

IVCM Vanguard LifeStrategy 80% Equity Fund

Fund Update

Quarter Ended 31 December 2023

This fund update was first made publicly available on 9th February 2024



What is the purpose of this update?

This document tells you how the IVCM Vanguard LifeStrategy 80% Equity Fund (**Fund**) has performed and what fees were charged. The document will help you to compare the Fund with other funds. MB Funds Limited (**MB Funds**) 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

A Great British Pounds (**GBP**) denominated fund employing a passive management strategy invested 80% in growth assets (international equities), with a 20% exposure to income assets (international fixed interest). The Fund's investment objective seeks to track a composite index (before annual fund charge and tax), comprising 80% MSCI World Index net div (GBP) and 20% Bloomberg Barclays Global Aggregate Index (GBP hedged).

Total value of the Fund	£1,396,434
Number of investors in the Fund	18
The date the Fund started	14 September 2023

What are the risks of investing?

Risk indicator for the IVCM Vanguard LifeStrategy 80% Equity 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 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. As the Fund has not been in existence for five years, the risk indicator is based on market index data for the period 1 January 2019 to 30 September 2023 and actual returns for the period 1 October 2023 to 31 December 2023. As a result of this, the risk indicator may provide a less reliable indicator of the potential future volatility of the Fund. 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 return² (after deductions for charges and tax)	Not applicable ²
Annual return (after deductions for charges but before tax)	Nor applicable ²
Market index annual return (reflects no deduction for charges and tax)	13.46%

The market index annual return is a composite index, calculated using 80% MSCI World Index net div (GBP) and 20% Bloomberg Barclays Global Aggregate Index (GBP hedged). To the extent that imputation credits are available, they are included in the market index.



See the Statement of Investment Policy and Objectives (**SIPO**) for details of the Fund's benchmark asset allocation and the asset class indices.



Additional information about the market index is available in the 'Market Index' document on the offer register at disclose-register.companiesoffice.govt.nz (search for 'IVCM (NZ) PIE Superannuation Fund').

What fees are investors charged?

Investors in the Fund are charged fund charges. Our estimate of fund charges is:

	% of net asset value
Total fund charges³	1.31%
Which are made up of:	
Total management and administration charges⁴	1.31%
<i>Including:</i>	
• Manager's basic fee	0.69%
• Other management and administration charges ⁴	0.62%
Total performance-based fees*	0.00%
Other charges	Dollar amount per investor
	£0.00

* There are no performance fees charged by the Fund.

All fees include GST (if applicable).



Investors may also be charged individual action fees for specific actions or decisions (for example, an establishment fee). See the PDS for more information about these fees.

Example of how this applies to an investor⁵

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

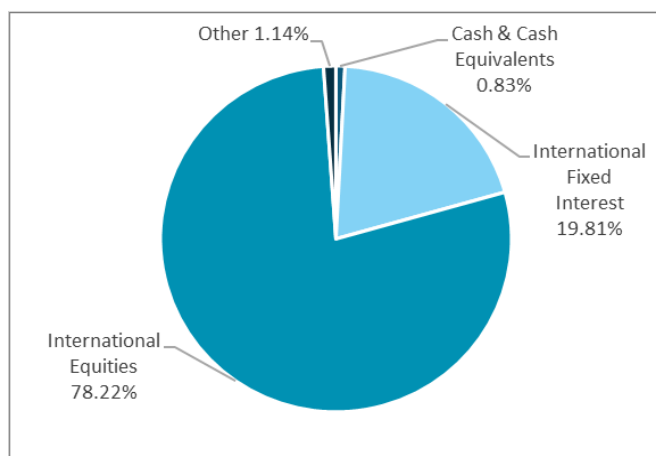
Example of how this applies to an investor²

Ben 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, Ben received a return after fund charges were deducted of £1,215 (that is 12.15% of his initial £10,000). Ben also paid £0.00 in other charges. This gives Ben a return after tax of £1,215 for the year.

What does the fund invest in?

