

Fund Update

For the quarter ended 31 December 2023

- Vision Invest NZ Funds
- Vision Income Fund

This fund update was first made publicly available on: 13 February 2024

What is the purpose of this update?

This document tells you how the Vision Income Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. FundRock NZ 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

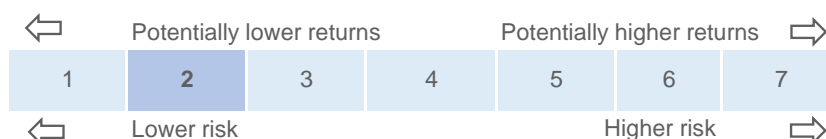
Objective: To generate returns (after fees but before tax) that are above the median 1 year gross term deposit rate paid by the registered New Zealand banks.

Strategy: To provide members of the Brethren community (Community) with an investment product that suitably satisfies the Community's ethical requirements, as an alternative to other fixed income investments in the market. The fund will make loans to businesses in the Community, and may make investments in other fixed income investments and cash and cash-like investments. The fund may also invest in other credit funds or collective investment vehicles whose investments include loans made to the Community.

Total value of the fund	\$NZ 132,456,449
The date the fund started	5 June 2020

What are the risks of investing?¹

Risk indicator for the Vision Income 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 www.sorted.org.nz

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.

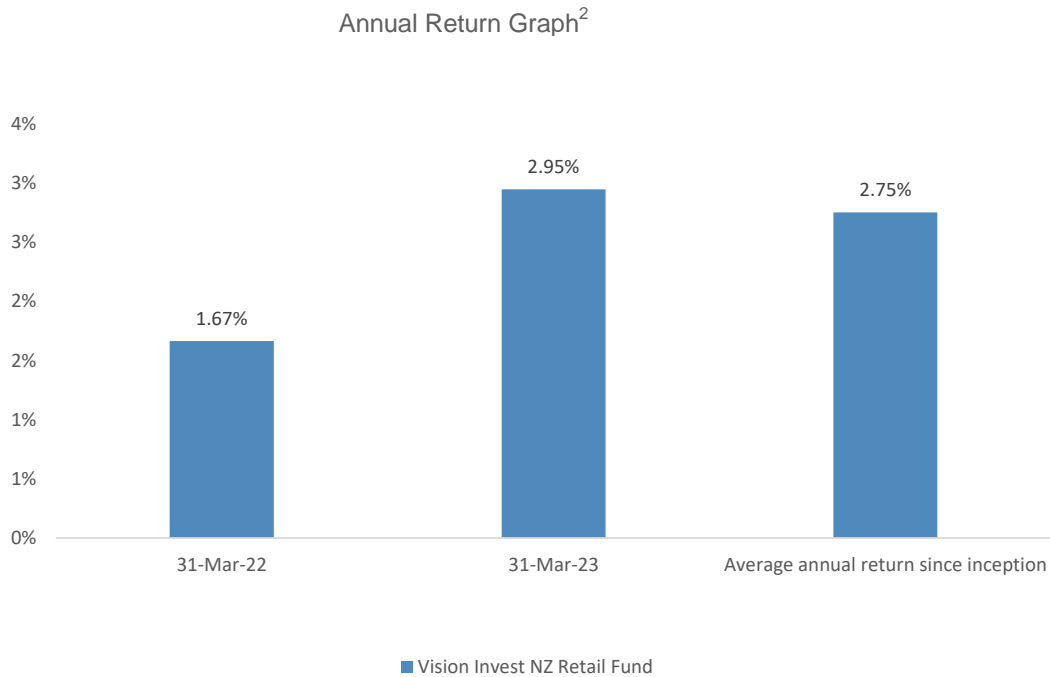
This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for 5 years to 31 December 2023. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

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)	4.84%
Annual return (after deductions for charges but before tax)	6.51%

There is no appropriate market index and no suitable comparable peer group index for the fund against which to assess either movements in relation to the returns from the assets in which the fund invests or the performance of the fund as a whole. For further information see the document entitled “Vision Income Fund - No Market Index - FMC Conduct Market Index Exemption 2023” available on the offer register at <https://disclose-register.companiesoffice.govt.nz>.



