

## Fund Update

### CareSaver KiwiSaver Scheme: CareSaver Conservative Fund

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Quarter ended 30 June 2020

This fund update was first made publicly available on: 27<sup>th</sup> July 2020

#### What is the purpose of this update?

This document tells you how the **CareSaver Conservative 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 higher exposure to income assets and a lower exposure to growth assets. This Fund's value is unlikely to fluctuate as much as the Balanced Fund or the Growth Fund.

Total value of the fund	\$2,437,535
Number of Investors in Fund	109
The date the fund started	23 <sup>rd</sup> July 2019

#### What are the risks of investing?

Risk indicator for the CareSaver Conservative 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](http://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
<b>Return since inception</b> (after deductions for charges and tax)	N/A
<b>Return since inception</b> (after deductions for charges but before tax)	N/A
<b>Market index annual return</b> (reflects no deductions for charges and tax)	3.85%

The benchmark is a composite index made up of; 20% Bloomberg NZBank Bill Index, 60% Bloomberg Barclays Global Aggregate Unhedged (USD) & 20% Morningstar Developed Markets Net Index (90% hedged to NZD).

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

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

	% of net asset value
Total fund charges	0.83%
<b>Which are made up of:</b>	
<b>Total management and administration charges</b>	0.83%
<b>Including:</b>	
Manager basic fee	0.80%
Other management and administration expenses (estimated)	0.03%
<b>Other Charges</b>	
Administration and member fees	\$27 per investor per year

\*All amounts exclude any applicable GST

**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.

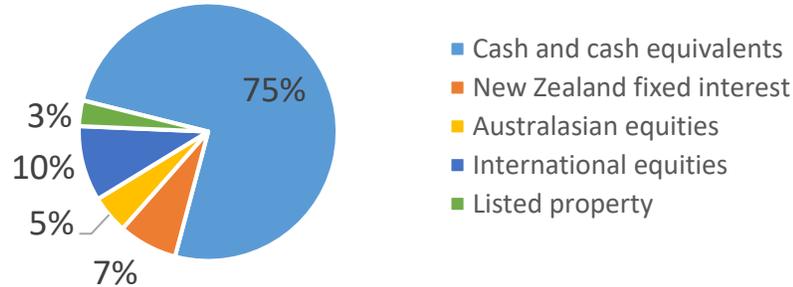
Tara had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Tara received a return of \$385 (that is 3.85% of her initial \$10,000). Tara also paid \$27 in other charges. This gives Tara a total return after fees and charges of \$358 for the year.

\*As the fund has not been in existence for a full calendar year, the figures in this example are based on the market index annual return, with no adjustment for management fees. For actual returns see [www.CareSaver.co.nz](http://www.CareSaver.co.nz).

## What does the fund invest in?

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

### Actual investment mix



### Target investment mix

Cash and cash equivalents	20%
NZ Fixed Income	30%
International Fixed Income	25%
Australasian Equities	10%
International Equities	8%
Listed Property	2%
Other Assets	5%

## Top 10 investments

	Name	Percentage of fund net assets	Type	Country	Credit Rating
1	Cash at Bank - NZD - Interactive Brokers	60.69%	Cash and cash equivalents	NZ	BBB+
2	BCHINA Term Deposit 2.55% 20/05/2020 20/11/2020	8.23%	Cash and cash equivalents	NZ	A+
3	ASB Term Deposit 2.25% 22/05/2020 22/11/2020	8.23%	Cash and cash equivalents	NZ	AA-
4	NEXTDC Ltd	1.67%	Listed property	NZ	N/A
5	LLPFSPVL Syndicated Loan 12% 01/10/2019 10/09/2021	1.64%	New Zealand fixed interest	NZ	Unrated
6	Forest SPV Loan 12% 10092021	1.41%	New Zealand fixed interest	NZ	Unrated
7	New Zealand Windfarms Ltd	1.15%	Australasian equities	NZ	N/A
8	LJ Fund No.4 Ltd Loan 10% 30Sep21	1.12%	New Zealand fixed interest	NZ	Unrated
9	BR Land Co (Bremner) Tranche C 10 30 Nov 20	1.11%	New Zealand fixed interest	NZ	Unrated
10	Sharesies Limited	0.98%	Australasian equities	NZ	N/A

The top 10 investments make up 86.24% of the fund. See Note 2 for important information on the 'Cash at Bank – NZD'.

*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 effective currency hedging level implemented in the fund at the quarter end was 87% of the fund value (this will change over time).

## Key personnel

	Name	Current position	Time in current position	Previous or current other position	Time in previous or other current position
1	John Berry	Pathfinder Asset Management - Chief Executive Officer	11 years 3 months	Deutsche Bank - Consultant	4 years, 9 months
2	Paul Brownsey	Pathfinder Asset Management - Chief Investment Officer	11 years 3 months	Deutsche Bank - Director	5 years

## 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](http://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 30 June 2020. Market index returns have therefore been used for the period from 1 July 2015 to 22 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) **'Cash at Bank – NZD'**. The fund uses foreign currency cash accounts which can be both positive and negative balances. If all cash positions are netted, the overall cash holding in NZD is 55.78% of the fund net assets.