

## FUND UPDATE

### WHAI RAWA CONSERVATIVE FUND

### WHAI RAWA UNIT TRUST

Quarter Ending 31 December 2016

This Fund Update was first made publicly available on 10 February 2017

#### WHAT IS THE PURPOSE OF THIS UPDATE?

This document tells you how the Whai Rawa Conservative Fund has performed and what fees were charged. Whai Rawa Fund Limited prepared this update in accordance with the Financial Markets Conduct Act 2013.

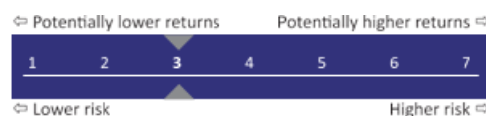
#### DESCRIPTION OF THE FUND

The Whai Rawa Conservative Fund invests mostly in cash and fixed interest, with only some investment in shares and real assets. This fund may be suitable for investors who want to achieve slightly higher returns than those expected from investing solely in cash. Investors need to be comfortable with the possibility of some fluctuations in returns.

Total value of the Fund	\$55,908,938
Number of investors in the fund	22,776
The date the fund started	1 October 2006

#### WHAT ARE THE RISKS OF INVESTING?

##### Risk indicator for the Whai Rawa Conservative Fund



The risk indicator for the Whai Rawa Conservative Fund is **3**. 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 (volatility). 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/calculators/investment-planner](http://www.sorted.org.nz/calculators/investment-planner)

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.

The 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 2016. 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.

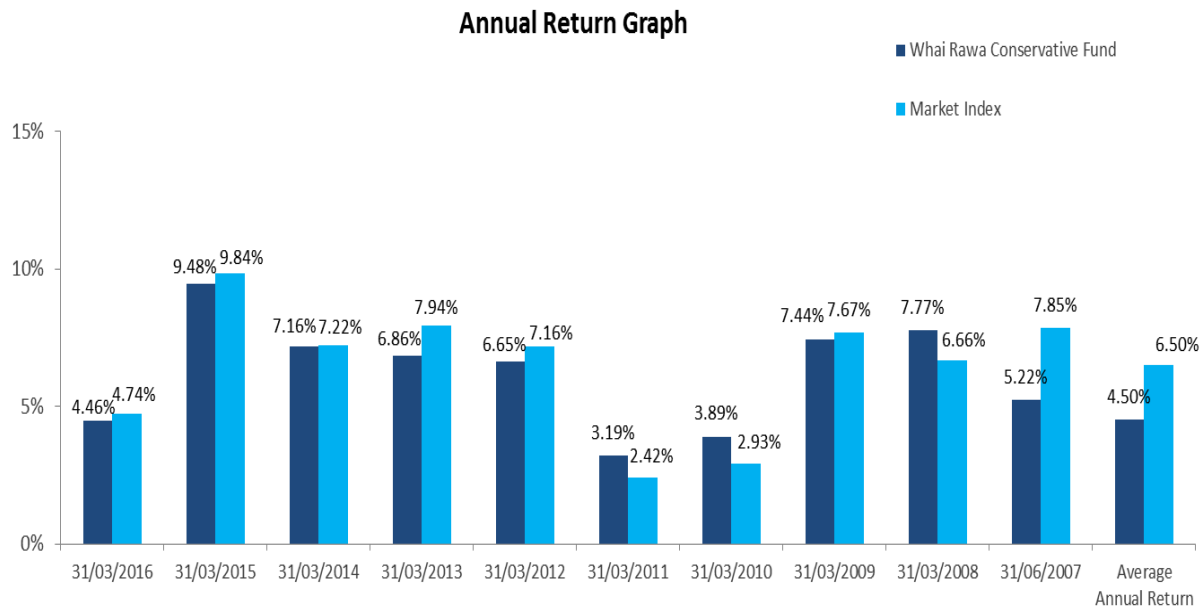
## HOW HAS THE FUND PERFORMED?

### Fund Performance – past five years, past year and since the fund started

Past year return – net of annual fund charges and tax	4.31%
Past year return – net of annual fund charges and gross of tax	5.47%
Market index past year return – no deductions for charges and tax	5.36%
Average 5 year return – net of annual fund charges and tax	5.38%
Average 5 year return – net of annual fund charges and gross of tax	7.14%
Market index average 5 year return – no deductions for charges and tax	7.12%
Return since fund started – net of annual fund charges and tax	4.50%
Market index return since fund started	6.50%

### Annual Past Performance

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 offer register.



This shows the return after the fund charges and tax for each year ending 31 March since the fund started, excluding 2007 which shows 8 months. The last bar shows the average annual return since the fund started, up to 31 December 2016. Note that market indices reflect no deduction for charges and tax.

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

## WHAT FEES ARE INVESTORS CHARGED?

Total annual fund charge	0.51%
Managers basic fee	0.48%
Total performance-based fees	0.00%
Other management and administration charges	0.03%
Performance fees	No
Currency for total amount of other charges	NZD
Individual action charges	No
Synthetic total expense ratio	0.51%

Small differences in fees and charges can have a big impact on your investment over the long term. Investors are not currently charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the PDS for more information about Scheme Fees.

