

Fund Update

Whai Rawa Conservative Fund
Whai Rawa Unit Trust



Quarter Ending 31 December 2017

This Fund Update was first made publicly available on 12 February 2018. It was amended on 9 July 2019 to update the number of investors on page 1, to include corrections under 'How has the fund performed?' on page 2; the Annual Returns (after deductions for charges and tax) and to restate the Annual Return for each year and the Average Annual Return as after-tax returns in the 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 | \$66,728,616 |
| Number of investors in the fund | 24,702 |
| 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 2. 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/calculators/investment-planner

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.

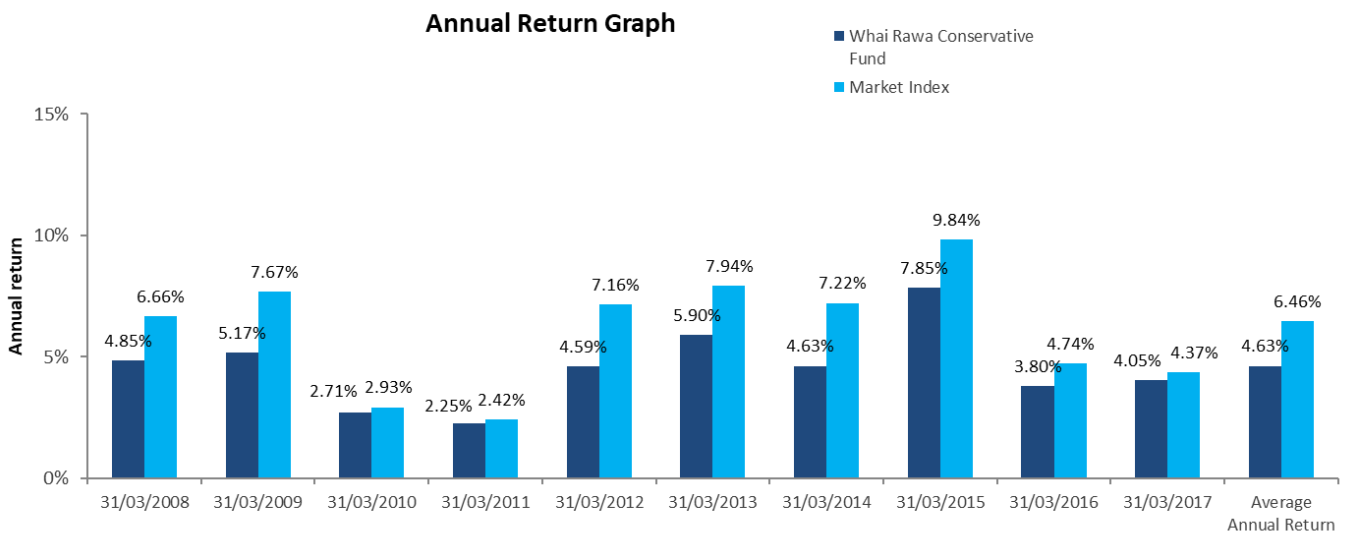
The risk indicator is not a guarantee of a funds future performance. The risk indicator is based on the returns data for 5 years to 31 December 2017. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

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 <i>(after deductions for charges and tax)</i> | 5.18% | 5.57% |
| Annual Return <i>(after deductions for charges but before tax)</i> | 6.72% | 6.40% |
| Market index annual return <i>(reflects no deductions for charges and tax)</i> | 6.65% | 6.32% |

The market 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. Additional information about the market index is available on the offer register.



This shows the return after the 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 December 2017. Note that market indices reflect no deduction for charges and tax.

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 2017 these were:

| | |
|--|-------|
| Total Fund Charges | 0.57% |
| Which are made of: | |
| Total management and administration charges | 0.57% |
| Including: | |
| Managers basic fee | 0.47% |
| *Other management and administration charges | 0.10% |
| Total performance-based fees | 0.00% |

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

*Note: Included within 'other management and administration charges' are performance-based fees charged by external managers of underlying funds that the fund invested into of 0.10%. Over the past five years, performance-based fees have averaged 0.02% 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 31 March 2017.

These are not included in the line 'total performance-based fees' as this line relates to direct charges from the manager.

