

FUND UPDATE

kōura KiwiSaver Scheme : NZ Equities Fund

Fund Update for the quarter ended **30 September 2022**

This update was first made publicly available on 28 October 2022.

What is the purpose of this update?

This document tells you how the kōura KiwiSaver Scheme NZ Equities Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. kōura Wealth Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

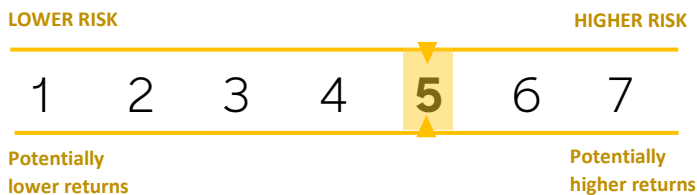
Description of this fund

The Fund provides investors an exposure to the New Zealand share market. The Fund invests in a portfolio of New Zealand listed shares that aim to replicate the Morningstar New Zealand index adjusted to ensure that no single company makes up more than 7% of the underlying index at the start of any month. The Fund expects to deliver a negative return once in every 3-5 years.

| | |
|---------------------------------|------------------------|
| Total value of the fund (\$) | \$ 8,636,566 |
| Number of investors in the fund | 1396 |
| The date the fund started | 23 October 2019 |

What are the risks of investing?

Risk indicator for the NZ Equities Fund¹:



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://www.sorted.org.nz/guides/kiwisaver-which-fund-suits>

Note that even the lowest category does not mean a risk-free investment, and there may be 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 five years ended 30 September 2022¹. 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.

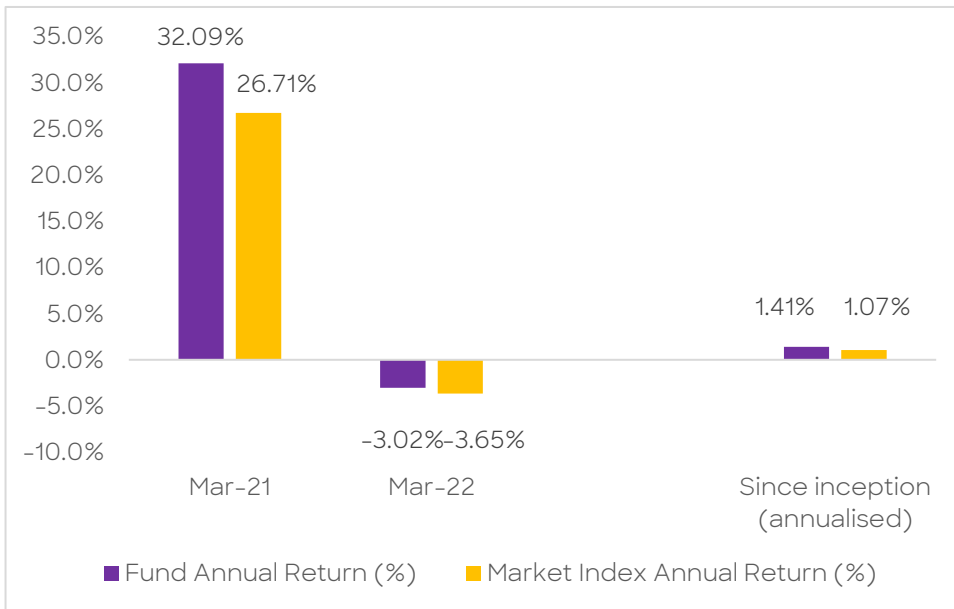
See the product disclosure statement (PDS) for more information about the risks associated with investing in this fund.

How has the fund performed?

| | Past Year |
|---|-----------|
| Annual Return (After deductions for charges and tax) | (14.69%) |
| Annual Return (After deductions for charges but before tax) | (14.70%) |
| Market index annual return (Reflects no deduction for charges and tax) | (16.28%) |

The market index for this fund is the Morningstar New Zealand Gross Return index. Any dividends received are reinvested into the market index, and there are no deductions for charges and tax.

Annual return graph ^{2,3}



This shows the return after fund charges and tax for each year ending 31 March since the fund started. The last bar shows the return since the fund started, up to 30 September 2022 on an annualised basis.

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

Returns in this update are after tax at the highest prescribed investor rate (PIR) 28% tax for an individual New Zealand resident. Your tax may be lower. The market index return reflects no deduction for charges and tax.

What fees are investors charged?

Investors in the NZ Equities Fund are charged fund charges. For the year to 31 March 2022, these were:

| | % of net asset value |
|--|-----------------------------------|
| Total Fund charges | 0.63% |
| Which are made up of: | |
| Total Management and administration charges | 0.63% |
| Including: | |
| Manager's basic fee | 0.63% |
| Other Management and administration fees | 0.00% |
| Total performance based fees | 0.00% |
| | Dollar amount per investor |
| Other charges | |
| Administration Fee | \$30 per year |

All fund charges are exclusive of GST.

