

NIKKO AM ARK DISRUPTIVE INNOVATION FUND

June 2020 Factsheet

Key Facts

Total Fund Size:	USD 4,245,699,256
Minimum Investment:	USD 1,000,000 (Class A)
Legal Structure:	Sub-fund of Luxembourg SICAV qualifying as a UCITS
Investment Manager:	Nikko Asset Management Americas, Inc.
Investment Adviser	ARK Investment Management LLC.
Management Company:	Nikko Asset Management Luxembourg S.A
Portfolio Managers:	Lawrence Prager & Takeshi Noda (Nikko AM Americas)
Depository:	Brown Brothers Harriman (Luxembourg) S.C.A
Management Fee:	Class A: 0.75 %
On-Going Charges (Includes Management Fee):	Class A: 1.05 %
Dealing:	Daily
Target Return:	10% to 15% gross per annum
Base Currency:	USD

Investment Objective

The investment objective of the Fund is to achieve long term capital growth. The Fund will invest, under normal market conditions, primarily in global equity securities of companies that are relevant to the investment theme of disruptive innovation - defined as the introduction of a technologically enabled new product or service that potentially changes the way the world works. The Investment Manager believes that companies relevant to this theme are those that rely on or benefit from the development of new products or services, technological improvements and advancements in scientific research relating to:

Genomic Revolution Companies - the study of genes and their functions and related techniques

Industrial Innovation Companies - in energy, automation and manufacturing

Web x.0 Companies - the increased use of shared technology, infrastructure and services

FinTech Innovation Companies - technologies that make financial services more efficient

Performance Information

Past performance is not a guide to future returns. Fund returns are presented net of investment management fees, trading commissions and administrative fees. Returns for periods in excess of one year have been annualised. The MSCI World Net Return USD benchmark is for comparative purposes only, unless specifically referenced in the sub fund's investment objective and policy.

Portfolio launch and Class A USD inception date is 29 August 2018. Class A EUR inception date is 19 August 2019.

Net Performance Returns

		1Mth	3Mth	6Mth	1Yr	3Yr	SI
Class	Fund	12.31%	59.80%	39.39%	44.67%	-	22.45%
A USD	Benchmark	2.65%	19.36%	-5.77%	2.84%	-	2.17%

12 Month Performance Periods

		From:	30 Jun 2019	30 Jun 2018	30 Jun 2017	30 Jun 2016	30 Jun 2015
		To:	30 Jun 2020	30 Jun 2019	30 Jun 2018	30 Jun 2017	30 Jun 2016
Class A USD	Fund		44.67%	-	-	-	-
	Benchmark		2.84%	-	-	-	-

Monthly Fund Commentary

The portfolio benefitted from sizeable moves in Invitae, Tesla, Square, CRISPR Therapeutics and Teradyne. Invitae's strong performance primarily came from acquiring ArcherDx, a molecular oncology-focused firm with strong liquid biopsy IP. We believe the combined entity now spans the entire cancer care continuum from hereditary cancer predisposition to therapy guidance to minimal residual disease monitoring. Tesla rose as the stock price held over the \$1,000 share mark boosted by positive analyst sentiment ahead of deliveries and early discussions around Cybertruck production in Texas. Square traded up as retail sales in the US soared and three sell-side analysts upgraded it based on positive Cash App outlooks.

Detractors were Proto Labs, Stratasys, Materialise, Iovance and Seres Therapeutics. Proto Lab's stock price gained following its rise in May and it added cobalt chrome, used in aerospace applications, to its 3D printing materials portfolio. Stratasys announced a 10% cut of its global workforce to make a leaner operating model. Consequently, JP Morgan upgraded Stratasys from Neutral to Overweight as promising new products would not be affected. Iovance underperformed potentially because of the swift departure of its Chief Financial Officer, Timothy Morris and Seres Therapeutics underperformed because of recruitment delays due to COVID-19.

