



# Nikko AM Impact Investing Multi Asset Fund

# Invest in the world you want to live in

## YOUR GOALS, OUR COMMITMENT.

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## Invest in the world you want to live in

The world's greatest problems present some of the world's greatest investment opportunities.

However, addressing the largest social and environmental challenges will require significant resources.

To make an impact, we need an investment that creates the opportunity for companies to apply innovation and scale to growing end markets whereby the magnitude, duration of growth and returns are often underestimated.

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## Why Impact Investing?

### 1. Attractive Return Potential

We believe that impact companies have several structural advantages. These include disruptive solutions to long-term challenges, a focus on large, under-served markets and their alignment with long-lasting mega-trends. In our experience, impact companies tend to be undervalued and under-appreciated because of their complex or specialised products, unconventional business models, broad range of potential long-term outcomes and limited coverage by analysts.

### 2. Access to World-changing Companies

Impact approaches give investors the chance to align their capital with enterprises that we believe are making a real difference in the world, e.g., by helping the 1.6 billion people who lack affordable shelter<sup>1</sup> or reducing the 40 gigatons of carbon dioxide emitted annually<sup>2</sup>.

<sup>1</sup> Tackling the World's Affordable Housing Challenge, McKinsey Global Institute, 2014

<sup>2</sup> Global Carbon Budget 2018, Global Carbon Project, December 2018

### 3. Diversification

Impact companies tend to be "off the beaten trail", with differentiated business models, smaller market capitalisations and low sell-side coverage. As a result, they tend to be under-represented in indexes and can be effective diversifiers.

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## Introducing Nikko AM Impact Investing Multi Asset Fund

The investment objective of the Fund is to deliver long-term total returns as well as generate positive social and/or environmental changes in the world. The Fund will invest directly or indirectly primarily in global equities and investment grade rated global fixed income securities.

The investment policy of the Fund will be to, as a Feeder Fund, invest substantially all of its assets in the shares of the Underlying Funds ("Wellington Global Impact Fund" and "Wellington Global Impact Bond Fund").

The Fund will feed into the two Underlying Funds with a dynamic asset allocation subject to a maximum of 60% of the net asset value ("NAV") of the Fund into an Underlying Fund.

# Fund Characteristics

Delivering regular returns\* through a flexible Multi-Asset strategy in the Impact Investing space



Potentially attractive returns and access to world-changing companies



## Regular Income

Pays quarterly distribution\*



Alignment with select United Nations (UN) Sustainable Development Goals (SDGs)



## Diversified portfolio

A balanced strategy (equities and bonds) actively managed by Nikko Asset Management's team of managers that provides a neutral point of the asset allocation

## Who is the Fund suitable for?

The Fund is only suitable for investors who:

- seek to achieve long-term total returns;
- are prepared to accept, in normal market conditions, a high degree of volatility of NAV from time to time; and
- are willing and able to accept that their principal will be at risk.

You should consult your financial advisers if in doubt about whether this Fund is suitable for you.

## What are the key risks of this investment?

The following are key risk factors that may cause you to lose some or all of your investment:

- Market, Interest Rate and Credit Risks
- Risk of investing in foreign securities
- Product-Specific Risks
  - Risk associated with the investment strategy of the Underlying Funds
  - Derivatives risk
- Liquidity Risks

You should be aware that your investment in the Fund may be exposed to other risks of an exceptional nature from time to time.

Please refer to the Product Highlights Sheet and Paragraph 9, 11.6 and 14 of the Prospectus for further information on risks of the Fund.

\* The Managers have the absolute discretion to determine whether any distribution should be made. Any distribution is expected to result in an immediate reduction of the Fund's net asset value (NAV). If the Investment Income of the Fund is insufficient to fund a distribution, the Managers may determine that such distributions should be paid from the capital of the Fund. Where distributions are paid out of capital, the NAV of the Fund will be reduced and this will be reflected in the Realisation Price of the Fund. Holders redeeming their Units may therefore receive an amount less than their initial investment. Such distributions may also result in reduced future returns to Holders.

## What is the difference between ESG Investing and Impact Investing?

**Impact investors focus on the change that can result from what a company produces and sells.**

ESG investors are concerned with how a company does business and treats its stakeholders – evaluating issues such as customer safety, employee relations, or board structure in the course of company analysis.

