

NIKKO AM AUSTRALIAN SHARE WHOLESALE FUND

Fund Update

Fund Performance (%)

	1 Mth	3 Mths	6 Mths	1 Yr	2 Yrs p.a.	3 Yrs p.a.	4 Yrs p.a.	5 Yrs p.a.	10 Yrs p.a.	15 Yrs p.a.	20 Yrs p.a.	Since Inception p.a.
Fund growth return	2.80	11.62	28.56	26.79	-1.96	-6.00	-3.96	0.37	1.33	-0.81	2.90	3.40
Fund distribution return	0.00	0.00	1.21	6.79	7.45	8.88	7.77	7.42	5.97	6.70	6.42	6.39
Total Fund (net)	2.80	11.62	29.77	33.58	5.49	2.88	3.81	7.79	7.30	5.89	9.31	9.80
Benchmark return	3.47	7.54	20.33	30.76	9.05	9.50	8.47	10.27	8.35	6.40	8.28	9.54
Excess Return	-0.67	4.07	9.44	2.82	-3.56	-6.62	-4.66	-2.48	-1.06	-0.51	1.04	0.26

Source: Nikko AM. Fund growth return is the change in redemption prices over the period. Fund distribution return equals Total Fund minus fund growth return. Fund net returns are post fees, pre tax using redemption prices and assume reinvestment of distributions. Past performance is not an indicator of future performance. Benchmark: S&P/ASX 200 Accumulation Index. Inception date: March 1995

The Fund underperformed the benchmark over the month.

Key contributors to relative performance:

- The nil holding in **Woolworths** contributed to performance as the stock underperformed. Woolworths released its Q3 sales result, and while it was in-line with market expectations, the market was disappointed with the flat sales reported for the first three weeks of Q4.
- **Viva Energy** contributed to performance during April on the back of a strong trading update highlighting a good recovery in fuel volumes outside of Aviation and also strong retail margins.
- **Downer** outperformed after announcing further assets sales, and a 10% on-market share buyback. The company also provided a relatively positive trading update at its strategy day.
- **Iluka Resources** outperformed, with the stock moving higher on positive news flow from its quarterly report. Iluka's zircon sales were unseasonably strong in Q1 due to recovering demand. Titanium feedstock demand was also better than market expectations.
- **Aristocrat Leisure** outperformed on limited company news flow. That said, industry data suggests that the mobile gaming market continues to perform strongly, with Aristocrat a beneficiary of the industry tailwinds.

Key detractors from relative performance:

- **Oil Search** underperformed, despite Brent crude prices gaining circa 3% in April. Oil Search released a quarterly update but the key driver of share price performance was more likely macro in nature following OPEC+ confirming recommencement of the tapering process that would see oil volumes return to the market in an orderly fashion.
- Our nil holding in **Fortescue Metals** and **Rio Tinto** detracted from performance, as the stocks strengthened on the back of

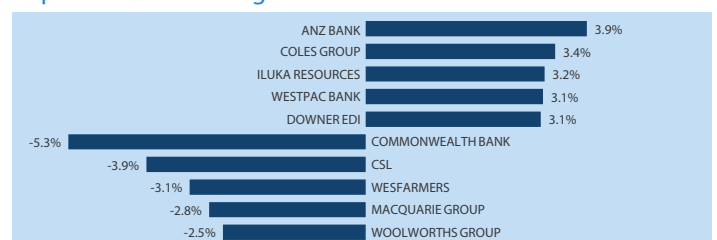
persistently elevated iron ore prices which are holding at levels far above the market's expectation.

- The nil holding in **Afterpay** detracted from performance as the stock outperformed. Afterpay reported record sales in the US and substantial increases in active merchants. The decision by the company to list in the US also provided some positive share price momentum.
- **Scentre Group** underperformed the market. There has been frequent news flow of tenants managing to sign lease deals in their favour in recent months and this appears to have dampened sentiment in the sector.