Investors are not charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds).

Example of how this applies to an investor

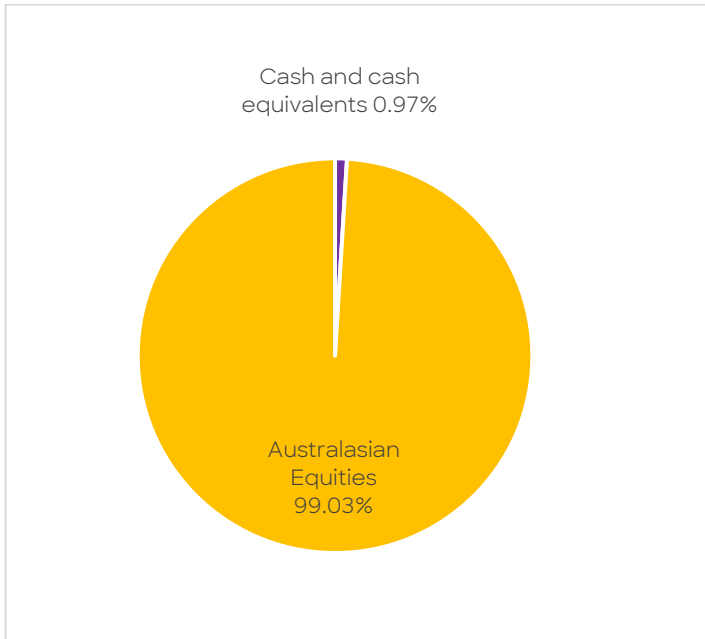
Small differences in fees and charges can have a big impact on your investment over the long term.

Lily had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of year, Lily incurred a loss after fund charges were deducted of \$1,469. (That is, 14.69% of her initial \$10,000). Lily also paid \$30 in administration charges. This gives Lily a loss after tax and charges of \$1,499 for the year.

What does the fund invest in?

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

Actual investment mix



Target investment mix

| | | | |
|------------------------------|----|------------------------|-----|
| Cash and cash equivalents | 1% | International equities | 0% |
| New Zealand fixed interest | 0% | Australasian equities | 99% |
| International fixed interest | 0% | Unlisted property | 0% |
| Listed Property | 0% | Commodities | 0% |
| Other | 0% | | |

The fund does not have an exposure to assets denominated in foreign currencies.

Top 10 investments

| Asset Name | % of fund net assets | Type | Country | Credit rating |
|------------------------------------|----------------------|-----------------------|-------------|---------------|
| Auckland International Airport Ltd | 7.10% | Australasian Equities | New Zealand | |
| Fisher & Paykel Healthcare Ltd | 7.02% | Australasian Equities | New Zealand | |
| Spark New Zealand Ltd | 6.90% | Australasian Equities | New Zealand | |
| Infratil Ltd | 6.79% | Australasian Equities | New Zealand | |
| Ebos Group Ltd | 6.47% | Australasian Equities | New Zealand | |
| Contact Energy Ltd | 6.39% | Australasian Equities | New Zealand | |
| Meridian Energy Limited | 6.34% | Australasian Equities | New Zealand | |
| Mainfreight Ltd | 6.26% | Australasian Equities | New Zealand | |
| A2 Milk Company Ltd | 4.94% | Australasian Equities | New Zealand | |
| Fletcher Building Ltd | 4.12% | Australasian Equities | New Zealand | |

The top ten investments make up 62.33% of the fund. There are no foreign assets in 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 |
|--------------------------|--|--------------------------|---|--|
| Warren Couillault | Chairman, Investment Committee Member | 3 years, 2 months | CEO, Hobson Wealth (Current) | 5 Years, 2 months |
| Rupert Carlyon | Managing Director, Investment Committee Member | 3 years, 10 months | Director, KPMG | 2 years, 0 months |
| David Moore | Investment Committee Member | 3 years, 2 months | Executive Director, UBS AG | 29 years, 6 months |
| Nigel Scott | Director, Investment Committee Member | 1 year, 7 months | Non-Executive Director, Hobson Wealth (Current) | 2 year, 2 months |

Further information

You can also obtain this information, the PDS for the Kōura KiwiSaver Scheme and some additional information from the offer register at <http://www.companiesoffice.govt.nz/disclose>. Search Koura KiwiSaver Scheme under offers.

Notes

1. As the fund started on 23 October 2019, actual returns for the fund are not available until then. To calculate the risk indicator for the five-year period ending 30 September 2022, market index returns have been used up to 31 October 2019 with actual fund returns used for the balance of the period. As a result of those market returns, the risk indicator may provide a less reliable indicator of the potential future volatility of the fund.
2. Performance has been calculated from 23 October 2019, when the first investment was made in the fund.
3. The bar chart show fund returns after the deduction of fees and taxes, however, the market index returns are shown before any fees or taxes are deducted.