

# NIKKO AM NEW ASIA FUND

## Fund Update

### Fund Performance

	1 Month (%)	3 Months (%)	6 Months (%)	1 Year (%)	2 Years p.a. (%)	3 Years p.a. (%)	5 Years p.a. (%)	Since Inception p.a. (%)
Fund growth return	1.92	-0.87	10.90	28.80	17.90	11.87	14.03	6.86
Fund distribution return	0.00	0.00	0.00	4.35	2.37	1.64	1.42	1.58
Total Fund return (net)	1.92	-0.87	10.90	33.15	20.27	13.51	15.45	8.45
Benchmark	1.05	0.44	10.40	25.40	11.70	8.67	14.27	8.82
<b>Excess return</b>	<b>0.88</b>	<b>-1.31</b>	<b>0.50</b>	<b>7.75</b>	<b>8.57</b>	<b>4.84</b>	<b>1.18</b>	<b>-0.37</b>

Source: BNP Paribas. Nikko AM Australia net returns are post fees, pre tax using redemption prices and assume reinvestment of distributions. Distribution return equals Total Fund (Net) minus Growth return. Past performance is not an indicator of future performance. Benchmark: MSCI All Country Asia ex Japan Index. Inception date: 24 November 2005.

The Fund outperformed the benchmark during the month in AUD terms.

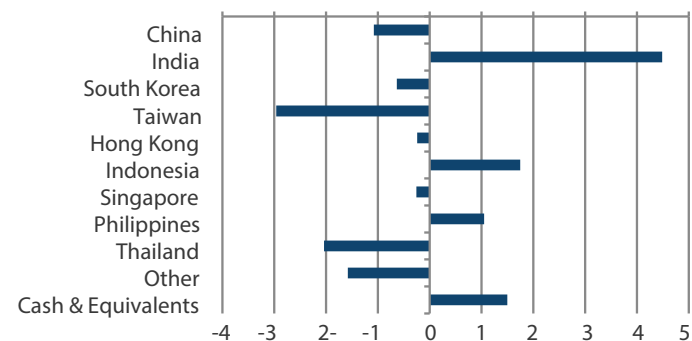
Key contributors to relative performance:

- At the country level, positions in **China, Hong Kong and South Korea** contributed positively.
- By sector, holdings in **information technology** and **health care** contributed to performance.
- **Sinopharm**, was up sharply following strong 1Q21 results, and following comments from its management that the company should benefit from the distribution of COVID-19 vaccines
- **ASM Pacific** outperformed, following strong financial results and a healthy order backlog, which triggered a slew of broker upgrades.

Key detractors from relative performance:

- By sector, holdings in **materials** detracted the most from relative performance
- At the country level, **Taiwan** and **India** were the biggest detractors. Indian holdings, in particular, were hurt by the country's nasty resurgence in COVID-19 cases.
- **Ping An Insurance** weighed on performance as its latest financial results were lacklustre, and the market is awaiting signs of a pick-up in its performance.

### Country Active Exposure (%)



### Country Exposure

Sector	Fund %	Index %	Relative %
China	41.14	42.22	-1.08
India	15.01	10.53	4.49
South Korea	14.45	15.08	-0.63
Taiwan	13.41	16.37	-2.96
Hong Kong	7.39	7.63	-0.24
Indonesia	3.07	1.33	1.75
Singapore	2.27	2.53	-0.25
Philippines	1.76	0.70	1.05
Thailand	--	2.04	-2.04
Other	--	1.58	-1.58
Cash & Equivalents	1.50	--	1.50
Total	100.00	100.00	0.00

### Top 10 Holdings

Name	Fund %
Samsung Electronics Co Ltd	7.53
Tencent Holdings Ltd	7.17
Alibaba Group Holding	5.63
AIA Group Ltd	4.97
Ping An Insurance	3.68
Taiwan Semiconductor - SP ADR	3.51
Taiwan Semiconductor Manufacturing Co Ltd	3.09
Reliance Industries	2.92
Sinopharm Group Co	2.88
ASM Pacific Technology	2.42

### Market Commentary

Despite renewed COVID-19 fears due to a surge in cases in India and several other Asian countries, regional Asian equities held on to gains for the month, which saw the MSCI AC Asia ex Japan Index rising 2.5% in US dollar (USD) terms. Within the region, Taiwan, Malaysia and Singapore were the best performers (as measured by the MSCI indices in USD terms), while Thailand and India were the worst performers.

