

# Summer KiwiSaver Scheme

## Summer Conservative Selection

### Fund Update as at 31 December 2019

This fund update was first made publicly available on 12 February 2020.

### What is the purpose of this update?

This document tells you how Summer Conservative Selection has performed and what fees were charged. The document will help you to compare the fund with other funds. Forsyth Barr Investment Management Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

### Description of this fund

We aim to achieve positive long-term returns by choosing a greater exposure to cash and fixed interest investments and a lesser exposure to equity and property investments. Investors can expect low to moderate levels of movement up and down in value and to receive longer-term returns that are lower than those of Summer Balanced Selection.

<b>Total value of the fund</b>	\$3,463,618
<b>Number of members in the fund</b>	162
<b>The date the fund started</b>	8 April 2019

### What are the risks of investing?

Risk indicator<sup>1</sup> for Summer Conservative Selection:



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at [www.sorted.org.nz/tools/investor-kickstarter](http://www.sorted.org.nz/tools/investor-kickstarter).

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for the five years to 31 December 2019. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

See the Product Disclosure Statement (PDS) for more information about the risks associated with investing in this fund.

### How has the fund performed?

	Past year
<b>Annual return</b> (after deductions for charges and tax)	Not applicable <sup>2</sup>
<b>Annual return</b> (after deductions for charges but before tax)	Not applicable <sup>2</sup>
<b>Market index annual return</b> (reflects no deduction for charges and tax)	11.19%

The market index return is based on a composite index made up of the indices used to measure the performance of each asset class invested in. Additional information about the market index is available on the Summer KiwiSaver scheme's entry on the offer register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose).

### What fees are investors charged?

Investors in Summer Conservative Selection are charged fund charges. Our estimate of the fund charges are as follows:

	% of net asset value <sup>3</sup>
<b>Total fund charges (estimated)</b>	0.75%
Which are made up of:	
<b>Total management and administration charges, (estimated) including<sup>4</sup></b>	0.75%
Manager's basic fee	0.66%
Other management and administration charges	0.09%
<b>Total performance-based fees</b>	0.00%
<b>Other charges</b>	<b>Dollar amount per investor</b>
Account fee <sup>5</sup>	\$36.00

Investors are not currently charged any other fees. See the PDS for more information about fees.

Small differences in fees and charges can have a big impact on your investment over the long term.

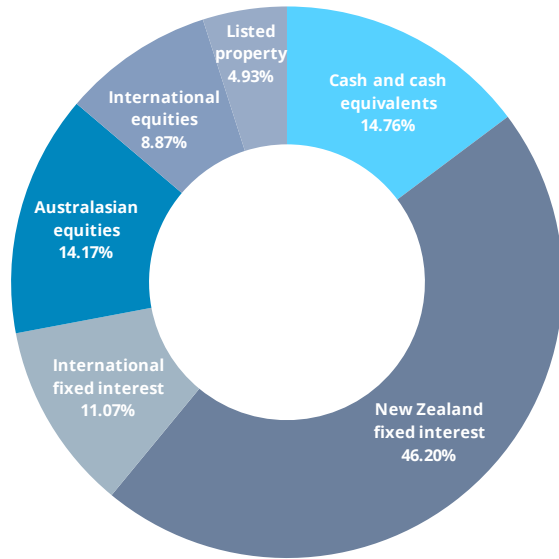
#### Example of how this applies to an investor<sup>6</sup>

Kim had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Kim received a return after fund charges were deducted but before tax of \$1,119 (that is 11.19% of her initial \$10,000). Kim also paid \$36 in other charges. This gives Kim a total return after tax of \$1,083 for the year.

## What does the fund invest in?

This shows the types of assets that the fund invests in.

### Actual investment mix



### Target investment mix

Cash and cash equivalents	23.00%
New Zealand fixed interest	31.00%
International fixed interest	16.00%
Australasian equities	13.00%
International equities	12.00%
Listed property	5.00%
Unlisted property	0.00%
Commodities	0.00%
Other	0.00%

