

FISHER FUNDS INVESTMENT SERIES FUND UPDATE

BondPlus Fund

For the quarter ended: 31 December 2019

This fund update was first made publicly available on:
5 February 2020

WHAT IS THE PURPOSE OF THIS UPDATE?

This document tells you how the Fisher Funds BondPlus Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. Fisher Funds Management 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 aims to provide moderate protection for your investment while also generating modest returns over the long term by investing in international fixed interest assets.

| | |
|---------------------------------|---------------|
| Total value of the fund | \$144,352,029 |
| Number of investors in the fund | 175 |
| The date the fund started | 1 Nov 1990 |

WHAT ARE THE RISKS OF INVESTING?

Risk indicator for the BondPlus 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 ipq.fisherfunds.co.nz/ffmf.

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 the returns data for the past 5 years. 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.

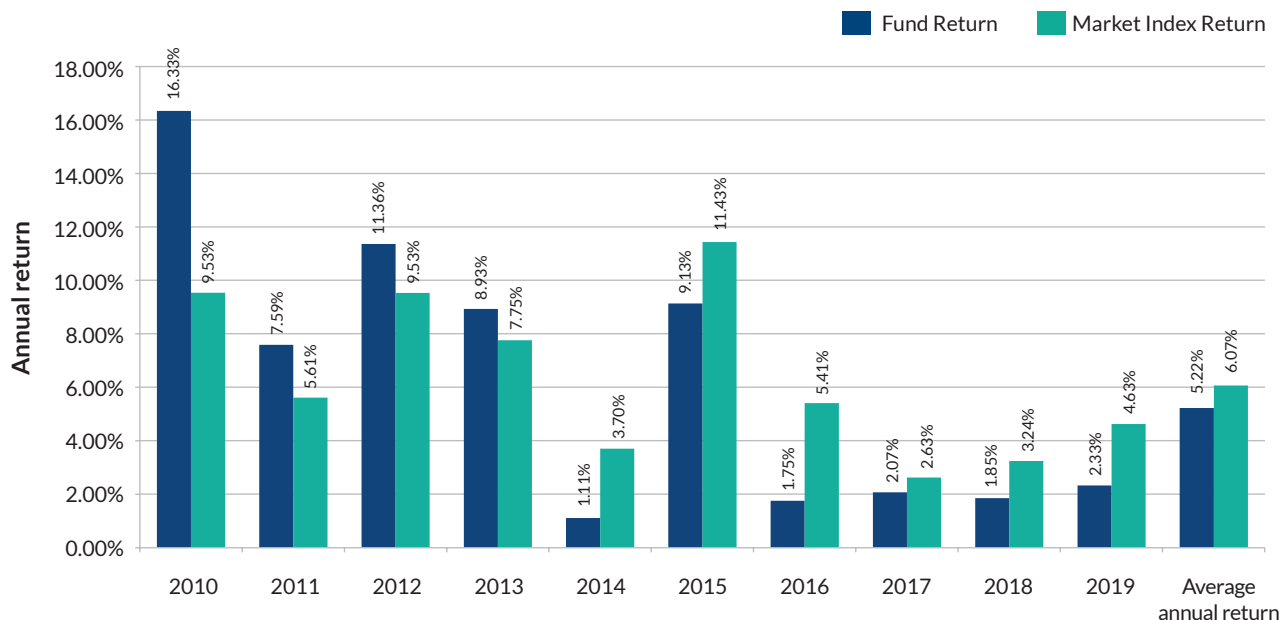
See the [product disclosure statement \(PDS\)](#) for more information about the risks associated with investing in this fund.

HOW HAS THE FUND PERFORMED?

| | Average over past 5 years | Past year |
|----------------------------------------------------------------------------------|---------------------------|-----------|
| Annual return (after deductions for charges and tax) | 2.65% | 4.51% |
| Annual return (after deductions for charges but before tax) | 3.63% | 6.30% |
| Market index annual return (reflects no deduction for charges and tax) | 4.70% | 7.48% |

For the period covered by this fund update the market index is the Bloomberg Barclays Global Aggregate Index hedged into NZD. Additional information about the market index is available on the offer register at companiesoffice.govt.nz/disclose under Fisher Funds Investment Series or OFR10748.

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 December 2019.

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. The market index return reflects no deduction for charges and tax.

WHAT FEES ARE INVESTORS CHARGED?

Investors in the BondPlus Fund are charged fund charges that include GST. In the year to 31 March 2019 these were:

| | % of net asset value |
|----------------------------------------------------|----------------------|
| Total fund charges | 1.27% |
| Which are made up of: | |
| Total management and administration charges | 1.27% |
| Including: | |
| Manager's basic fee | 1.07% |
| Other management and administration charges | 0.20% |
| Total performance-based fees | 0.00% |

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

Sarah 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, Sarah received a return after fund charges were deducted of \$451 (that is 4.51% of her initial \$10,000). Sarah did not pay other charges. This gives Sarah a total return after tax of \$451 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.



Currency hedging

The benchmark currency hedge ratio for International fixed interest securities is 100% hedged into NZD. At quarter end the fund was 100.0% hedged into NZD.

Top 10 Investments

| Name | % of fund net assets | Type | Country | Credit rating <i>(if applicable)</i> |
|------------------------------------|----------------------|------------------------------|---------|-----------------------------------------|
| FANNIE OR FREDDIE 3.5 15-JAN-50 SS | 3.47% | International fixed interest | US | AA+ |
| FORWARD FX USD/NZD 10-JAN-20 | 3.04% | Cash and cash equivalents | NZ | NA |
| JAPAN TREASURY DISC BILL #872 | 1.56% | International fixed interest | JP | A1 |
| ANZ 10 A/C - CURRENT ACCOUNTS | 1.44% | Cash and cash equivalents | NZ | NA |
| US DOLLAR CURR FWD (USD) 10-JAN-20 | 1.36% | Cash and cash equivalents | US | AA+ |
| JAPAN TREASURY DISC BILL #873 | 1.16% | International fixed interest | JP | A1 |
| JL # 106 2.2000% 09-20-28 | 1.03% | International fixed interest | US | A+ |
| U S TREASURY INFLATE PROT BD | 0.88% | International fixed interest | US | AA+ |
| STIF FUND (USD) (JPM CHASE) | 0.84% | International fixed interest | US | AAA |
| FED HOME LN BK DISC NT | 0.80% | International fixed interest | US | A1+ |

The top 10 investments make up 15.58% of the fund.

KEY PERSONNEL

| Name | Current position | Time in current position | Previous or other position | Time in previous or other position |
|------------------|-----------------------------|--------------------------|-----------------------------------------------------------|------------------------------------|
| Frank Jasper | Chief Investment Officer | 2 Years, 5 Months | Director, Fisher Funds Management Limited | 12 Years, 4 Months |
| Mark Brighthouse | Chief Investment Strategist | 2 Years, 5 Months | Chief Investment Officer, Fisher Funds Management Limited | 5 Years, 9 Months |

FURTHER INFORMATION

You can also obtain this information, the PDS for the Fisher Funds Investment Series, and some additional information from the offer register at companiesoffice.govt.nz/disclose under Fisher Funds Investment Series or OFR10748.