

Fund Update Whai Rawa Conservative Fund

Whai Rawa Unit Trust

WhaiRawa NGAI TAHU



Quarter Ending 30 June 2020

This fund update was first made publicly available on 28 July 2020. It was amended on 3 December 2020 to include corrections to the Average Annual Return in the Annual Return Graph on page 2.

WHAT IS THE PURPOSE OF THIS UPDATE?

This document tells you how the Whai Rawa Conservative 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.

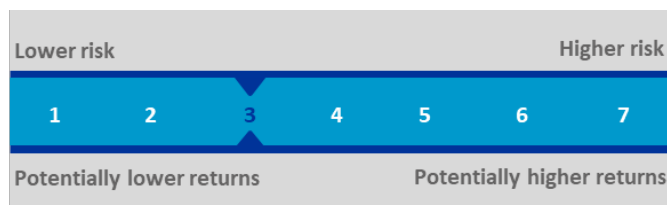
DESCRIPTION OF THE FUND

The Whai Rawa Conservative Fund invests mostly in cash and fixed interest, with only some investment in shares and real assets. This fund may be suitable for investors who want to achieve slightly higher returns than those expected from investing solely in cash. Investors need to be comfortable with the possibility of some fluctuations in returns.

Total value of the Fund	\$84,413,619
Number of investors in the fund	24,849
The date the fund started	1 October 2006

WHAT ARE THE RISKS OF INVESTING?

Risk indicator for the Whai Rawa Conservative Fund



The risk indicator for the Whai Rawa Conservative Fund is 3. 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.

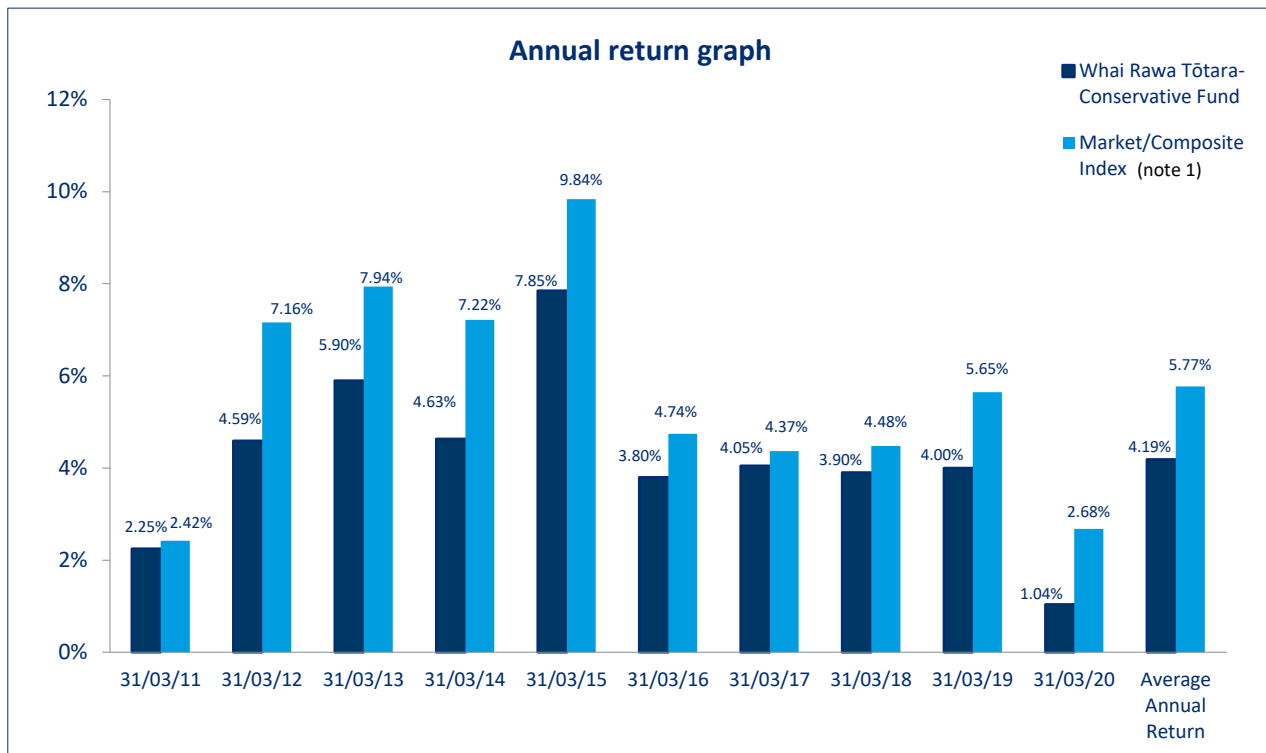
The risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for 5 years to 30 June 2020. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

