

# FUND UPDATE

## Ports Retirement Plan Balanced Fund for the year ended 31 March 2023

This fund update was first made publicly available effective 30 June 2023.

### WHAT IS THE PURPOSE OF THIS UPDATE?

This document tells you how the fund has performed and what fees were charged. The document will help you to compare the fund with other funds. Ports Retirement Trustee Limited prepared this update in accordance with the Financial Markets Conduct Act 2013.

This information is not audited and may be updated.

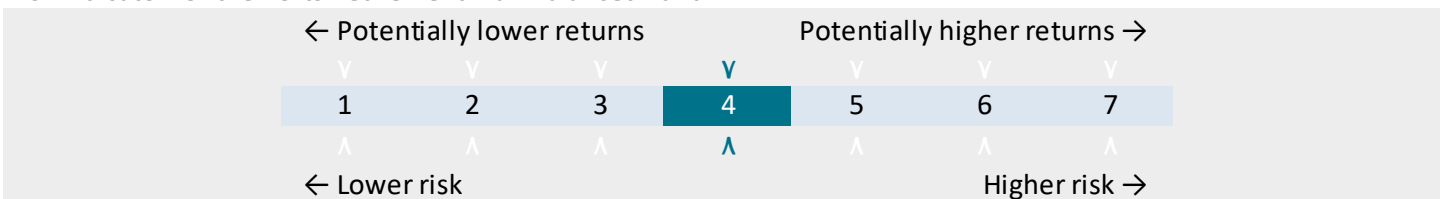
### DESCRIPTION OF THIS FUND

This is the default fund for all active members. The fund has a diversified investment strategy with a broadly balanced strategic asset allocation between growth and income assets. The fund's aim is to achieve a return (after tax at the highest PIR and investment expenses) of 1.5% per annum above inflation - as measured by the consumers price index - over rolling 5-10 year periods.

Total value of the fund	\$74,570,606
Number of investors in the fund	524
The date the fund started	1 April 1985

### WHAT ARE THE RISKS OF INVESTING?

Risk indicator for the Ports Retirement Plan Balanced Fund:



The risk indicator for the Ports Retirement Plan Balanced Fund is 4. 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/tools/investor-kickstarter>.

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 2023. 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.

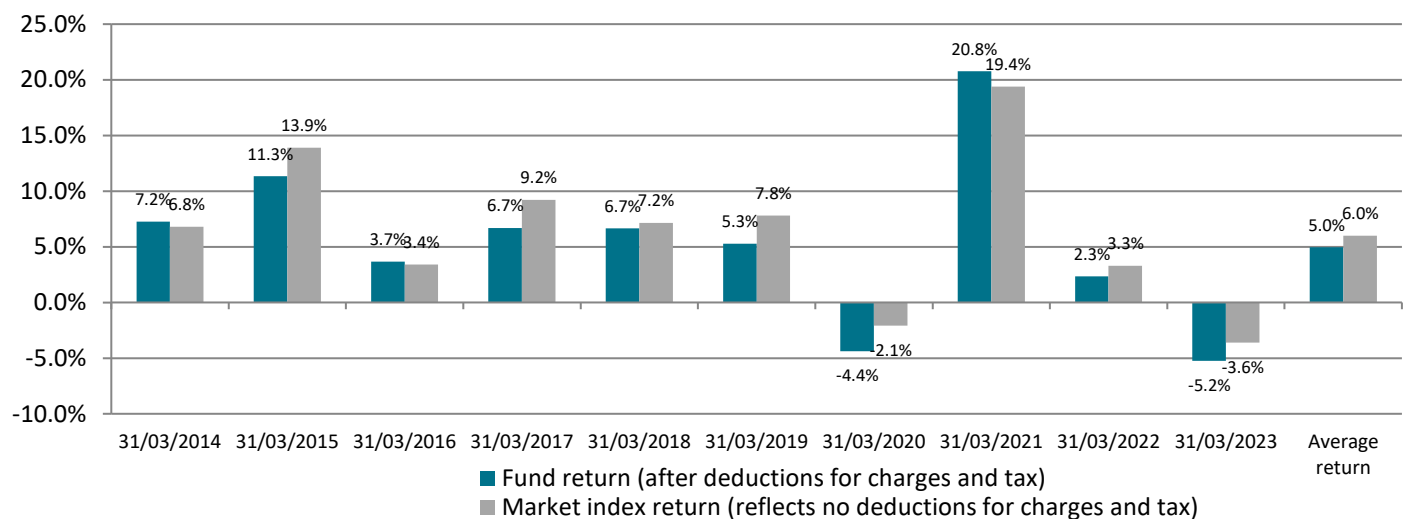
Please see the Product Disclosure Statement (PDS) for more information about the risks associated with investing in this fund. Refer to <https://portsretirement.org.nz/>.