### Top 10 investments

	Name	Percentage of fund net assets	Type	Country	Credit rating (if applicable)
1	ANZ transactional bank account	13.14%	Cash and cash equivalents	New Zealand	AA-
2	New Zealand Local Government Funding Agency Ltd 14/04/2033	2.25%	New Zealand fixed interest	New Zealand	AA+
	3.50%				
3	New Zealand Local Government Funding Agency Ltd 15/04/2025	1.94%	New Zealand fixed interest	New Zealand	AA+
	2.75%				
4	New Zealand Local Government Funding Agency Ltd 15/04/2027	1.80%	New Zealand fixed interest	New Zealand	AA+
	4.50%				
5	Bank of New Zealand Subordinated Note 17/12/2025	1.41%	New Zealand fixed interest	New Zealand	BBB+
	5.314%				
6	Vector Ltd 14/03/2024	1.35%	New Zealand fixed interest	New Zealand	BBB
	4.996%				
7	Housing New Zealand 12/06/2025	1.28%	New Zealand fixed interest	New Zealand	AA+
	3.36%				
8	Port of Tauranga Limited 29/01/2021	1.23%	New Zealand fixed interest	New Zealand	BBB+
	4.792%				
9	Mercury NZ Limited 11/02/2020	1.21%	New Zealand fixed interest	New Zealand	BBB+
	8.21%				
10	Kiwi Property Group Limited	1.06%	Listed property	New Zealand	

The top 10 investments make up 26.67% of the fund.

We actively manage the fund's foreign currency exposures associated with international and Australian equities. As at 31 December 2019, these exposures represented 15.16% of the value of the fund. After allowing for foreign currency hedges in place, 11.79% of the value of the fund was unhedged and exposed to foreign currency risk.

## Key personnel

Name	Current position	Time in current position	Previous or other current position	Time in previous or other current position
Kevin Stirrat	Director/Strategy, Wealth Management Research, Forsyth Barr Limited	0 years and 5 months <sup>7</sup>	Head of Investment Strategy, Forsyth Barr Limited	13 years and 11 months
Craig Alexander	Co-Head of Funds Management, Forsyth Barr Limited	6 years and 6 months <sup>7</sup>	Head of Fixed Interest, Tower Investments	5 years and 2 months
Jason Lindsay <sup>8</sup>	Co-Head of Funds Management, Forsyth Barr Limited	0 years and 3 months <sup>7</sup>	Portfolio Manager Australasian Listed Infrastructure, ACC	6 years and 2 months
Neil Paviour-Smith	Director	11 years and 10 months <sup>7</sup>	Managing Director at Forsyth Barr Limited (current)	19 years and 0 months
Martin Hawes	Chair, Summer Investment Committee	3 years and 4 months	Authorised Financial Adviser (current)	8 years and 6 months

## Further information

You can also obtain this information, the PDS for the Summer KiwiSaver scheme, and some additional information from the offer register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose).

## Notes

- <sup>1</sup> This fund came into existence on 8 April 2019. We've calculated the risk indicator using market index returns data for periods before that date, and actual fund returns data afterwards. Using market index returns data may make the risk indicator a less reliable indicator of how much fund values might go up and down in future.
- <sup>2</sup> The fund has not yet been in existence for a 12 month period.
- <sup>3</sup> All fees and charges are quoted inclusive of GST. Total fund charges have been estimated for the year starting 31 December 2019. The fund has not yet been in existence for a 12 month period, and so these charges are our best estimates based on the charges that we expect will be charged to the fund. See the PDS and the 'Other Material information' document on the offer register for the scheme at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose) for more information.
- <sup>4</sup> The 'manager's basic fee' covers management and administration charges paid to us out of the fund for performing our functions as manager. We pay the scheme's expenses (including fees charged by the Supervisor) out of these amounts. The 'other management and administration charges' covers management and administration charges paid out of any other managed investment scheme that the fund invests into (including a scheme where we are the manager). We will estimate these charges if we are not the manager of that other scheme and the charges are not based on fixed percentages of net asset value. See the 'Other Material Information' document on the offer register for the scheme at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose) for more information.
- <sup>5</sup> The account fee is charged at \$3 per member, per month.
- <sup>6</sup> As the fund has not been in existence for a full year, this calculation is based on the market index return for the period. The market index return does not account for fund charges and tax.
- <sup>7</sup> These personnel are employees of Forsyth Barr Limited, which carries out investment management and daily administration of the Summer KiwiSaver scheme (and is an authorised body under our licence as a manager of registered schemes).
- <sup>8</sup> Jason Lindsay joined Forsyth Barr Limited as Co-Head of Funds Management on 10 September 2019. Jason is also a member of the Summer Investment Committee.