

# Fund Update

## For the quarter ended 30 September 2020

- **Hunter Investment Funds**
- **Hunter Balanced Fund**

This fund update was first made publicly available on: 27 October 2020

### What is the purpose of this update?

This is a replacement fund update. It replaces the previous fund update for the quarter ending 30 September 2020, first made publicly available on 27 October 2020. We identified that the list of the top 10 investments incorrectly left out a security that should have been included. This has been corrected in this fund update and resulted in a change to the “Top 10 investments” section.

This document tells you how the Hunter Balanced 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

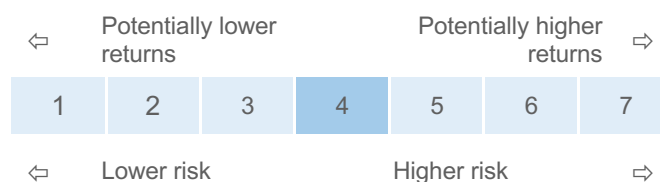
Objective: to perform broadly in line with the return of its investment benchmark before fees and tax over the long-term.

Strategy: aims for mid-range long-run returns by investing in a diversified portfolio with a balance of income and growth assets.

Total value of the fund	\$NZ 434,632
The date the fund started	2 September 2020

### What are the risks of investing?

Risk indicator for the Hunter Balanced Fund<sup>1</sup>.



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 [www.sorted.org.nz](http://www.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 September 2020. 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)	5.41%

The market index return is calculated using the weighted returns (before tax, fees and other expenses) of the Fund's various benchmark asset class indices. 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 [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

## What fees are investors charged?

Investors in the Hunter Balanced Fund are charged fund charges which are:

	% of net asset value (including GST)
Total fund charges (estimate) <sup>2</sup>	0.37%
Which are made up of:	
Total manager and administration charges	0.37%
Including:	
Manager's basic fee	0.37%
Other management and administration charges	0.00%

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 Hunter Diversified Funds on the offer register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz) for more information about those fees.

## Example of how this applies to an investor<sup>3</sup>

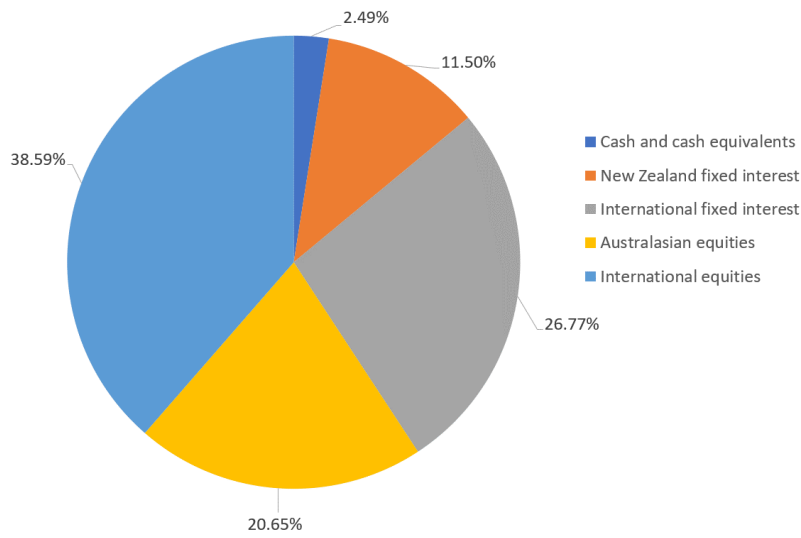
Small differences in fees and charges can have a big impact on your investment over the long term.

Anthony had \$10,000 in the fund when the fund received its first contribution, on 2 September 2020, and did not make any further contributions. At the end of the period to 30 September 2020, Anthony incurred a loss after fund charges were deducted of \$153 (that is -1.53% of his initial \$10,000). This gives Anthony a total loss after tax of \$155 for the period.

