



INCOME FUND FACT SHEET

as at 31 May 2022

Performance:
Since inception
(annualised)

3.4%

as at 31/05/2022
after fees and before tax

Performance:
1 year

-5.2%

as at 31/05/2022
after fees and before tax

If you had invested
\$10,000 at inception,
today it would be worth ...

\$14,581

inception date 18/04/2011

Unit price

\$1.060

as at 31/05/2022

Minimum
investment

\$100 per month

ABOUT THE FUND

The Income Fund gives our clients access to a diverse portfolio of fixed interest investments from around the globe. This fund combines our rigorous investment research with active portfolio management. As well as being an option to invest in this fund as part of a diversified investment strategy across our managed funds, this fund offers an alternative to bank deposits. Your money is invested throughout the world in a range of industries and sectors that are not available in Australasia, providing added diversification. Because this fund is designed to be a more conservative fund there are no investments in shares. You can also access your money at any time and there is a low minimum for investment.

WHY CHOOSE THE INCOME FUND

Cash and fixed interest play an important stabilising role in any investment portfolio. Think of it as something of a financial umbrella to offer your portfolio protection in difficult market conditions. This is because these types of investments are expected to offer more stable, though lower returns over the long term.

HIGHLIGHTS AND LOWLIGHTS

May 2022

It has been a difficult year for fixed income investors given the rising interest rate environment (as a reminder, when interest rates rise, bond prices fall). However, some semblance of stability returned in May, with the fund's return essentially flat for the month.

On the domestic front, the Reserve Bank of New Zealand (RBNZ) raised the Official Cash Rate (OCR) from 1.5% to 2.0%. In addition, the Bank signalled it will likely lift the OCR by 0.5% at each of its next two meetings, followed by a series of 0.25% hikes thereafter. They now expect the OCR to peak around 4.0% in the middle of next year.

We have been slowly increasing exposure to short-dated NZ fixed interest assets as the lower prices now on offer embed an even higher future path for the OCR than the one anticipated by the RBNZ.

Away from this local event, several of our offshore corporate investments reported earnings during the month. **Microsoft** released its Q3 2022 earnings which were very solid with sales increasing 18% year on year and this top line growth flowed through to higher profitability and cash flow. The company's balance sheet remains strong with the group having plenty of cash on hand to support ongoing product development initiatives.

Altice International, the European-based telecommunications group, released encouraging Q1 2022 results. Portugal is the group's main operating region and in this market the company reported a 12% revenue increase which was driven by growth in post-paid subscriptions. The executive team reiterated an expectation for continued revenue and cash flow growth, and we remain confident in the group's ability to execute on this aspiration.

A lowlight within the portfolio was our investment in the Italian bank **Intesa Sanpaolo S.p.A.** There was no material new information that caused our bonds to underperform and while disappointing in the short term, we remain confident in the bank's long-term prospects given its national champion status within the European banking sector.

Given the steady rather than stellar outlook for economic growth, we continue to actively engage with the executive teams of our portfolio companies and are closely monitoring their end markets. We believe this will give us the best opportunity to navigate this challenging environment and produce stable long-term returns on your behalf.

FUND PERFORMANCE

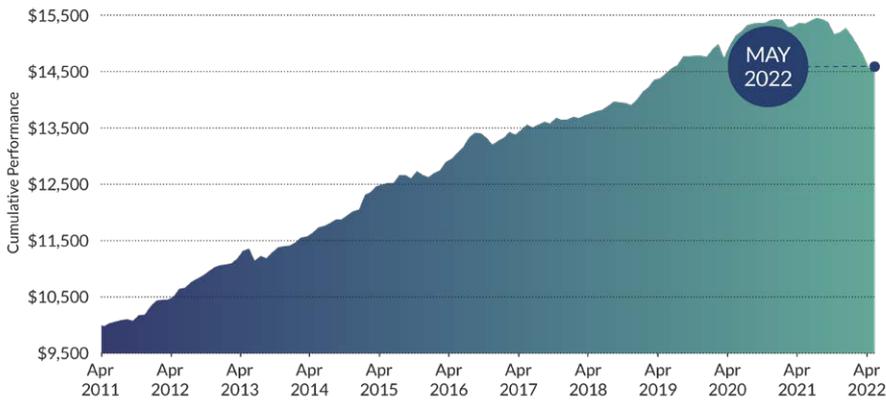
after fees and before tax for the period ending 31/05/2022

	1 Year	3 Years*	5 Years*	7 Years*	Since Launch*
Income Fund	-5.2%	0.2%	1.4%	2.2%	3.4%
S&P/NZX 2 Year Swap Index	-3.4%	-0.2%	1.1%	2.2%	

Returns include the impact of monthly distributions and assume they have been reinvested. The Income Fund paid monthly distributions with the last distribution paid on 15 July 2018.

