



# Fund Update

## For the quarter ended 31 March 2024

- **ACI Funds**
- **ACI Balanced Strategy**

This fund update was first made publicly available on: 30 April 2024

### What is the purpose of this update?

This document tells you how the ACI Balanced Strategy 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

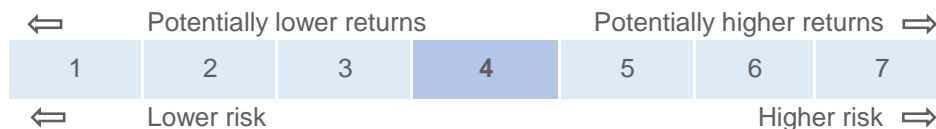
Objective: To achieve a rate of return (net of fees but before tax) of at least 3.125% per annum above inflation (as measured by Statistics New Zealand's Consumer Price Index) over rolling five-year periods.

Strategy: Blend of the ACI Conservative Fund and ACI Growth Fund. The strategy invests mainly in growth assets but includes some income assets.

Total value of the fund	\$NZ 437,514
The date the fund started	4 April 2023

### What are the risks of investing?<sup>i</sup>

Risk indicator for the ACI Balanced Strategy.



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](http://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 March 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?

	Past year
Annual return (after deductions for charges and tax)	Not applicable
Annual return (after deductions for charges but before tax)	Not applicable
Market index annual return (reflects no deduction for charges and tax)	14.11%

The market index return reflects a composite of benchmark index returns, weighted for the fund's target asset allocation. The benchmark indices used for each asset class are defined in the Statement of Investment Policy and Objectives (SIPO). Additional information about the market index is available on the offer register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

## What fees are investors charged?

Investors in the ACI Balanced Strategy are charged fund charges which are:

	% of net asset value (including GST)
Total fund charges (estimate) <sup>ii</sup>	1.25%
Which are made up of:	
Total manager and administration charges (including GST)	1.25%
Including:	
Manager's basic fee (including GST)	1.25%
Other management and administration charges	0.00%

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 ACI Balanced Strategy on the offer register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz) for more information about those fees.

## Example of how this applies to an investor<sup>iii</sup>

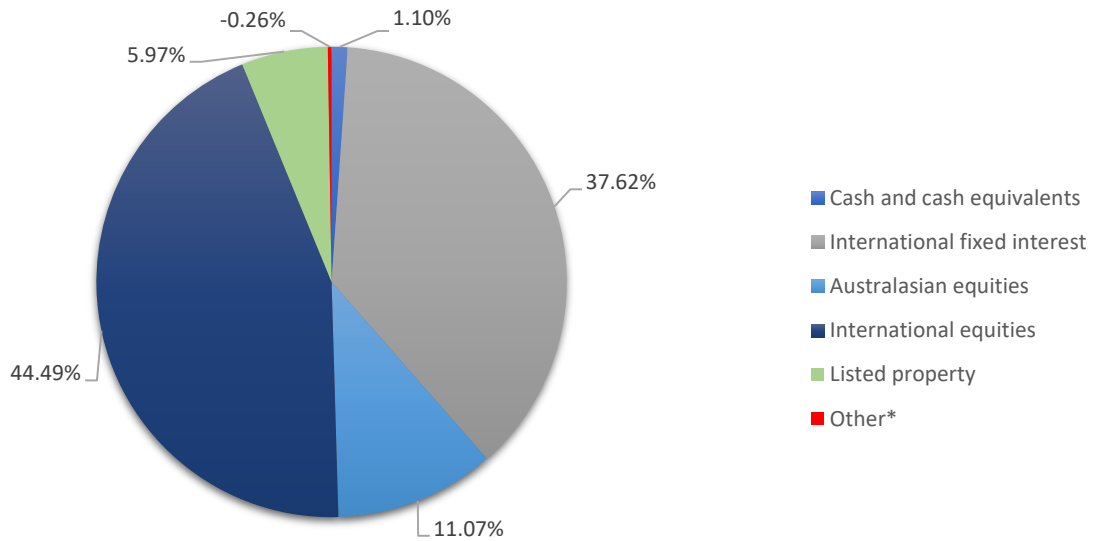
Small differences in fees and charges can have a big impact on your investment over the long term.

Anthony had \$10,000 in the fund when the fund received its first contribution, 4 April 2023 and did not make any further contributions. At the end of the period to 31 March 2024, Anthony received a return after fund charges were deducted of \$1,339 (that is 13.39% of his initial \$10,000). This gives Anthony a total return after tax of \$1,221 for the period.