## HOW HAS THE FUND PERFORMED?

	Average over past five years	Past year
Annual return (after deductions for charges and tax)	3.35%	-5.25%
Annual return (after deductions for charges but before tax)	3.56%	-6.09%
Market index annual return (reflects no deduction for charges and tax)	4.65%	-3.60%

The market index return is the strategic asset allocation weighted benchmark index return, where the benchmark indices are defined in the Statement of Investment Policy and Objectives. Additional information about the market index is available on the scheme register at: <https://disclose-register.companiesoffice.govt.nz/> (search for Ports Retirement Plan).

## ANNUAL RETURN GRAPH



This shows the return after fund charges and tax for each of the last 10 years ending 31 March. The last bar shows the average annual return for the last 10 years, up to 31 March 2023.

**Important:** This does not tell you how the fund will perform in the future.

The 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 Ports Retirement Plan Balanced Fund pay fund charges. In the year to 31 March 2023 these were:

	% of net asset value
<b>TOTAL FUND CHARGES</b>	<b>0.81%</b>
<b>Which are made up of:</b>	
<b>TOTAL MANAGEMENT AND ADMINISTRATION CHARGES</b>	<b>0.81%</b>
<b>Including:</b>	
Manager's basic fee	0.81%
Other management and administration charges	0.00%
<b>TOTAL PERFORMANCE BASED FEES</b>	<b>0.00%</b>
	Dollar amount per investor
<b>OTHER CHARGES</b>	<b>\$60</b>

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

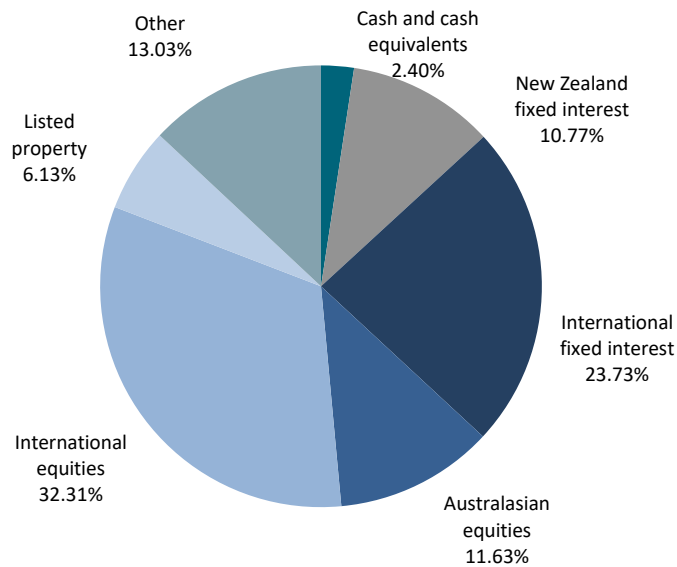
## EXAMPLE OF HOW THIS APPLIES TO AN INVESTOR

Michael 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, Michael received a return after fund charges were deducted of -\$525 (that is -5.25% of his initial \$10,000). Other charges of \$60 were deducted. This gives Michael a total return after tax of -\$585 for the year.

