

Nikko AM NZ Investment Scheme

NIKKO AM NZ CASH FUND

Fund Update



What is the purpose of this update?

This document tells you how the Nikko AM NZ Cash Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. Nikko AM NZ prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

Description of this fund

The fund aims to outperform the Bloomberg NZ Bond Bank Bill Index by 0.20% p.a. over a rolling three year period before fees, expenses and taxes. The fund aims to provide investors with regular income by constructing an actively managed investment portfolio of short term deposits and bonds whilst preserving capital value.

| | |
|---------------------------|---------------|
| Total value of the fund | \$282,728,555 |
| The date the fund started | 12 June 2014 |

What are the risks of investing?

Risk indicator for Nikko AM NZ Cash Fund



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz/tools/investor-kickstarter.

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for the five year period to September 2022. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

See the product disclosure statement (PDS) for more information about the risks associated with investing in this fund.

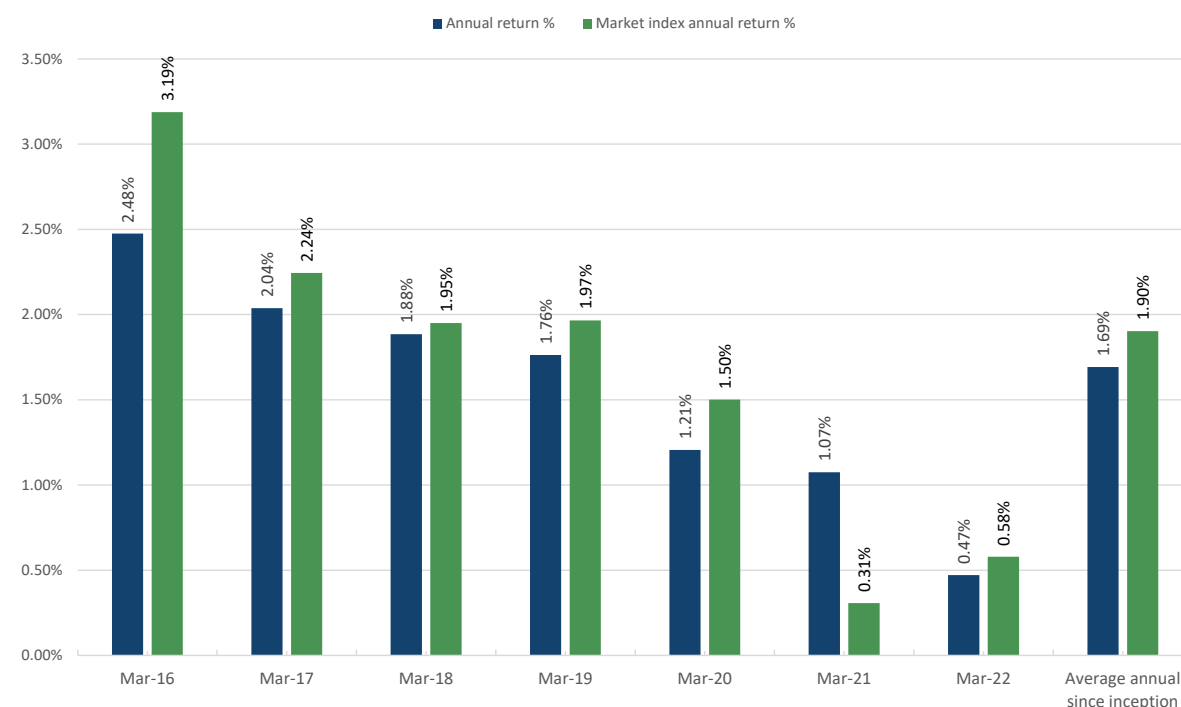
How has the fund performed?

| | Average over past 5 years | Past year |
|--|---------------------------|-----------|
| Annual return <i>(after deductions for charges and tax)</i> | 1.25% | 1.11% |
| Annual return <i>(after deductions for charges but before tax)</i> | 1.73% | 1.55% |
| Market index annual return <i>(reflects no deduction for charges and tax)</i> | 1.28% | 1.52% |

The market index on which the annual return is based is the Bloomberg NZBond Bank Bill Index.

Additional information about the market index is available on the offer register at <https://disclose-register.companiesoffice.govt.nz/>.

Annual return graph¹



This shows the return after fund charges and tax for each year ending 31 March since the fund started. The last bar shows the average annual return since the fund started, up to 30 September 2022.

Important: This does not tell you how the fund will perform in the future.

Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

What fees are investors charged?

Investors in the Nikko AM NZ Cash Fund are charged fund charges. In the year to 31 March 2022, these were (inclusive of GST where applicable):

| | % of net asset value |
|--|----------------------|
| Total fund charges | 0.31% |
| Which are made up of: | |
| Total management and administration charges | 0.31% |
| Including: | |
| Manager's basic fee | 0.31% |
| Other management and administration charges | 0.00% |
| Total performance-based fees | 0.00% |

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the Nikko AM NZ Cash and Fixed Interest Funds PDS for more information about those fees.

