

# Summer KiwiSaver Scheme

## Summer Balanced Selection

Fund Update as at 31 March 2022

This fund update was first made publicly available on 2 May 2022.

### What is the purpose of this update?

This document tells you how Summer Balanced 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 mix of cash, fixed interest, 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 the Summer Conservative Selection but lower than those of the Summer Growth Selection.

|                                      |                   |
|--------------------------------------|-------------------|
| <b>Total value of the fund</b>       | \$122,396,914     |
| <b>Number of members in the fund</b> | 2498              |
| <b>The date the fund started</b>     | 19 September 2016 |

### What are the risks of investing?

Risk indicator for Summer Balanced 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 March 2022. 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.

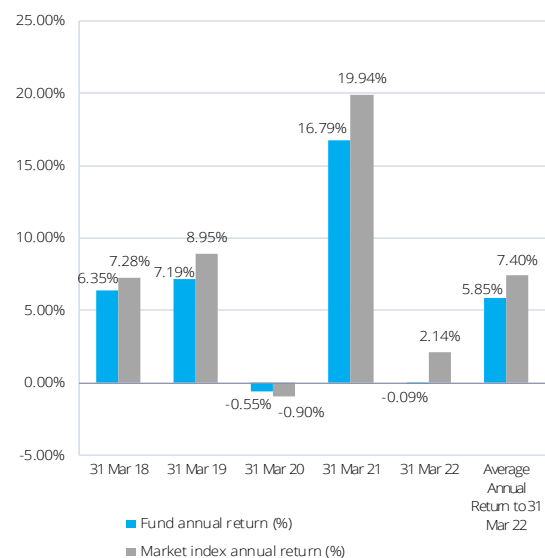
### How has the fund performed?<sup>1</sup>

|                                                                                  | Average over past 5 years | Past year |
|----------------------------------------------------------------------------------|---------------------------|-----------|
| <b>Annual return</b><br>(after deductions for charges and tax)                   | 5.76%                     | -0.09%    |
| <b>Annual return</b><br>(after deductions for charges but before tax)            | 6.60%                     | 0.10%     |
| <b>Market index annual return</b><br>(reflects no deduction for charges and tax) | 7.25%                     | 2.14%     |

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, as displayed under the target investment mix.

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 March 2022.

**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 Balanced Selection are charged fund charges. In the year to 31 March 2021 these were:

|                                                               | <i>% of net asset value</i>       |
|---------------------------------------------------------------|-----------------------------------|
| <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                                           | 0.86%                             |
| Other management and administration charges                   | 0.04%                             |
| <b>Total performance-based fees</b>                           | 0.00%                             |
| <b>Other charges</b>                                          | <i>Dollar amount per investor</i> |
| Account fee <sup>2</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.

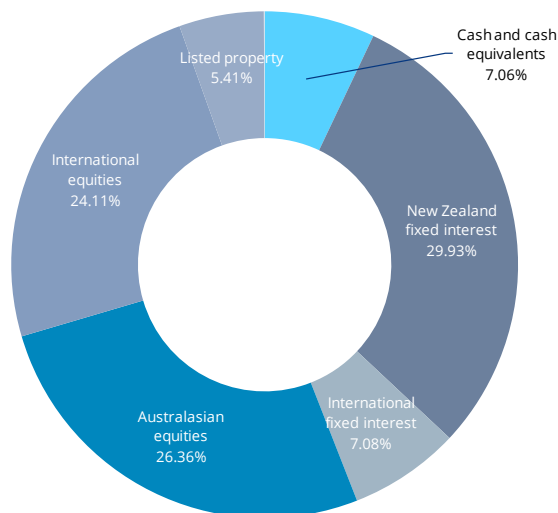
### Example of how this applies to an investor

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 \$10 (that is 0.10% of her initial \$10,000). Kim also paid \$36 in other charges. This gives Kim a total loss after tax of \$45 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    | 10.00% |
| New Zealand fixed interest   | 22.00% |
| International fixed interest | 13.00% |
| Australasian equities        | 25.00% |
| International equities       | 25.00% |
| 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  | Vanguard ESG US Stock ETF                                        | 11.01%                               | International equities     | United States  |                                      |
| 2  | Vanguard ESG International Stock ETF                             | 7.02%                                | International equities     | United States  |                                      |
| 3  | ANZ transactional bank account                                   | 3.60%                                | Cash and cash equivalents  | New Zealand    | AA-                                  |
| 4  | Housing New Zealand 3.36% 12/06/2025                             | 1.80%                                | New Zealand fixed interest | New Zealand    | AA+                                  |
| 5  | NZ Govt Inflation Ind Bond 20/09/25                              | 1.70%                                | New Zealand fixed interest | New Zealand    | AA+                                  |
| 6  | New Zealand Local Government Funding Agency Ltd 14/04/2033 3.50% | 1.65%                                | New Zealand fixed interest | New Zealand    | AA+                                  |
| 7  | Fisher & Paykel Healthcare Corporation Limited                   | 1.23%                                | Australasian equities      | New Zealand    |                                      |
| 8  | New Zealand Local Government Funding Agency Ltd 15/04/2027 4.50% | 1.21%                                | New Zealand fixed interest | New Zealand    | AA+                                  |
| 9  | CSL Limited                                                      | 1.13%                                | Australasian equities      | Australia      |                                      |
| 10 | JP Morgan Chase & Co. USD Cash Deposit                           | 1.13%                                | Cash and cash equivalents  | United States  | A-                                   |

The top 10 investments make up 31.48% of the fund.

Foreign currency exposures associated with international fixed interest are hedged to the New Zealand dollar. We actively manage the fund's foreign currency exposures associated with international and Australian equities, and listed property. As at 31 March 2022, these exposures represented 41.02% of the value of the fund. After allowing for foreign currency hedges in place, 25.23% of the value of the fund was unhedged and exposed to foreign currency risk.

## Key personnel

| <b>Name</b>                | <b>Current position</b>                                            | <b>Time in current position</b>   | <b>Previous or other current position</b>            | <b>Time in previous or other current position</b> |
|----------------------------|--------------------------------------------------------------------|-----------------------------------|------------------------------------------------------|---------------------------------------------------|
| <b>Christine Smith-Han</b> | Equity and Strategy Analyst<br>Octagon Asset Management Limited    | 0 years and 4 months <sup>3</sup> | Portfolio Analyst<br>Forsyth Barr Limited            | 4 years and 10 months                             |
| <b>Paul Robertshawe</b>    | Chief Investment Officer<br>Octagon Asset Management Limited       | 0 years and 4 months <sup>3</sup> | Portfolio Manager, Forsyth Barr Limited              | 0 years and 8 months                              |
| <b>Craig Alexander</b>     | Head of Fixed Interest and ESG<br>Octagon Asset Management Limited | 0 years and 4 months <sup>3</sup> | Co-Head of Funds Management,<br>Forsyth Barr Limited | 8 years and 5 months                              |
| <b>Jason Lindsay</b>       | Head of Equities<br>Octagon Asset Management Limited               | 0 years and 4 months <sup>3</sup> | Co-Head of Funds Management,<br>Forsyth Barr Limited | 2 years and 2 months                              |
| <b>Neil Paviour-Smith</b>  | Director, Forsyth Barr Investment Management Limited               | 14 years and 1 month              | Managing Director at Forsyth Barr Limited (current)  | 21 years and 3 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> 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>2</sup> The account fee is charged at \$3 per member, per month.
- <sup>3</sup> Octagon Asset Management Limited is responsible for the day-to-day investment decisions for the fund.