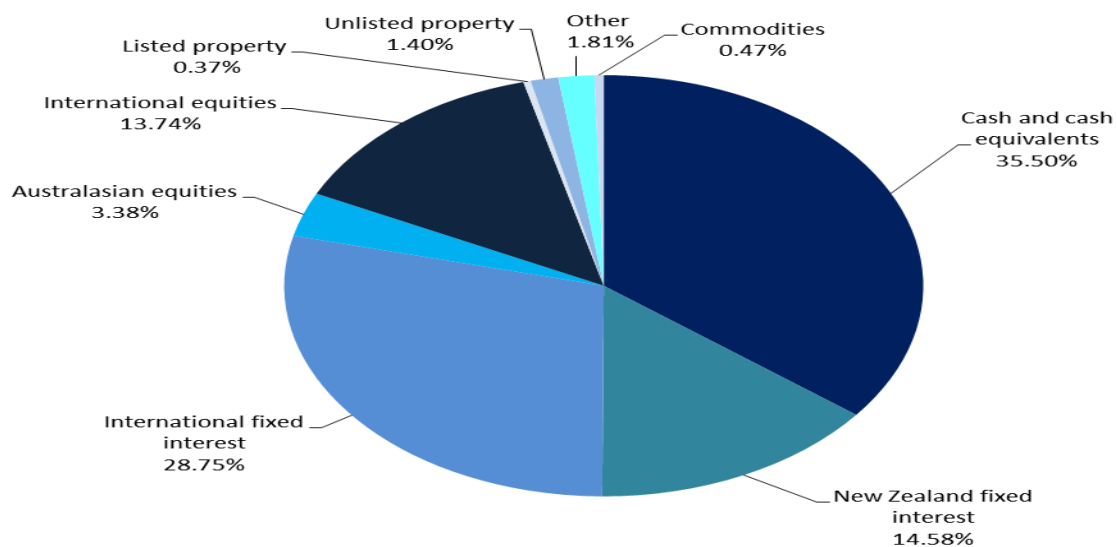
## EXAMPLE OF HOW THIS APPLIES TO AN INVESTOR

Rawiri had \$10,000 in the fund at the start of the year and didn't make any further contributions. At the end of the year, Rawiri received a return after fund charges were deducted of \$431.00 (that is 4.31% of his initial \$10,000). Rawiri did not have to pay other charges. This gives Rawiri a total return after tax of \$431.00 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

Cash and cash equivalents	30.00%
New Zealand fixed interest	15.00%
International fixed interest	35.00%
Australasian equities	5.00%
International equities	11.00%
Listed property	0.88%
Unlisted property	0.87%
Commodities	0.50%
Other	1.75%

## Top 10 Investments

Asset name	% of fund net assets	Type	Country	Credit Rating
AMP Capital Investors NZ Cash Fund	33.90%	Cash and cash equivalents	New Zealand	N/A
ANZ Wholesale Sovereign Bond Fund	14.43%	New Zealand Fixed Interest	New Zealand	N/A
Challenger Harris Global Sovereign Bond Trust	7.00%	International Fixed Interest	Australia	N/A
Colonial First State Wholesale Investment Grade Corporate Bond Fund	4.29%	International Fixed Interest	Australia	N/A
Schroder Global Core Fund	3.27%	International Equities	Australia	N/A
New Zealand Dollar Custodial Account – Diversified MITNZ	1.29%	Cash and cash equivalents	New Zealand	N/A
Fisher Institutional Property Fund	0.40%	Unlisted property	New Zealand	N/A
ISHARES TRUST CORE S P 500 ETF	0.37%	International Equities	United States	N/A
New Zealand Dollar Custodial Account – MITNZ Indexed Cash Portfolio	0.34%	Cash and cash equivalents	New Zealand	N/A
Fletcher Building Ltd	0.33%	Australasian Equities	New Zealand	N/A
<b>Total Value of top 10 assets</b>	<b>65.63%</b>			

### Currency hedging

Currency hedging can apply to some of the asset classes this fund invests in. The level of currency hedging for global shares is managed between 0% and 100% and may change over time depending on Mercer's view of the relative strength (or weakness) of the New Zealand dollar. Other global assets classes (Global Fixed Interest and Real Assets), target a 100% net of tax hedge to the New Zealand dollar. Refer to the Statement of Investment Policy and Objectives for more information which is available from [www.companies.govt.nz/disclose](http://www.companies.govt.nz/disclose).

### ASSET LIQUIDITY AND DEBT RATIOS

Asset liquidity ratio	97.16%
Debt ratio	0.47%

### KEY PERSONNEL

This shows the directors who have influence on the investment decisions of the fund.

Name	Current position	Time in position	Previous/other position	Time in previous/other position
Kristen Kohere-Soutar	Chair	1 year 7 months	Whai Rawa Fund Limited Board member	2 years
Paul Mersi	Board member	1 year 10 months	Financial Services and Tax Partner at PricewaterhouseCoopers	16 years
Fiona Pimm	Board member	2 years 8 months	Board member NZ Council for Educational Research	2 years 4 months
Martin Hawes	Board member	2 years 1 month	Authorised Financial Advisor	5 years 3 months
Chris Murphy	Board member	2 year 1 month	Associate Director Ngāi Tahu Tourism and Holdings	2 years 1 month

#### FURTHER INFORMATION

You can also obtain this information, the Product Disclosure Statement for the Whai Rawa Unit Trust and some additional information from the offer register at [www.business.govt.nz/disclose/](http://www.business.govt.nz/disclose/)

#### GOT ANY QUESTIONS?

Visit our website [www.whairawa.com](http://www.whairawa.com) or call us on 0800 WHAI RAWA (0800 942 472) or 03 366 4344. You can reach us between 8.30am and 5.00pm Monday to Friday, except public holidays. If you're calling from overseas you can contact us on +61 3 341 6792.