IVCM (NZ) PIE Superannuation Fund

# IVCM Vanguard LifeStrategy 40% Equity Fund

# Fund Update

Quarter Ended 30 June 2024

This fund update was first made publicly available on 26th July 2024

## What is the purpose of this update?

This document tells you how the IVCM Vanguard LifeStrategy 40% 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

Great British Pounds (**GBP**) denominated fund employing a passive management strategy invested 40% in growth assets (international equities), with a 60% exposure to income assets (international fixed interest). The Fund investment objective seeks to track a composite index (before annual fund charge and tax), comprising 40% MSCI World Index net div (GBP) and 60% Bloomberg Barclays Global Aggregate Index (GBP hedged).

| | |
|---|---|
| Total value of the Fund | £4,527,220 |
| Number of investors in the Fund | 29 |
| The date the Fund started | 1 August 2017 |

## What are the risks of investing?

*Risk indicator for the IVCM Vanguard LifeStrategy 40% Equity Fund*

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. The risk indicator is based on the returns data for the period 1 July 2019 to 30 June 2024. 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? [1]

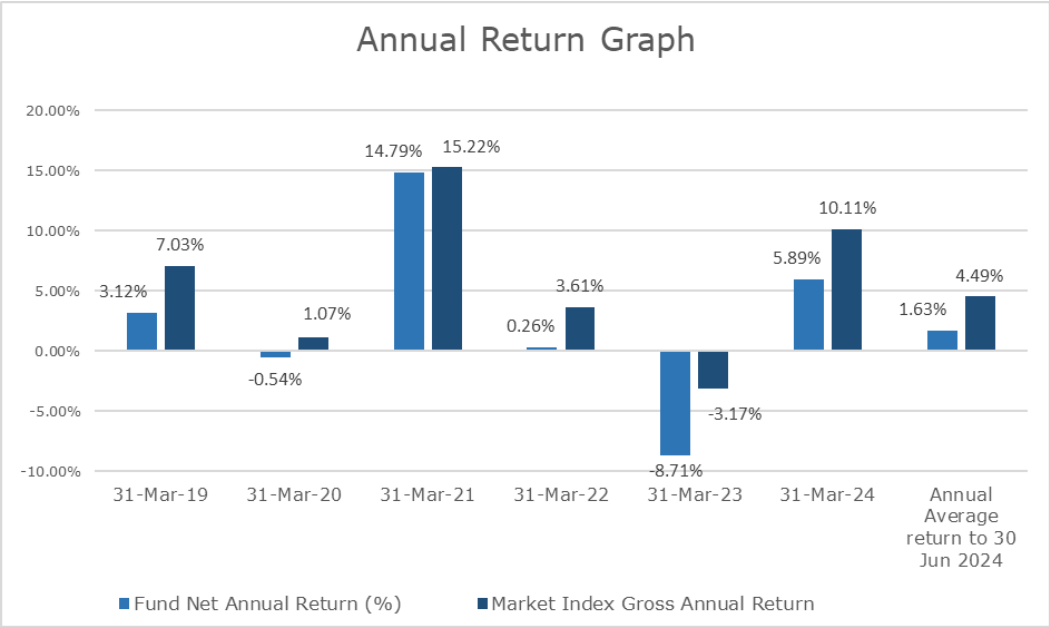
| | Average over past 5 years | Past year |
|---|---|---|
| **Annual return**[2] (after deductions for charges and tax) | 1.17% | 9.10% |
| **Annual return** (after deductions for charges but before tax) | 2.31% | 10.63% |
| Market index annual return (reflects no deduction for charges and tax) | 4.11% | 10.04% |

The market index annual return is a composite index, calculated using 40% MSCI World Index net div (GBP) and 60% Bloomberg Barclays Global Aggregate Index (GBP hedged). To the extent that imputation credits are available, they are included in the market index.

The market index changed on 21 December 2018 from a composite index, calculated using 40% MSCI World Index and 60% Bloomberg Barclays Global Aggregate Index (both in pound sterling) to a composite index, calculated using 40% MSCI World Index net div (GBP) and 60% Bloomberg Barclays Global Aggregate Index (GBP hedged) as it is a more appropriate index in terms of assessing movements in the market in relation to the returns from the assets in which the Fund invests.

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').




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 2024.

**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**) of tax for an individual New Zealand resident. Your tax may be lower.