### What does the fund invest in?

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

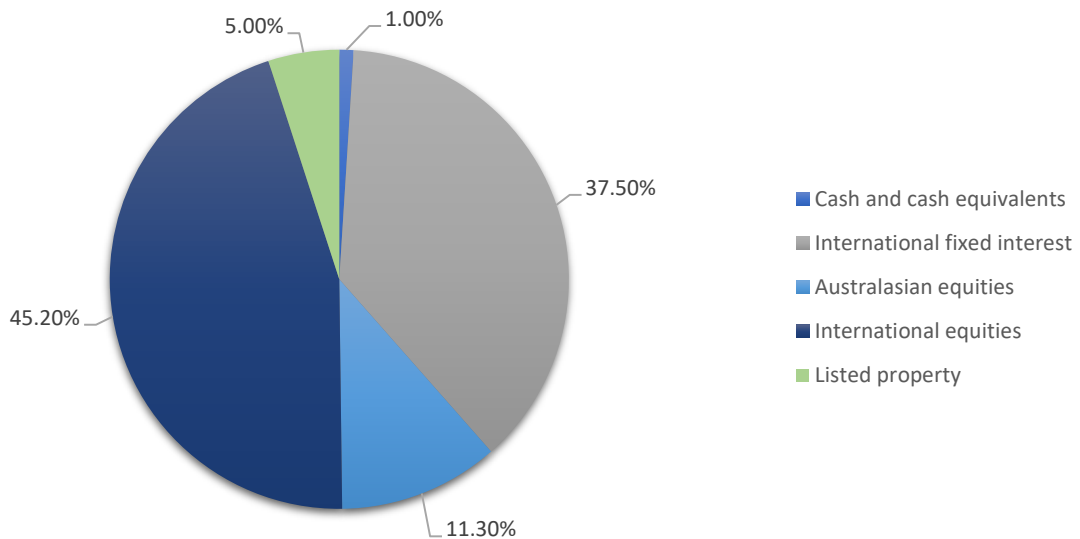
#### Actual investment mix



#### \* Derivatives

The strategy aims to hedge 100% of foreign currency exposures in the underlying international fixed-interest assets, 100% of property exposure and 50% of the underlying international equity assets. Currency exposure in Australian equities and Emerging Markets equities is unhedged. The overall target hedging ratio of the portfolio is 61%.

#### Target investment mix



## Top 10 investments

	Name	% of fund net assets	Type	Country	Credit rating (if applicable)
1	Dimensional Global Bond Sustainability Trust NZD Class	26.92%	International fixed interest	NZ	N/A
2	Dimensional 2 Year Sustainability Fixed Int NZD Class	10.70%	International fixed interest	NZ	N/A
3	Dimensional Emerging Markets Sustainability Trust AUD	9.04%	International equities	AU	N/A
4	Smartshares NZ Core Equity Trust	8.37%	Australasian equities	NZ	N/A
5	Dimensional Global Real Estate Trust NZD Hedged Class	5.07%	Listed property	NZ	N/A
6	Cash at Bank (BNZ)	1.85%	Cash and cash equivalents	NZ	AA-
7	Apple Inc	1.54%	International Equities	US	N/A
8	Nvidia Corp	1.15%	International Equities	US	N/A
9	Meta Platforms Inc	0.79%	International Equities	US	N/A
10	Microsoft Corp	0.78%	International Equities	US	N/A

The top 10 investments make up 66.21% of the net asset value of the strategy.

## 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
<b>Nicholas Stewart</b>	Director, Stewart Group Asset Management Limited	11 years 8 months	Chief Executive Officer, Stewart Financial Group Limited	22 years 9 months
<b>Rory O'Neill</b>	Director, Stewart Group Asset Management Limited	1 years 5 months	General Manager, Stewart Financial Group Limited	7 years 4 months

## Further information

You can also obtain this information, the PDS for the ACI Funds, and some additional information from the offer register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

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## Notes

- <sup>i</sup> A combination of actual returns and market index returns have been used to determine the risk indicator as the strategy has not been operating for the required five years. Market index returns have been used until 30 April 2023 and returns thereafter. The risk indicator may therefore provide a less reliable indicator of the strategy's future volatility.
- <sup>ii</sup> As the strategy only started accepting contributions on 4 April 2023, historical fee information is not available.
- <sup>iii</sup> As the strategy has not existed for a full year, figures in this example are based on returns from the date of the first fund contribution (4 April 2023).