

## Simplicity Investment Funds

NZ Share Fund

Fund update

This update was first made publicly available on 26 January 2024



# Fund update

Quarter ending 31 December 2023

## What is the purpose of this update?

This document tells you how the Simplicity NZ Share Fund (NZ Share Fund) has performed and what fees were charged. The document will help you to compare the fund with other funds. Simplicity NZ 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 NZ Share Fund invests in securities listed on the New Zealand stock exchange (NZX), designed to be the New Zealand share component of a diversified investment portfolio.

|                           |                  |
|---------------------------|------------------|
| Total value of the fund   | \$ 1,000,327,912 |
| The date the fund started | 3 April 2018     |

## What are the risks of investing?

Risk indicator for the NZ Share Fund:

### Risk indicator



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 <https://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 the fund's future performance. 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?

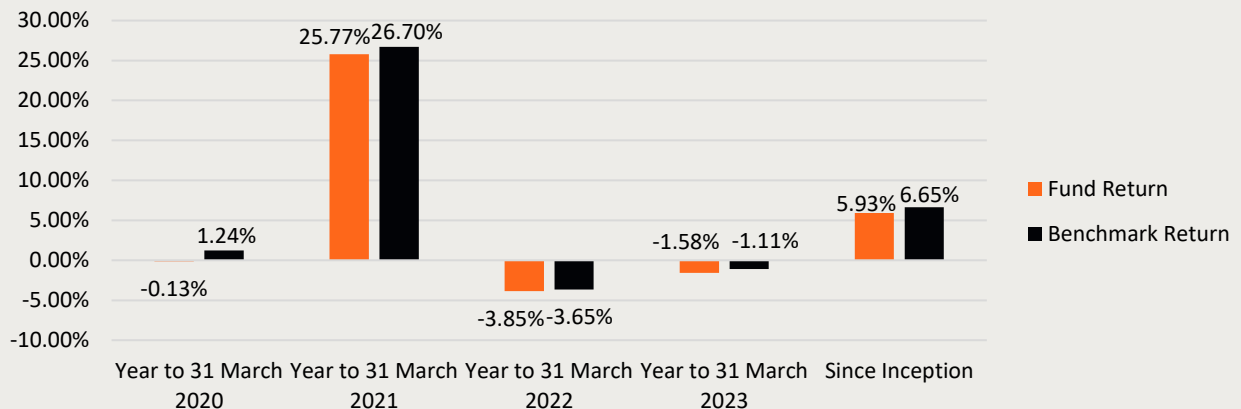
|   | AVERAGE OVER<br>PAST 5 YEARS | PAST YEAR |
|---|------------------------------|-----------|
| Annual return<br>(after deductions for charges and tax)                   | 5.54%                        | 2.47%     |
| Annual return<br>(after deductions for charges but before tax)            | 6.52%                        | 3.56%     |
| Market index annual return<br>(reflects no deduction for charges and tax) | 6.31%                        | 2.90%     |

The market index is the Morningstar New Zealand (total return) Index, which includes imputation credits.

Additional information about the market index is available on the Disclose Register:

<http://www.companiesoffice.govt.nz/disclose>

### Annual Returns Graph



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 December 2023.

**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 NZ Share Fund are charged fund charges. In the year to 31 March 2023 these were:

|                                    |       |
|------------------------------------|-------|
| Total fund charges (including GST) | 0.10% |
|------------------------------------|-------|

Which are made up of

|  |       |
|--|-------|
| <b>Total management and administration charges</b> | 0.10% |
|--|-------|

Including:

|   |       |
|---|-------|
| Manager's basic fee                         | 0.10% |
| Other management and administration charges | 0.00% |
| Total performance-based fees                | 0.00% |

Other charges

Dollar amount per investor

|                    |              |
|--------------------|--------------|
| Administration Fee | \$0 per year |
|--------------------|--------------|

Investors are not charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds).

