

Fund Update

For the quarter ended 30 June 2022

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

This fund update was first made publicly available on: 28 July 2022

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	\$56,915
Number of members in the fund	18
The date the fund started	5 October 2020

What are the risks of investing?

Risk indicator for the InvestNow Russell Investments Global Fixed Interest Fund¹.

⇐ 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 30 June 2022. 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.

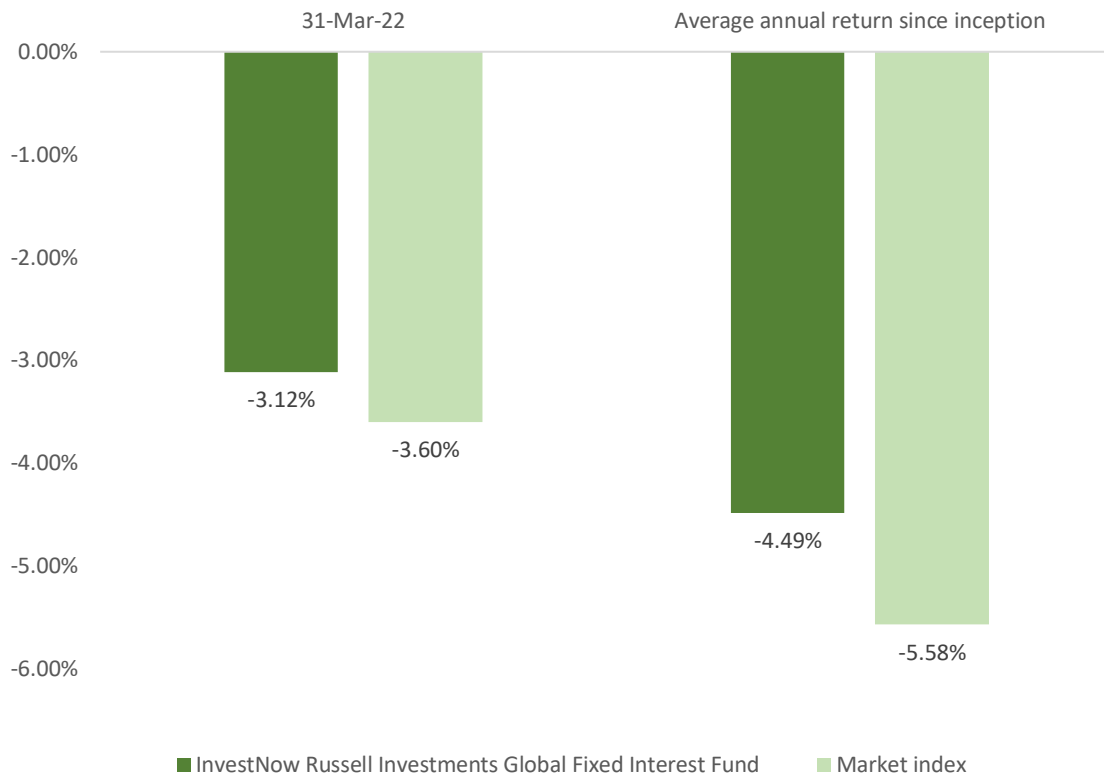
See the product disclosure statement (PDS) for more information about the risks associated with investing in this fund.

How has the fund performed?

	Past year
Annual return (after deductions for charges and tax)	-7.07%
Annual return (after deductions for charges but before tax)	-9.70%
Market index annual return (reflects no deduction for charges and tax)	-8.85%

The market index return is the Bloomberg 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>.

Annual Return 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 June 2022.

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 InvestNow Russell Investments Global Fixed Interest Fund are charged fund charges. . In the year to 31 March 2022 these were:

	% of net asset value (including GST)
Total fund charges (estimate) ⁱⁱ	0.71%
Which are made up of:	
Total manager and administration charges	0.71%
Including:	
Manager's basic fee	0.60%
Other management and administration charges	0.11%

Fund fees were reduced in December 2021. Hence going forward, we expect total fund charges to be less than in the table above. Estimated total fund charges in the current PDS are 0.59% (including GST).

"Manager's basic fee" includes an estimate of the fees and expenses incurred by the underlying fund in which the Fund invests. These have been estimated using information provided by the underlying fund manager and by reference to the underlying fund's disclosure documents.

The 'other management and administration charges' include fees and costs charged in underlying funds. The amount of fees and costs charged in underlying funds has been estimated.

