

# Fund Update

## JUNO KiwiSaver Scheme: JUNO Conservative Fund

Fund update for the quarter ended:  
30.06.22

This fund update was first made publicly available on  
28.07.22

### What is the purpose of this update?

This document tells you how the JUNO Conservative Fund has performed and what fees were charged. The document will help you compare the fund with other funds. Pie Funds Management 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 Fund seeks to preserve Members' capital, with modest capital growth over a three to five year period. The Fund invests primarily in fixed interest and cash, with an allocation to equities, directly and/or through the JUNO Balanced Fund.

|  |              |
|--|--------------|
| Total value of the fund as at 30.06.22 | \$27,721,467 |
| Number of investors in the fund        | 1,253        |
| The date the fund started              | 01.08.18     |

### How has the fund performed?

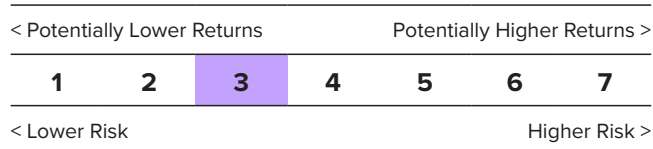
|  | Past Year |
|--|-----------|
| <b>Annual return</b> (after deductions for charges and tax)            | -10.03%   |
| <b>Annual return</b> (after deductions for charges but before tax)     | -10.82%   |
| Market index annual return (reflects no deduction for charges and tax) | -4.68%    |

The market index is a composite index (35% S&P NZX Investment Grade Corporate Bond Total Return Index (NZD)/15% MSCI ACWI IMI Net Total Return Index (NZD)/25% NZBond Bank Bill Index/15% Bloomberg Barclays Global Aggregate Total Return Index Hedged (NZD)/5% S&P/ASX All Ordinaries Total Return Index (NZD)/5% S&P Global REIT Total Return Index (NZD)). The market index changed during the quarter to reflect the revised target asset allocations in the SIPO. In particular the MSCI ACWI IMI Net Total Return Index reduced from 25% to 15% and the were new allocations of 5% each to the S&P/ASX All Ordinaries Total Return Index (NZD) and S&P Global REIT Total Return Index (NZD).

Additional information about the market index is available on the offer register.

### What are the risks of investing?

Risk indicator for the JUNO Conservative 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.

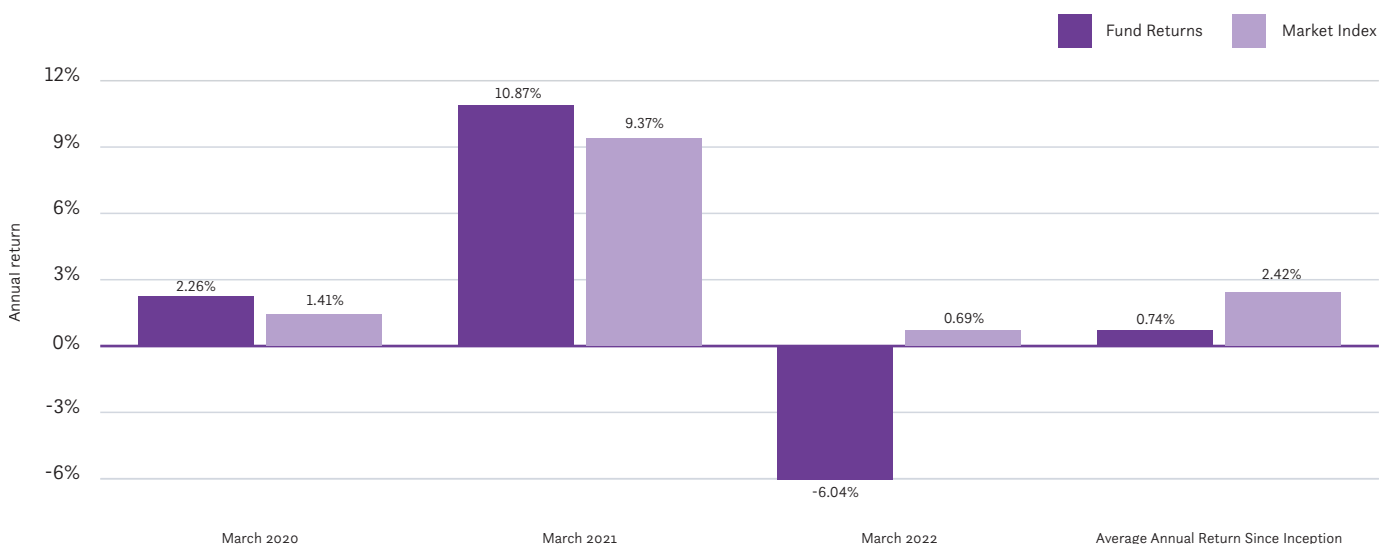
To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at [www.sorted.org.nz/guides/kiwisaver-which-fund-suits](http://www.sorted.org.nz/guides/kiwisaver-which-fund-suits).

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 five 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.

