

## Investment Update for the 50% Conservative / 50% Balanced investment option Year ended 31 March 2024

This Fund Update was first made publicly available on 26 June 2024.

### What is the purpose of this update?

This document tells you how the 50% Conservative / 50% Balanced investment option has performed and what fees were charged. The document will help you to compare the fund with other funds. Dairy Industry Superannuation Scheme Trustee 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 50% Conservative / 50% Balanced investment option splits your investment equally between the Conservative Fund and Balanced Fund. The investment objective for this investment option is to achieve the investment objective of the relevant Fund in respect of the proportion invested in that Fund. The fund updates for each Fund, which contain more information, can be found at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz)

|                                 |               |
|---------------------------------|---------------|
| Total value of the fund         | \$114,931,931 |
| Number of investors in the fund | 1025          |
| The date the fund started       | 1 April 2003  |

### What are the risks of investing?

#### Risk indicator for the 50% Conservative / 50% Balanced investment option



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the investment option'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-profiler](http://www.sorted.org.nz/tools/investor-profiler).

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 year period to 31 March 2024. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future investment updates.

See the product disclosure statement (PDS) for more information about the risks associated with investing in this investment.

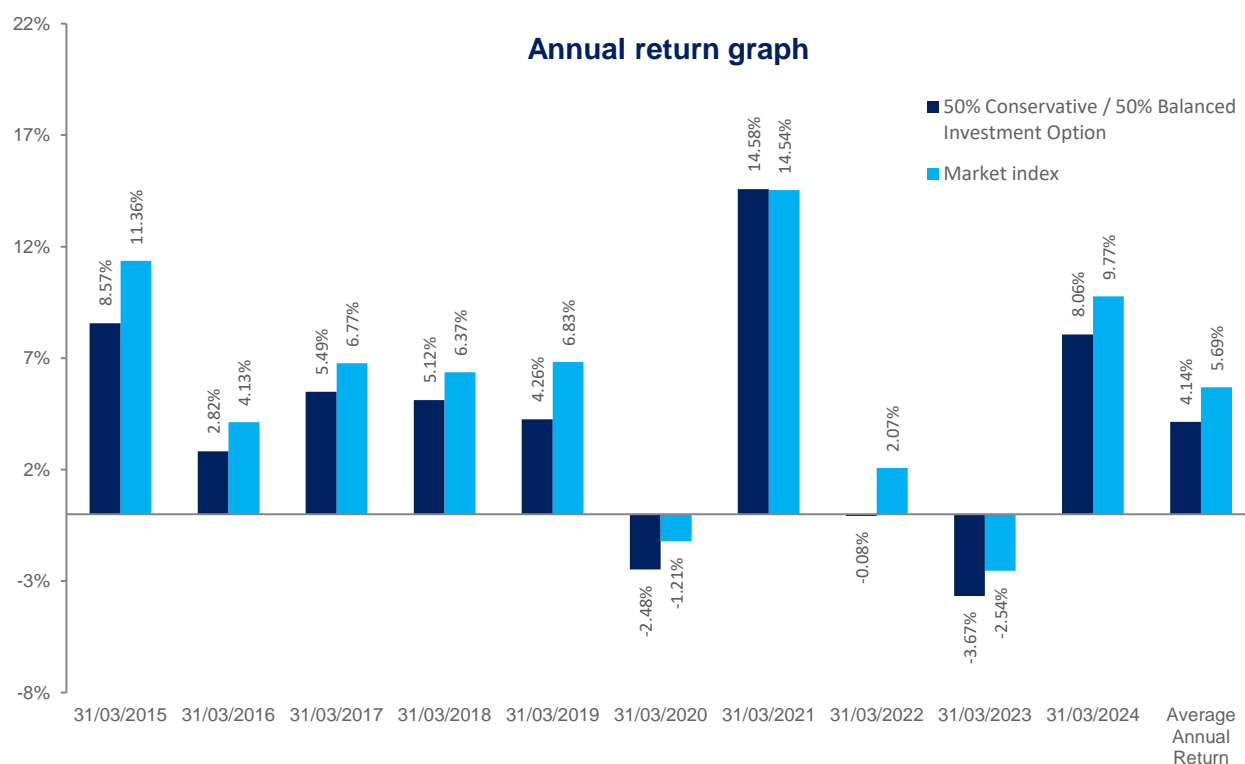
## How has the fund performed?