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 31 December 2023.

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 Vision Income Fund are charged fund charges. In the year to 31 March 2023 these were:

	% of net asset value (including GST)
Total fund charges	1.96%
Which are made up of:	
Total manager and administration charges	1.96%
Including:	
Manager's basic fee (including GST)	1.77%
Other management and administration charges	0.19%

Other management and administration charges includes audit, legal, administration, custody and Supervisor fees.

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the PDS for the Vision Income Fund on the offer register at www.disclose-register.companiesoffice.govt.nz for more information about those fees.

Example of how this applies to an investor

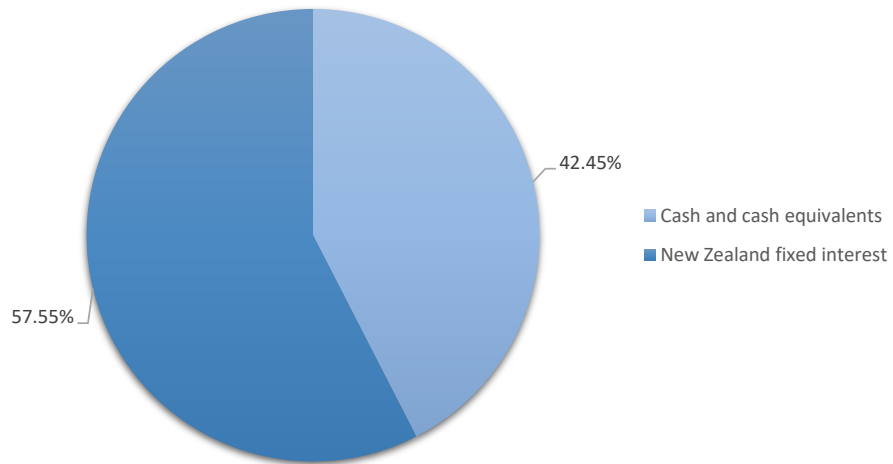
Small differences in fees and charges can have a big impact on your investment over the long term.

Anthony 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, Anthony received a return after fund charges were deducted of \$651 (that is 6.51% of his initial \$10,000). This gives Anthony a total return after tax of \$484 for the year.

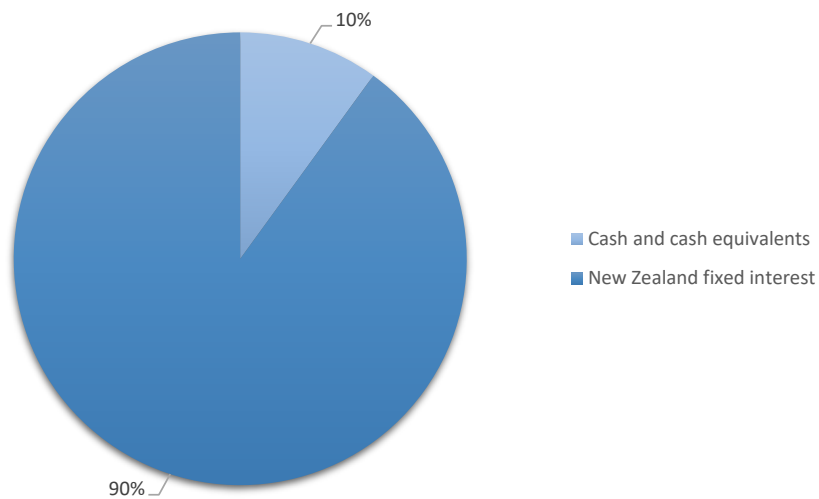
What does the fund invest in?

