

# TRUST MANAGEMENT PIE FUNDS

## ESG BALANCED FUND

### Fund Update for the quarter ended:

30 June 2023

This fund update was first made publicly available on 27 July 2023.

### What is the purpose of this update?

This document tells you how the Trust Management - ESG Balanced Fund has performed and what fees were charged. The document will help you to compare the Fund with other funds. Trust Investments Management 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 invests entirely in other funds<sup>1</sup>, except to the extent cash is held for liquidity purposes. The allocation of the Fund into the underlying funds is determined by its strategic asset allocation.

The Fund incorporates the ethical investment criteria of each of the underlying funds.

The Fund's investment objective is to generate a return that exceeds the weighted average return of the benchmarks of the underlying funds into which the Fund invests, in proportion to the strategic asset allocation of the Fund, before taking into account fees and expenses.

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|                                |                |
|--------------------------------|----------------|
| <b>Total Value of the Fund</b> | NZ\$92,754,388 |
|--------------------------------|----------------|

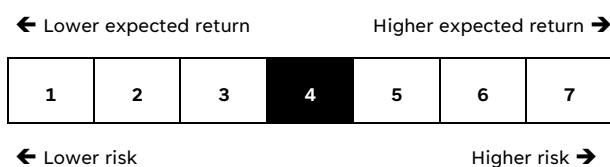
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|                              |              |
|------------------------------|--------------|
| <b>Date the Fund started</b> | 1 April 2020 |
|------------------------------|--------------|

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### What are the risks of investing?

Risk indicator for the Trust Management - ESG Balanced Fund<sup>2</sup>:



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 (volatility). 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 the five years ended 30 June 2023<sup>2</sup>. 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.

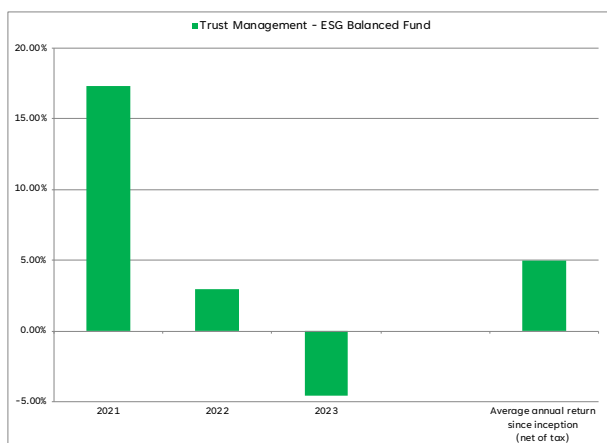
See the Product Disclosure Statement (PDS) for more information about the risks associated with investing in this fund.

## How has the Fund performed?

| Returns for period ended 30 June 2023   | Past Year |
|---|-----------|
| <b>Annual Return</b> (after deductions for charges and tax)                   | 1.78%     |
| <b>Annual Return</b> (after deductions for charges but before tax)            | 2.40%     |
| <b>Market index annual return</b> (reflects no deduction for charges and tax) | N/A       |

Trust Investments Management Limited is relying on the Financial Markets Conduct (Market Index) Exemption Notice 2023. There is no appropriate market index or suitable peer group index that would be helpful for investors to assess either movements in the market in relation to the returns from the assets in which the Trust Management – ESG Balanced Fund invests or the performance of the Fund as a whole<sup>3</sup>.

## Annual return graph



This graph shows the return after fund charges and tax for each year ending 31 March since the fund's inception. The last bar shows the average annual return since the fund started, up to 30 June 2023.

Important: This does not tell you how the Fund will perform in 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 Trust Management – ESG Balanced Fund are charged fund charges. In the year to 31 March 2023 these were:

|  | % of net asset value |
|--|----------------------|
| <b>Total Fund Charges</b><br>Which are made up of:               | <b>0.76%</b>         |
| <b>Total management and administration charges</b><br>Including: | <b>0.76%</b>         |
| Manager's Basic Fee  | 0.64%                |
| Other management and administration charges                      | 0.12%                |

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from funds). See the PDS for the Trust Management PIE Funds on the offer register (OFR12861) at <https://disclose-register.companiesoffice.govt.nz/disclose> for more information about those fees.

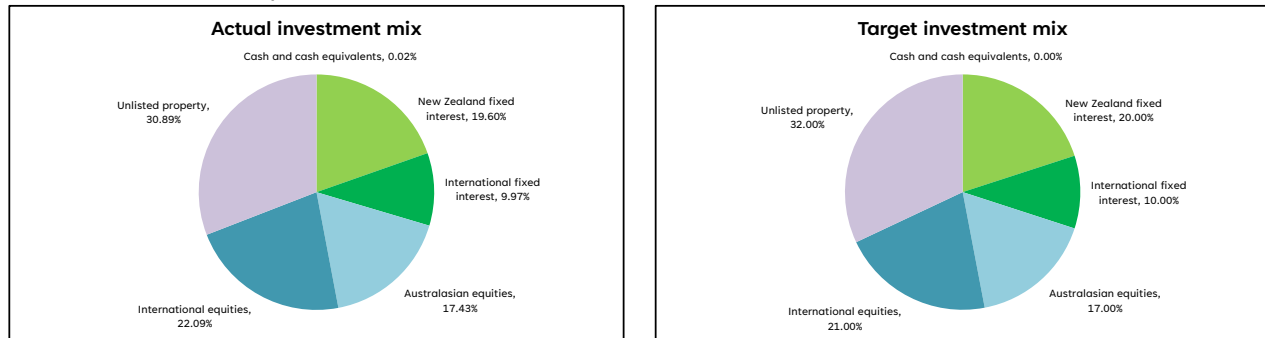
## Example of how this applies to an investor

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

The Smith Charitable Trust had \$100,000 in the Fund at the start of the year and did not make any further contributions. At the end of the year, the Smith Charitable Trust received a return after fund charges were deducted of \$2,400 (that is 2.40% of the initial \$100,000). This gives the Smith Charitable Trust a total return after tax of \$1,780 for the year.

