

# Westpac KiwiSaver Scheme

## CPP Fund No. 5

### Fund Update for the quarter ended:

**31 March 2022**

This fund update was first made publicly available on 3 May 2022.

#### What is the purpose of this update?

This document tells you how the CPP Fund No. 5 has performed and what fees were charged. The document will help you to compare the fund with other funds. BT Funds Management (NZ) Limited<sup>1</sup> 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 CPP Fund No. 5 aims to protect each member's initial invested capital on the maturity of the fund. The assets of the fund are dynamically allocated between growth assets and zero coupon bonds or deposits according to prescribed asset allocation rules. The fund is closed to further investment and is currently expected to mature on or about 30 September 2022.

Total value of the fund	\$ 19,268,165
Number of investors in the fund	3,031
The date the fund started	3 October 2012

#### How has the fund performed?

	Average over past 5 years	Past year
Annual return (after deductions for charges and tax)	9.29%	-1.21%
Annual return (after deductions for charges but before tax)	10.09%	-0.43%
Market index annual return (reflects no deductions for charges and tax)	11.42%	3.39%

The market index return reflects a composite of benchmark index returns, weighted for the fund's target asset allocation. The benchmark indices used for each asset class are defined in the Statement of Investment Policy and Objectives (SIPO).

Additional information about the market index is available in the SIPO on the offer register at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz).

#### What are the risks of investing?

Risk indicator for the CPP Fund No. 5.<sup>2</sup>



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.

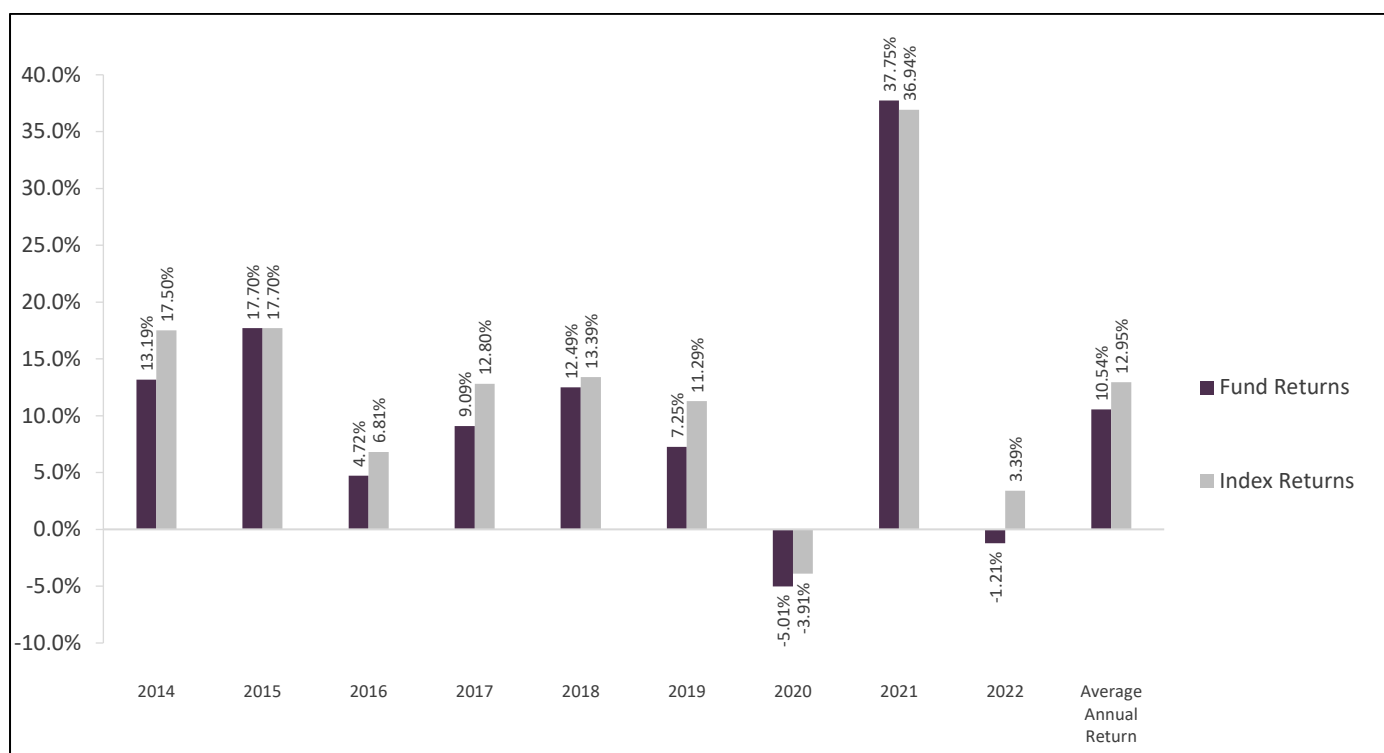
To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at [sorted.org.nz/tools/investor-kickstarter](https://sorted.org.nz/tools/investor-kickstarter)

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 the returns data for the five years to 31 March 2022. 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.

It should be noted that whilst the risk indicator may reflect a higher rating based on the returns data, this fund is designed to protect each member's initial invested capital upon maturity.

## Annual return graph



This shows the return after fund charges and tax for each complete year ending 31 March since the fund started. The last bar shows the average annual return since the fund started, up to 31 March 2022.

