



# Fund update

Quarter ending 30 September 2025

## What is the purpose of this update?

This document tells you how the Simplicity NZ Bond Fund (NZ Bond 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 Bond Fund invests in New Zealand government bonds and investment grade bonds issued in New Zealand dollars, designed to be the New Zealand bond component of a diversified investment portfolio.

|                           |               |
|---------------------------|---------------|
| Total value of the fund   | \$614,290,465 |
| The date the fund started | 3 April 2018  |

## What are the risks of investing?

Risk indicator for the NZ Bond 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?

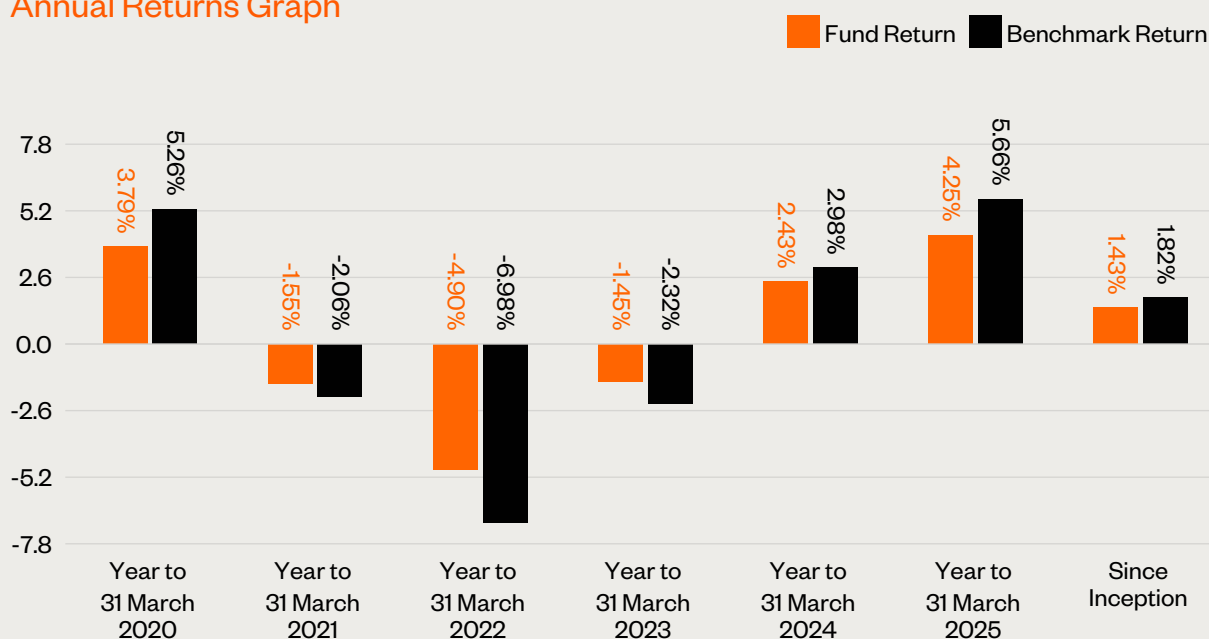
|                                                                           | AVERAGE OVER<br>PAST FIVE<br>YEARS | PAST YEAR |
|---------------------------------------------------------------------------|------------------------------------|-----------|
| Annual return<br>(after deductions for charges and tax)                   | -0.37%                             | 3.98%     |
| Annual return<br>(after deductions for charges but before tax)            | -0.54%                             | 5.53%     |
| Market index annual return<br>(reflects no deduction for charges and tax) | -0.69%                             | 5.74%     |

The market index annual return is the Bloomberg NZBond Govt O+ Yr Index.

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 2025.

**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 Bond Fund are charged fund charges. In the year to 31 March 2025, these were:

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

Which are made up of

|                                             |       |
|---------------------------------------------|-------|
| Total management and administration charges | 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 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.