## What does the Fund invest in?

This chart shows the types of assets that the Fund invests in:



## Top 10 investments

| Asset name   | % of fund net assets | Type                         | Country | Credit rating  |
|--|----------------------|------------------------------|---------|----------------|
| State Street Climate ESG International Equity Fund | 22.07%               | International equities       | AU      | Not applicable |
| BlackRock iShares ESG Global Bond Index Fund       | 10.06%               | International fixed interest | AU      | Not applicable |
| 13 Quentin Drive, Hamilton                         | 3.18%                | Unlisted property            | NZ      | Not applicable |
| Izone Drive, Rolleston                             | 2.55%                | Unlisted property            | NZ      | Not applicable |
| 105 Wiri Station Road, Auckland                    | 2.48%                | Unlisted property            | NZ      | Not applicable |
| 1 Jerry Green Street, Auckland                     | 2.26%                | Unlisted property            | NZ      | Not applicable |
| 31 Taurikura Drive, Tauranga                       | 2.25%                | Unlisted property            | NZ      | Not applicable |
| 8 Eagle Way, Auckland                              | 2.10%                | Unlisted property            | NZ      | Not applicable |
| 17 Chappie Place, Hornby                           | 2.01%                | Unlisted property            | NZ      | Not applicable |
| NZ Government 2025 Inflation Indexed Bond          | 1.90%                | New Zealand fixed interest   | NZ      | AAA            |

The top 10 investments make up 50.86% of the net asset value of the Fund.

## Key personnel

| Name                         | Position                    | Time in current position | Previous position   | Time in previous position |
|------------------------------|-----------------------------|--------------------------|---|---------------------------|
| <b>Halie Hartigan</b>        | Investment Manager          | 1 years<br>0 months      | Manager Responsible Investments, ASB Group Investments        | 9 years<br>9 months       |
| <b>Teresa Brandts-Giesen</b> | Senior Manager Markets      | 0 years<br>3 months      | Director, PwC   | 2 years<br>0 months       |
| <b>Matthew Goldsack</b>      | General Manager Investments | 3 years<br>4 months      | Head of Investment Solutions, BT Funds Management             | 11 years<br>2 months      |
| <b>Rachael McDonald</b>      | Chief Executive             | 0 years<br>10 months     | Partner, BVI, Mourant Ozannes                                 | 10 years<br>0 months      |
| <b>Shane Coward</b>          | Chief Operating Officer     | 8 years<br>6 months      | General Manager Finance, Trust Investments Management Limited | 12 years<br>0 months      |

### Further Information

You can also obtain this information, the PDS for the Trust Management PIE Funds, and some additional information from the offer register (OFR12861) at <https://disclose-register.companiesoffice.govt.nz/disclose>.

### Notes

1. The Trust Management – ESG Balanced Fund invests in the Trust Management - Property Fund, the Trust Management – ESG International Share Fund, the Trust Management – ESG International Bond Fund, the Trust Management – ESG NZ Bond Fund and the Trust Management - ESG Australasian Share Fund, all of which are managed by Trust Investments Management Limited.
2. As the Fund has been operating for less than five years, we have used a mix of actual returns and the historical returns data of the Trust Investments – Balanced Fund (*the Balanced GIF*) which was formerly offered under the Trust Investments – Group Investment Funds scheme. The risk indicator is based on the historical return for the Balanced GIF for the 1 year 9 months to 31 March 2020 when the Fund was not in existence, and then the actual returns for the 3 years 3 months to 30 June 2023. The Manager reasonably considers use of the historical returns data from the Balanced GIF to calculate (in part) the risk indicator for the Fund the most appropriate way to reflect the potential future volatility of this Fund.
3. For the Trust Management - Property Fund, the Manager has determined that there is no appropriate market index or suitable peer group index for this Fund that reflects the assets of this Fund that would be helpful to investors for assessing movements in the market in relation to the returns of this Fund. As the Trust Management – ESG Balanced Fund (the Balanced Fund) invests approximately 32% of its assets in the Trust Management - Property Fund, the Manager considers that there is no appropriate market index for the non-Property Fund assets of the Balanced Fund that is likely to be useful to investors when assessing the performance of the Balanced Fund as a whole for all relevant periods. Accordingly, the Manager is relying on the exemption in the Financial Markets Conduct (Market Index) Exemption Notice 2023 in relation to the Balanced Fund. On 1 April 2020 the Balanced Fund acquired all the assets of the Balanced GIF under a scheme restructure.

### Contact

Matthew Goldsack, General Manager

☎ (09) 550 4040

✉ [mgoldsack@trustmanagement.co.nz](mailto:mgoldsack@trustmanagement.co.nz)

[www.trustmanagement.co.nz](http://www.trustmanagement.co.nz)