

Fund Update Whai Rawa Growth Fund

Whai Rawa Unit Trust



Quarter Ending 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 the Whai Rawa Growth Fund has performed and what fees were charged. Whai Rawa Fund Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. The document will help you to compare the fund with other funds. This information is not audited and may be updated.

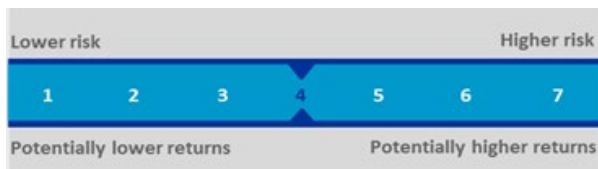
DESCRIPTION OF THE FUND

The Whai Rawa Growth Fund invests mainly in shares and property related assets and seeks to provide long-term capital growth from a strong exposure to growth assets and lower investment in defensive assets. This fund may be suitable for investors who want to invest mostly in growth assets. Investors need to be comfortable with greater fluctuations in returns than can be expected from the Balanced Fund.

Total value of the Fund	\$9,475,020
Number of investors in the fund	2,324
The date the fund started	17 February 2020

WHAT ARE THE RISKS OF INVESTING?

Risk indicator for the Whai Rawa Growth Fund



The risk indicator for the Whai Rawa Growth Fund is 4. 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 (volatility). 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.

The risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for 5 years to 30 June 2020¹ & ². 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. Please see the Product Disclosure Statement (PDS) for more information about the risks associated with investing in this fund. Refer to www.whairawa.com/pds.

HOW HAS THE FUND PERFORMED?

	PAST YEAR
Annual Return (after deductions for charges and tax)	Not applicable
Annual Return (after deductions for charges but before tax)	Not applicable
Composite of market index annual return (reflects no deduction for charges and tax) and peer group index annual return (after deduction for charges but before tax) ²	3.26%

The composite index return is the strategic asset allocation weighted benchmark index return, where the benchmark indices are defined in the Statement of Investment Policy and Objectives (SIPO). Additional information about the composite index is available on the offer register at www.disclose-register.companiesoffice.govt.nz.

WHAT FEES ARE INVESTORS CHARGED?

Investors in the Whai Rawa Growth Fund are charged fund charges. As at 31 March 2020 these are estimated to be:

	% of net asset value	
TOTAL FUND CHARGES	0.92%	
Which are made of:		
TOTAL MANAGEMENT AND ADMINISTRATION CHARGES³	0.92%	³ Estimate – see explanatory note 3 for more information.
Including:		
Manager’s basic fee ⁴	0.00%	⁴ See explanatory note 4 for more information.
Other management and administration charges ³	0.92%	³ Estimate – see explanatory note 3 for more information.
TOTAL PERFORMANCE BASED FEES	0.00%	

Investors are not currently charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the PDS for more information about Scheme Fees.