During June, broad-based global equity indexes, as measured by the MSCI World, edged higher, though unevenly. Because fiscal and monetary policy makers have responded with record-breaking measures to "flatten the curve" and slow the spread of COVID-19, fears of an extended global recession have dissipated. However, during June a resurgence of "hot spots" in China and the US boosted volatility in the equity markets, as measured by the CBOE VIX. Meanwhile, the US Treasury yield curve steepened slightly, with the 10-year yield stabilising in the 65-66 basis point (bp) range and the 90-day rate edging lower to 14bp. The consumer saving rate in the US has continued at record breaking levels - 32% in April and 23% in May, likely mirroring high rates globally, suggesting that pent-up consumer demand will support the recovery now under way. Indeed, given the significant drawdown in retail inventories in April and May, businesses seem to have been caught off guard and are scrambling to catch up.

Fund Holdings

Top 10 Holdings	Weight
Tesla Motors, Inc.	8.39%
Square, Inc. Class A	7.56%
Invitae Corp	7.34%
Crispr Therapeutics Ag	5.42%
Roku Inc	4.98%
2U, Inc.	4.79%
Lendingtree Inc	3.55%
Zillow Group, Inc. Class C	3.46%
Illumina, Inc.	3.46%
Proto Labs, Inc.	3.27%
Market Cap	Weight
Mega cap: >USD 50b	14.50%
Large cap: USD 10b to USD 50b	28.83%
Mid cap USD: 2b to USD 10b	37.95%
Small cap: <USD 2b	17.72%
Currency	Weight*
US Dollar	99.61%
Japanese Yen	0.33%

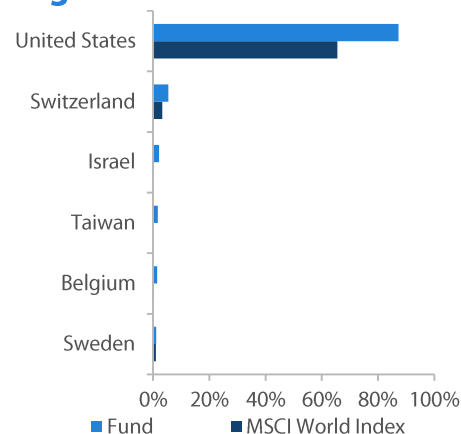
*Amounts of less than 0.1% are not displayed

Portfolio

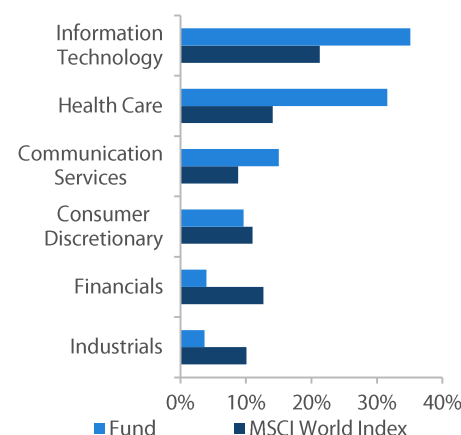
Fund Composition*	Weight
E-Commerce	11.73%
Cloud Computing	9.95%
Gene Therapy	9.32%
Big Data & Machine Learning	8.04%
Molecular Diagnostics	7.99%
3D Printing	7.76%
Robotics	5.92%
Internet of Things	4.97%
Digital Media	4.84%
Instrumentation	4.52%
Mobile	3.79%
Bioinformatics	3.53%
Targeted Therapeutics	3.07%
Energy Storage	2.73%
Beyond DNA	2.57%
Social Platforms	2.34%
Autonomous Vehicles	1.81%
Next Generation Oncology	1.69%
Space Exploration	1.25%
Development of Infrastructure	0.86%
Blockchain & P2P	0.33%

*Elements defined by ARK Invest

Regional Allocation



Sector Allocation



Note: The MSCI World Net Return USD Index is used purely as a reference benchmark. Only positive portfolio value information is displayed.

