

Fund Update

For the quarter ended 31 March 2021

- InvestNow KiwiSaver Scheme
- InvestNow Russell Investments Global Fixed Interest Fund

This fund update was first made publicly available on: 30 April 2021

What is the purpose of this update?

This document tells you how the InvestNow Russell Investments Global Fixed Interest Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. Implemented Investment Solutions 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

Objective: aims to provide a total return, before costs and tax, higher than the Bloomberg Barclays Global Aggregate Index – New Zealand dollar hedged over the long term (3 years plus).

Strategy: provides exposure to a portfolio of international fixed interest securities and is actively managed using a multi-manager approach. Targets being fully hedged back to New Zealand dollars.

| | |
|-------------------------------|----------------|
| Total value of the fund | \$NZ 13,979 |
| Number of members in the fund | 7 |
| The date the fund started | 5 October 2020 |

What are the risks of investing?

Risk indicator for the InvestNow Russell Investments Global Fixed Interest Fundⁱ.

| | | | | | | |
|-----------------------------|---|---|------------------------------|---|---|---|
| ⇐ Potentially lower returns | | | Potentially higher returns ⇐ | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| ⇐ Lower risk | | | Higher risk ⇐ | | | |

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://sorted.org.nz/>.

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 5 years to 31 March 2021. 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?

| | Past year |
|--|----------------|
| Annual return (after deductions for charges and tax) | Not applicable |
| Annual return (after deductions for charges but before tax) | Not applicable |
| Market index annual return (reflects no deduction for charges and tax) | 1.39% |

The market index return is the Bloomberg Barclays Global Aggregate Index – New Zealand dollar hedged. This has been the market index since the inception of the fund. Additional information about the market index is available on the offer register at <https://disclose-register.companiesoffice.govt.nz>.

What fees are investors charged?

Investors in the InvestNow Russell Investments Global Fixed Interest Fund are charged fund charges which are:

| | % of net asset value (including GST) |
|---|---|
| Total fund charges (estimate) ⁱⁱ | 0.78% |
| Which are made up of: | |
| Total manager and administration charges | 0.78% |
| Including: | |
| Manager's basic fee | 0.68% |
| Other management and administration charges | 0.10% |

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the PDS for the InvestNow KiwiSaver Scheme Global Fixed Interest Funds on the offer register at <https://disclose-register.companiesoffice.govt.nz> for more information about those fees.

Example of how this applies to an investor

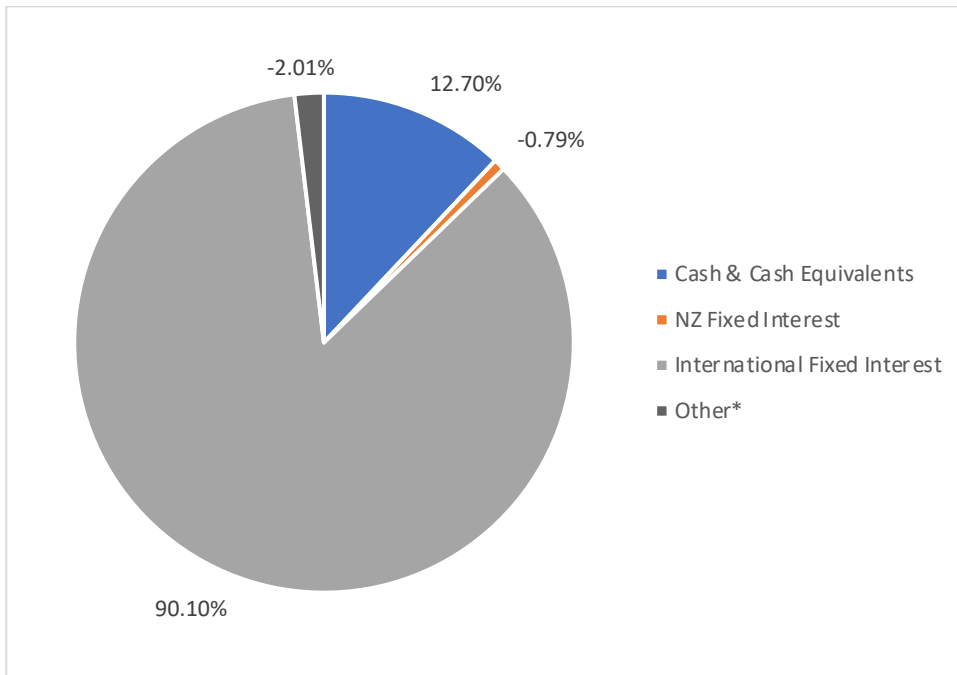
Small differences in fees and charges can have a big impact on your investment over the long term.

Anthony had \$10,000 in the fund on the first day of the month following the funds receipt of its first contribution, 1 November 2020, and did not make any further contributions. At the end of the period to 31 March 2021, Anthony incurred a loss after fund charges were deducted of -\$106 (that is -1.06% of his initial \$10,000). This gives Anthony a total loss after tax of -\$74 for the period.

What does the fund invest in?