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

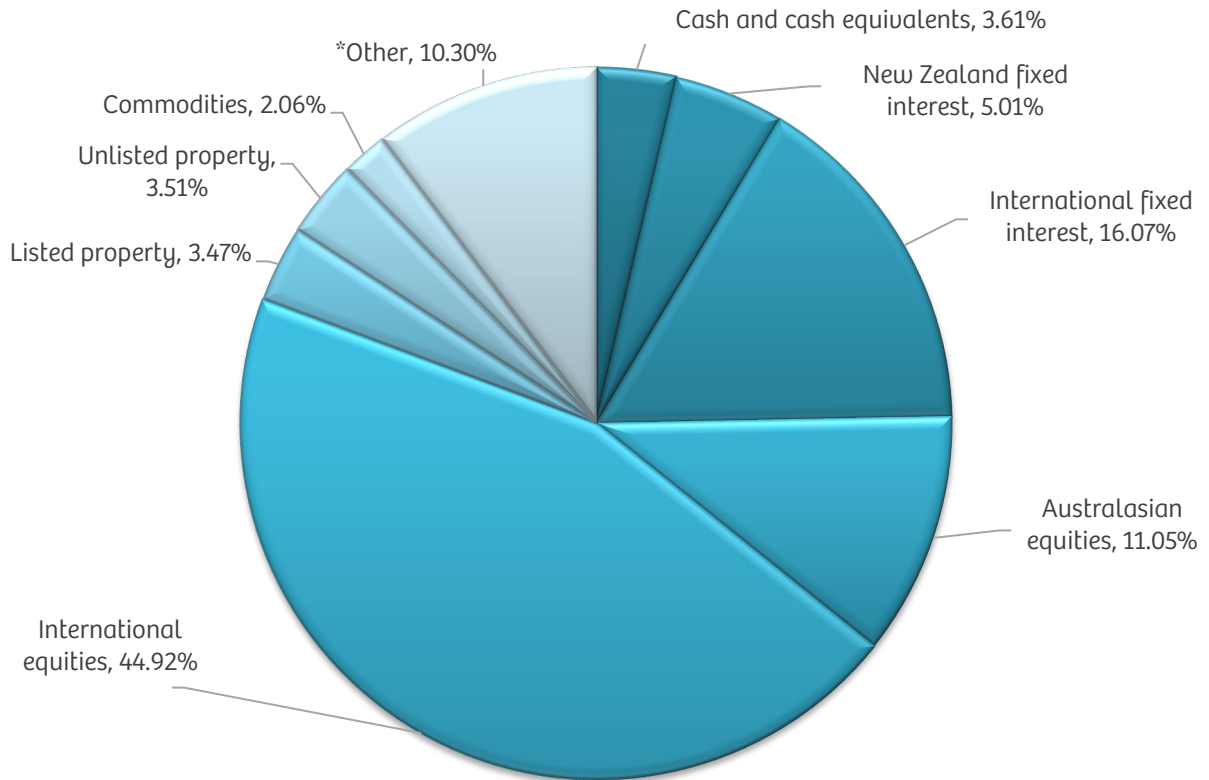
EXAMPLE OF HOW THIS APPLIES TO AN INVESTOR⁵

Aroha contributed \$10,000 on 17 February 2020 when the Growth Fund started and didn’t make any further contributions. As at 30 June 2020, Aroha incurred a loss after fund charges were deducted of \$391 (that is - 3.91% of her initial \$10,000). Aroha did not have to pay other charges. This gives Aroha a total loss after tax of \$431 for the period to 30 June 2020.

WHAT DOES THE FUND INVEST IN?

Actual Investment Mix

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



**Includes listed and unlisted infrastructure assets and alternative investments.*

Target Investment Mix

Cash and cash equivalents	4.00%
New Zealand fixed interest	5.00%
International fixed interest	16.00%
Australasian equities	12.00%
International equities	44.00%
Listed property	3.50%
Unlisted property	3.50%
Commodities	2.00%
Other*	10.00%

**Includes listed and unlisted infrastructure assets and alternative investments.*

Top 10 Investments

Asset Name	% of Fund Net Assets	Type	Country	Credit Rating
Nikko AM Wholesale SRI Equity Fund	10.88%	International equities	New Zealand	NA
AMP Capital Investors NZ Cash Fund	3.03%	Cash and cash equivalents	New Zealand	NA
First State Investments Global Listed Infrastructure Fund	2.14%	Other*	New Zealand	NA
Robeco Global Credit Fund	1.83%	International fixed interest	Australia	NA
US Dollars	1.12%	Cash and cash equivalents	United States	NA
KKR & Co. LP Global Infrastructure Fund	1.08%	Other**	Australia	NA
Aviva Investors Multi-Strategy Fixed Income Fund	1.06%	International fixed interest	Australia	NA
New Forests Australia NZ Forest Investment Fund	0.99%	Commodities	Australia	NA
Fisher Institutional Property Fund	0.90%	Unlisted property	New Zealand	NA
Investa Commercial Property Fund	0.87%	Unlisted property	Australia	NA
Total Value of Top 10 Assets	23.90%			

* An investment in a fund that is primarily comprised of listed infrastructure assets.

