

Sovereign Staff Retirement Fund

Growth Fund

Fund Update for the year ended 31 March 2020

This fund update was first made publicly available on: 18 June 2020

What is the purpose of this update?

This document tells you how the Growth Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. The Trustees of the Sovereign Staff Retirement Fund 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 Growth Fund gives members the opportunity to gain exposure to a diversified, medium/high risk portfolio of investments. The fund invests in International and Australasian equities and quality New Zealand and offshore fixed interest securities and cash. The fund would suit members wishing to obtain exposure to an investment fund comprising mainly growth assets.

The investment objective of the fund is to provide a long term real return of inflation plus 3.25% p.a. where inflation is measured by the Consumer Price Index. The Growth Fund invests in the ANZ Investments Multi-Asset-Class Scheme Growth Fund.

Total value of the fund	\$92,977
Number of investors in the fund	1
The date the fund started	01 June 2000

What are the risks of investing?

Risk Indicator for the Growth Fund

Lower risk	1	2	3	4	5	6	7	Higher risk
Potentially lower returns								Potentially higher returns

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.

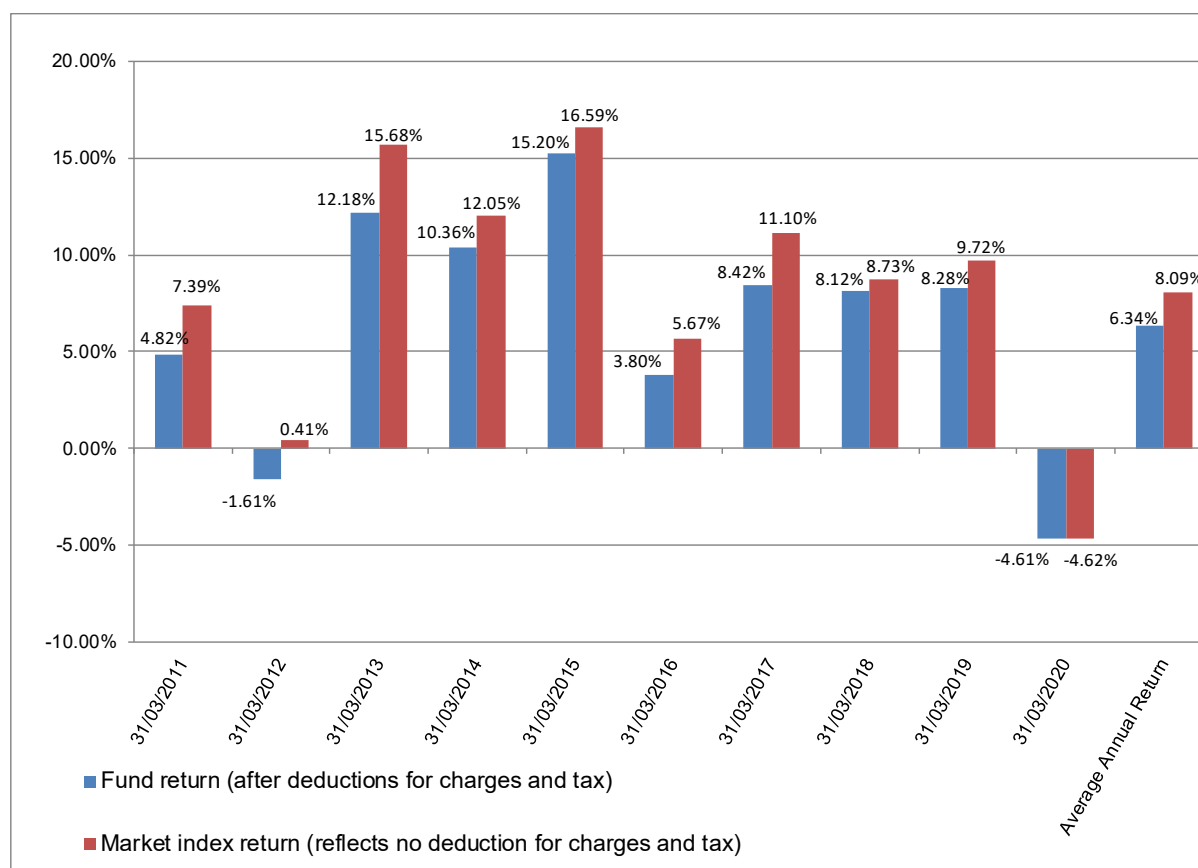
The risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for a 5 year period to 31 March 2020. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

How has the fund performed?

	Average over past 5 years	Past year
Annual return (after deductions for charges and tax)	4.68%	-4.61%
Annual return (after deductions for charges but before tax)	5.63%	-4.43%
Market index annual return (reflects no deductions for charges and tax)	5.96%	-4.62%

The market index return is based on the target investment mix asset allocation weighted sum of the asset class market index return over the period. The current 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 <http://www.business.govt.nz/disclose/> (search for Sovereign Staff Retirement Fund).

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 31 March 2020.

Important: This does not tell you how the fund will perform in the future.

What fees are investors charged?

Investors in the Growth Fund are charged fund charges. In the year to 31 March 2020 these were:

	% of net asset value
Total fund charges¹	0.00%
<i>Which are made up of:</i>	
Total management and administration charges	0.00%
Including:	
Manager's basic fee	0.00%
Other management and administration charges	0.00%
Total performance-based fees	0.00%
Other charges	Dollar amount per investor
	\$0.00

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). Such fees are not currently charged for the Growth Fund.

