

NZAS Retirement Fund Conservative option

Fund update for the year ended 30 June 2024

This fund update was first made publicly available on 19 September 2024.

What is the purpose of this update?

This document tells you how the Conservative option (**fund**) has performed and what fees were charged. The document will help you to compare the fund with other funds. NZAS Retirement Fund Trustee Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

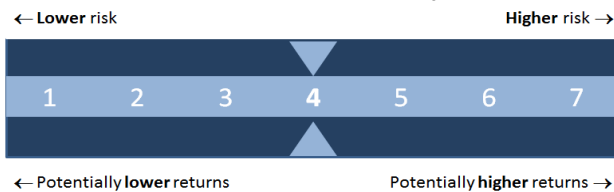
Description of this fund

The fund has a lower allocation to growth assets (equities, listed property and listed infrastructure) than to income assets (fixed interest and cash and cash equivalents). The investment objective of the fund is to achieve average returns of 0.50% per annum above Consumers Price Index increases over rolling five-year periods at least 65% of the time.

| | |
|---------------------------------|--------------|
| Total value of the fund | \$11,812,680 |
| Number of investors in the fund | 137 |
| The date the fund started | 1 April 2002 |

What are the risks of investing?

Risk indicator for the Conservative option



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-profiler.

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.

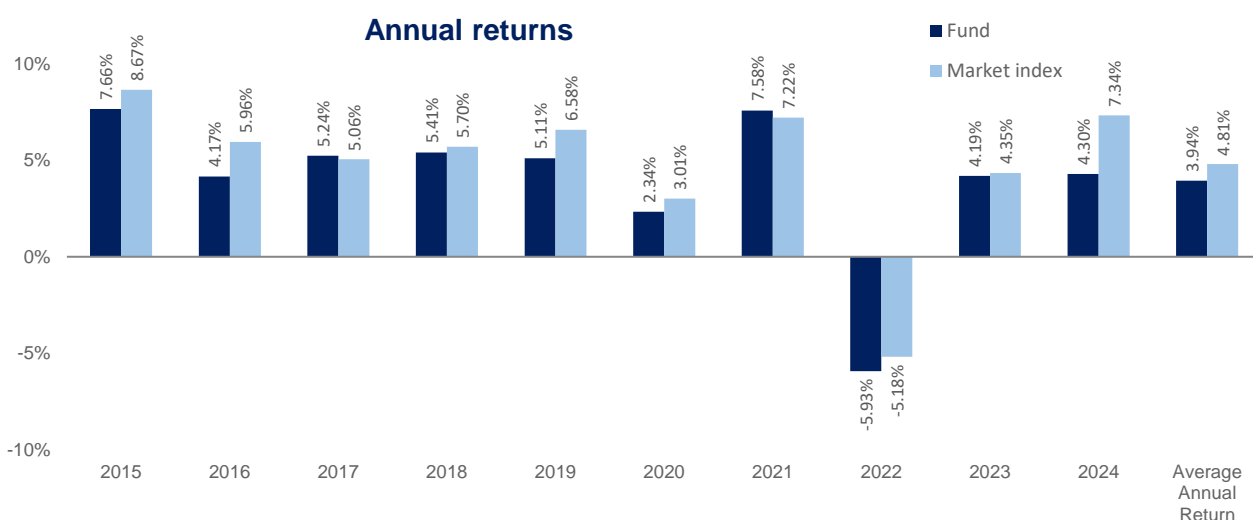
This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for the five-year period to 30 June 2024. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

See the product disclosure statement (PDS) for more information about the risks associated with investing in this fund.

How has the fund performed?

| | Average over past 5 years | Past year |
|--|---------------------------|-----------|
| Annual return (after deductions for charges and tax) | 2.39% | 4.30% |
| Annual return (after deductions for charges but before tax) | 2.87% | 5.78% |
| Market index annual return (reflects no deduction for charges and tax) | 3.24% | 7.34% |

The market index on which the market index annual return is based is a composite index. That index comprises the benchmark indices used to measure the fund's performance by asset type, weighted according to the fund's target investment mix. The benchmark indices currently comprising the market index (and links to additional information about them) are available in the document entitled *NZAS Retirement Fund – Other Material Information* on the offer register at <https://disclose-register.companiesoffice.govt.nz/>. The market index annual return provides a relative measure of the fund's performance.



This shows the return after fund charges and tax for each of the last 10 years ending 30 June. The last bar shows the average annual return for the last 10 years, up to 30 June 2024.

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

What fees are investors charged?

Investors in the fund are charged fund charges. In the year to 30 June 2024 these were:

| | % of net asset value |
|--|---|
| Total fund charges | 0.45% |
| Which are made up of: | |
| Total management and administration charges | 0.45% |
| Including - | |
| Manager's basic fee | 0.36% |
| Other management and administration charges | 0.09% |
| Total performance-based fees | 0.00% |
| Other charges | Description of how charge is calculated |
| Insurance charges | These are charges for members with death, total disablement and ill-health insurance. Charges vary based on cover level and age. ¹ |

