Fund update

Quarter ending 30 September 2026

What is the purpose of this update?

This document tells you how the Simplicity Conservative Investment Fund (Conservative 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 Conservative Fund provides investors with a limited exposure to growth assets, but most of its investments are in income assets. As a result, the return from the Fund is likely to be lower over the longer term (10 years or more) than the Balanced or Growth Funds, but the value of its investments are unlikely to fluctuate as much as the Balanced or Growth Funds.

Total value of the fund	$198,021,783
The date the fund started	3 April 2017

What are the risks of investing?

Risk indicator for the Conservative Investment 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 http://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 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.

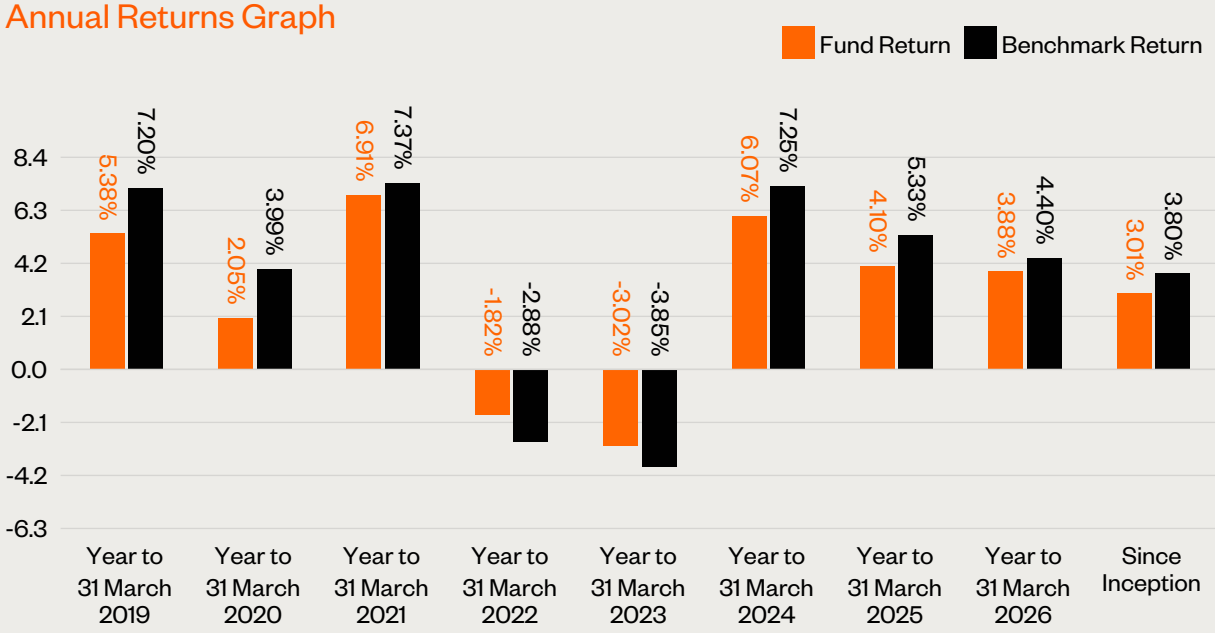
How has the fund performed?

	AVERAGE OVER PAST FIVE YEARS	PAST YEAR
Annual return (after deductions for charges and tax)	1.97%	2.44%
Annual return (after deductions for charges but before tax)	2.27%	2.65%
Market index annual return (reflects no deduction for charges and tax)	2.12%	2.40%

The market index annual return is a composite index, calculated using the return of each asset class index the fund invests in, weighted by the fund's benchmark asset allocation. See the Statement of Investment Policy and Objectives (SIPO) for details of the fund's benchmark asset allocation and the asset class indices.

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 30 September 2026.

