

# Summer KiwiSaver Scheme

## Summer Global Fixed Interest

### Fund Update as at 30 June 2017

This fund update was first made publicly available on 27 July 2017.

## What is the purpose of this update?

This document tells you how Summer Global 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 international fixed interest assets. We aim to achieve positive long-term returns. These kinds of investments will typically have low to moderate levels of movement up and down in value.

Total value of the fund	\$71,135
Number of members in the fund	32
The date the fund started	19 September 2016

## What are the risks of investing?

Risk indicator<sup>1</sup> for Summer Global 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 30 June 2017. 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)	Not applicable <sup>2</sup>
Annual return (after deductions for charges but before tax)	Not applicable <sup>2</sup>
Market index annual return (reflects no deduction for charges and tax)	0.90%

The market index return is based on the Barclays Global Aggregate Index (hedged to New Zealand dollars). 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 Global Fixed Interest are charged fund charges. Our estimates of the fund charges are as follows:

	% of net asset value
Total fund charges (estimated) <sup>3</sup>	0.90%
Which are made up of:	
Total management and administration charges (estimated), including <sup>4</sup>	0.90%
Manager's basic fee	0.63%
Other management and administration charges	0.27%
Total performance-based fees	0.00%
Other charges	
Account fee <sup>5</sup>	Dollar amount per investor \$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.

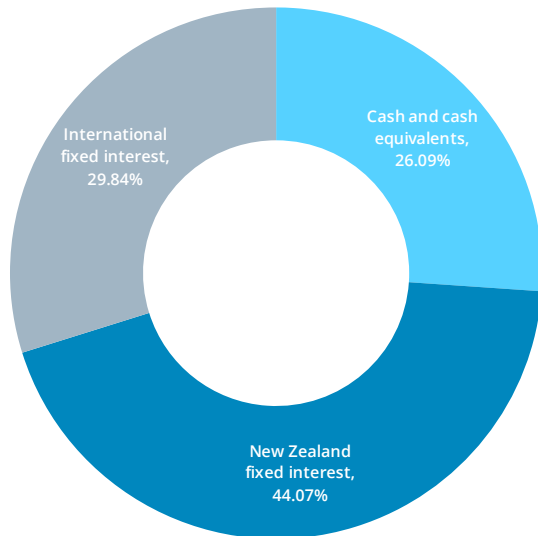
## Example of how this applies to an investor<sup>6</sup>

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 of \$90 (that is 0.90% of her initial \$10,000). Kim also paid \$36 in other charges. This gives Kim a total return of \$54 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	15.00%
International fixed interest	80.00%
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

	<i>Name</i>	<i>Percentage of fund net assets</i>	<i>Type</i>	<i>Country</i>	<i>Credit rating (if applicable)</i>
1	ANZ Cash Deposit	24.62%	Cash and cash equivalents	New Zealand	AA-
2	New Zealand Local Government Funding Agency Ltd 15/12/2017 6.00%	3.08%	New Zealand fixed interest	New Zealand	AA+
3	Transpower New Zealand Ltd 30/06/2022 4.30%	2.84%	New Zealand fixed interest	New Zealand	A+
4	New Zealand Local Government Funding Agency Ltd 15/04/2020 3.00%	2.43%	New Zealand fixed interest	New Zealand	AA+
5	Bank of New Zealand Subordinated Note 17/12/2025 5.314%	2.39%	New Zealand fixed interest	New Zealand	BBB
6	ANZ Bank New Zealand Ltd 25/09/2020 4.03%	1.79%	New Zealand fixed interest	New Zealand	AA-
7	Port of Tauranga Ltd Fixed Rate Note 29/10/2019 5.865%	1.76%	New Zealand fixed interest	New Zealand	BBB+
8	Sky City Entertainment Group Ltd 28/09/2022 4.65%	1.55%	New Zealand fixed interest	New Zealand	BBB-
9	Kiwi Capital Funding Ltd Capital Notes 15/07/2024 6.61%	1.54%	New Zealand fixed interest	New Zealand	BB+
10	Precinct Properties New Zealand Ltd 17/12/2021 5.54%	1.52%	New Zealand fixed interest	New Zealand	Unrated

The top 10 investments make up 43.52% of the fund.

We generally hedge the fund's foreign currency exposures. As at 30 June 2017, these exposures were hedged.

### Key personnel

<i>Name</i>	<i>Current position</i>	<i>Time in current position</i>	<i>Previous or other current position</i>	<i>Time in previous or other current position</i>
<b>Kevin Stirrat</b>	Head of Investment Strategy, Forsyth Barr Limited	11 years and 9 months <sup>7</sup>	Director, Deutsche Bank	11 years and 2 months
<b>Craig Alexander</b>	Investment Manager, Forsyth Barr Limited	4 years <sup>7</sup>	Head of Fixed Interest, Tower Investments	5 years and 2 months
<b>Malcolm Davie</b>	Investment Manager, Forsyth Barr Limited	3 years and 2 months <sup>7</sup>	Head of Investment Management, First NZ Capital	7 years and 3 months
<b>Neil Paviour-Smith</b>	Director	9 years and 4 months	Managing Director, Forsyth Barr Limited (current)	12 years
<b>Rob Mercer</b>	Head of Private Wealth Research, Forsyth Barr Limited	5 years and 1 month <sup>7</sup>	Head of Research, Forsyth Barr Limited	11 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> 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> The fund has not yet been in existence for a 12 month period. Summer KiwiSaver 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> Including GST if applicable. 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. In that case the fund charge as a whole will be estimated, but we will adjust the manager's basic fee so that the estimated total annual fund charge is 0.9%. In this case, we have assumed that 50% of the fund is invested in NZX Smartshares Exchange Traded Funds Global Bond Fund, which has annual fund charges of 0.54% (including GST). 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. This means that the return figures in the example do not take account of fund charges and tax. Fund charges and tax would reduce the returns.
- <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).