**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 CPP Fund No. 5 are charged fund charges. In the year to 31 March 2021, these were:

	% of net asset value
<b>Total fund charges<sup>3</sup></b>	<b>1.44%</b>
Which are made up of	
<b>Total management and administration charges</b>	<b>1.44%</b>
Including -	
Manager's basic fee	0.54%
Other management and administration charges	0.90%
<b>Total performance-based fees</b>	<b>0.00%</b>
<b>Other charges</b>	<b>\$ amount per investor</b>
Membership Fee <sup>4</sup>	\$12.00

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

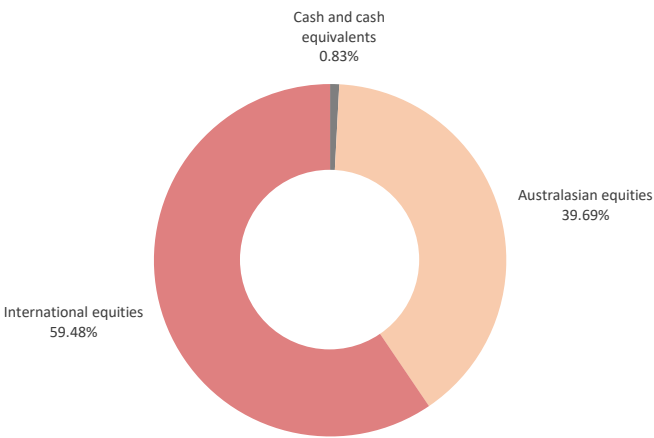
## Example of how this applies to an investor

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 incurred a loss after fund charges were deducted of -\$121 (that is -1.21% of his initial \$10,000). Jason also paid \$12 in other charges. This gives Jason a total loss after tax of -\$133 for the year.

What does the fund invest in?

This shows the types of assets that the fund invests in.<sup>6</sup>

Actual investment mix<sup>7</sup>



Target investment mix<sup>5</sup>

Australasian equities	40.00%
International equities	60.00%

Top 10 investments

	Name	% of fund net assets	Type	Country	Credit rating (if applicable)
1	Fisher & Paykel Healthcare Ltd	4.64%	Australasian equities	New Zealand	
2	Spark New Zealand Ltd	3.75%	Australasian equities	New Zealand	
3	Mainfreight Ltd	3.25%	Australasian equities	New Zealand	
4	Infratil Ltd	2.65%	Australasian equities	New Zealand	
5	Auckland International Airport Ltd	2.58%	Australasian equities	New Zealand	
6	Ebos Group Ltd	2.37%	Australasian equities	New Zealand	
7	Meridian Energy Limited	2.28%	Australasian equities	New Zealand	
8	Fletcher Building Ltd	2.19%	Australasian equities	New Zealand	
9	S&P500 E-Mini Future	1.96%	International equities	United States of America	
10	Contact Energy Ltd	1.65%	Australasian equities	New Zealand	

The top 10 investments make up 27.32% of the net asset value of the fund.<sup>8</sup>

## Currency Hedging

The fund has exposure to foreign currencies. As at 31 March 2022, the actual currency hedging is as follows:

- Australasian equities – 99% hedged (benchmark 100%)
- International equities – 51% hedged (benchmark 51%)

Additional information about the currency hedging policy can be found in the SIPO which is available on the offer register at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz).

## Key personnel

	Name	Current position	Time in current position	Previous or other current position	Time in previous or other current position
1	Nigel Jackson	Head of Investments	1 year 2 months	Acting Head of Investments & Insurance	3 years 10 months
2	Philip Houghton-Brown	Head of Investment Solutions	1 year 6 months	Chief Investment Officer / Head of Investments, Mercer	8 years 2 months
3	Francois Richeboeuf	Senior Portfolio Manager	11 years 5 months	Acting Head of Investment Solutions	0 year 8 months
4	Stephen Hong	Senior Portfolio Manager	9 years 6 months	Portfolio Manager, AXA Global Investors	5 years 9 months
5	Angelika Sansom	Investment Analytics Manager	20 years 7 months	Investment Consultant, Mercer	2 years 4 months

## Further information

You can also obtain this information, the product disclosure statement for the Westpac KiwiSaver Scheme, and some additional information from the offer register at [disclose-register.companiesoffice.govt.nz](https://disclose-register.companiesoffice.govt.nz).

## Notes

1. BT Funds Management (NZ) Limited is the scheme provider and Westpac New Zealand Limited is the distributor of the Westpac KiwiSaver Scheme.
2. The risk indicator for the fund is calculated based on the volatility of returns over the past five years, which may not be a full investment cycle. In some cases the risk indicator might differ if calculated using a longer timeframe. We believe an average investment cycle is generally considered to be a period of between 7 to 10 years. If the period of returns data that a risk indicator is based on has had unusually low or high volatility the risk indicator presented in a fund update may provide a less reliable indication of a fund's potential future volatility.
3. The amounts specified include GST, where applicable.
4. Membership fees are the fixed dollar charges for membership in the Westpac KiwiSaver Scheme. You will pay this fee only once even if you are invested in multiple funds within the Westpac KiwiSaver Scheme. The Membership fees have been removed for all members from 28 September 2021.
5. If the value of the growth assets of this Capital Protection Plan Fund falls below certain predetermined levels, BT Funds Management (NZ) Limited will adjust the asset allocation of the fund by investing some or all of the assets of the fund in zero coupon bonds or deposits issued by the capital protection provider, Westpac Banking Corporation (New Zealand Branch).
6. For further information on each of the asset classes refer to the SIPO.
7. For the reporting of the Actual investment mix, cash and cash equivalents held for operational purposes at the fund level are shown as an investment in the cash and cash equivalents asset class at the fund level. However, cash and cash equivalents held for operational and hedging purposes at an asset class level (in the underlying funds) are assigned to the asset class to which they relate.
8. The top 10 investments have been calculated excluding cash and cash equivalents held for operational and hedging purposes.