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?

	AVERAGE OVER PAST 5 YEARS	PAST YEAR
Annual Return (after deductions for charges and tax)	3.97%	2.97%
Annual Return (after deductions for charges but before tax)	4.85%	3.88%
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) ¹	5.17%	4.14%

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.



Note: The annual return shown for Composite/Market Index for the year ending 31 March 2020 does not include any deductions for tax but includes deductions for some charges. The annual returns for the years ending 31 March 2019 and earlier do not include any deductions for charges or tax. Annual returns for the Whai Rawa Conservative Fund are shown after deducting charges and tax.

This shows the return after the fund charges and tax for each of the last 10 years ending 31 March. The last bar shows the average annual return for the last 10 years, up to 30 June 2020.

Important: This does not tell you how the fund will perform in the future.

The 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 the Whai Rawa Conservative Fund are charged fund charges. In the year to 31 March 2020 these were:

	% of net asset value	
TOTAL FUND CHARGES	0.52%	
Which are made of:		
TOTAL MANAGEMENT AND ADMINISTRATION CHARGES²	0.52%	² Estimate – see explanatory note 2 for more information.
Including:		
Manager’s basic fee ³	0.00%	³ See explanatory note 3 for more information.
Other management and administration charges ²	0.52%	² Estimate – see explanatory note 2 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.