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

Actual investment mix



Target investment mix



Top 10 investments

	Name*	% of Fund net assets	Type	Country	Risk Rating**	Credit rating (if applicable)
1	Mercer Macquarie NZ Cash Fund	38.08%	Cash and cash equivalents	NZ	N/A	N/A
2	Loans secured by other assets	6.04%	New Zealand fixed interest	NZ	1	N/A
3	Cash at Bank (BNZ)	4.37%	Cash and cash equivalents	NZ	N/A	AA-
4	Loans secured by other assets	4.03%	New Zealand fixed interest	NZ	1	N/A
5	Loans secured by commercial property	3.52%	New Zealand fixed interest	NZ	1	N/A
6	Loans secured by other assets	3.47%	New Zealand fixed interest	NZ	1.25	N/A
7	Loans secured by other assets	3.02%	New Zealand fixed interest	NZ	1	N/A
8	Loans secured by other assets	2.90%	New Zealand fixed interest	NZ	1	N/A
9	Loans secured by commercial property	2.73%	New Zealand fixed interest	NZ	1	N/A
10	Loans secured by commercial property	2.57%	New Zealand fixed interest	NZ	1.25	N/A

The top 10 investments make up 70.73% of the net asset value of the fund.

* For all the loans held by the fund where "other assets" is the primary security asset type, the other assets are secured by business assets such as stock, debtors, plant & equipment, as well as personal assets of the guarantor.

** Investors can find more information on the risk rating methodology in the Vision Invest NZ Funds Other Material Information document, which can be found at <https://disclose-register.companiesoffice.govt.nz>.

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
Brett Craig	Director/Portfolio Manager, Aura Funds Management	7 years 5 months	Vice President, Macquarie Bank	5 years 2 months
Angela Ashton	Independent Chair of the Investment and Credit Committee	6 years 4 months	Director, Evergreen Consultants (current position)	7 years 0 months

Further information

You can also obtain this information, the PDS for the Vision Invest NZ Funds, and some additional information from the offer register at www.disclose-register.companiesoffice.govt.nz.

Additional information³

Loan assets by term	% of total assets
Term of one year or less	9.84%
Term of more than one year and less than, or equal to, five years	17.36%
Term of more than five years and less than, or equal to, ten years	29.17%
Term of more than 10 years	0.00%

Loans are allocated a primary security asset type based on the zoning of the principal secured property that is set in the local council's district plan.

For all the loans held by the fund where "other assets" is the primary security asset type, the other assets are secured by business assets such as stock, debtors, plant & equipment, as well as personal assets of the guarantor.

The total number of loans advanced by the fund is 45.

10 largest loans	% of net assets
Loans secured by other assets	6.04%
Loans secured by other assets	4.03%
Loans secured by commercial property	3.52%
Loans secured by other assets	3.47%
Loans secured by other assets	3.02%
Loans secured by other assets	2.90%
Loans secured by commercial property	2.73%
Loans secured by commercial property	2.57%
Loans secured by other assets	2.26%
Loans secured by other assets	2.26%
TOTAL	32.80%

Risk rating	% of net assets
1	47.14%
1.1 - 2.0	10.42%
2.1 - 3.0	0.00%
3.1 - 4.0	0.00%

Investors can find more information on the risk rating methodology in the Vision Invest NZ Funds Other Material Information document, which can be found at <https://disclose-register.companiesoffice.govt.nz>.

Asset type	% of total assets
Loans secured by residential property	2.38%
Loans secured by commercial property	12.36%
Loans secured by rural property	1.71%
Loans secured by other assets	41.09%
Unsecured loans	0.00%
Cash and cash equivalents, and NZ fixed interest assets, with registered banks	42.45%
Other assets	0.00%

Notes

- ¹ The fund has been in existence for less than 5 years. Returns from the Sovereign Capital Trust (a New Zealand wholesale unit trust which invests in a similar way to that proposed by the fund) have been used to calculate the risk indicator for the period 30 June 2020 and fund returns thereafter. The risk indicator may therefore provide a less reliable indicator of the fund's future volatility.
- ² There is no appropriate market index and no suitable comparable peer group index for the Fund against which to assess either movements in relation to the returns from the assets in which the Fund invests or the performance of the fund as a whole. See Financial Markets Conduct (UBT Invest NZ Funds) Exemption Notice 2020.
- ³ The Manager has prepared this additional information in accordance with the Financial Markets Conduct (UBT Invest NZ Funds) Exemption Notice 2020.