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 Conservative Investment Fund are charged fund charges. In the year to 31 March 2026, these were:[1]

Total fund charges (including GST)	0.24%
Which are made up of	
Total management and administration charges	0.24%
Including:	
Manager's basic fee	0.24%
Other management and administration charges	0.00%
Total performance-based fees	0.00%
Other Charges	Dollar amount per investor
Administration fee per year	$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

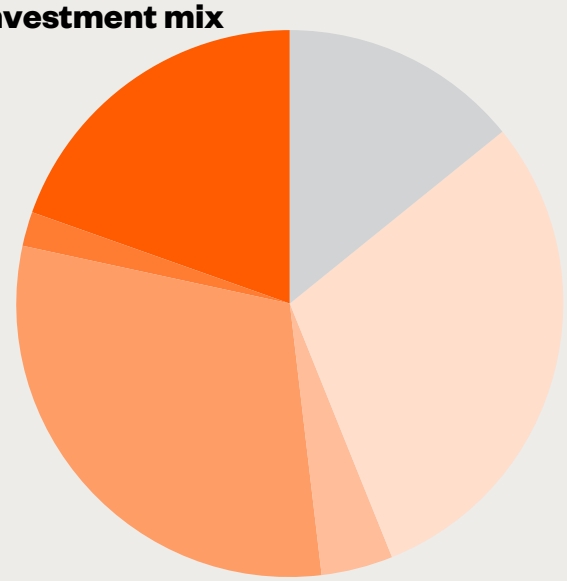
Small differences in fees and charges can have a big impact on your investment over the long term.

Artie 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, Artie received a return after fund charges were deducted of $265 (that is 2.65% of their initial $10,000). This gives Artie a total return after tax of $244 for the period.

What does the fund invest in?

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

Actual investment mix



- New Zealand fixed interest 19.58%
- Unlisted property 2.03%
- Cash and cash equivalents 30.25%
- Australasian equities 4.24%
- International fixed interest 29.72%
- International equities 14.18%

Target investment mix[2]

Cash and cash equivalents	25.00%	International equities	13.80%
New Zealand fixed interest	25.00%	Listed property	0.00%
International fixed interest	30.00%	Unlisted property	2.50%
Australasian equities	3.70%	Commodities	0.00%

Top 10 investments

Asset Name	% of fund net assets	Type	Country	Credit rating
Cash at Bank	6.66%	Cash and cash equivalents	NZ	AA-
BNZ FRN 11 May 2029	2.14%	Cash and cash equivalents	NZ	AA-
Kiwibank FRN 13 June 2028	2.14%	Cash and cash equivalents	NZ	AA-
Simplicity Living Ltd Ordinary Shares	2.03%	Unlisted property	NZ	N/A
Kiwibank FRN 15 March 2028	1.30%	Cash and cash equivalents	NZ	AA-
RABO FRN 17 August 2027	1.30%	Cash and cash equivalents	NZ	A+
ASB FRN 30 April 2029	1.21%	Cash and cash equivalents	NZ	AA-
Housing NZ 2.183% 24 April 2030	1.15%	New Zealand fixed interest	NZ	AA+
IBRD bond 4.5% 22 April 2033	1.04%	New Zealand fixed interest	NZ	AAA
NVIDIA Corp	1.03%	International equities	US	N/A

The top ten investments make up 20.00% of the fund. The fund's exposure to assets denominated in foreign currencies was 45%, of which 83% was hedged. This means the fund's unhedged foreign currency exposure was 7% of the net asset value of the fund. [3]

Key personnel

Name	Current position	Term	Previous or other current position	Term
Sam Stubbs	Managing Director, Simplicity	10 years and 6 months	Chief Executive Officer, TOWER Investments	5 years and 1 month
Rob Everett	Director, Simplicity	1 year and 3 months	Head of Advisory Committee, Revolut NZ (current)	1 year and 1 month
Andrew Lance	Chief Investment Officer, Simplicity	2 years and 7 months	Chief Operating Officer, Simplicity	7 years and 8 months
Shamubeel Eaqub	Chief Economist, Simplicity	2 years	Economist, Eaqub & Eaqub Limited (Current)	2 years and 10 months

Further Information

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

Notes

1. Effective from 1 October 2026 the Manager's basic fee is reduced to 0.23%.

2. Our target equities exposures are 3.5% to New Zealand equities and 14% to International equities (which includes approximately 1.5% Australian equities). We have no target for listed property. Exposures to real estate investment trusts are included in equities.

3. Our hedging policy is set using the market average hedging ratio of providers that make up at least 80% of KiwiSaver industry funds under management, resulting in our international fixed interest and equity investments being 100% and 50% hedged into New Zealand dollars respectively. The hedging policy for equities is reviewed six monthly and adjusted from time to time to follow the market reference within a range of 40% - 60%. Hedging instruments are not listed in the top 10 investments.