|  | Average over<br>past 5 years | Past year |
|--|------------------------------|-----------|
| <b>Annual return</b><br>(after deductions for charges and tax)                   | 3.05%                        | 8.06%     |
| <b>Annual return</b><br>(after deductions for charges but before tax)            | 3.37%                        | 8.93%     |
| <b>Market index annual return</b><br>(reflects no deduction for charges and tax) | 4.32%                        | 9.77%     |

The market index return is the strategic asset allocation weighted benchmark index return, where the benchmark indices are defined in the Statement of Investment Policy and Objectives.

Further information about the market index is available on the offer register at

[www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz)



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 2024.

**Important:** This does not tell you how the investment option will perform in the future.

## What fees are investors charged?

Investors in the 50% Conservative / 50% Balanced investment option are charged fund charges. In the year to 31 March 2024 these were:

|  | % of net asset value  |
|--|---|
| <b>Total fund charges</b>                          | 1.08% <sup>1</sup>  |
| Which are made up of:                              |   |
| <b>Total management and administration charges</b> | 1.08% <sup>1</sup>  |
| Including -  |   |
| Manager's basic fee                                | 0.00%   |
| Other management and administration charges        | 1.08% <sup>1</sup>  |
| <b>Total performance-based fees</b>                | 0.00%   |
| <b>Other charges</b>                               | <b>Dollar amount per investor or description of how charges is calculated</b> |
| N/A  | N/A   |

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the 'Fees' section of the 'Other Material Information' document on the offer register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz) for more information about those fees.

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

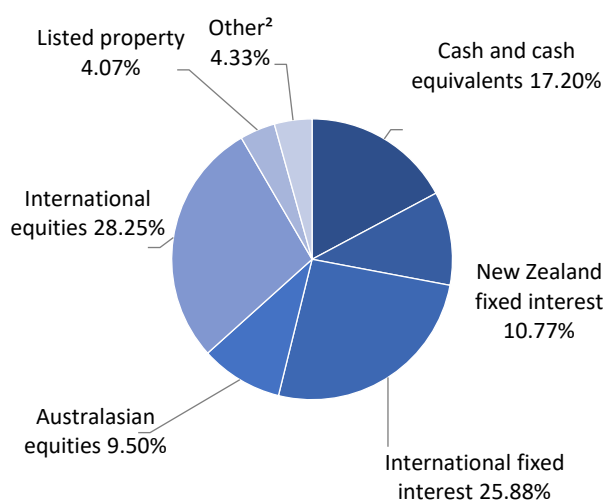
## Example of how this applies to an investor

Mary 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, Mary received a return after fund charges were deducted of \$893 (that is 8.93% of her initial \$10,000). Mary paid \$0.00 in other charges. This gives Mary a total return after tax of \$806 for the year.

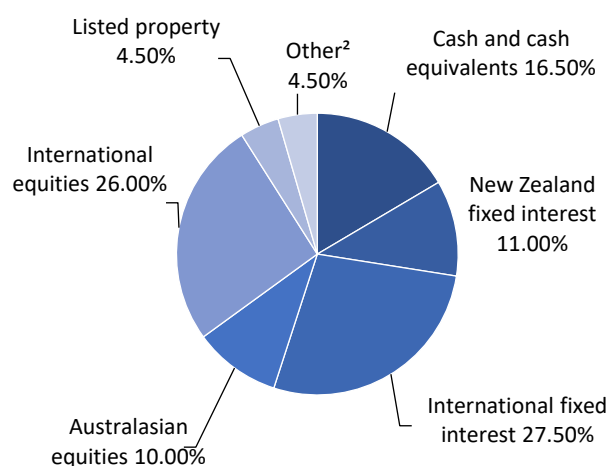
## What does the fund invest in?

