

# Summer KiwiSaver Scheme

## Summer New Zealand Fixed Interest

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 New Zealand Fixed Interest 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

The fund invests in selected New Zealand fixed interest assets. We aim to achieve positive long-term returns. These kinds of investments will typically have low levels of movement up and down in value.

Total value of the fund	\$9,023,847
Number of members in the fund	576
The date the fund started	19 September 2016

### What are the risks of investing?

Risk indicator<sup>1</sup> for Summer New Zealand Fixed Interest:



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.

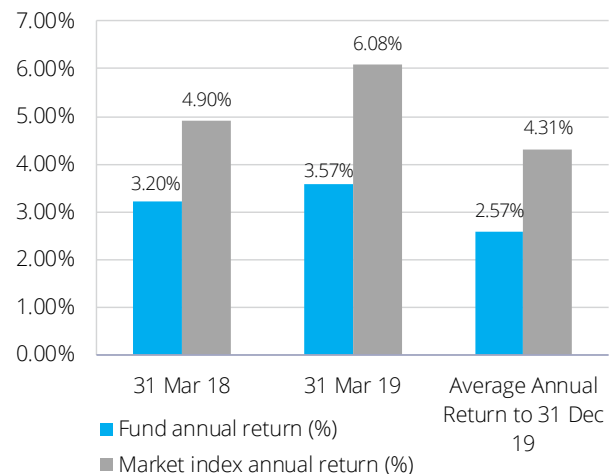
See the Product Disclosure Statement (PDS) for more information about the risks associated with investing in this fund.

### How has the fund performed?<sup>2</sup>

	Past year
Annual return (after deductions for charges and tax)	3.28%
Annual return (after deductions for charges but before tax)	4.57%
Market index annual return (reflects no deduction for charges and tax)	5.32%

The market index return is based on the S&P/NZX Investment Grade Corporate Bond Index. 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).

### Annual return graph



This shows the return after fund charges and tax for each year ending 31 March since the fund started. The last bar shows the average annual return since the fund started, up to 31 December 2019.

**Important:** This does not tell you how the fund will perform in the future.

Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

## What fees are investors charged?

Investors in Summer New Zealand Fixed Interest are charged fund charges. In the year to 31 March 2019 these were:

	% of net asset value <sup>3</sup>
<b>Total fund charges</b>	0.90%
Which are made up of:	
<b>Total management and administration charges, including</b>	0.90%
Manager's basic fee	0.90%
Other management and administration charges	0.00%
<b>Total performance-based fees</b>	0.00%
<b>Other charges</b>	<b>Dollar amount per investor</b>
Account fee <sup>4</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.

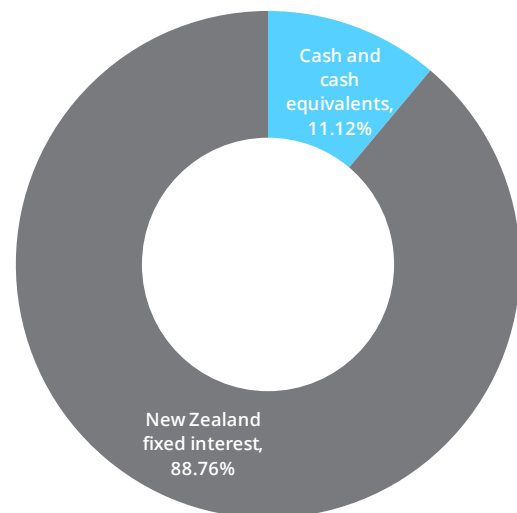
### Example of how this applies to an investor

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 \$457 (that is 4.57% of her initial \$10,000). Kim also paid \$36 in other charges. This gives Kim a total return after tax of \$292 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	5.00%
New Zealand fixed interest	90.00%
International fixed interest	5.00%
Australasian equities	0.00%
International equities	0.00%
Listed property	0.00%
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	8.29%	Cash and cash equivalents	New Zealand	AA-
2	New Zealand Local Government Funding Agency Ltd 14/04/2033 3.50%	4.17%	New Zealand fixed interest	New Zealand	AA+
3	New Zealand Local Government Funding Agency Ltd 15/04/2025 2.75%	4.12%	New Zealand fixed interest	New Zealand	AA+
4	New Zealand Local Government Funding Agency Ltd 15/04/2027 4.50%	2.89%	New Zealand fixed interest	New Zealand	AA+
5	Bank of New Zealand Subordinated Note 17/12/2025 5.314%	2.71%	New Zealand fixed interest	New Zealand	BBB+
6	Housing New Zealand 3.42% 18/10/2028	2.65%	New Zealand fixed interest	New Zealand	AA+
7	Mercury NZ Limited 11/02/2020 8.21%	2.46%	New Zealand fixed interest	New Zealand	BBB+
8	Vector Ltd 14/03/2024 4.996%	2.44%	New Zealand fixed interest	New Zealand	BBB
9	Housing New Zealand 3.36% 12/06/2025	2.34%	New Zealand fixed interest	New Zealand	AA+
10	Port of Tauranga Limited 4.792% 29/01/2021	2.23%	New Zealand fixed interest	New Zealand	BBB+

The top 10 investments make up 34.30% of the fund.

## Key personnel

Name	Current position	Time in current position	Previous or other current position	Time in previous or other current position
<b>Kevin Stirrat</b>	Director/Strategy, Wealth Management Research, Forsyth Barr Limited	0 years and 5 months <sup>5</sup>	Head of Investment Strategy, Forsyth Barr Limited	13 years and 11 months
<b>Craig Alexander</b>	Co-Head of Funds Management, Forsyth Barr Limited	6 years and 6 months <sup>5</sup>	Head of Fixed Interest, Tower Investments	5 years and 2 months
<b>Jason Lindsay</b>	Co-Head of Funds Management, Forsyth Barr Limited	0 years and 3 months <sup>5</sup>	Portfolio Manager Australasian Listed Infrastructure, ACC	6 years and 2 months
<b>Rob Mercer</b>	Director/Equities, Wealth Management Research, Forsyth Barr Limited	0 years and 5 months <sup>5</sup>	Head of Private Wealth Research, Forsyth Barr Limited	7 years and 2 months
<b>Neil Paviour-Smith</b>	Director	11 years and 10 months <sup>5</sup>	Managing Director at Forsyth Barr Limited (current)	19 years and 0 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 16 September 2016. 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> Summer KiwiSaver scheme was previously known as the Forsyth Barr KiwiSaver Scheme - you can find a link to historical performance information for the funds in the Forsyth Barr KiwiSaver Scheme at <https://www.summer.co.nz/the-summer-scheme/performance-information/quarterly-fund-updates/>.
- <sup>3</sup> All fees and charges are quoted inclusive of GST. From 18 October 2019, total fund charges have reduced to 0.75%.
- <sup>4</sup> The account fee is charged at \$3 per member, per month.
- <sup>5</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).