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

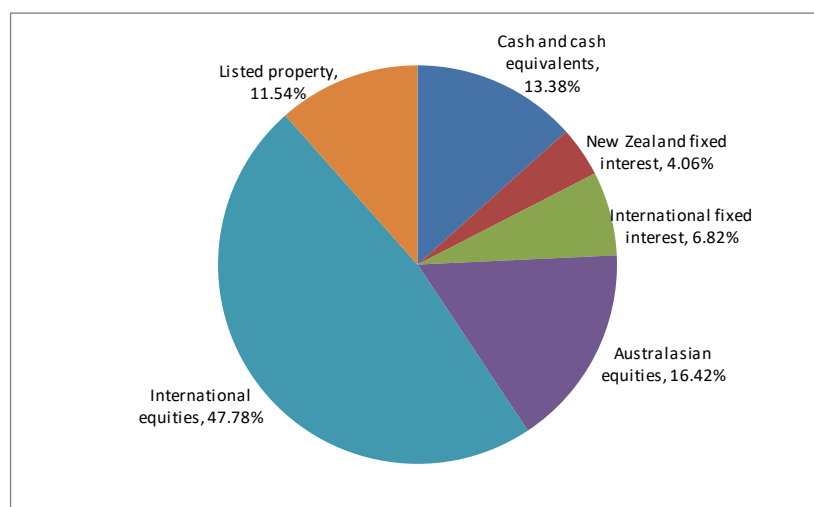
Example of how this applies to an investor

John 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, John incurred a loss after fund charges were deducted of \$461 (that is -4.61% of his initial \$10,000). John did not pay any other charges. This gives John a total loss after tax of \$461 for the year.

What does the fund invest in?

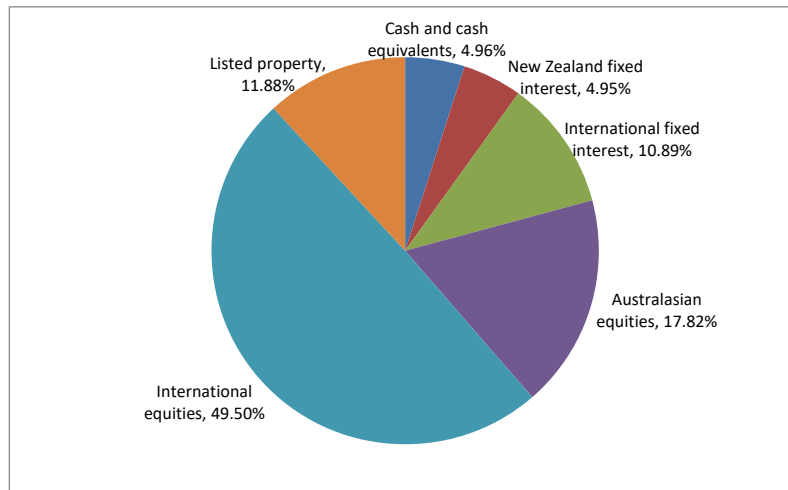
Actual investment mix²

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



Target investment mix ²

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



Top 10 investments

	Name	Percentage of net asset value of the fund	Type	Country	Credit rating (if applicable)
1	ANZ Investments Multi-Asset-Class Scheme Growth Fund	96.89%	Diversified fund	New Zealand	
2	ASB Bank Account NZD	2.99%	Cash and cash equivalents	New Zealand	A-1+

The top 10 investments make up 99.88% ³ of the net asset value of the fund.

Currency hedging

As noted the Growth Fund invests in the ANZ Investments Multi-Asset-Class Scheme Growth Fund, which uses currency hedging. Currency hedging information for that fund can be found [here](#).

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
Linda Page	Investment Committee member	1 year and 1 month	Chief Financial Officer, AIA (current position) and Acting Chief Financial Officer (previous position)	1 year and 9 months 11 months
Doune Connett	Investment Committee member	1 year and 1 month	Chief Risk Officer, AIA (current position) and	2 years and 1 month

Name	Current position	Time in current position	Previous or other position	Time in previous or other position
			Asset & Liability Committee Member (previous position)	21 years and 5 months
Marco Welgemoed	Investment Committee member	1 year and 1 month	Appointed Actuary, AIA (current position)	1 year and 5 months
Nicholas Stanhope	Investment Committee member	1 year and 1 month	Chief Executive Officer, AIA (current position) and Asset & Liability Committee Member (previous position)	4 years and 2 months 3 years and 2 months

Further information

You can also obtain this information and some additional information from the offer register at <http://www.business.govt.nz/disclose/> (search for Sovereign Staff Retirement Fund). As noted the Growth Fund invests in the ANZ Investments Multi-Asset-Class Scheme Growth Fund. You can obtain Fund Update and other information on that fund [here](#).

Notes

1. Fund charges are nil as they are paid from the Scheme's unallocated balance and therefore not charged to investors.
2. The pie graphs show the actual and target investment mix of the underlying fund adjusted to reflect cash held in the Growth Fund bank account. This is the information that the trustees judge to be the most appropriate to produce an accurate representation of the specified fund's assets.
3. The top 10 is less than 100% due to tax payable amount being included as part of net asset value in the calculation.