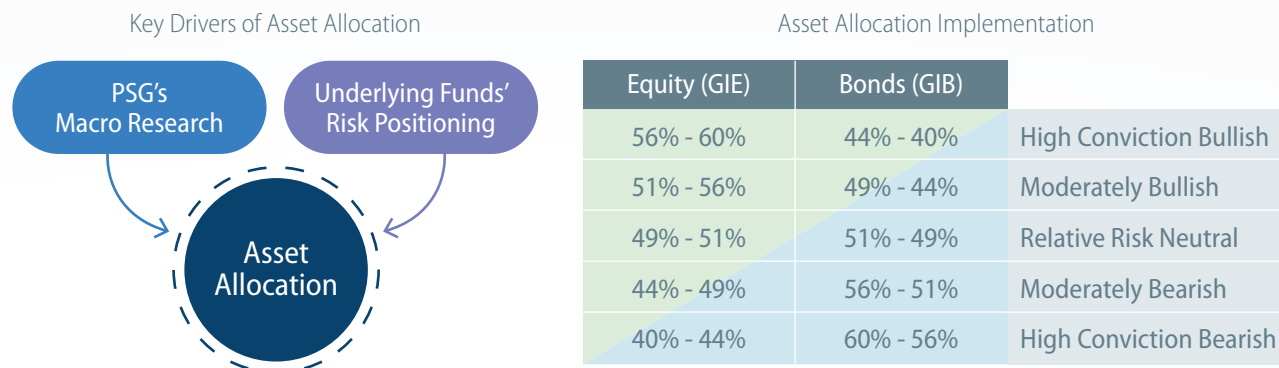
To be considered for our impact portfolio, a company must have a measurable positive effect on society or the environment through its core products and services.

With the impact universe, we believe companies with positive ESG have the potential to outperform the market and may do so with less volatility. ESG is incorporated as part of Wellington Management's research mosaic for those same reasons, but their research starts with impact criteria. Ultimately, our intention is to invest in companies having a positive impact by virtue of what they sell and how they conduct their business operations.

# Why invest in Nikko AM Impact Investing Multi Asset Fund?

## 1. Active asset allocation

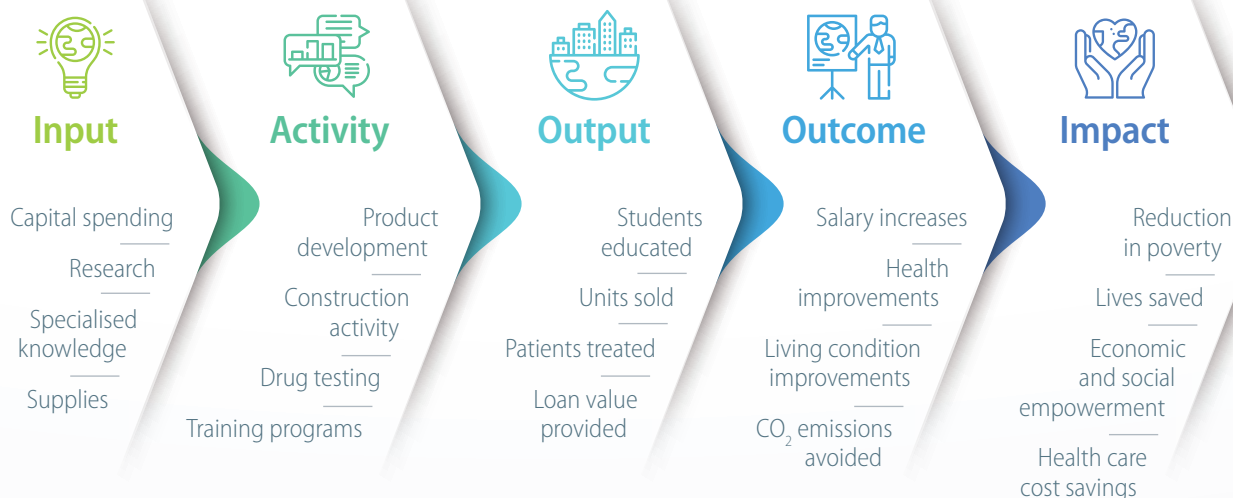
A balanced strategy that is actively managed by Nikko Asset Management's team of managers to achieve incremental returns via medium term asset allocation, and short-term risk management to reduce or prevent deep relative decline against reference benchmark.



## 2. Measurable social and environmental impact

The ability to measure a company's social or environmental impact is central to impact investing. Once we determine that a company meets the criteria for impact, we develop a set of key portfolio indicators (KPIs) to track that company's progress towards our impact goals. Adapted from academic research, the KPI logic chain allows us to form a structured view, measuring impact for each company during different stages of its business life cycle, and tracking progress over time.

