

Fund Update Whai Rawa Mataī-Balanced Fund

Whai Rawa Unit Trust

Whai Rawa NGĀI TAHU



Quarter ending 31 March 2021

This fund update was first made publicly available on 3 May 2021.

WHAT IS THE PURPOSE OF THIS UPDATE?

This document tells you how the Whai Rawa Mataī-Balanced 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 FUND

The Whai Rawa Mataī-Balanced Fund invests in a wide range of assets and seeks to provide long-term capital growth by using a diversified portfolio with a slight bias towards growth assets. This fund may be suitable for investors who want a diversified investment with exposure to shares and real assets. Investors need to be comfortable with greater fluctuations in returns than can be expected from the Tōtara-Conservative Fund.

| | |
|-------------------------------|------------------|
| Total value of the fund | \$13,827,948 |
| Number of members in the fund | 2,489 |
| Date the fund started | 17 February 2020 |

WHAT ARE THE RISKS OF INVESTING?

Risk indicator for the Whai Rawa Mataī-Balanced fund:



The risk indicator for the Whai Rawa Mataī-Balanced 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.whairawa.com/riskquiz.

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.

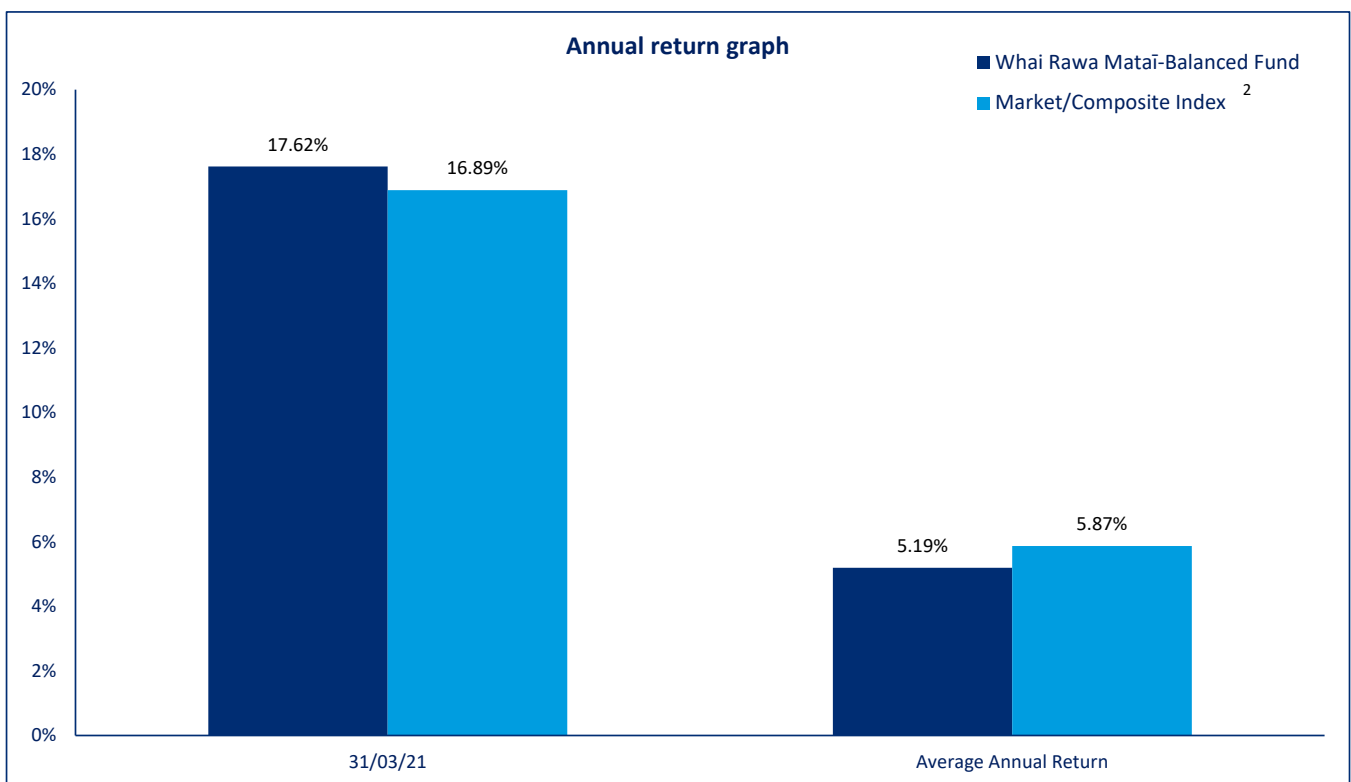
This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for 5 years to 31 March 2021.^{1&2} While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund 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 <i>(after deductions for charges and tax)</i> | 17.62% |
| Annual return <i>(after deductions for charges but before tax)</i> | 18.16% |
| Composite of market index annual return <i>(reflects no deduction for charges and tax)</i> and peer group indices annual return <i>(after deduction for charges but before tax)</i> ² | 16.89% |

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.discloseregister.companiesoffice.govt.nz.



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 2021.

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 the Whai Rawa Matai-Balanced Fund are charged fund charges. In the year to 31 March 2020 these were:

| | % of net asset value |
|--|---|
| TOTAL FUND CHARGES | 0.80% |
| Which are made up of: | |
| TOTAL MANAGEMENT AND ADMINISTRATION CHARGES³ | 0.80% 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 | 0.80% 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 Whai Rawa 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.

