

Summer KiwiSaver Scheme

Summer Growth Selection

Fund Update as at 30 June 2020

This fund update was first made publicly available on 28 July 2020.

What is the purpose of this update?

This document tells you how Summer Growth 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 lesser exposure to cash and fixed interest investments and a greater exposure to equity and property investments. Investors can expect moderate to high levels of movement up and down in value and to receive longer-term returns that are higher than those of Summer Balanced Selection.

| | |
|-------------------------------|--------------|
| Total value of the fund | \$22,422,474 |
| Number of members in the fund | 678 |
| The date the fund started | 8 April 2019 |

What are the risks of investing?

Risk indicator¹ for Summer Growth 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.

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 30 June 2020. 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 |
|--|-----------|
| Annual return (after deductions for charges and tax) | 4.24% |
| Annual return (after deductions for charges but before tax) | 5.10% |
| Market index annual return (reflects no deduction for charges and tax) | 3.30% |

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.

What fees are investors charged?

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

| | % of net asset value ² |
|---|-----------------------------------|
| Total fund charges (estimated) | 0.90% |
| Which are made up of: | |
| Total management and administration charges, (estimated) including ³ | 0.90% |
| Manager's basic fee | 0.88% |
| Other management and administration charges | 0.02% |
| Total performance-based fees | 0.00% |
| Other charges | Dollar amount per investor |
| Account fee ⁴ | \$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.

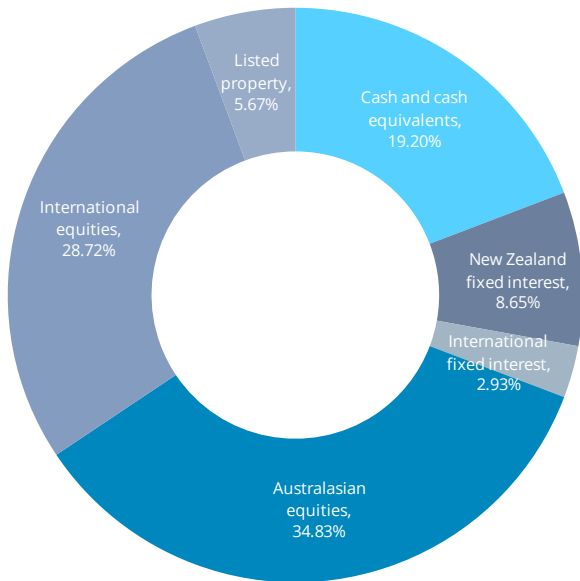
Example of how this applies to an investor

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 \$510 (that is 5.10% of her initial \$10,000). Kim also paid \$36 in other charges. This gives Kim a total return after tax of \$388 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 | 7.00% |
| New Zealand fixed interest | 9.00% |
| International fixed interest | 4.00% |
| Australasian equities | 38.00% |
| International equities | 37.00% |
| Listed property | 5.00% |
| Unlisted property | 0.00% |
| Commodities | 0.00% |
| Other | 0.00% |

Top 10 investments

| | <i>Name</i> | <i>Percentage of fund net assets</i> | <i>Type</i> | <i>Country</i> | <i>Credit rating (if applicable)</i> |
|----|--|--------------------------------------|---------------------------|----------------|--------------------------------------|
| 1 | ANZ transactional bank account | 12.33% | Cash and cash equivalents | New Zealand | AA- |
| 2 | NZ Government Treasury Bill 29/07/2020 | 4.46% | Cash and cash equivalents | New Zealand | AA+ |
| 3 | The a2 Milk Company Limited | 2.83% | Australasian equities | New Zealand | |
| 4 | CSL Limited | 2.03% | Australasian equities | Australia | |
| 5 | Fisher & Paykel Healthcare Corporation Limited | 1.84% | Australasian equities | New Zealand | |
| 6 | Alphabet Inc Class A | 1.67% | International equities | United States | |
| 7 | Apple Inc. | 1.59% | International equities | United States | |
| 8 | BHP Group Limited | 1.49% | Australasian equities | Australia | |
| 9 | Spark New Zealand Limited | 1.46% | Australasian equities | New Zealand | |
| 10 | Amazon.com, Inc. | 1.41% | International equities | United States | |

The top 10 investments make up 31.11% of the fund.

We actively manage the fund's foreign currency exposures associated with international and Australian equities. As at 30 June 2020, these exposures represented 48.80% of the value of the fund. After allowing for foreign currency hedges in place, 35.70% 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 11 months ⁵ | Head of Investment Strategy, Forsyth Barr Limited | 13 years and 11 months |
| Craig Alexander | Co-Head of Funds Management, Forsyth Barr Limited | 7 years ⁵ | Head of Fixed Interest, Tower Investments | 5 years and 2 months |
| Jason Lindsay | Co-Head of Funds Management, Forsyth Barr Limited | 0 years and 9 months ⁵ | Portfolio Manager Australasian Listed Infrastructure, ACC | 6 years and 2 months |
| Neil Paviour-Smith | Director | 12 years and 4 months ⁵ | Managing Director at Forsyth Barr Limited (current) | 19 years and 6 months |
| Martin Hawes | Chair, Summer Investment Committee | 3 years and 10 months | Authorised Financial Adviser (current) | 9 years |

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.

Notes

- ¹ 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.
- ² All fees and charges are quoted inclusive of GST. The fund has not yet been in existence for a full scheme year, 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 for more information.
- ³ 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.
- ⁴ The account fee is charged at \$3 per member, per month.
- ⁵ 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).