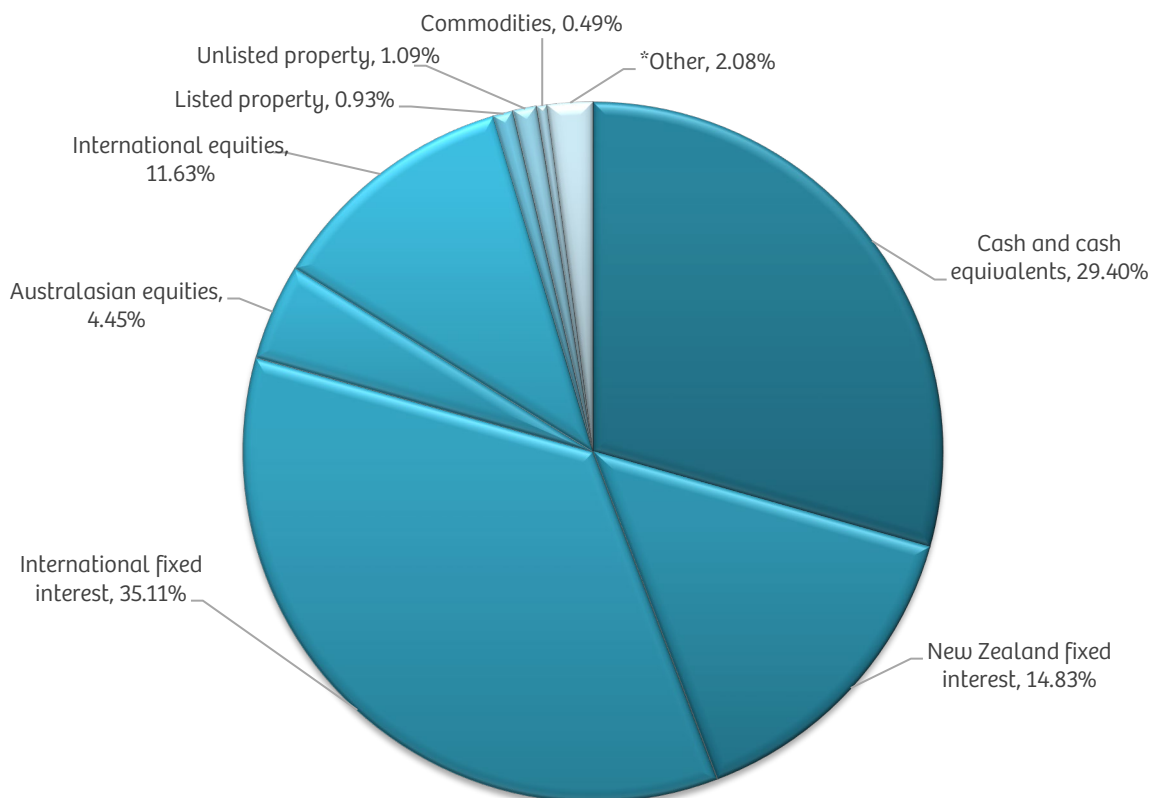
EXAMPLE OF HOW THIS APPLIES TO AN INVESTOR

Aroha had \$10,000 in the fund at the start of the year and didn’t make any further contributions. At the end of the year, Aroha received a return after fund charges were deducted but before tax of \$388.00 (that is 3.88% of her initial \$10,000). Aroha did not have to pay other charges. This gives Aroha a total return after tax of \$297.00 for the year.

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

Target Investment Mix

Cash and cash equivalents	30.00%
New Zealand fixed interest	15.00%
International fixed interest	35.00%
Australasian equities	5.00%
International equities	11.00%
Listed property	0.88%
Unlisted property	0.88%
Commodities	0.50%
Other*	1.75%

*Includes listed and unlisted infrastructure assets

Top 10 Investments

Asset Name	% of Fund Net Assets	Type	Country	Credit Rating
AMP Capital Investors NZ Cash Fund	29.07%	Cash and cash equivalents	New Zealand	NA
Robeco Global Credit Fund	4.87%	International fixed interest	Australia	NA
Nikko AM Wholesale SRI Equity Fund	4.40%	Australasian equities	New Zealand	NA
New Zealand Government Bond 5.5% 15/04/2023	1.89%	New Zealand fixed interest	New Zealand	AA+
New Zealand Government Bond 3.5% 14/04/2033	1.59%	New Zealand fixed interest	New Zealand	AA+
New Zealand Government Bond 0.5% 15/05/2024	1.40%	New Zealand fixed interest	New Zealand	AA+
Housing New Zealand Ltd Bond 3.42% 18/10/2028	1.19%	New Zealand fixed interest	New Zealand	AA+
New Zealand Government Bond 1.50% 15/05/2031	1.05%	New Zealand fixed interest	New Zealand	AA+
New Zealand Government Indexed Bond 2% 20/09/2025	1.03%	New Zealand fixed interest	New Zealand	AA+
New Zealand Government Bond 2.75% 15/04/2037	0.96%	New Zealand fixed interest	New Zealand	AA+
Total Value of Top 10 Assets	47.45%			

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 current benchmark is a composite of market and peer group indices. Absolute return indices were used for some asset classes up to 1 October 2019, following which they were replaced with peer group indices as part of a review of the Scheme's SIPO. The annual return on a composite index has been used in the table and in the bar graph in the section *How has this fund performed?* because there is no appropriate market index for the Conservative 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 and bar graph in the section *How has this fund performed?* for the year ended 30 June 2020 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.

2. Included in the 'other management and administration charges' is the underlying fund manager's fixed percentage management fee charged at the underlying fund level. Also included within 'other management and administration charges' are performance-based fees charged by external managers of underlying funds that the fund invested into of 0.01%. Over the past five years to 31 March 2020, performance-based fees have averaged 0.03% using data from similar funds Mercer manages. Performance-based fees are subject to market movements and external manager performance and the amount of these fees may differ from those disclosed for the year to 31 March 2020. These are not included in the line 'total performance-based fees' as this line relates to direct charges from the manager.

3. In previous Fund Updates for the Fund, 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.