Fund Information

	Launch Date	Nav Per Share	ISIN Code	Bloomberg Ticker	Valoren Number
Class A USD	29 August 2018	USD 14.51	LU1861556378	NIKAADA	45934909
Class A EUR	19 August 2019	EUR 15.03	LU1861558150	NKADIAE	47157903
Class B USD	31 January 2019	USD 15.95	LU1861558580	NIKADBU	45934920
Class B EUR	31 January 2019	EUR 16.28	LU1861558747	NIKADBE	45934921
Class D USD	26 June 2020	USD 10.29	LU1861559125	NIKADDU	47158335

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Information sources include Bloomberg, MSCI, Brown Brothers Harriman (Luxembourg) S.C.A., SMBC Nikko Bank (Luxembourg) S.A., Nikko Asset Management Americas, ARK Investment Management LLC. and Nikko Asset Management Co., Ltd. All information as of 30 June 2020.

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Number 122084

Risk Information

Financial Technology Risk - FinTech Innovation Companies may not be able to capitalise on their disruptive technologies if they face, amongst other things, political and/or legal attacks from competitors, industry groups or local and national governments. A FinTech Innovation Company may not currently derive any revenue, and there is no assurance that a FinTech Innovation Company will derive any revenue from innovative technologies in the future.

Future Expected Genomic Business Risk - is the risk that Genomics Revolution Companies that do not currently derive a substantial portion of their current revenues from genomic-focused businesses and there is no assurance that any company will do so in the future, may adversely affect the ability of the Sub-Fund to achieve its investment objective.

Industrials Sector Risk - The industrials sector includes companies engaged in the aerospace and defence industry, electrical engineering, machinery, and professional services. Companies in the industrials sector may be adversely affected by changes in government regulation, world events and economic conditions. In addition, companies in the industrials sector may be adversely affected by environmental damages, product liability claims and exchange rates.

Web x.0 Companies Risk - This business is rapidly evolving and intensely competitive, and is subject to changing technologies, shifting user needs, and frequent introductions of new products and services. The research and development of new, technologically advanced products is a complex and uncertain process requiring high levels of innovation and investment, as well as the accurate anticipation of technology, market trends and consumer needs. Concerns regarding a company's products, services or processes that may compromise the privacy of users or other privacy related matters, even if unfounded, could damage a company's reputation and adversely affect operating results.

Credit risk - is the possibility that a bond issuer will fail to pay interest and principal in a timely manner.

Counterparty risk - the possibility that the counterparty, such as brokers, clearing houses and other agents be unable to perform its obligations due to insolvency, bankruptcy or other causes.

Liquidity risk - investments that could have a lower level of liquidity due to (extreme) market conditions or issuer-specific factors and / or large redemptions of shareholders. Liquidity risk is the risk that a position in the portfolio cannot be sold, liquidated or closed at limited cost in an adequately short time frame as required to meet liabilities of the Sub-Fund.

Important Information

Nikko AM Global Umbrella Fund is an open-ended investment company established in Luxembourg (the "Fund"). This information has been issued by Nikko Asset Management Europe Ltd and is not aimed at or intended to be read by investors in any country in which the Fund is not authorised.

The Fund is registered in France, Germany, Italy, Luxembourg, Netherlands, Singapore (restricted registration), Switzerland and the UK. Some sub-funds and/or share classes may not be available in all jurisdictions. This material is for information only and is not a recommendation to sell or purchase any investment.

Any investment in the Fund may only be made on the basis of the current Prospectus and the Key Investor Information Document (KIID), as well as the latest annual or interim reports. Please refer to the "Risk Factors" for all risks applicable in investing in this Fund. These documents are available from our website en.nikkoam.com or can be obtained free of charge from the Funds registered office in Luxembourg: 80, route d'Esch, L-1470 Luxembourg.

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