Developing strong relationships with our impact companies helps us understand their business models and determine which KPIs are most relevant. Depending on the business, availability of data and a firm's awareness of its impact, our impact assessment will align with one or more categories within the logic chain. We document our work so that we can review and improve the process over time. Gaining access to these KPIs is an important area of engagement.



For illustrative purposes only







### 3. Invest in a new generation of companies with novel approaches to address global challenges

As the need for impact solutions grows, a new generation of companies are taking novel approaches and employing cutting-edge technology or innovative business models to address global challenges in distinctive — often disruptive — and profitable ways.





We aim to identify companies that are making an appreciable difference in solving the world's most challenging problems. To narrow our universe, we focus on three broad impact areas: **life essentials**, **human empowerment**, and the **environment**. We then target specific sub-themes where we have identified our theory of change. These themes align with many of the UN's Sustainable Development Goals and are areas where we have clear views on investment potential.

11 investable themes ...




#### Life Essentials

	<b>Sustainable agriculture and nutrition</b> <ul style="list-style-type: none"> <li>• Livestock productivity</li> <li>• Advanced irrigation systems</li> <li>• Enhanced distribution</li> </ul>
	<b>Health</b> <ul style="list-style-type: none"> <li>• Novel treatments</li> <li>• Mobile clinics</li> <li>• Telemedicine</li> </ul>
	<b>Clean water and sanitation</b> <ul style="list-style-type: none"> <li>• Water treatment</li> <li>• Water-loss reduction</li> <li>• Environment remediation</li> </ul>
	<b>Affordable housing</b> <ul style="list-style-type: none"> <li>• Low-cost mortgages</li> <li>• Housing management</li> <li>• Rehabilitated homes</li> </ul>

#### Human Empowerment

	<b>Education and job training</b> <ul style="list-style-type: none"> <li>• Distance learning</li> <li>• Education financing</li> <li>• Access to education</li> </ul>
	<b>Financial inclusion</b> <ul style="list-style-type: none"> <li>• Mobile banking</li> <li>• Microfinance</li> <li>• Fintech</li> </ul>
	<b>Digital divide</b> <ul style="list-style-type: none"> <li>• Affordable internet access</li> <li>• Communications infrastructure</li> </ul>
	<b>Safety and security</b> <ul style="list-style-type: none"> <li>• Cybersecurity</li> <li>• Product testing</li> <li>• Home and workplace safety</li> </ul>

#### Environment

	<b>Alternative energy</b> <ul style="list-style-type: none"> <li>• Renewables</li> <li>• Large-scale batteries</li> <li>• Access to clean energy</li> </ul>
	<b>Resource stewardship</b> <ul style="list-style-type: none"> <li>• Waste-to-energy</li> <li>• Carbon filtering</li> <li>• Reforestation</li> </ul>
	<b>Resource efficiency</b> <ul style="list-style-type: none"> <li>• Smart metering</li> <li>• LED lighting</li> <li>• 3D printing</li> </ul>

... aligned with select UN Sustainable Development Goals



Source: Wellington Management, [www.un.org](http://www.un.org)

## Fund Details

Inception Date	12 October 2021
Managers	Nikko Asset Management Asia Limited
Underlying Fund Investment Manager	Wellington Management Company LLP
Dealing Day	Every Business Day
Base Currency Fund	USD
Share Class	SGD Hedged Class; USD Class
Income Distribution	Quarterly*
ISIN	SGD Hedged Class – SGXZ27989060 USD Class – SGXZ23445679
Bloomberg	SGD Hedged Class – NIIMANA SP USD Class – NIIMUSD SP
Initial Sales Charge	Current: Up to 5.00%; Maximum: 5.00%
Annual Management Fee	Current: 1.50% p.a.; Maximum: 2.00% p.a.
Minimum Initial Investment	SGD Hedged Class – S\$1,000; USD Class – US\$1,000
Minimum Subsequent Investment	SGD Hedged Class – S\$100; USD Class – US\$100



Find out more on [nikkoam.com.sg/impact-multi-asset](https://www.nikkoam.com.sg/impact-multi-asset)

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**Past performance or any prediction, projection or forecast is not indicative of future performance. The Fund or any underlying fund may use or invest in financial derivative instruments.** The value of units and income from them may fall or rise. Investments in the Fund are subject to investment risks, including the possible loss of principal amount invested. You should read the relevant prospectus (including the risk warnings) and product highlights sheet of the Fund, which are available and may be obtained from appointed distributors of Nikko AM Asia or our website ([www.nikkoam.com.sg](https://www.nikkoam.com.sg)) before deciding whether to invest in the Fund.

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