In Taiwan, stocks jumped 7.7% in USD terms in April, boosted by the strong performance of electronic and export-oriented stocks amid growing confidence in the global economy. Taiwanese stocks were also lifted by the country's solid 1Q21 GDP, which grew 8.16% from a year earlier; that's the fastest pace in more than a decade. In other news, index heavyweight and chip manufacturer Taiwan Semiconductor Manufacturing Company posted a 19.4% rise in 1Q21 net profit due to strong chip demand.

In South Korea, stocks tracked the regional upswing and turned in USD gains of 3.0% in April. South Korea's 1Q21 GDP grew at 1.8% year-on-year (YoY), beating market consensus. Index heavyweight and chip giant Samsung Electronics reported a 46% rise in first-quarter net profit, owing to strong profitability at its mobile business.

In other North Asian markets, Hong Kong and China rose 3.1% and 1.4% respectively in USD terms in April, supported by the record pace of growth in the world's second largest economy, which expanded 18.3% YoY in 1Q21. Hong Kong financial and consumer staple stocks gained on the back of strong corporate earnings, while Chinese President Xi Jinping's renewed green pledge bolstered clean energy and electric vehicle (EV) stocks in China.

In India, stocks fell 0.9% in USD terms for the month, largely on the back of weakness in the Indian rupee amid renewed COVID-19 fears. The country is experiencing an alarming second wave of COVID-19 that has overwhelmed its healthcare system and triggered fresh movement curbs in over 10 states.

In the ASEAN region, Malaysia and Singapore turned in respective USD gains of 3.4% and 3.2%. Malaysia's exports jumped 31% in March from a year earlier, rising at their fastest pace in nearly four years, while Singapore's economy grew 0.2% YoY in 1Q21, according to preliminary data, following three consecutive quarters of contraction. Elsewhere, stocks in Thailand and the Philippines fell 1.0% and 0.2% respectively in USD terms for the month, owing to renewed COVID-19 concerns, while Indonesian equities turned in USD losses of 0.2%, following a downward revision in the country's 2021 GDP growth by its central bank.

## Sector Exposure

Sector	Fund %	Benchmark %
Information Technology	29.46	23.79
Financials	22.44	18.06
Communication Services	11.63	11.59
Health Care	10.00	4.94
Consumer Discretionary	9.08	17.98
Industrials	3.79	5.45
Materials	2.94	4.87
Energy	2.92	2.52
Real Estate	2.39	3.94
Consumer Staples	2.10	4.69
Utilities	1.76	2.18
Cash & Equivalents	1.50	--
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

## Fund Objective

To outperform the MSCI All Country Asia ex Japan Index (in Australian dollar terms) over the long term after fees and expenses but before taxes.

### Key Facts

<b>Responsible Entity</b>	<b>Buy/Sell Spread</b>
Nikko Asset Management Australia Limited	0.25/0.25
<b>APIR Code</b>	<b>Asset Allocation</b>
TGP0006AU	Asian securities (ex Japan)* 80 – 100
<b>ARSN</b>	Cash & short-term securities** 0 – 20
116 556 113	<b>Distribution Frequency</b>
<b>Fund Size</b>	Annually
AUD 21.57 million	<b>Benchmark</b>
<b>Minimum Investment</b>	MSCI All Country Asia – ex Japan Index (in Australian Dollar terms)
AUD 10,000	

\* Investments in Asian securities include ADRs and GDRs of Asian domiciled companies listed in the US and Europe.

\*\* Investments in cash includes cash equivalents such as other investment grade interest bearing securities.

## Contact Us

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