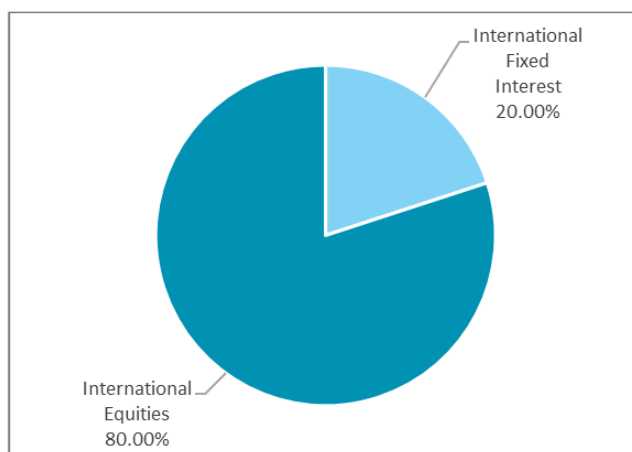
Actual investment mix

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	Percentage of net assets of the Fund	Type	Country	Credit rating (if applicable)
Vanguard LifeStrategy 80% Equity Fund - Income (GBP)	99.23%	Diversified fund	Great Britain	-
Bank of New Zealand GBP Call Account	0.77%	Cash and Cash Equivalents	New Zealand	AA-

The top 2 investments make up 100.00% of the Fund.

Currency hedging

The base currency of the Fund and Underlying Fund is pounds sterling. No currency hedging is performed at the Fund level and the Fund is not hedged to New Zealand dollars. One of the investment funds that the underlying fund invest in are hedged back to pounds sterling by the investment manager of the Underlying Fund. The remainder of the investment funds that the Underlying Fund are invested in are pounds sterling denominated investment funds or investment funds that are not hedged. The one investment funds that the Underlying Fund invests in, that is hedged, is:

Underlying investment fund	Benchmark hedging level
Vanguard Global Bond Index Fund Pound Sterling Hedged Accumulation Shares	100.00%

MB Funds has made reasonable endeavours to obtain all relevant information regarding currency hedging, but due to a lack of information (i.e. the underlying investment manager does not publish foreign hedging levels) MB Funds is not able to report the foreign hedging level of the six investment funds the Underlying Fund invests in.



Additional information about currency hedging is available in the 'SIPO' on the Scheme Register at disclose-register.companiesoffice.govt.nz (search for 'IVCM (NZ) PIE Superannuation 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 position	Time in previous or other position
Christopher Wells	Director MB Funds Limited	8 years and 5 months	Director Infiniti Solutions Limited	4 years and 5 months
Kenji Steven	Director MB Funds Limited	7 years and 8 months	Chairman Infiniti Capital	10 years and 2 months

Further Information



You can also obtain this information, the PDS for the IVCM (NZ) PIE Superannuation Fund, and some additional information from the offer register at: companiesoffice.govt.nz/disclose (search for 'IVCM (NZ) PIE Superannuation Scheme').

Notes

1. This fund came into existence on 14 September 2023 and received its first investment on 20 September 2023. To calculate the risk indicator over a 5-year period, market index return data has been used for the period up to 30 September 2023 and actual returns for the period 1 October 2023 to 31 December 2023. Using market index return data may make the risk indicator a less reliable indicator of how much fund values are likely to go up and down in future.
2. The fund has not yet been in existence for a 12-month period.
3. Including GST. The fund has not been in existence for a 12-month period, so the Annual Fund Charges are based on an estimate of assets under management, fund performance, fees and expenses forecast to occur in the 12 months following the first unitisation of the fund. More information about the estimated Annual Fund Charges is available on the IVCM (NZ) PIE Superannuation Fund's offer register at www.companiesoffice.govt.nz/disclose.
4. As the fund has not been in existence for a 12-month period, these fee estimates are based on our best estimate of the forecast asset flows and fund performance. Fee estimates are calculated monthly based on agreed fee rates as a % of forecast assets in the fund or by allocating estimated direct costs to the fund. We have included all known and expected expenses of the fund in the estimate of Annual Fund Charges. Included in the Annual Fund Charges is an estimate of fees charged monthly by the underlying investment managers to their funds. More information about the estimated Annual Fund Charges is available on the IVCM (NZ) PIE Superannuation Fund's offer register at www.companiesoffice.govt.nz/disclose.
5. As the fund has not been in existence for a 12-month period, the example has been calculated based on the market index return less estimated Annual Fund Charges. The impact of tax on the market index return cannot be calculated until the Fund is invested. The Scheme invests into foreign assets where income is determined under the Fair Dividend Rate method and is subject to tax under the Foreign Investor Zero Rate PIE tax regulations.