## What fees are investors charged?

Investors in the Fund are charged fund charges. In the year to 30 September 2023 these were:

| | % of net asset value |
|---|---|
| **Total fund charges** | **1.31%** |
| Which are made up of: | |
| **Total management and administration charges** | **1.31%** |
| *Including:* | |
| • Manager's basic fee | 0.69% |
| • Other management and administration charges | 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 investor

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

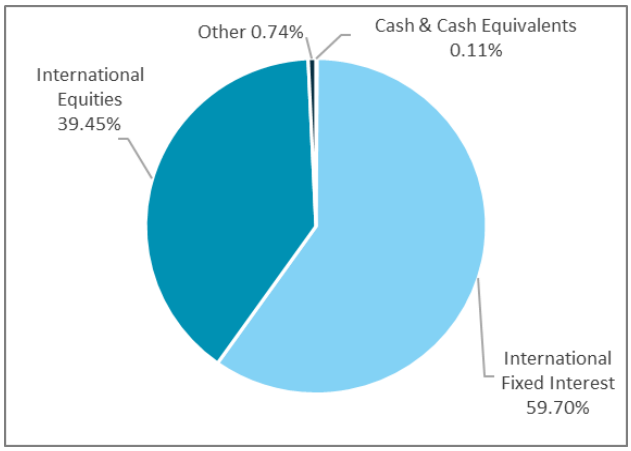
**Example of how this applies to an investor**

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 £1,063 (that is 10.63% of his initial £10,000). Ben also paid £0.00 in other charges. This gives Ben a total income after tax of £910 for the year.

## What does the fund invest in?

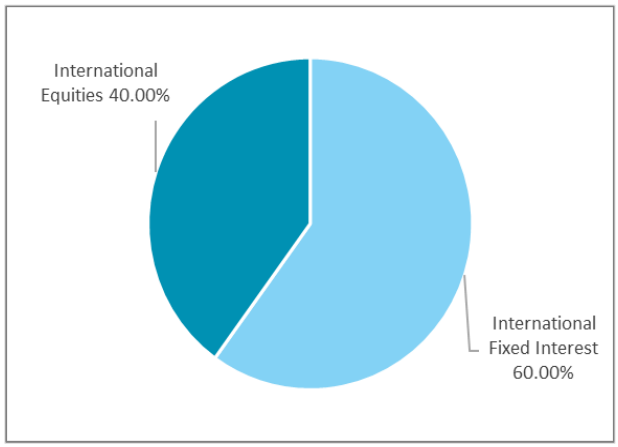
### *Actual investment mix*

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 40% Equity Fund - Income (GBP) | 99.90% | Diversified fund | Great Britain | - |
| Bank of New Zealand GBP Call Account | 0.08% | Cash and Cash Equivalents | New Zealand | AA- |
| Bank of New Zealand NZD Call Account | 0.02% | Cash and Cash Equivalents | New Zealand | AA- |

The top 3 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. Eight 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 eight investment funds that the Underlying Fund invests in, that are hedged, are:

| Underlying investment fund | Benchmark hedging level |
|---|---|
| Vanguard Global Bond Index Fund Pound Sterling Hedged Accumulation Shares | 100.00% |
| Vanguard U.S. Investment Grade Credit Index Fund Pound Sterling Hedged Accumulation Shares | 100.00% |
| Vanguard Euro Government Bond Index Fund Pound Sterling Hedged Accumulation Shares | 100.00% |
| Vanguard U.S. Government Bond Index Fund Pound Sterling Hedged Accumulation Shares | 100.00% |
| Vanguard Japan Government Bond Index Fund Pound Sterling Hedged Accumulation Shares | 100.00% |
| Vanguard Euro Investment Grade Bond Index Fund Pound Sterling Hedged Accumulation Shares | 100.00% |
| Vanguard Global Aggregate Bond UCITS ETF Pound Sterling Hedged Accumulation Shares | 100.00% |
| Vanguard USD Corporate Bond UCITS ETF GBP 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 eight 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<br>MB Funds Limited | 8 years and 11 months | Director<br>Infiniti Solutions Limited | 4 years and 5 months |
| Moira Calley | Chief Operations Officer<br>MB Funds Limited | 4 years and 0 months | Financial Controller<br>NZ Capital Strategies Limited | 6 years and 5 months |
| John Cummins | Director<br>MB Funds Limited | 0 years and 5 months | Chief Investment Officer<br>MoneyMe Financial Group Pty Ltd (previously SocietyOne Australia) | 7 years and 2 months |
| Kent Gillman | Director<br>MB Funds Limited | 0 years and 5 months | Director & Founder<br>Save My Bacon Limited | 13 years and 8 months |
| Marcus Morrison | Director<br>MB Funds Limited | 0 years and 5 months | Director<br>Zagga Limited | 9 years and 4 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. MB Funds (the Manager) has used weekly unit prices to calculate the fund performance for the Vanguard LifeStrategy 40% Equity Fund.
2. From 1st April 2021 the methodology for calculating performance after tax has been changed. The Annual Returns Graph periods after 1st April 2021 use the new methodology for the amounts reported.