## 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 section 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 JUNO Conservative Fund are charged fund charges. In the year to 31 March 2022, the fees paid by total members were:

|  | % of net asset value          |
|--|-------------------------------|
| <b>Total fund charges</b>                          | <b>0.67%</b>                  |
| Which are made up of:                              |                               |
| <b>Total management and administration charges</b> | <b>0.67%</b>                  |
| Including  |                               |
| Manager's basic fee                                | 0.67%                         |
| Other management and administration charges        | 0.00%                         |
| <b>Total performance-based fees</b>                | <b>0.00%</b>                  |
| <b>Other charges</b>                               | <b>\$ amount per investor</b> |
| Other charges                                      | \$0.00                        |

### Fees are exclusive of GST, if any.

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). **These are not presently charged by the fund.** See the PDS for more information about 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.

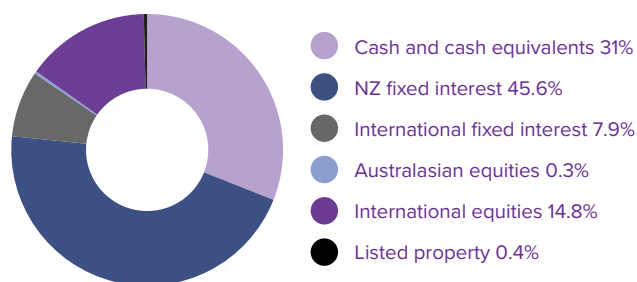
Emma had \$35,000\* in the fund at the start of the year and did not make any further contributions. At the end of the year, Emma incurred a loss after fund charges were deducted of \$3,793 (that is -10.84%\*\* of her initial \$35,000). Emma did not pay any other charges. This gives Emma a total loss after tax of \$3,516 for the year.

\*This figure has been used as it represents close to the average contributing KiwiSaver Scheme member's balance in 2021 (\$35,000) (FMA News and Resources, 4 October 2021).

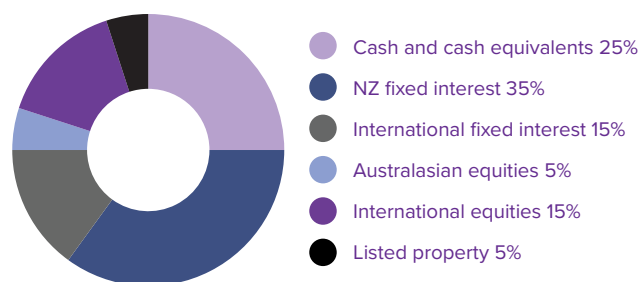
\*\*This percentage return after deducting the total upfront fee of \$240p.a. Fee based on fund balance of \$35,000.

## What does the fund invest in? This shows the types of assets that the fund invests in.<sup>2</sup>

### Actual investment mix



### Target investment mix



**Hedging:** We actively manage all currency exposure. It is not our intention to 100% hedge the currency at all times; some overseas securities may be unhedged. The hedged foreign currency exposure (as a percentage of the total foreign currency exposure in the fund) is 60.62% (unhedged 39.38%).

## Top 10 investments

|    | Name  | % of fund net assets | Type                      | Country | Credit rating (if applicable) |
|----|---|----------------------|---------------------------|---------|-------------------------------|
| 1  | BNZ Call Account - NZD                          | 18.21%               | Cash and cash equivalents | NZ      | AA-                           |
| 2  | ANZ Bank Term Deposit                           | 7.41%                | Cash and cash equivalents | NZ      | AA-                           |
| 3  | Chorus Ltd                                      | 5.26%                | NZ fixed interest         | NZ      | BBB                           |
| 4  | Bank of New Zealand                             | 3.23%                | NZ fixed interest         | NZ      | AA-                           |
| 5  | Bank of China Term Deposit                      | 3.23%                | Cash and cash equivalents | NZ      | A                             |
| 6  | Housing New Zealand Ltd                         | 3.08%                | NZ fixed interest         | NZ      | AAA                           |
| 7  | New Zealand Local Government Funding Agency Ltd | 3.01%                | NZ fixed interest         | NZ      | AAA                           |
| 8  | Argosy Property Ltd                             | 2.78%                | NZ fixed interest         | NZ      | unrated                       |
| 9  | Wellington International Airport Ltd            | 2.62%                | NZ fixed interest         | NZ      | BBB                           |
| 10 | Oceania Healthcare Ltd                          | 2.51%                | NZ fixed interest         | NZ      | unrated                       |

The total value of the top 10 individual assets of the fund make up 51.34% of the net asset value of the fund.

## Key personnel

| Name                        | Current position   | Time in current position | Previous or other current position  | Time in previous or other current position |
|-----------------------------|--|--------------------------|-------------------------------------|--|
| Michael Taylor              | Executive Director and CEO and Acting Chief Investment Officer from March 2022 | 15 years and 0 months    | Manager at BOS International        | 2 years and 0 months                       |
| Mark Devcich                | Portfolio Manager  | 0 years and 4 months     | Chief Investment Officer, Pie Funds | 2 years and 11 months                      |
| Guy Thornewill <sup>3</sup> | Head of Global Research  | 3 years and 11 months    | Portfolio Manager at Ruffer LLP     | 9 years and 0 months                       |

## Further information

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

## Notes

- As the Fund has not been in existence for five full years, its risk category has been calculated using market index returns as well as actual returns. As a result, the risk indicator may provide a less reliable indicator of the potential future volatility of the fund. Market index returns have been used for the period from 1 July 2017 – 31 July 2018. During times of extreme market volatility, the risk may be greater than indicated. Past performance may not be reliable indicator for the risk of the fund.
- For further information on each of the asset classes refer to the PDS and SIPO.
- New addition to Key Personnel