

Fund Update

CareSaver KiwiSaver Scheme: CareSaver Balanced Fund

Quarter ended 31 December 2020

This fund update was first made publicly available on: 9th February 2021

What is the purpose of this update?

This document tells you how the CareSaver Balanced Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. Pathfinder Asset Management Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

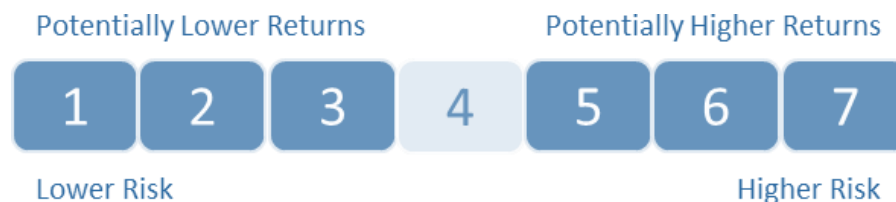
Description of this fund

The fund is an ethical portfolio with a balance between growth assets and income assets. This Fund's value is likely to fluctuate more than the Conservative Fund but less than the Growth Fund.

Total value of the fund	\$16,048,420.59
Number of Investors in Fund	462
The date the fund started	23 rd July 2019

What are the risks of investing?

Risk indicator for the CareSaver Balanced Fund



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 last 5 years. 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.

Also, see Note 1 for information on the risk indicator calculation.

How has the fund performed?

	Past Year
Annual return² (after deductions for charges and tax)	15.55%
Annual return (after deductions for charges but before tax)	14.91%
Market index annual return (reflects no deductions for charges and tax)	9.51%

The Market Index is a composite index made up of 10% Bloomberg NZBank Bill Index, 30% Bloomberg Barclays Global Aggregate Unhedged (USD) and 60% Morningstar Developed Markets Net Index (50% hedged to NZD).

Additional information about the index is available on the offer register at www.business.govt.nz/disclose (search Offers, using Offer OFR12681, Documents, Other Material Information).

What fees are investors charged?

Investors in the CareSaver Balanced Fund are charged fund charges. In the year to 31 March 2020 these were:

	% of net asset value
Total fund charges	1.14%
Which are made up of:	
Total management and administration charges	1.14%
Including:	
Manager basic fee	1.10%
Other management and administration expenses	0.04%
Other Charges	
Administration and member fees	\$27 per investor per year

*All amounts exclude any applicable GST.

Member fees are not applicable for members under 16 years old.

Individual action fees: There are no individual action fees.

Example of how this applies to an investor*

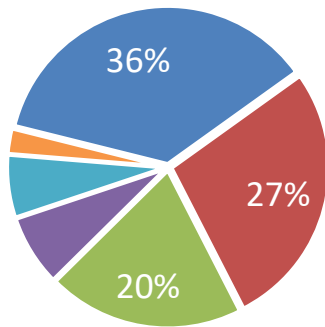
Small differences in fees and charges can have a big impact on your investment over the long term.

Tara 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, Tara received a return after fund charges of \$1,491 (that is 14.91% of her initial \$10,000). Tara also paid \$27 in other charges. This gives Tara a return after fees, charges and tax of \$1,528 for the year.

What does the fund invest in?

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

Actual investment mix



- Cash and Cash equivalents: 36.21%
- International equities: 27.36%
- Australasian equities: 20.14%
- Listed property: 7.27%
- New Zealand fixed interest: 6.43%
- International fixed interest: 2.59%

Target investment mix

Cash and cashequivalents	10%
NZ Fixed Income	10%
International Fixed Income	15%
Australasian Equities	15%
International Equities	40%
Listed Property	5%
Other Assets	5%

Top 10 investments

	Name	Percentage of fund net assets	Type	Country	Credit Rating
1	Cash at Bank ² - NZD - Interactive Brokers	28.58%	Cash and cash equivalents	NZ	BBB+
2	Westpac Term Deposit 10/12/2020 08/06/2021	6.24%	Cash and cash equivalents	NZ	AA-
3	WLB ASSET II B	2.59%	International Fixed Interest	US	Unrated
4	Westpac Term Deposit 10/07/2020 06/01/2021	2.52%	Cash and cash equivalents	NZ	AA-
5	BR Land Co 28 Feb 22	2.27%	New Zealand fixed interest	NZ	Unrated
6	Westpac (PWA) - Cash at Call	2.22%	Cash and cash equivalents	NZ	AA-
7	BCHINA Term Deposit 15/06/2020 15/03/2021	1.89%	Cash and cash equivalents	NZ	A
8	Westpac Term Deposit 18/08/2020 15/02/2021	1.88%	Cash and cash equivalents	NZ	AA-
9	BCHINA Term Deposit 10/08/2020 10/02/2021	1.88%	Cash and cash equivalents	NZ	A
10	RUA Bioscience	1.72%	Australasian equity	NZ	N/A

The top 10 investments make up 51.79% of the fund. See Note 3 for important information on the “Cash at Bank”.

Currency hedging: Changes in the value of the NZ dollar relative to other currencies can have a big impact on your investment over the long term. The target currency hedging level implemented in the fund is 75% (actual hedging level at 31 December 2020 was 64.58%) of the foreign currency exposure (this will change over time). Total unhedged foreign exposure is 12.90% of the net asset value at 31 December 2020 (this will change over time).

Key personnel⁴

	Name	Current position	Time in current position	Previous position	Time in previous position
1	John Berry	Chief Executive Officer	11 years, 9 months	Deutsche Bank - Consultant	4 years, 9 months
2	Paul Brownsey	Chief Investment Officer	11 years, 9 months	Deutsche Bank - Director	5 years
3	James Caughey	Portfolio Manager	3 years, 4 months	NZAM Senior Research Analyst position	6 years
4	Nish Vyas	Private Wealth Advisor	11 months	Senior Private Banker in BNZ	4 years
5	Kent Fraser	Chair of Investment Committee	4 years, 3 months		

Further information

You can also obtain this information, the PDS for CareSaver KiwiSaver Funds, and some additional information from the offer register at www.business.govt.nz/disclose.

Notes

- 1) **Risk indicator:** This risk indicator is not a guarantee of a fund’s future performance. Market index returns as well as the fund’s actual returns have been used to fill in the risk indicator because the risk indicator is calculated using returns data for the five-year period ending on 31 December 2020. Market index returns have therefore been used for the period from 1 January 2016 to 23

July 2019 when the fund was not in existence or available for investors, and actual fund returns have been used since then. As a result of those returns being used, the risk indicator may provide a less reliable indicator of the potential future volatility of the fund. 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.

- 2) **Annual return:** Return after deduction of fund charge and tax is higher than return after deduction for fund charge but before fees. This is due to tax refund for losses on non-FDR hedging contracts.
- 3) **Cash at Bank:** The fund uses foreign currency cash accounts at Interactive Broker to hedge foreign exchange risk. These currency cash accounts balances can be both positive and negative. If all cash positions are netted, the overall cash holding in NZD is 18.54% of the fund net assets.
- 4) **Key Personnel:** James Caughey, Nish Vyas, and Kent Fraser have not been named in a previous fund update.