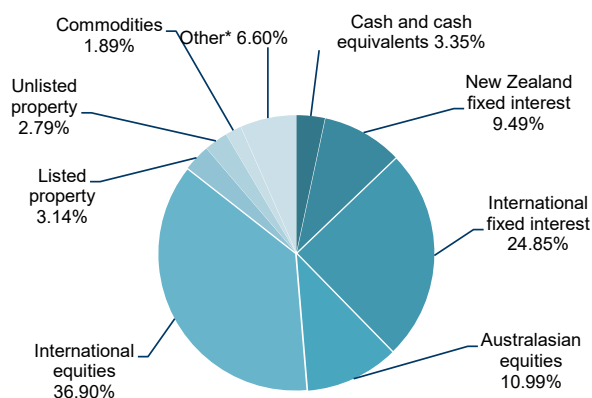
EXAMPLE OF HOW THIS APPLIES TO AN INVESTOR

Aroha had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Aroha received a return after fund charges were deducted of \$1,816.00 (that is 18.16% of her initial \$10,000). Aroha did not have to pay other charges. This gives Aroha a total return after tax of \$1,762.00 for the year.

WHAT DOES THE FUND INVEST IN?

Actual Investment Mix

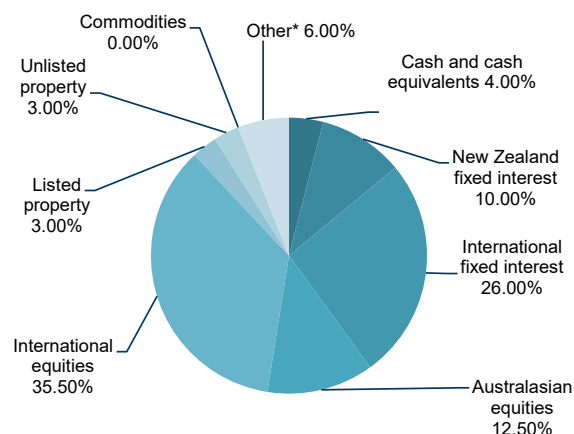
This shows the types of assets that the fund invests in.



*Includes listed and unlisted infrastructure assets

Target Investment Mix

This shows the mix of assets that the fund generally intends to invest in.



Top 10 Investments

| Name | % of fund net assets | Type | Country | Credit rating (if available) |
|---|----------------------|------------------------------|---------------|------------------------------|
| 1 Nikko Asset Management Wholesale SRI Equity Fund | 7.82% | Australasian equities | New Zealand | NA |
| 2 First Sentier Global Listed Infrastructure Fund | 1.76% | Other** | New Zealand | NA |
| 3 United States Dollar | 1.23% | Cash and cash equivalents | United States | NA |
| 4 BNP New Zealand Dollar Custodial Account Matai-Balanced Portfolio | 1.22% | Cash and cash equivalents | New Zealand | NA |
| 5 New Zealand Government Bond 0.5% 15/05/2024 | 1.17% | New Zealand fixed interest | New Zealand | AA+ |
| 6 New Zealand Government Bond 5.5% 15/04/2023 | 1.12% | New Zealand fixed interest | New Zealand | AA+ |
| 7 New Zealand Government Bond 3.0% 20/04/2029 | 0.85% | New Zealand fixed interest | New Zealand | AA+ |
| 8 New Zealand Government Bond 6% 15/05/2021 | 0.80% | New Zealand fixed interest | New Zealand | AA+ |
| 9 New Zealand Government Bond 3.5% 14/04/2033 | 0.76% | New Zealand fixed interest | New Zealand | AA+ |
| 10 Australian Government Bond 4.25% 21/04/2026 | 0.75% | International fixed interest | Australia | AAA |
| Total Value of Top 10 Assets | 17.48% | | | |

**An investment in a fund that is primarily comprised of listed 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% on a net of tax basis 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 Statement of Investment Policy and Objectives for more information which is available from www.disclose-register.companiesoffice.govt.nz/.

KEY PERSONNEL

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

| Name | Current Position | Time in current position | Previous/other position | Time in previous/other position |
|--------------|------------------|--------------------------|---|---------------------------------|
| Fiona Pimm | Chair | 3 years, 5 months | Whai Rawa Fund Limited Board Member (other position currently held) | 6 years, 11 months |
| Paul Mersi | Board Member | 6 years, 1 month | Financial Services Tax Partner at PricewaterhouseCoopers (position previously held) | 16 years, 0 months |
| David Woods | Board Member | 4 years, 4 months | Managing Director Oikocredit International, Netherlands (position previously held) | 3 years, 10 months |
| Clare Murray | Board Member | 3 years, 1 month | Owner/Consultant, Murray & Co (financial services) (other position currently held) | 15 years, 0 months |
| Anthony Bow | Board Member | 3 years, 1 month | Principal, Waimana Capital Limited (other position currently held) | 4 years, 6 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 Matai-Balanced 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 Matai-Balanced Fund has been calculated using composite index returns data for the period 1 April 2016 to the end of February 2020, and actual returns 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 and in the bar graph 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 Matai-Balanced 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 of 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 Matai-Balanced 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 0.18%, 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 make it clear that the Manager (Whai Rawa Fund Limited) does not, itself, charge a fee to the Fund.