## WHAT DOES THE FUND INVEST IN?

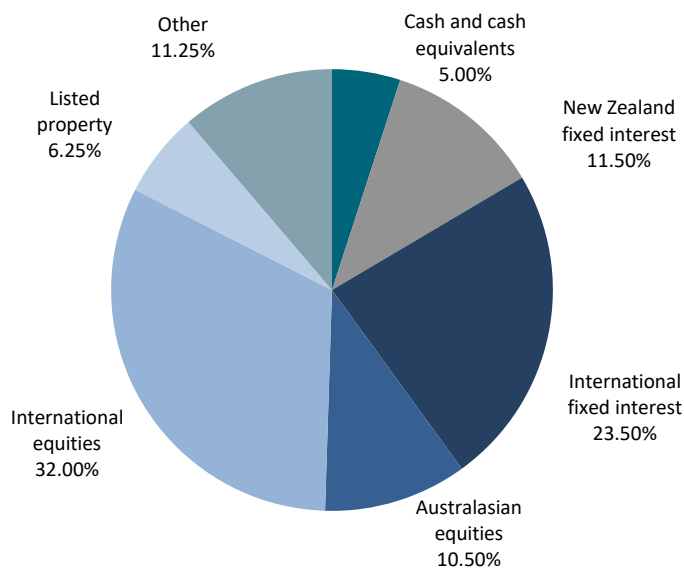
### Actual investment mix

This shows the types of assets that the fund invests in



### Target investment mix

This shows the mix of assets that the fund generally intends to invest in.



## TOP 10 INVESTMENTS

	Name	% of fund net assets	Type	Country	Credit rating (if applicable)
1	ANZ Wholesale International Share Fund Hedged	22.2%	International equities	NZ	
2	ANZ Wholesale International Aggregate Bond Fund	13.8%	International fixed interest	NZ	
3	Macquarie NZ Fixed Interest Fund	10.8%	New Zealand fixed interest	NZ	
4	ANZ Wholesale International Share Fund	10.1%	International equities	NZ	
5	Nikko Global Bond Fund	9.9%	International fixed interest	NZ	
6	Harbour Australasian Equity Fund	7.1%	Australasian equities	NZ	
7	Macquarie Global Listed Infrastructure Fund	7.0%	Other	NZ	
8	Macquarie Global Property Securities Fund	6.1%	Listed property	NZ	
9	Nikko Wholesale Multi-Strategy Fund	6.1%	Other	NZ	
10	ANZ Wholesale Australian Share Fund	4.6%	Australasian equities	NZ	

The top 10 investments make up 97.6% of the fund.

Refer to the Statement of Investment Policy and Objectives for more information which is available from: <https://www.disclose-register.companiesoffice.govt.nz/>.

### Currency hedging

International equities are managed on an active basis and are 50% hedged (net of tax for a member taxed at the highest PIR) to the New Zealand dollar. The allowable exposure range is 30% to 70% depending on the fund manager's view.

Australian equities are managed on an active basis with a target of 0% hedging and an exposure range of 30% to 70% (before tax) depending on the fund manager's view.

The following asset classes are 100% hedged to the New Zealand dollar unless otherwise agreed by the Trustee:

- International listed property
- International listed infrastructure
- Alternative income assets
- International fixed interest.

## KEY PERSONNEL

This shows the Investment managers' 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 position	Time in previous or other position
1	Paul Huxford	Chief Investment Officer, ANZ Investment Management	3 year, 9 months	Managing Director, Head of Europe Middle East and Africa Equities Research, JP Morgan	4 years, 0 months
2	Padraig Brown	Chief Investment Officer, Mercer New Zealand	0 years, 7 months	Head of Real Estate Investment Management, Mercer Australia (Pty) Ltd	11 years, 2 months
3	Andrew Bascand	Managing Director, Portfolio Manager, Harbour Asset Management	12 years, 3 months	Alliance Capital, Head of Equities, Portfolio Manager	10 years, 0 months
4	Stuart Williams	Head of Equities, Nikko Asset Management	8 years, 8 months	Portfolio Manager – OnePath (NZ) Limited	1 year, 7 months

## FURTHER INFORMATION

You can also obtain this information and some additional information from the offer register at:

<https://www.disclose-register.companiesoffice.govt.nz/>.

## NOTES