

ASB Investment Funds

Balanced Fund

Fund Update for the quarter ending 30 June 2021
 This fund update was first made publicly available on: 28 July 2021

What is the purpose of this update?

This document tells you how the Balanced 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 total returns allowing for moderate to high movements of value up and down. The number of years with negative returns are generally expected to be higher than the Moderate Fund but lower than the Growth Fund in the ASB Investment Funds. We manage asset allocation and currency hedging over the medium to long term relative to the target investment mix. We focus on cost effective management. The Balanced 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 | \$536,527,198 |
| Number of investors in the fund | 3,314 |
| The date the fund started | 11/10/2007 |

What are the risks of investing?

Risk indicator for Balanced 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 <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 June 2021. 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.

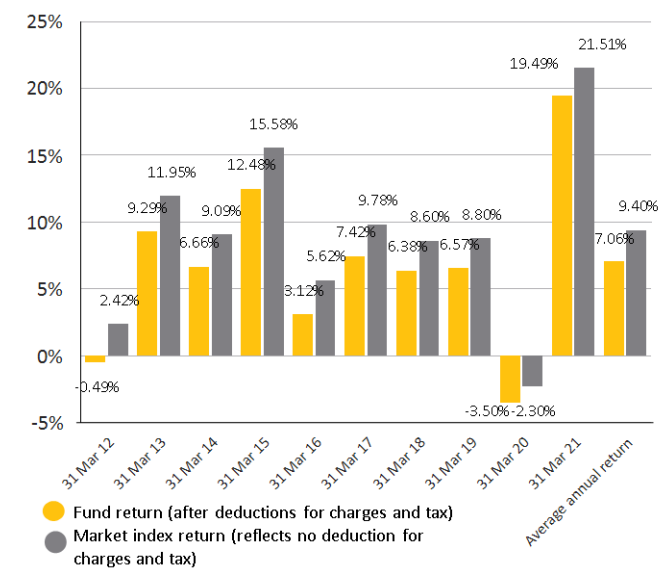
The risk indicator may not be a reliable indicator of the risk or returns that a fund is likely to experience in the future. For example, the risk indicator may be different if it was based on returns over a longer period.

How has the fund performed?

| | Average over past five years | Past year |
|-------------------------------------------------------------------------------|------------------------------|-----------|
| Annual return (after deductions for charges and tax) | 7.39% | 12.38% |
| Annual return (after deductions for charges but before tax) | 8.15% | 13.03% |
| Market index annual return (reflects no deduction for charges and tax) | 9.29% | 13.94% |

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).

Annual return graph



This shows the return after fund charges and tax for each of the last 10 years ending 31 March. The last bar shows the average annual return for the last 10 years, up to 30 June 2021.

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 Balanced Fund are charged fund charges. In the year to 31 March 2021 these were:

| | % of net asset value |
|----------------------------------------------------|----------------------|
| Total fund charges¹ | 1.14% |
| Which are made up of: | |
| Total management and administration charges | 1.14% |
| Including: | |
| Manager's basic fee | 1.10% |
| Other management and administration charges | 0.04% |
| Total performance-based fees | 0.00% |
| Other charges | Nil |

¹Total 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.

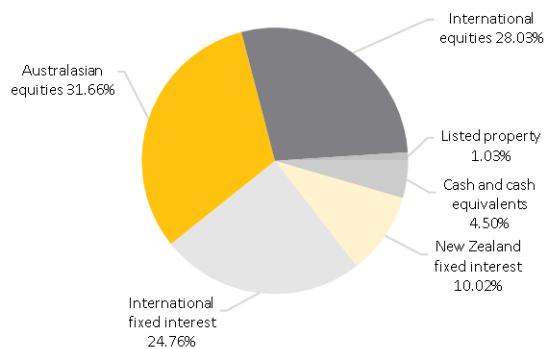
Example of how this applies to an investor

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 \$1,238.00 (that is 12.38% of his initial \$10,000). Jason also paid \$0.00 in other charges. This gives Jason a total return after tax of \$1,238.00 for the year.

What does the fund invest in?

Actual investment mix

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



Currency hedging

As at 30 June 2021 the fund's exposure to assets denominated in foreign currencies was 65%, of which 74% was hedged. This means the fund's unhedged foreign currency exposure was 17% 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).

Target investment mix

This shows the mix of assets that the fund generally intends to invest in.

| | |
|------------------------------|--------|
| Cash and cash equivalents | 3.00% |
| New Zealand fixed interest | 19.00% |
| International fixed interest | 18.00% |
| Australasian equities | 25.00% |
| International equities | 29.00% |
| Listed property | 2.50% |
| Unlisted property | 0.00% |
| Commodities | 0.00% |
| Other [^] | 3.50% |

Top 10 investments

| Name | Percentage of net asset value of the fund | Type | Country | Credit rating (if applicable) |
|----------------------------------------------|-------------------------------------------|---------------------------|---------------|-------------------------------|
| 1 Fisher & Paykel Healthcare Corporation Ltd | 2.63% | Australasian equities | New Zealand | |
| 2 ASB Bank Account NZD | 2.28% | Cash and cash equivalents | New Zealand | A-1+ |
| 3 Westpac Money Market Deposit Account NZD | 2.01% | Cash and cash equivalents | New Zealand | A-1+ |
| 4 Spark New Zealand Ltd | 1.31% | Australasian equities | New Zealand | |
| 5 Auckland International Airport Ltd | 1.28% | Australasian equities | New Zealand | |
| 6 Commonwealth Bank of Australia | 1.07% | Australasian equities | Australia | |
| 7 Meridian Energy Ltd | 0.97% | Australasian equities | New Zealand | |
| 8 Mainfreight Ltd | 0.94% | Australasian equities | New Zealand | |
| 9 Contact Energy Ltd | 0.93% | Australasian equities | New Zealand | |
| 10 Apple Inc | 0.91% | International equities | United States | |

The top 10 investments make up 14.33% 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 | 7 years, 3 months | Executive GM Corporate Banking, ASB Bank (current position) | 2 years, 8 months |
| 2 Adam Boyd | Investment Committee member | 5 years, 1 month | Executive GM Private Banking, Wealth & Insurance, ASB Bank (current position) | 5 years, 1 month |
| 3 Graeme Edwards | Investment Committee Chairman | 1 year, 8 months | Investment Committee member | 9 years, 6 months |
| 4 Stephen Moir | Investment Committee member | 0 years, 5 months | Director, Board of The Guardians of the NZ Superfund (previous position) | 10 years, 11 months |
| 5 John Smith | Investment Committee member | 10 years, 1 month | Head of Asset Management, ASB Bank (current position) | 9 years, 1 month |

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.

^This is an allocation to listed infrastructure.