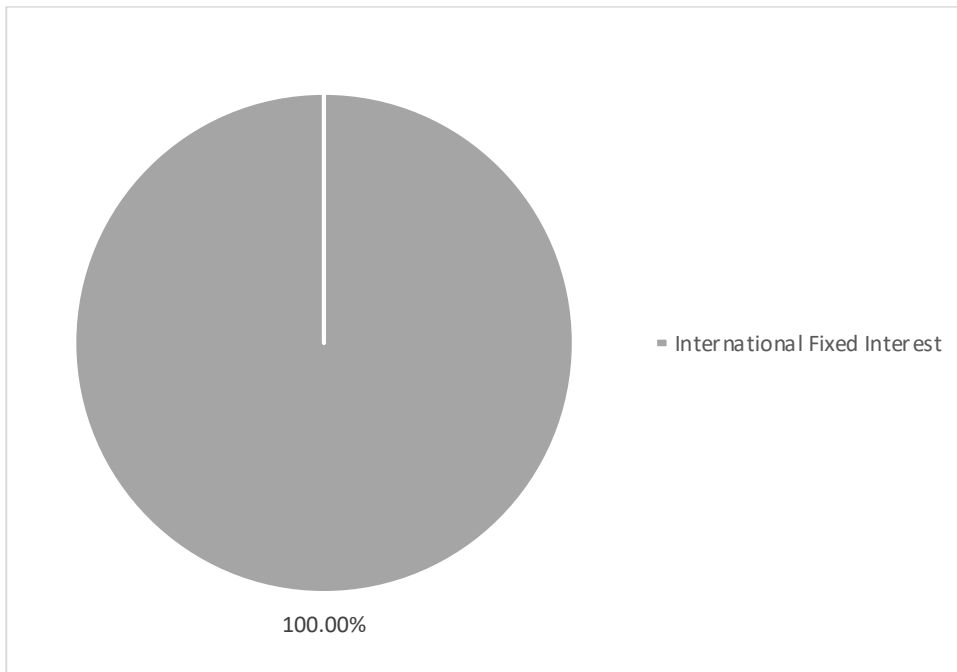
This shows the types of assets that the fund invests in.

Actual investment mix



*Other includes forward currency contracts.

Target investment mix



Top 10 investments

| | Name | % of Fund net assets | Type | Country | Credit rating (if applicable) |
|----|---|----------------------|------------------------------|---------|-------------------------------|
| 1 | New Zealand Dollar Cash Deposit (State Street Bank & Trust) | 7.84% | Cash and cash equivalents | NZ | N/A |
| 2 | US Dollar Cash Deposit (State Street Bank & Trust) | 2.09% | Cash and cash equivalents | US | N/A |
| 3 | Federal National Mortgage Association 3% 14/04/2021 | 1.66% | International fixed interest | US | AAA |
| 4 | Australian Dollar Cash Deposit (State Street Bank & Trust) | 1.18% | Cash and cash equivalents | AU | N/A |
| 5 | Goldman Sachs CCP EUR 1.001% 31/12/2080 | 1.07% | International fixed interest | DE | N/A |
| 6 | US Treasury Notes/Bills 0.125% 15/05/2023 | 0.95% | International fixed interest | US | AAA |
| 7 | Japan 10 Year Government Bond 0.1% 20/06/2029 | 0.92% | International fixed interest | JP | A |
| 8 | Treasury Bill 0% 27/05/2021 | 0.91% | International fixed interest | US | AAA |
| 9 | US Treasury Notes/Bills 1.5% 15/09/2022 | 0.88% | International fixed interest | US | AAA |
| 10 | US Treasury Notes/Bills 2.875% 31/05/2025 | 0.82% | International fixed interest | US | AAA |

The top 10 investments make up 18.32% of the net asset value of the fund.

Key personnel

This shows the directors and employees who have the most influence on the investment decisions of the fund.

| Name | Current position | Time in current position | Previous or other current position | Time in previous or other current position |
|-----------------|-----------------------------|--------------------------|--|--|
| Mike Heath | Investment Committee Member | 1 years 0 months | General Manager, InvestNow | 3 years 0 months |
| Anthony Edmonds | Investment Committee Member | 1 years 0 months | Managing Director, Implemented Investment Solutions | 10 years 4 months |
| Anthony Sowerby | Investment Committee Member | 1 years 0 months | Commercial Manager, InvestNow | 1 years 6 months |
| Rachel Weld | Investment Committee Member | 1 years 0 months | Principal Consultant, Implemented Investment Solutions | 1 years 1 months |

Further information

You can also obtain this information, the PDS for the InvestNow KiwiSaver Scheme Global Fixed Interest Funds, and some additional information from the offer register at <https://disclose-register.companiesoffice.govt.nz>.

Notes

- i. A combination of actual fund returns and market index returns have been used to determine the risk indicator as the fund has not been operating for the required five years. The risk indicator may therefore provide a less reliable indicator of the fund's future volatility. Market index returns have been used until 31 October 2020 and fund returns thereafter.
- ii. As the InvestNow Russell Investments Global Fixed Interest Fund only started accepting contributions on 5 October 2020 historical fee information is not available. The fund charges represent our best estimates of the fees and expenses that will be charged to the fund. These have been estimated using information provided by the underlying fund manager and by reference to the underlying fund's disclosure documents.