

ASB Investment Funds

Positive Impact Fund

Fund Update for the quarter ending 30 September 2020
This fund update was first made publicly available on: 29 October 2020

What is the purpose of this update?

This document tells you how the Positive Impact Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. ASB Group Investments Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

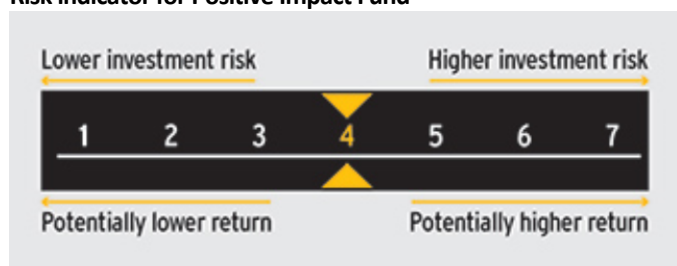
Description of this fund

To provide moderate to high returns allowing for large movements of value up and down, from an exposure to a portfolio of investments with a preference for those that make a positive impact on society or the environment. The number of years with negative returns are generally expected to be similar to the Growth Fund in the ASB Investment Funds. The Positive Impact Fund invests in income and growth assets with a target investment mix of 40% income assets and 60% growth assets.

| | |
|---------------------------------|-------------|
| Total value of the fund | \$4,011,418 |
| Number of investors in the fund | 109 |
| The date the fund started | 25/07/2019 |

What are the risks of investing?

Risk indicator for Positive Impact Fund¹



¹As the fund has not been in existence for five full years its risk indicator has been calculated using market index returns as well as actual returns. As a result, the risk indicator may provide a less reliable indicator of the potential future volatility of the fund. Market index returns have been used for the period from 1 July 2015 to 24 July 2019.

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 <http://www.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.

The risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for a 5 year period to 30 September 2020. 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.

The risk indicator may not be a reliable indicator of the risk or returns that a fund is likely to experience in the future. For example, the risk indicator may be different if it was based on returns over a longer period.

How has the fund performed?

| | Past year |
|--|-----------|
| Annual return (after deductions for charges and tax) | 5.14% |
| Annual return (after deductions for charges but before tax) | 6.32% |
| Market index annual return (reflects no deduction for charges and tax) | 7.21% |

The market index return is the target investment mix asset allocation weighted sum of the asset class market index return, where the target investment mix and asset class market indices are each as described in the Statement of Investment Policy and Objectives (SIPO). Additional information about the market index is available on the offer register at disclose-register.companiesoffice.govt.nz (search for ASB Investment Funds).

What fees are investors charged?

Investors in the Positive Impact Fund are charged fund charges. Estimates of these are*:

| | % of net asset value |
|--|----------------------|
| Total fund charges² | 1.33% |
| Which are made up of: | |
| Total management and administration charges | 1.33% |
| Including: | |
| Manager's basic fee | 1.25% |
| Other management and administration charges | 0.08% |
| Total performance-based fees | 0.00% |
| Other charges | Nil |

²Total fund charges are exclusive of GST.

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the ASB Investment Funds PDS for more information about those fees.

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

Jason 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, Jason received a return after fund charges were deducted of \$514.00 (that is 5.14% of his initial \$10,000). Jason also paid \$0.00 in other charges. This gives Jason a total return after tax of \$514.00 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.

| | |
|------------------------------|--------|
| Cash and cash equivalents | 0.00% |
| New Zealand fixed interest | 0.00% |
| International fixed interest | 40.00% |
| Australasian equities | 0.00% |
| International equities | 60.00% |
| Listed property | 0.00% |
| Unlisted property | 0.00% |
| Commodities | 0.00% |
| Other | 0.00% |

Currency hedging

As at 30 September 2020 the fund's exposure to assets denominated in foreign currencies was 100% hedged. This means the fund's unhedged foreign currency exposure was 0% of the net asset value of the fund. More information on our currency hedging model can be found in the SIPO on the offer register at disclose-register.companiesoffice.govt.nz (search for ASB Investment Funds).

Top 10 investments

| Name | Percentage of net asset value of the fund | Type | Country | Credit rating (if applicable) |
|--|---|------------------------------|-------------|-------------------------------|
| 1 Mercer Socially Responsible Hedged Overseas Shares Portfolio | 58.76% | International equities | New Zealand | |
| 2 Vanguard Ethically Conscious Global Bond Index Fund NZD Hdgd | 38.07% | International fixed interest | Australia | |
| 3 ASB Bank Account NZD | 3.46% | Cash and cash equivalents | New Zealand | A-1+ |
| 4 | | | | |
| 5 | | | | |
| 6 | | | | |
| 7 | | | | |
| 8 | | | | |
| 9 | | | | |
| 10 | | | | |

The top 10 investments make up 100.29% of the 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 |
|------------------|-------------------------------|--------------------------|---|---------------------------------------|
| 1 Nigel Annett | Investment Committee member | 6 years, 6 months | Executive GM Corporate Banking, ASB Bank (current position) | 1 year, 11 months |
| 2 Jonathan Beale | Investment Committee member | 6 years, 1 month | General Manager Wealth & Insurance Distribution, ASB Bank (current position) | 0 years, 11 months |
| 3 Adam Boyd | Investment Committee member | 4 years, 4 months | Executive GM Private Banking, Wealth & Insurance, ASB Bank (current position) | 4 years, 4 months |
| 4 Graeme Edwards | Investment Committee Chairman | 0 years, 11 months | Investment Committee member | 8 years, 9 months |
| 5 John Smith | Investment Committee member | 9 years, 4 months | Head of Asset Management; and Acting General Manager Private Banking, Wealth & Insurance Product, ASB Bank (current position) | 8 years, 4 months; 0 years, 10 months |

Further information

You can also obtain this information, the PDS for ASB Investment Funds, and some additional information from the offer register at disclose-register.companiesoffice.govt.nz (search for ASB Investment Funds).

Notes

Interests in the ASB Investment Funds are issued by ASB Group Investments Limited, a wholly owned subsidiary of ASB Bank Limited. Neither ASB Bank Limited nor any other person guarantees the interests in the ASB Investment Funds.

**The fund has not been in existence for a full scheme year. Fees are based on our best estimates using reasonable assumptions of the total fund charges that will be paid by a member in a year.*