

RANFURLY NEW ZEALAND DOLLAR BALANCED FUND

FUND UPDATE

For the quarter ended 30 September 2018.

This fund update was first made publicly available on 25 October 2018.

What is the purpose of this update?

This document tells you how the Ranfurly New Zealand Dollar Balanced Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. Ranfurly Strategic 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 directly into underlying funds in proportions determined by the Manager to achieve the investment objective of the Fund. The Fund currency is New Zealand Dollars (**NZD**). The objective of the Fund is to balance capital preservation and capital growth, with a level of volatility that generates a positive return with a moderate level of risk associated with investing in a mix of equity, fixed interest and cash.

Total value of the fund	\$6,321,750
Number of members in the fund	29
The date the fund started	26 May 2017

What are the risks of investing?

Risk indicator for the Ranfurly New Zealand Dollar Balanced Fund¹.



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/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.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on a combination of market index returns data and actual returns for a 5 year period to 30 September 2018¹.

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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 ²
Annual return (after deductions for charges but before tax)	Not Applicable ²
Market index annual return (reflects no deduction for charges and tax)	9.48%

The market index annual return is a composite index calculated using 45% MSCI World, 10% MSCI AC World, 22.5% FTSE Actuaries Government All Stock, 22.5% Bank of America Merrill Lynch Sterling Non-Gilt, hedged 100% to New Zealand Dollars. This index has been the index of the fund since the inception of the fund.

More information about the market index is available on the Ranfurly Superannuation Scheme's Statement of Investment Policy and Objectives on the offer register at www.companiesoffice.govt.nz/disclose.

What fees are investors charged?

Investors in the Ranfurly New Zealand Dollar Balanced Fund are charged fund charges. Our estimate of fund charges is:

	% of net asset value
Total fund charges (estimated)³	0.60%
Which are made up of—	
Total management and administration charges (estimated)³	0.60%
Including —	
Manager's basic fee	0.40%
Other (estimated) management and administration charges ⁴	0.20%

Other charges

The Funds may incur additional charges from the Underlying Funds when making an investment or withdrawal. More information on these fees is in the 'Other Material Information' document on the Ranfurly Superannuation Scheme's offer register at www.companiesoffice.govt.nz/disclose.

Fund charges are stated GST exclusive.

Investors may also be charged individual action fees for specific actions or decisions (for example, withdrawal fees in certain circumstances, switching fee for second or subsequent fund switches). See the Product Disclosure Statement for more information about those fees.

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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 investor⁵

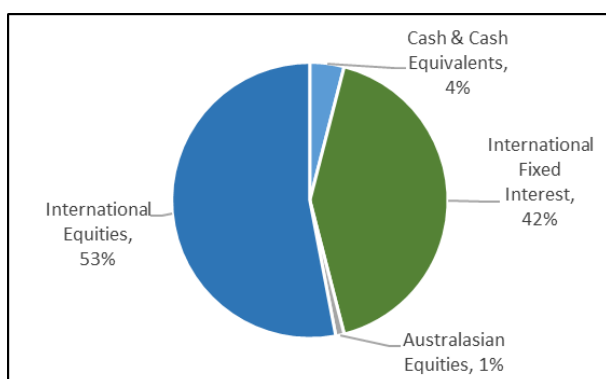
John had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, John received a return after estimated fund charges were deducted of \$871 (that is 8.71% of his initial \$10,000). John paid \$0 in other charges. This gives John a total return of \$871 for the year.

What does the fund invest in?

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

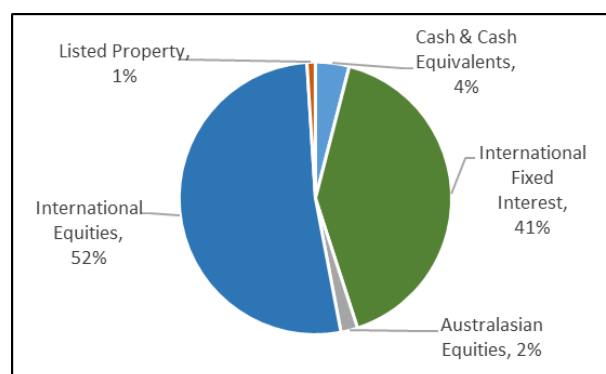
Actual investment mix

Actual investment mix at
30 September 2018



Target investment mix

Target investment mix for
the fund



Top 10 investments

Asset Name	Percentage of Fund Net Assets	Country	Type	Credit Rating
Baillie Gifford Managed Fund	59.09%	Great Britain	Diversified Fund	N/A
Baillie Gifford Sterling Aggregate Bond Fund	29.29%	Great Britain	International Fixed Interest	N/A
Baillie Gifford Long Term Global Growth Investment Fund	9.94%	Great Britain	International Equities	N/A
OMF Financial Limited Cash Account	4.69%	New Zealand	Cash and Cash Equivalents	N/A
Bank of New Zealand Current Account	0.49%	New Zealand	Cash and Cash Equivalents	AA-

The top 5 investments represent 103.50% of the fund's net asset value.

The fund invests into underlying funds denominated in Sterling and we hedge these investments into New Zealand dollars targeting a 100% hedge of the Sterling currency exposure. The hedging policy of the fund is to hedge the Sterling investments to New Zealand dollars to give investors exposure in New Zealand dollar. The manager of the underlying fund may hedge some or all of this currency exposure back to Sterling.

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Key personnel

Name	Current Position	Time in current position	Previous or other current position	Time in previous or other current position
Christopher Wells	Director Ranfurlly Strategic Limited	3 years and 2 months	Director, Infiniti Solutions Limited	4 years and 5 months
Kenji Steven	Director Ranfurlly Strategic Limited	2 years and 5 months	Chairman, Infiniti Capital	10 years and 2 months

Further information

You can also obtain this information, the PDS for the Ranfurlly Superannuation Scheme, and some additional information from the offer register at www.companiesoffice.govt.nz/disclose.

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Notes

¹ This fund came into existence on 26 May 2017 and received its first investment on 27 October 2017. To calculate the risk indicator over a 5 year period, market index return data has been used for the period up to 31 October 2017 and actual returns have been used from 1 November 2017 to 30 September 2018. Using market index return data may make the risk indicator a less reliable indicator of how much fund values are likely to go up and down in future.

² The fund has not yet been in existence for a 12 month period.

³ The fund has not been invested for a 12 month period, so the Annual Fund Charges are calculated based on an actual assets under management and actual fees and expenses from the first unitisation of the fund on 27 October 2017 to 31 March 2018.

⁴ The fund has not been invested for a 12 month period, so the Annual Fund Charges are calculated based on an actual assets under management, actual fees and expenses and actual underlying fund manager fees apportioned for the period the fund has been invested, from the first unitisation of the fund on 27 October 2017 to 31 March 2018.

⁵ As the fund has not been in existence for a 12 month period, the example has been calculated based on the market index return less Annual Fund Charges. The impact of tax on the market index return is calculated based on returns to date. The Scheme invests into foreign assets where income is determined under the Fair Dividend Rate Method and is subject to tax under the Foreign Investor Zero Rate PIE tax regulations.

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For more information about the Scheme, please visit www.ranfurlysuperannuation.nz, contact us on +64 3 928 1440 or talk to your Adviser today. A disclosure statement is available from our website or on request and free of charge.