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

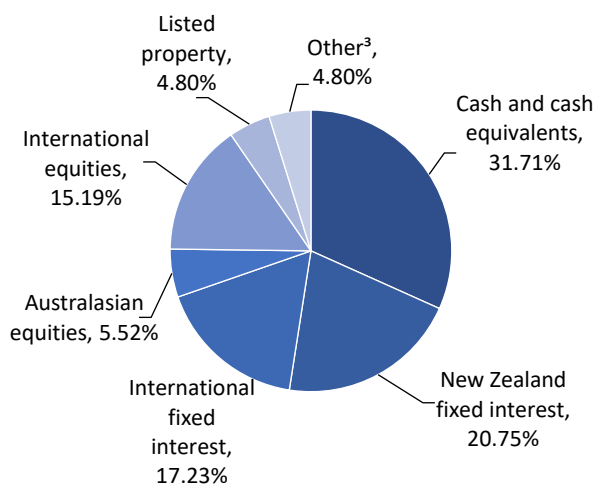
Example of how this applies to an investor

Mary 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, Mary received a return after fund charges were deducted of \$430 (that is 4.30% of her initial \$10,000). Mary did not pay any other charges (aside from insurance charges). This gives Mary a total return after tax of \$430 for the year, less insurance charges.

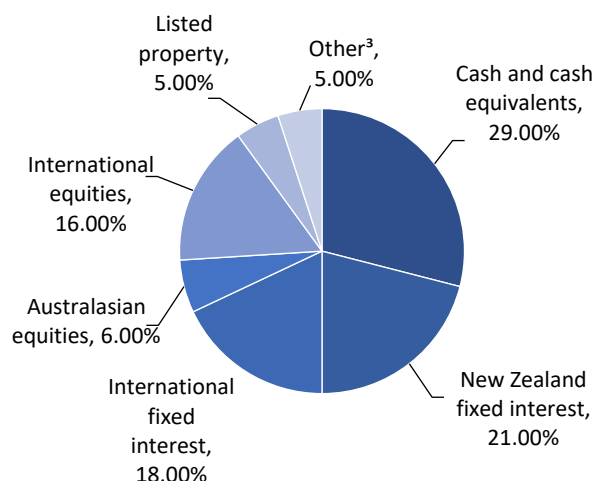
What does the fund invest in?

This shows the types of assets the fund invests in

Actual investment mix



Target investment mix²



Top 10 investments

| Asset name | % of fund net assets | Type | Country | Credit rating (if applicable) |
|---|----------------------|------------------------------|---------|-------------------------------|
| Mercer Macquarie New Zealand Cash Fund | 30.56% | Cash and cash equivalents | NZ | N/A |
| Mercer Macquarie New Zealand Fixed Interest Fund | 20.75% | New Zealand fixed interest | NZ | N/A |
| ANZ Wholesale International Share Fund | 15.19% | International equities | NZ | N/A |
| Hunter Global Fixed Interest Fund | 7.00% | International fixed interest | NZ | N/A |
| Mercer Global Absolute Return Bond Fund | 5.57% | International fixed interest | NZ | N/A |
| Mercer Global Listed Property Fund | 4.80% | Listed property | NZ | N/A |
| Mercer Global Listed Infrastructure Fund | 4.80% | Other ³ | NZ | N/A |
| Salt Sustainable Global Fixed Income Opportunities Fund | 4.67% | International fixed interest | NZ | N/A |
| Harbour Australasian Equity Fund | 2.82% | Australasian equities | NZ | N/A |
| Nikko AM Wholesale Core Equity Fund | 2.70% | Australasian equities | NZ | N/A |

The total value of the top 10 individual assets is 98.86% of the net asset value of the fund.

Currency Hedging

International Equities: 50% hedged to the NZ dollar.

International Listed Property: 100% hedged to the NZ dollar.

International Listed Infrastructure: 100% hedged to the NZ dollar.

International Fixed Interest: 100% hedged to the NZ dollar.

Australian currency exposure within Australasian equities may be hedged at the underlying managers' discretion.

Key personnel

| Name | Current position | Time in current position | Previous or other position | Time in previous or other position |
|--------------------|---|--------------------------|---|------------------------------------|
| Grant Cuff | Director, NZAS Retirement Fund Trustee Limited | 7 years and 11 months | Trustee, Rio Tinto New Zealand Retirement Fund ⁴ | 11 years and 2 months |
| Paula Checketts | Director, NZAS Retirement Fund Trustee Limited | 7 years and 11 months | Trustee, Rio Tinto New Zealand Retirement Fund ⁴ | 2 years and 3 months |
| Timothy McGuinness | Director, NZAS Retirement Fund Trustee Limited | 7 years and 11 months | Professional Trustee - various schemes (current position) | 18 years and 3 months |
| Allan Meikle | Director, NZAS Retirement Fund Trustee Limited | 7 years and 11 months | Trustee, Rio Tinto New Zealand Retirement Fund ⁴ | 21 years and 3 months |
| Bruce Kerr | Licensed Independent Trustee Director, NZAS Retirement Fund Trustee Limited | 2 years and 9 months | Professional Trustee - various schemes (current position) | 23 years and 6 months |

Further information

You can also obtain this information, the PDS for the NZAS Retirement Fund and some additional information from the offer register at disclose-register.companiesoffice.govt.nz.

Notes

¹ Details of current insurance charges are available in the document entitled *NZAS Retirement Fund – Other Material Information* on the offer register at <https://disclose-register.companiesoffice.govt.nz/>.

² This was the fund's target asset mix as at 30 June 2024. Effective 31 July 2024 the target allocation to Listed Property changed from 5% to 4% and the target allocation to Other changed from 5% to 6%.

³ **Other** represents investments in international listed infrastructure.

⁴ This was the previous name for the NZAS Retirement Fund.