300 awareness-raising events on early child marriage, human trafficking, and unsafe migration benefitted 300 students.
- Six communities to create safe spaces and empower poor and marginalised people.
- 16,100 NZD has been saved by ten Women Action Groups from their monthly savings, interest, and grants so that members can borrow to create micro-businesses, such as vegetable farming, retailing and rearing poultry and larger livestock.

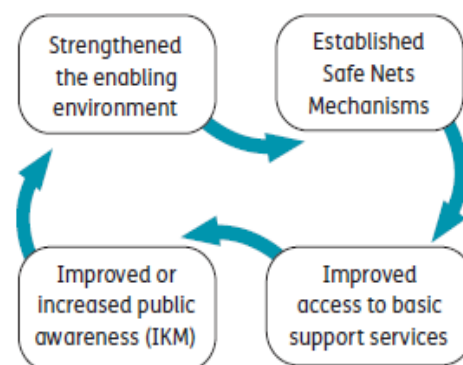
Solomon Islands - Human trafficking and sexual exploitation are growing problems in the Solomon Islands. Our partner's programme aims to reduce the number of victims, help survivors heal, and equip them for positive and productive futures.

- 1,672 people benefitted from community interventions.
- Four survivors of sexual abuse are being supported.

TearFund advise that the human impact is furthermore felt through the reflections of survivors, who have been assisted to live a life free from exploitation. One of these reflections have been provided via a testimonial below.

"I've started goat rearing. Initially, I bought two goats and then when they grew up I sold them and reinvested to buy more goats. It was very difficult to manage any monthly savings at first, but now I'm managing." **Laxmi, Nepal**

Forced marriages account for 22 million of the almost 50 million people trapped in modern slavery. Laxmi, from Nepal, was forced to marry at the age of 13 because her family struggled economically. She had the first of her four daughters when she was 15, but now her husband has abandoned her, she is the sole provider for her family. Tearfund's partner has made it possible for Laxmi's girls to attend school and helped her start a farming enterprise.



Key Fund Facts

Distributions:

The Fund distributes to the charity each month in the form of a donation.

The donation comprises two parts:

1. The management fee charged to the fund will be paid to the charity in full each month.
2. Investment returns above the invested capital will be paid to the charity monthly, with a final wash-up payment made at the year-end or shortly after, so all eligible investment returns will be fully paid to the charity each year.

No distributions are expected to be made to investors.

Estimated annual fund charges (incl GST)

Retail: 0.30%, refer PDS for more details.

100% of this fee will be donated by the Manager to the charity. No other fees are charged.

Buy / Sell spread	0.00% / 0.00%
Strategy Launch:	September 2021

Compliance

The wholesale fund complied with its investment mandate and trust deed.

Contact Us

www.nikkoam.co.nz | nzenquiries@nikkoam.co.nz

This document is issued by Nikko Asset Management New Zealand Limited (Company No. 606057, FSP No. FSP22562), the investment manager of the Nikko AM NZ Investment Scheme, the Nikko AM NZ Wholesale Investment Scheme and the Nikko AM KiwiSaver Scheme. This material has been prepared without taking into account a potential investor's objectives, financial situation or needs and is not intended to constitute financial advice, and must not be relied on as such. Recipients of this document, who are not wholesale investors (in accordance with Schedule 1, Clause 3 Financial Markets Conduct Act 2013), or their duly appointed agent, should consult a Financial Advice Provider and the relevant Product Disclosure Statement. Past performance is not a guarantee of future performance. While we believe the information contained in this presentation is correct at the date of presentation, no warranty of accuracy or reliability is given and no responsibility is accepted for errors or omissions including where provided by a third party. For full details on the retail and KiwiSaver funds, please refer to the relevant Product Disclosure Statement on nikkoam.co.nz.