

Fund Fact Sheet

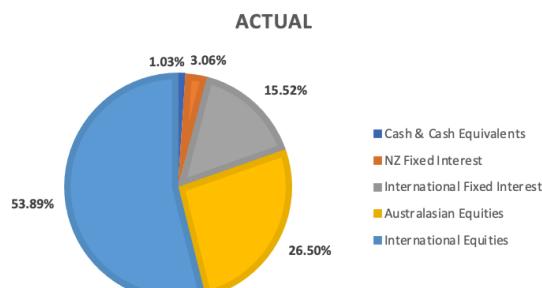
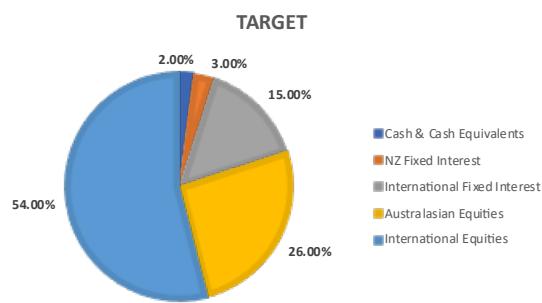
28 February 2021

| Fund Information | |
|---|--|
| Description | Diversified fund targeting high long-run returns by investing in a portfolio weighted towards growth assets but with some income asset exposure. |
| Objective | To perform broadly in line with the return of the weighted average return of the asset class benchmark indices on a before fees and tax basis. |
| Inception | 2 September 2020 |
| Fund Type | PIE |
| Fund Size (NAV) | \$2.8 million |
| Annual Fund Charges (Estimated, % of NAV) | 0.37% |
| Performance Fee | Nil |
| Buy/Sell Spread | 0.10%/0.11% |
| Unit Price | \$1.0179 |

| Performance | 1 Mth | 3 Mths | Incept |
|-------------------------------|--------|--------|--------|
| Fund (no deductions) | -3.06% | -0.80% | 2.10% |
| Benchmark (no deductions) | -3.25% | -1.24% | 0.98% |
| Fund (after fees before tax) | -3.09% | -0.89% | 1.91% |
| Fund (after fees and 28% PIR) | -3.06% | -0.99% | 1.55% |

Investors should also refer to the Quarterly Fund Update, which is available at hunterinvestments.co.nz and business.govt.nz/disclose.

Investment Mix



Commentary

The Hunter Growth Fund slightly outperformed its benchmark in February, returning -3.09% after fees and before tax versus the benchmark return of 1.91%.

Global equity markets were strong over the month as markets priced in better growth outlooks due to expectations that monetary and fiscal stimulus packages will be in place for longer, as well as increasing confidence in observed efficacy of COVID-19 vaccines. Of particular note was the outperformance of value stocks over growth stocks as investors rotated into cyclical sectors.

New Zealand's equity market, however, significantly underperformed. The S&P/NZX 50 Gross Index including Imputation Credits) finished down 6.9%. Market heavyweight a2 Milk Company fell 16.1% over the month as it reported poor earnings which was contrary to the majority of companies which reported strong earnings over the month.

The increasing optimism around global growth saw bond yields rise significantly. This was highlighted by the NZ Government 10-year bond yield rising from 1.1% to 1.9%. As a result of rising yields, the Bloomberg NZ Bond Composite 0+Yr Index declined 3.2% over the month. The Barclays Global Aggregate Index – 100% hedged to NZ dollar fared better but was still down 1.5%.

The Fund's strategy is to provide a well diversified portfolio targeting high long-run returns by reweighting back to the Fund's benchmark/target investment mix within a cost-effective and tax appropriate investment structure.

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