## 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.

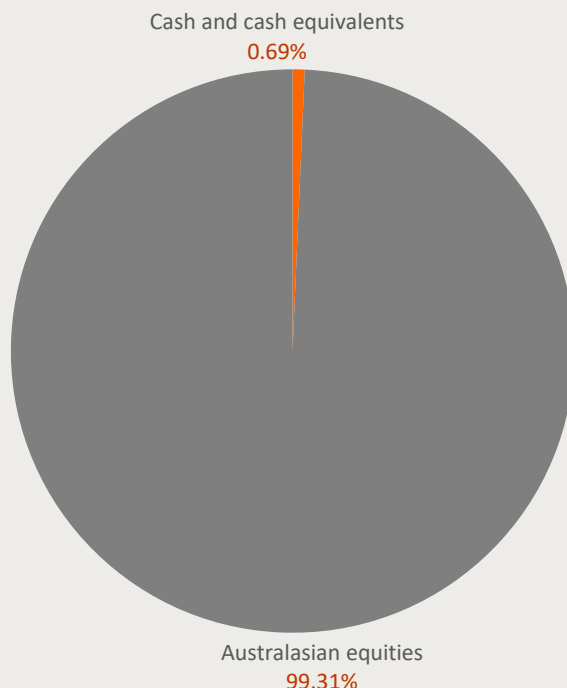
Kenny had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Kenny received a return after fund charges were deducted of \$356 (that is 3.56% of their initial \$10,000). This gives Kenny a total return after tax of \$247 for the period.



# What does the fund invest in?

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

## Actual investment mix



## Target investment mix<sup>1</sup>

|                              |      |                        |    |
|------------------------------|------|------------------------|----|
| Cash and cash equivalents    | 0%   | International equities | 0% |
| New Zealand fixed interest   | 0%   | Listed property        | 0% |
| International fixed interest | 0%   | Unlisted property      | 0% |
| Australasian equities        | 100% | Commodities            | 0% |

## Top 10 investments

| Asset Name                         | % of fund net assets | Type                  | Country | Credit rating |
|------------------------------------|----------------------|-----------------------|---------|---------------|
| Fisher & Paykel Healthcare Ltd     | 12.44%               | Australasian Equities | NZ      | N/A           |
| Auckland International Airport Ltd | 10.44%               | Australasian Equities | NZ      | N/A           |
| Spark New Zealand Ltd              | 8.60%                | Australasian Equities | NZ      | N/A           |
| Infratil Ltd                       | 7.60%                | Australasian Equities | NZ      | N/A           |
| Meridian Energy Limited            | 6.37%                | Australasian Equities | NZ      | N/A           |
| Contact Energy Ltd                 | 5.91%                | Australasian Equities | NZ      | N/A           |
| Mainfreight Ltd                    | 5.49%                | Australasian Equities | NZ      | N/A           |
| Ebos Group Ltd                     | 5.03%                | Australasian Equities | NZ      | N/A           |
| Mercury NZ Limited                 | 4.22%                | Australasian Equities | NZ      | N/A           |
| Fletcher Building Ltd              | 3.47%                | Australasian Equities | NZ      | N/A           |

The top ten investments make up 69.57% of the fund.



## Key personnel

| Name            | Current position                    | Term                 | Previous or other current position               | Term                 |
|-----------------|-------------------------------------|----------------------|--|----------------------|
| Sam Stubbs      | Managing Director, Simplicity       | 7 years and 9 months | Chief Executive Officer, TOWER Investments       | 5 years and 1 month  |
| Joy Marslin     | Director, Simplicity                | 7 years and 1 month  | Head of Private Wealth Management, Westpac NZ    | 3 years and 7 months |
| Reuben Halper   | Director, Simplicity                | 6 years and 7 months | Agency Lead, Google NZ (current position)        | 8 years and 3 months |
| Andrew Lance    | Chief Operating Officer, Simplicity | 7 years and 6 months | Consultant, AMP Financial Services               | 1 year               |
| Matthew Houtman | Head of Private Capital, Simplicity | 3 years and 1 month  | Co-Managing Director, Pioneer Capital Management | 16 years             |

## Further information

You can also obtain this information, the PDS for the Simplicity Investment Funds and some additional information from the offer register at <http://www.companiesoffice.govt.nz/disclose>

## Notes

- 1. We have no target for listed property. Exposures to real estate investment trusts are included in equities.**