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

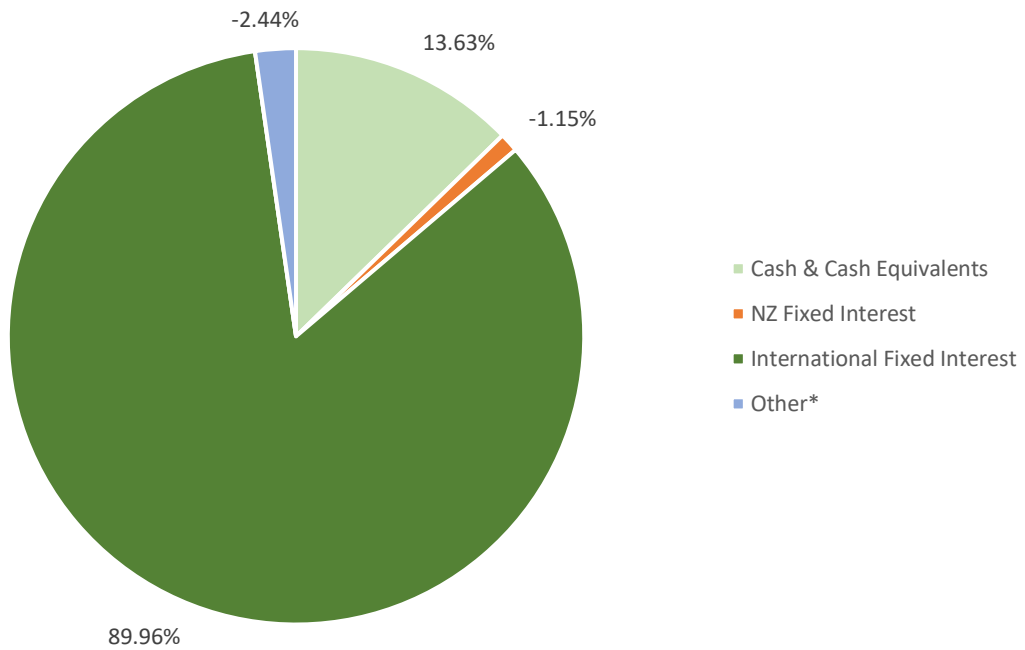
Small differences in fees and charges can have a big impact on your investment over the long term.

Anthony had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year Anthony incurred a loss after fund charges were deducted of \$970 (that is -9.70% of his initial \$10,000). This gives Anthony a total loss after tax of \$707 for the period.

What does the fund invest in?

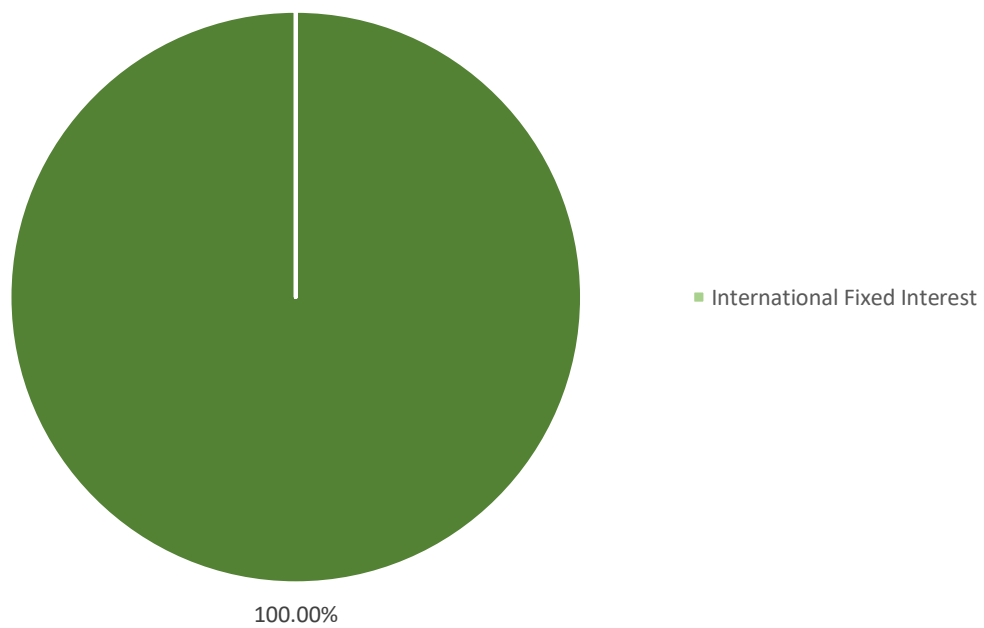
This shows the types of assets that the fund invests in.

Actual investment mix



The fund has 99.51% of its foreign currency exposure hedged to NZD. 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	5.54%	Cash and cash equivalents	NZ	
2	US Dollar Cash	3.13%	Cash and cash equivalents	US	
3	US Treasury Notes/Bills 1.5 15/08/2026	1.57%	International fixed interest	US	AAA
4	US Treasury Notes/Bills 0.375 30/04/2025	1.44%	International fixed interest	US	AAA
5	Japan 20 Year Government Bond 2.2 20/03/2024	1.26%	International fixed interest	JP	A
6	US Treasury Notes/Bills 0 26/07/2022	1.12%	International fixed interest	US	AAA
7	US Treasury Notes/Bills 0.25 15/05/2024	0.96%	International fixed interest	US	AAA
8	Japan 30 Year Government Bond 1.5 20/03/2045	0.93%	International fixed interest	JP	A
9	Japan 10 Year Government Bond 0.1 20/06/2029	0.92%	International fixed interest	JP	A
10	Petroleos Mexicanos 7.47 12/11/2026	0.90%	International fixed interest	MX	BB

The top 10 investments make up 17.77% 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	2 years 3 months	General Manager, InvestNow	4 years 3 months
Anthony Edmonds	Investment Committee Member	2 years 3 months	Managing Director, Implemented Investment Solutions	11 years 7 months
Anthony Sowerby	Investment Committee Member	2 years 3 months	Senior Product Manager, Implemented Investment Solutions	0 years 9 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. Underlying fund fees and expenses are reflected in the unit prices of the underlying funds that are used when calculating the unit price of the Fund. Estimates of these fees and expenses have been made based on information provided by underlying fund managers of each underlying fund's actual costs as a percentage of the average net asset value that was charged, for each underlying fund's previous financial year.