This shows the types of assets that the investment option invests in.

### Actual investment mix



### Target investment mix



## Top 10 investments

| Asset name                              | % of fund<br>net asset<br>value | Type                         | Country | Credit rating |
|---|---------------------------------|------------------------------|---------|---------------|
| Russell Global Bond Fund                | 17.09%                          | International fixed interest | NZ      | N/A           |
| Mercer Hedged Overseas Shares Plus Fund | 13.54%                          | International equities       | NZ      | N/A           |
| Mercer Overseas Shares Plus Fund        | 11.41%                          | International equities       | NZ      | N/A           |
| Mercer Global Absolute Return Bond Fund | 8.79%                           | International fixed interest | NZ      | N/A           |
| Mercer Macquarie NZ Cash Fund           | 8.74%                           | Cash and cash equivalents    | NZ      | N/A           |
| ANZ Wholesale NZ Cash Fund              | 8.46%                           | Cash and cash equivalents    | NZ      | N/A           |
| Harbour Core NZ Fixed Interest Fund     | 5.57%                           | New Zealand fixed interest   | NZ      | N/A           |
| Mercer Macquarie NZ Fixed Interest Fund | 5.20%                           | New Zealand fixed interest   | NZ      | N/A           |
| Harbour Australasian Equity Fund        | 4.93%                           | Australasian equities        | NZ      | N/A           |
| Nikko Core Equity Fund                  | 4.56%                           | Australasian equities        | NZ      | N/A           |

The total value of the above 10 individual assets is 88.29% of the net asset value of the fund.

## Currency hedging

Currency hedging can apply to some of the asset classes this fund invests in. At 31 March 2024, the level of currency hedging for international equities was 47.9%. The level is managed between 40% and 60% and may change over time.

Other global assets classes (international fixed interest and real assets), target a 90-110% net of tax hedge to the New Zealand dollar. For more information refer to the statement of investment policy and objectives which is available from [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz) and the Documents and Forms page of [www.dairysuper.co.nz](http://www.dairysuper.co.nz)

## Key personnel

| Name                         | Current position                                       | Time in current position | Previous or other current position                              | Time in previous or other current position |
|------------------------------|--|--------------------------|---|--|
| Padraig Brown                | Chief Investment Officer, Mercer (N.Z.) Limited        | 1 year and 8 months      | Head of Real Estate (Pacific), Mercer (Australia) Limited       | 11 years and 0 months                      |
| Neil Cannell                 | Investment Consultant, Mercer                          | 10 years and 5 months    | Advisor, The Treasury   | 2 years and 5 months                       |
| Bruce Kerr                   | Licensed Independent Trustee                           | 9 years and 3 months     | Professional Trustee (Current position)                         | 23 years and 3 months                      |
| Tim McGuinness               | Chair of Trustee Board                                 | 17 years and 4 months    | Professional Trustee (Current position)                         | 18 years and 0 months                      |
| Robert Kavanagh <sup>3</sup> | Head of Portfolio Management NZ, Mercer (N.Z.) Limited | 10 years and 0 months    | Vice President - Account Management PIMCO Australia Pty Limited | 7 years and 0 months                       |

## Further information

You can also obtain this information, the PDS for the Dairy Industry Superannuation Scheme, and some additional information from the offer register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz) or on the Documents & forms page of [www.dairysuper.co.nz](http://www.dairysuper.co.nz) or by calling the Scheme helpline 0800 355 900.

## Notes

1. Insurance premiums make up 0.55% of the charges, with the balance being made up of the other types of fees and expenses in the Scheme's PDS.
2. This category consists of Global Listed Infrastructure assets.
3. Robert Kavanagh has not been named in the previous fund update for the 50% Conservative / 50% Balanced option.