** An investment in a fund that is primarily comprised of unlisted infrastructure assets.

Currency Hedging

Currency hedging can apply to some of the asset classes this fund invests in. The level of currency hedging for global shares is managed between 0% and 100% and may change over time depending on Mercer's view of the relative strength (or weakness) of the New Zealand dollar. Other global assets classes (Global Fixed Interest and Real Assets), target a 100% net of tax hedge to the New Zealand dollar. Refer to the SIPO for more information which is available from www.disclose-register.companiesoffice.govt.nz.

KEY PERSONNEL

This shows the directors who have influence on the investment decisions of the fund.

Name	Current Position	Time in Position	Previous/Other Position	Time in Previous/Other Position
Fiona Pimm	Chair	2 years 8 months	Whai Rawa Fund Limited Board Member (other position currently held)	6 years 2 months
Paul Mersi	Board Member	5 years 4 months	Financial Services and Tax Partner at PricewaterhouseCoopers (position previously held)	16 years
David Woods	Board Member	3 years 7 months	Managing Director Oikocredit International, Netherlands (position previously held)	3 years 10 months
Clare Murray	Board Member	2 years 4 months	Owner/Consultant, Murray & Co (financial services) (other position currently held)	14 years 3 months
Anthony Bow	Board Member	2 years 4 months	Principal, Waimana Capital Limited (other position currently held)	3 years 9 months

FURTHER INFORMATION

You can also obtain this information, the PDS for the Whai Rawa Unit Trust and some additional information from the offer register at www.disclose-register.companiesoffice.govt.nz.

NOTES

1. The Growth Fund only came into existence on 17 February 2020 and therefore has not yet been in operation for 5 years. The risk indicator for the Growth Fund has been calculated using composite index returns data for the period 1 July 2015 to the end of February 2020, and actual returns for the period from March 2020. As a result of composite index returns data being used, the risk indicator may provide a less reliable indicator of the potential future volatility of the Fund.
2. The annual return on a composite index (which is made up of market indices and peer group indices) has been used in the table in the section *How has this fund performed?* and to calculate and fill in the risk indicator in the section *What are the risks of investing?*. This is because there is no appropriate market index for the Growth Fund as a whole and market indices are not applicable for some of the asset classes in this Fund. The composite index may be a less reliable indicator of performance than an appropriate market index. The return for the peer group indices reflected in the table in the section *How has this fund performed?* are after deduction for charges but before tax.

Additional detail regarding peer group and appropriate market indices can be found on the offer register at www.disclose-register.companiesoffice.govt.nz.

3. Included in the 'other management and administration charges' is the underlying fund manager's fixed percentage management fee charged at the underlying fund level. An estimate has been used for the remaining component of the 'other management and administration charges' which reflects the expenses incurred by the underlying fund manager (Mercer) in operating the underlying fund in which the Growth Fund invests. There is no limit on the amount of expenses that can be recovered, but based on past years' data from similar funds Mercer manages, expenses (over and above the underlying fund

manager's fixed percentage management fee) are not expected to exceed 0.20%, including any underlying performance fees.

4. In the Fund Update for the Fund for the quarter ending 31 March 2020, the Manager's basic fee in the charges table in the section *What fees are investors charged?* was populated with the underlying fund manager's fixed percentage management fee, to separate the fixed component of the total fund charges from the estimated component. The underlying fund manager's fixed percentage management fee has now been incorporated within the 'other management and administration charges' to ensure there was no suggestion that the Manager (Whai Rawa Fund Limited) itself charged a fee to the Fund, which is not the case.
5. The returns in this example are based on a hypothetical investor investing in the Fund as described. Unfortunately, the period used for the example is only 5 months to reflect the period of time the Fund has been in existence, and includes the start of the COVID-19 pandemic which has had a significant impact on returns over the period.