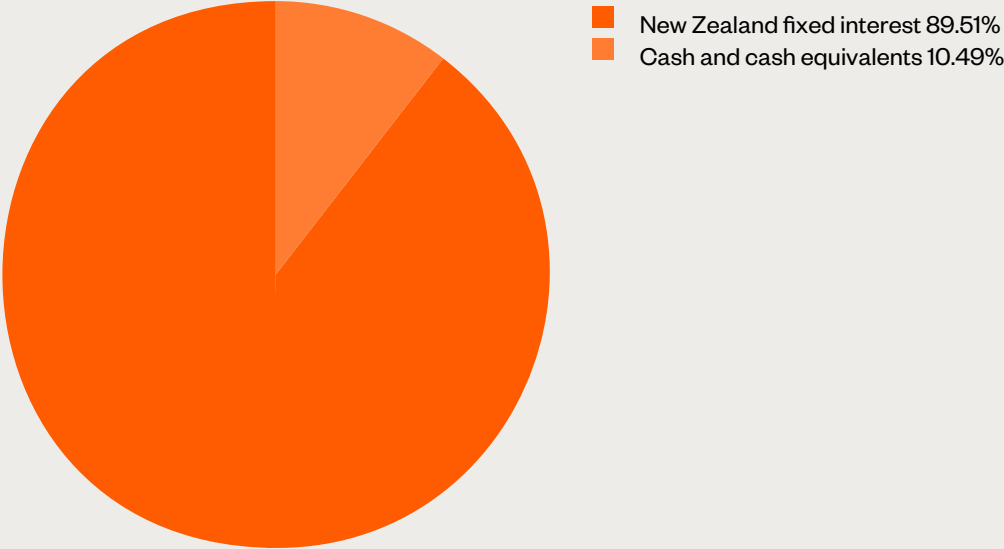
Artie had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Artie received a return after fund charges were deducted of \$553 (that is 5.53% of their initial \$10,000). This gives Artie a total return after tax of \$398 for the period.



# What does the fund invest in?

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

## Actual investment mix



## Target investment mix

|                              |        |                        |       |
|------------------------------|--------|------------------------|-------|
| Cash and cash equivalents    | 0.00%  | International equities | 0.00% |
| New Zealand fixed interest   | 100.00 | Listed property        | 0.00% |
| International fixed interest | 0.00%  | Unlisted property      | 0.00% |
| Australasian equities        | 0.00%  | Commodities            | 0.00% |



## Top 10 investments

| Asset Name                                     | % of fund net assets | Type                       | Country | Credit rating |
|------------------------------------------------|----------------------|----------------------------|---------|---------------|
| Cash at bank                                   | 10.53%               | Cash and cash equivalents  | NZ      | AA-           |
| IBRD Bond 1.25% 10 December 2030               | 6.26%                | New Zealand fixed interest | NZ      | AAA           |
| New Zealand govt bond 1.5% 15 May 2031         | 5.52%                | New Zealand fixed interest | NZ      | AA+           |
| New Zealand govt bond 5% 15 May 2054           | 5.25%                | New Zealand fixed interest | NZ      | AA+           |
| Auckland City Council bond 5.745% 17 June 2039 | 5.12%                | New Zealand fixed interest | NZ      | AA            |
| New Zealand govt bond 2.75% 15 May 2051        | 5.07%                | New Zealand fixed interest | NZ      | AAA           |
| IBRD Bond 4.25% 23 July 2032                   | 5.05%                | New Zealand fixed interest | NZ      | AA+           |
| New Zealand govt bond 2.75% 15 April 2037      | 4.76%                | New Zealand fixed interest | NZ      | AA+           |
| New Zealand govt bond 3.5% 14 April 2033       | 4.32%                | New Zealand fixed interest | NZ      | AA+           |
| ASIA Bond 2.75% 28 January 2027                | 3.68%                | New Zealand fixed interest | NZ      | AAA           |

The top ten investments make up 55.56% of the fund.

## Key personnel

| Name             | Current position                     | Term                  | Previous or other current position               | Term                 |
|------------------|--------------------------------------|-----------------------|--------------------------------------------------|----------------------|
| Sam Stubbs       | Managing Director, Simplicity        | 9 years and 6 months  | Chief Executive Officer, TOWER Investments       | 5 years and 1 month  |
| Rob Everett      | Director, Simplicity                 | 3 months              | Head of Advisory Committee, Revolut NZ (current) | 1 month              |
| Andrew Lance     | Chief Investment Officer, Simplicity | 1 year and 7 months   | Chief Operating Officer, Simplicity              | 7 years and 8 months |
| Matthew Houtman  | Head of Private Capital, Simplicity  | 4 years and 10 months | Co-Managing Director, Pioneer Capital Management | 16 years             |
| Shamubeel Eaquad | Chief Economist, Simplicity          | 1 year                | Economist, Eaquad & Eaquad Limited (Current)     | 1 year and 10 months |