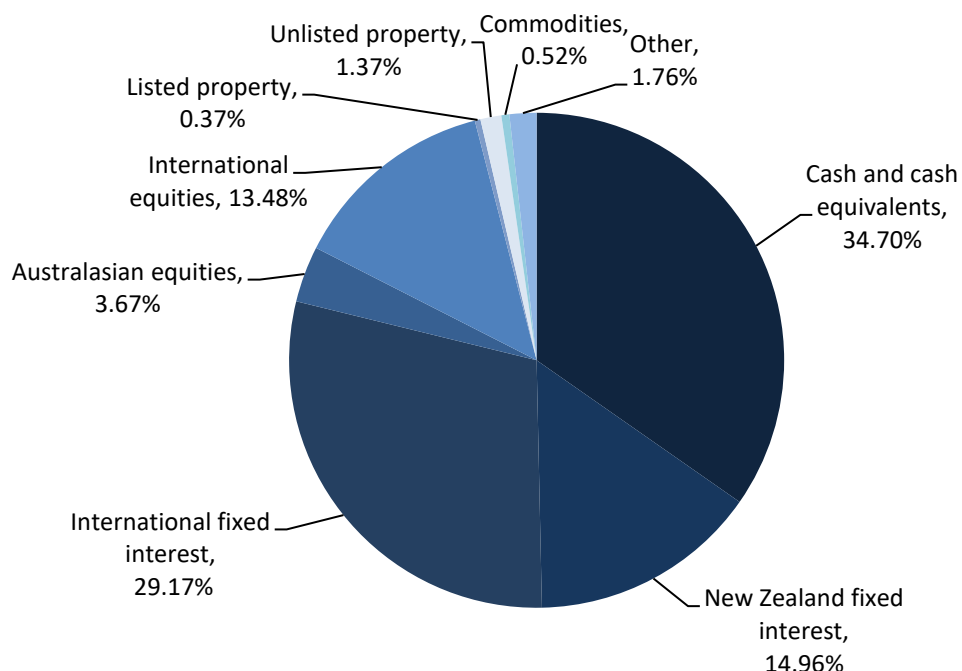
EXAMPLE OF HOW THIS APPLIES TO AN INVESTOR

Rawiri 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, Rawiri received a return after fund charges were deducted of \$557.00 (that is 5.57% of his initial \$10,000). Rawiri did not have to pay other charges. This gives Rawiri a total return after tax of \$557.00 for the year.

WHAT DOES THE FUND INVEST IN?

Actual Investment Mix

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



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 | 0.87% |
| Commodities | 0.50% |
| Other* | 1.75% |

*Includes listed and unlisted infrastructure assets and alternatives

Top 10 Investments

| Asset Name | % of Fund Net Assets | Type | Country | Credit Rating |
|--|----------------------|------------------------------|---------------|---------------|
| AMP Capital Investors NZ Cash Fund | 34.11% | Cash and Cash Equivalents | New Zealand | N/A |
| ANZ Wholesale Sovereign Bond Fund | 14.81% | New Zealand Fixed Interest | New Zealand | N/A |
| Challenger Harris Global Sovereign Bond Trust | 5.70% | International Fixed Interest | Australia | N/A |
| Robeco Global Credit | 3.64% | International Fixed Interest | Australia | N/A |
| BNP PARIBAS US Dollar account | 0.56% | International Equities | United States | N/A |
| New South Wales Treasury Corporation 6% Benchmark Bond 1 February 2018 | 0.53% | International Fixed Interest | Australia | N/A |
| Insight Global Absolute Return Bond Fund | 0.47% | International Fixed Interest | Australia | N/A |
| Kapstream Absolute Return Income Fund – Premier Class | 0.45% | International Fixed Interest | Australia | N/A |
| T Rowe Price Global Unconstrained Bond Fund | 0.44% | International Fixed Interest | Australia | N/A |
| NZD BNP Custodial Cash Account | 0.35% | Cash and Cash Equivalents | New Zealand | N/A |
| Total Value of Top 10 Assets | 61.06% | | | |

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 Statement of Investment Policy and Objectives for more information which is available from www.companies.govt.nz/disclose.

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 months | Whai Rawa Fund Limited Board member | 3 years 6 months |
| Chris Murphy | Board Member | 3 years 1 month | Associate Director Ngāi Tahu Tourism and Holdings | 2 years 1 month |
| Paul Mersi | Board Member | 2 years 10 months | Financial Services and Tax Partner at PricewaterhouseCooper | 16 years |
| David Woods | Board Member | 1 year 1 month | Managing Director Oikocredit International, Netherlands | 3 years 10 months |

FURTHER INFORMATION

You can also obtain this information, the Product Disclosure Statement for the Whai Rawa Unit Trust and some additional information from the offer register at www.business.govt.nz/disclose/