

NIKKO AM NZ INVESTMENT SCHEME

Material Information – Buy/Sell Spreads

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Issued by Nikko Asset Management
New Zealand Limited

Nikko AM NZ Investment Scheme – Buy/Sell Spreads

Product Disclosure Statements for all funds in the Nikko AM NZ Investment Scheme refer to Buy/sell spreads. Buy/sell spreads can apply to any/all funds as and when market conditions require them. Our objective is to set the spreads at a level which reflect the expected transaction costs, so they are paid by transacting investors and not by other unit holders in the fund.

For current spreads see <https://www.nikkoam.co.nz/invest/buy-sell-spreads>

What is a buy/sell spread?

The purpose of a buy/sell spread is to ensure that if a transaction occurs in a fund because an investor is buying or selling units, that this investor pays this cost and not the other unit holders in the fund.

The transaction costs that buy/sell spreads offset are specific costs that are incurred when securities (e.g. bonds or shares) are bought or sold. An example of such a cost would be a fee paid to a share broker to buy and sell shares.

At times of heightened market volatility there may not be the normal number of buyers and sellers of securities, which can lead to a material difference between the price you would pay to buy a security and the price you would receive for selling it. We will amend the buy/sell spread in our funds to ensure that this cost difference is borne by those who are transacting and not the other unit holders.

Buy/sell spreads vary by fund and we may change the spreads from time to time to reflect the latest brokerage costs and market conditions. The spreads are reviewed at least annually and more frequently as required during periods of heightened volatility

Current spreads are outlined in the table below. For the most up to date spreads see <https://www.nikkoam.co.nz/invest/buy-sell-spreads>

How are these calculated and charged?

A buy/sell spread is only charged on application and withdrawal of units from a fund, it is not charged to unit holders that are not transacting. The spread is applied to the unit price when you either buy or sell units in a fund. As an example, if a fund has a unit price of \$1.00 and a buy/sell spread of 0.1%/0.3%, you will pay \$1.001 per unit to buy units and receive \$0.997 per unit when selling.

The spread is not paid to the manager, but stays in the fund to prevent non-transacting investors from being impacted by the costs of trading from those that need to buy/sell units.

Current spreads for each fund

This table shows the spreads currently applicable to each fund in the Nikko AM Investment Scheme as at the date of this document. These spreads are subject to change and the most up to date rates are available at:

<https://www.nikkoam.co.nz/invest/buy-sell-spreads>

Investors should review these prior to buying or selling units.

Fund	Buy Spread	Sell Spread
Nikko AM Core Equity Fund	0.29%	0.29%
Nikko AM Concentrated Equity Fund	0.29%	0.29%
Nikko AM Global Shares Fund	0.07%	0.07%
Nikko AM Global Shares Hedged Fund	0.07%	0.07%
Nikko AM Global Equity Unhedged Fund	0.07%	0.07%
Nikko AM Global Equity Hedged Fund	0.07%	0.07%
Nikko AM ARK Disruptive Innovation Fund	0.00%	0.00%
Nikko AM NZ Cash Fund	0.00%	0.00%
Nikko AM NZ Bond Fund	0.00%	0.40%
Nikko AM NZ Corporate Bond Fund	0.00%	0.80%
Nikko AM Income Fund	0.00%	0.56%
Nikko AM Global Bond Fund	0.00%	0.00%
Nikko AM Option Fund	0.00%	0.00%
Nikko AM Conservative Fund	0.04%	0.25%
Nikko AM Balanced Fund	0.09%	0.20%
Nikko AM Growth Fund	0.13%	0.17%