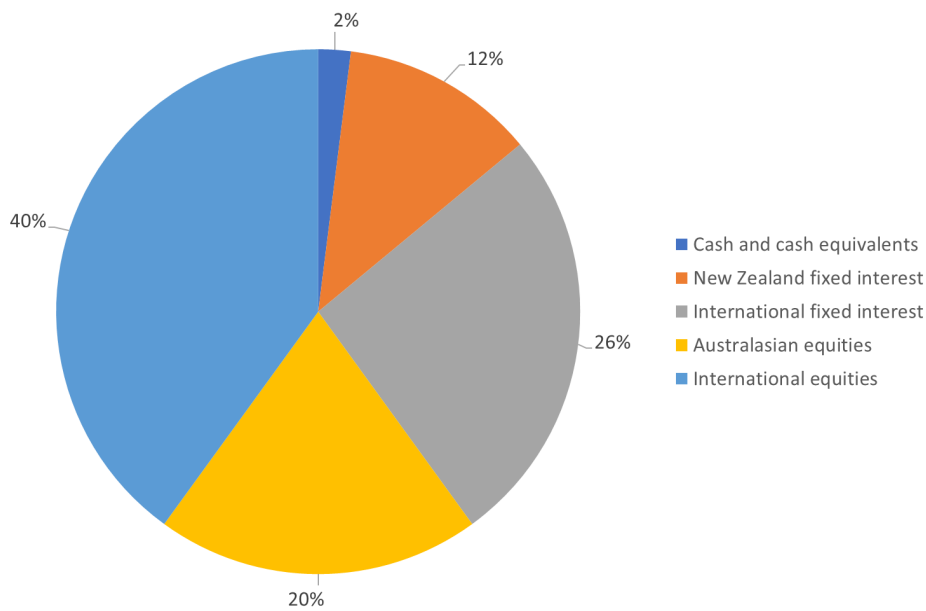
### What does the fund invest in?

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

#### Actual investment mix



#### Target investment mix



The Fund has foreign currency exposure and targets currency positions being fully hedged on international fixed interest assets and unhedged on international equity assets.

## Top 10 investments

	Name	% of Fund net assets	Type	Country	Credit rating (if applicable)
1	AMP Wholesale Unit Trust MSCI Global Index Shares	39.73%	International equities	NZ	
2	AMP Capital NZ Shares Index Fund	19.89%	Australasian equities	NZ	
3	AMP Capital NZ Fixed Interest Fund	13.67%	New Zealand fixed interest	NZ	
4	FEDERAL NATIONAL MORTGAGE ASSOCIATION 151143 0.00 TBA	3.04%	International fixed interest	US	AAA
5	FEDERAL NATIONAL MORTGAGE ASSOCIATION 151140 0.00 TBA	2.83%	International fixed interest	US	AAA
6	FEDERAL NATIONAL MORTGAGE ASSOCIATION 151242 0.00 TBA	2.52%	International fixed interest	US	AAA
7	FEDERAL NATIONAL MORTGAGE ASSOCIATION 151143 0.00 TBA	1.09%	International fixed interest	US	AAA
8	UNITED STATES TREASURY 011020 0.11 REPO	0.81%	International fixed interest	US	AAA
9	NYKREDIT REALKREDIT AS 011050 1.0 CB	0.59%	International fixed interest	DK	AAA
10	Receivables - Distributions	0.49%	Cash and cash equivalents	NZ	

The top 10 investments make up 84.66% 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
Tony Hildyard	Managing Director, Hunter Investment Management	4 years 0 months	Country Head, NZ, PIMCO Australian Pty Ltd	7 years 5 months
Anthony Edmonds	Director, Hunter Investment Management	4 years 0 months	Managing Director, Implemented Investment Solutions	9 years 10 months

## Further information

You can also obtain this information, the PDS for the Hunter Diversified Funds, and some additional information from the offer register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

---

Notes

<sup>1</sup> 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 2 September 2020 and fund returns thereafter.

<sup>2</sup> As the fund only started accepting contributions on 2 September 2020, historical fee information is not available.

<sup>3</sup> As the fund has not existed for a full year, figures in this example are based on returns from the date of the first fund contribution (2 September 2020).