Top 10 Holdings

Security Name	% of Fund
BHP Group	9.89
ANZ Bank	8.07
Westpac Bank	7.79
National Australia Bank	5.82
Coles Group	4.46
Oil Search	3.39
Iluka Resources	3.33
QBE Insurance	3.32
Downer EDI	3.29
Aristocrat Leisure	3.02

Top 5 Over/Underweight Positions



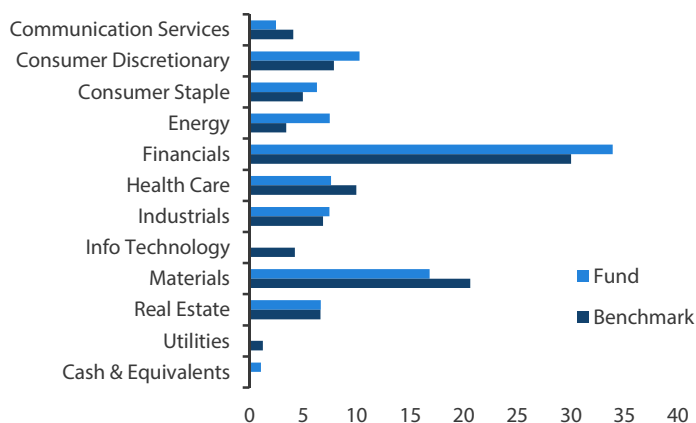
Fund Metrics

	Price to Earnings Ratio*	Forecast Dividend Yield (%)*
Fund	16.60	4.53
Benchmark	18.32	3.85

Actual figures may vary. Forecasts are 12 months forward.

* Based on Broker Consensus forecast.

Sector Exposure (%)



Market Commentary

The S&P/ASX 200 Accumulation Index returned 3.5% during the month. Australian equities performed admirably in April as commodity prices rebounded. In major global developed markets the US S&P 500 was up 5.3%, the UK's FTSE 100 was up 4.1% and the DJ Euro Stoxx 50 was up 1.9%. Japan's Nikkei 225 was the laggard, down 1.3% (in local currency terms).

Monetary policy settings remained unchanged in April, as the Reserve Bank of Australia (RBA) maintained both the cash rate and 3 year yield target at 0.10%. The RBA also indicated it will maintain the parameters of the Term Funding Facility (TFF) and government bond purchase program.

Domestic economic data releases in April were mostly upbeat. The inflation rate rose 0.6% in Q1 and the annual rate rose to 1.1%, which were both slightly below expectations. Employment rose by 70,700 positions in February. The unemployment rate fell to 5.6%, the lowest rate in a year. The NAB Survey of Business Conditions rose 8 points to a record high of 25 in March. Business confidence however fell slightly to 15 points. Retail sales were down 0.8% in February, which was slightly better than expected. National CoreLogic dwelling prices saw another consecutive monthly rise in April, ending the month up 1.8%, but easing back from the 32-year high of 2.8% in March.

Sector returns were mostly positive in April. The best performing sectors were information technology (9.7%), materials (6.8%) and industrials (4.3%) which all outperformed the market. Sectors that underperformed the broader index included financials (3.1%), health care (3.1%), consumer discretionary (2.8%), communication services (2.7%), real estate (2.6%), consumer staples (-2.5%) and utilities (-1.2%). Energy (-4.9%) was the worst performing sector.

M&A and capital raising activity continues to be supported by low funding costs and improving confidence. Regis Resources and Zip Co both raised capital. Meanwhile Orocobre and Galaxy Resources agreed to an AUD 4 billion merger that will form the fifth-largest global lithium chemicals company by production and see the combined entity enter the ASX 200 Index. Lastly, Coca-Cola Amatil shareholders voted in favour of the takeover offer from Coca-Cola European Partners.

Fund Objective

The Fund aims to outperform the S&P/ASX 200 Accumulation Index by more than 2.5% p.a. over rolling five-year periods, before fees, expenses and tax.

Key Facts

Responsible Entity

Nikko Asset Management Australia Limited

Buy/Sell Spread

0.25%/0.25%

APIR Code

TYN0028AU

Management Cost

0.80% p.a.

Portfolio Managers

Brad Potter, Jason Kim

Distribution Frequency

Half yearly

Asset Allocation

Australian Shares 80% - 100%
International Shares 0% - 10%
Cash 0% - 10%

Fund Size

AUD 740.25 million

Minimum Investment

AUD 10,000 or platform nominated minimums

Contact Us

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Important Information

This material was prepared and issued by Nikko Asset Management Australia Limited ABN 34 002 542 038, AFSL 229664 (Nikko AM Australia) who is the responsible entity and issuer of units in the Nikko AM Australian Share Wholesale Fund ARSN 090 089 562 (Fund).

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