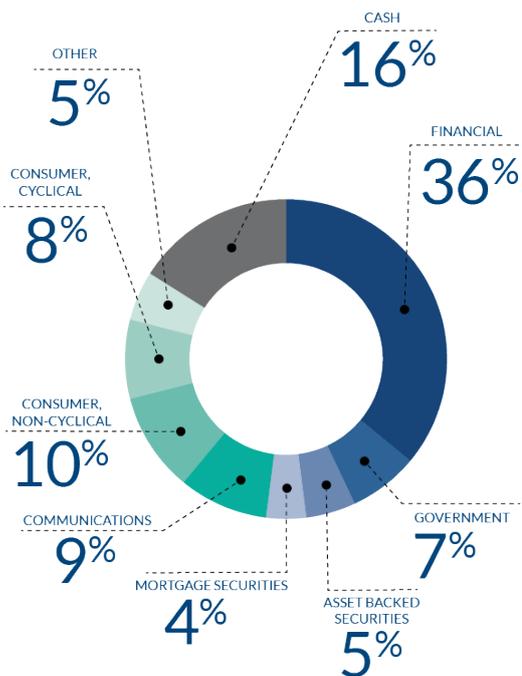
* Fund performance figures have been annualised where the performance period is more than one year.

Growth of \$10,000 invested in the Fund since inception



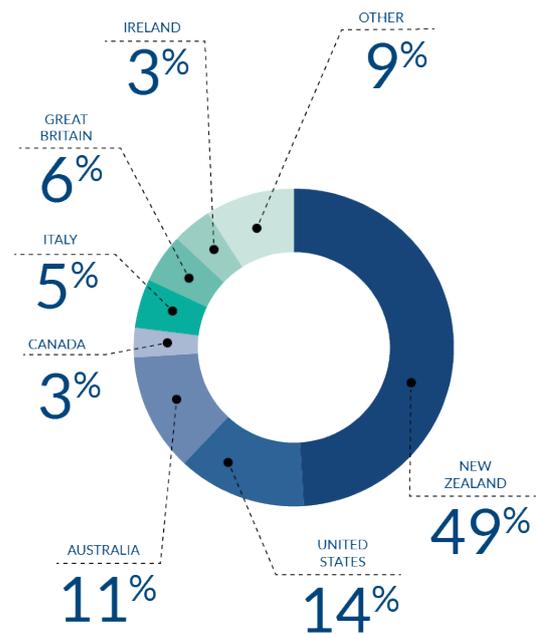
SECTOR SPLIT

as at 31 May 2022



GEOGRAPHIC SPLIT

as at 31 May 2022



FUND DETAILS

Fund inception	April 2011
PIE registered	Yes
Benchmark	S&P/NZX 2 Year Swap Index
Distributions	No – however, regular withdrawals are available
Annual fund charge*	0.92% p.a.
Entry fee – direct	Nil
Entry fee – adviser	0-4%
Exit fee	Nil
Minimum investment	\$2,000
Minimum withdrawal	\$100
Regular savings plan	Yes – min \$100 per month
Manager	Fisher Funds Management Ltd
Supervisor/custodian	Trustees Executors Ltd

* See the Fisher Funds Managed Funds 'Other Material Information' document at fisherfunds.co.nz/resources for more information on how the annual fund charge has been calculated.

YOUR INCOME PORTFOLIO TEAM

Biographies can be found on our website – fisherfunds.co.nz



David McLeish
Senior Portfolio Manager



Quin Casey
Portfolio Manager - Credit



Matt Logan
Senior Investment Analyst



Lyle McNee
Senior Investment Analyst

For a copy of our product disclosure statement, visit our website fisherfunds.co.nz or phone 0508 FISHER (0508 347 437)

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