Example of how this applies to an investor

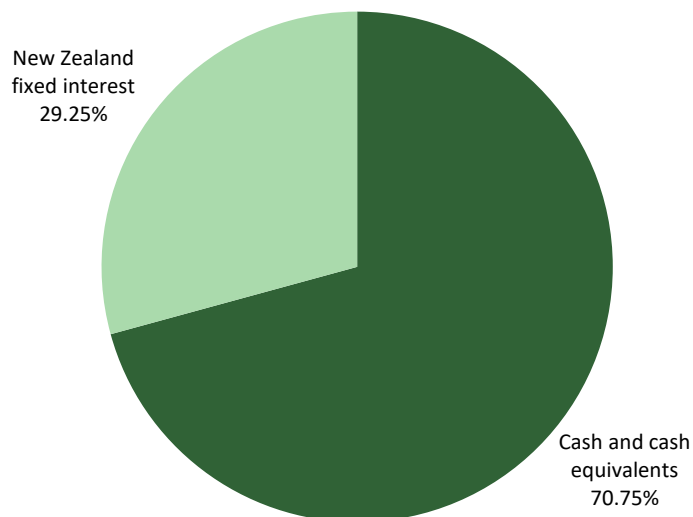
Small differences in fees and charges can have a big impact on your investment over the long term.

Simon had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Simon received a return after fund charges were deducted of \$155 (that is 1.55% of his initial \$10,000). Simon also paid no other charges. This gives Simon a total return after tax of \$111 for the year.²

What does the fund invest in?

This shows the types of assets that the fund invests in.

Actual investment mix



Target investment mix³

| | |
|--|------|
| Cash and cash equivalents and New Zealand fixed interest | 100% |
|--|------|

Top 10 investments

| | Name | Type | Country | Credit rating (if debt securities) | Percentage of fund's net asset value |
|----|--|----------------------------|-------------|------------------------------------|--------------------------------------|
| 1 | HSBC Bank New Zealand 111124 Frn | New Zealand fixed interest | New Zealand | AA- | 6.05% |
| 2 | New Zealand Tax Trading Co 131022 Rcd | Cash and cash equivalents | New Zealand | AAA | 5.68% |
| 3 | Rabobk Nfix3fra + 38 28/06/2024 | New Zealand fixed interest | New Zealand | A | 5.53% |
| 4 | Bank Of New Zealand 180324 Frn | New Zealand fixed interest | New Zealand | AA- | 5.06% |
| 5 | Bank Of China | Cash and cash equivalents | New Zealand | A | 4.97% |
| 6 | Ind. And Commercial Bank of China 260525 Frn | New Zealand fixed interest | New Zealand | A | 4.37% |
| 7 | Inland Revenue Deposit 281022 Rcd | Cash and cash equivalents | New Zealand | AAA | 3.74% |
| 8 | Bank of New Zealand 4.261% 03/02/2023 | Cash and cash equivalents | New Zealand | AAA | 3.52% |
| 9 | New Zealand Tax Trading Co 050523 Rcd | Cash and cash equivalents | New Zealand | AAA | 3.30% |
| 10 | China Construct Nz 180123 4.00 Td | Cash and cash equivalents | New Zealand | A | 3.05% |

The total value of the top 10 investments makes up 45.27% of the net asset value of the fund.

Key personnel

| | Name | Current position | Time in current position | Previous position | Time in previous position |
|---|-----------------|----------------------------|--------------------------|--|---------------------------|
| 1 | Fergus McDonald | Head of Bonds and Currency | 22 years and 3 months | NZ Fixed Interest Portfolio Manager - Nikko Asset Management New Zealand Limited | 10 years and 5 months |
| 2 | Ian Bellew | Fixed Income Manager | 10 years and 9 months | Cash Portfolio Manager - Nikko Asset Management New Zealand Limited | 4 years and 10 months |
| 3 | Matthew Johnson | Fixed Income Manager | 4 years and 0 months | Senior Strategy Analyst – The Comfort Group | 2 years and 6 months |
| 4 | George Carter | Managing Director | 6 years and 11 months | Director, Head of Distribution, AMP Capital Investors NZ Limited | 6 years and 4 months |

Further information

You can also obtain this information, the PDS for the Nikko AM NZ Cash and Fixed Interest Funds, and some additional information from the offer register at <https://disclose-register.companiesoffice.govt.nz/>.

Notes

¹ The bar chart shows fund returns after the deduction of fees and taxes, however, the market index returns are shown before any fees or taxes are deducted.

² For the purpose of this example, the start of the year is 1 October 2021.

³ All investments in this fund update are described in New Zealand dollars.