

Conservative Fund

Fund update for the quarter ended 30 September 2024

This fund update was first made publicly available on 29 October 2024

What is the purpose of this update

This document tells you how the Conservative Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. Smartshares 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

Aims to protect capital and provide a moderate return over the medium term (at least 3 years). The fund invests mostly in income assets, with a modest allocation to growth assets

Total value of the fund	\$833,024
Number of investors in the fund	20
Date the fund started	24 November 2020

What are the risks of investing?

Risk indicator for the Conservative 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 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 5 years to 30 September 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 fund updates.

See the Product Disclosure Statement for the JMI Wealth KiwiSaver Scheme for more information about the risks associated with investing in this fund.

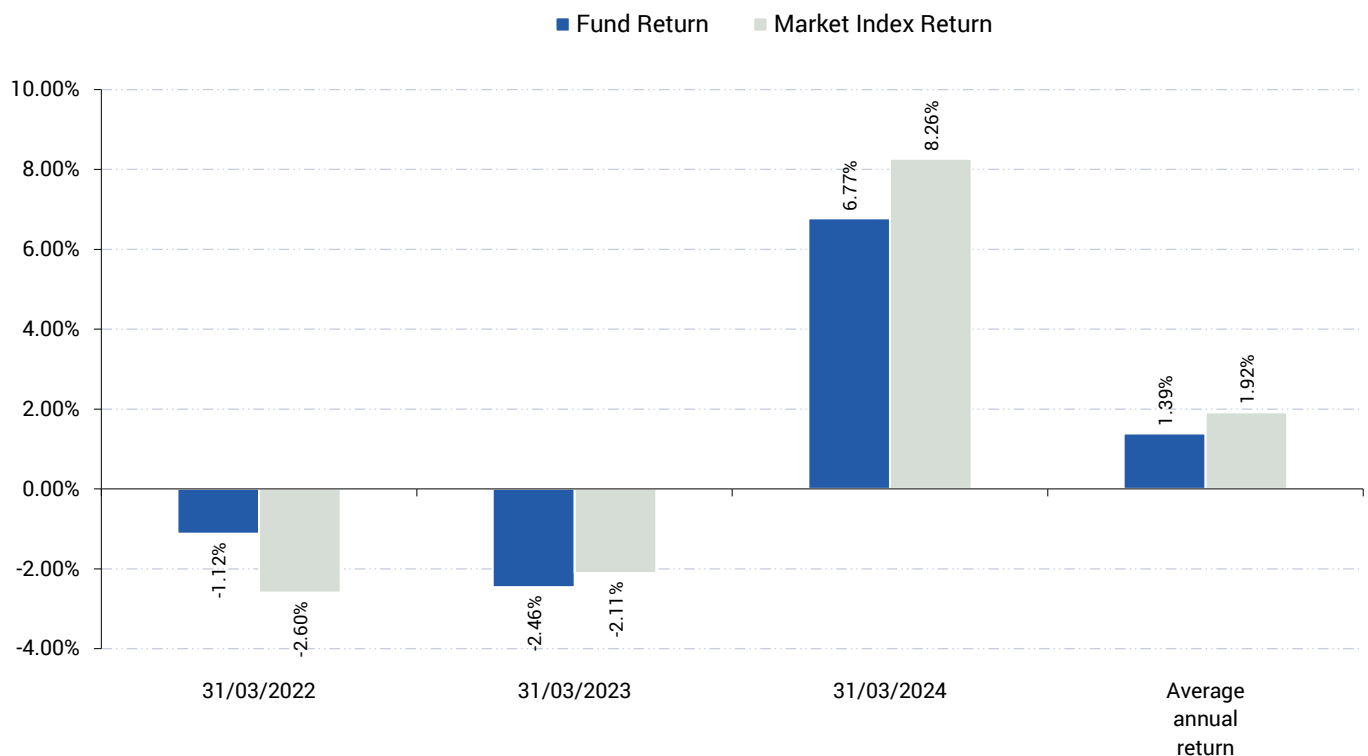
How has the fund performed?

	Past year
Annual return (after deductions for charges and tax)	10.00%
Annual return (after deductions for charges but before tax)	11.16%
Market index annual return (reflects no deduction for charges and tax)	12.86%

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

The SIPO and further additional information about the market index is available on the offer register at disclose-register.companiesoffice.govt.nz.

Annual return graph



This shows the return after fund charges and tax for each year ending 31 March since the fund started. The last bar shows the average annual return since the fund started, up to 30 September 2024.

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 Conservative Fund are charged fund charges. In the year to 31 March 2024 these were:

	% per annum of fund's net asset value
Total fund charges	1.10%
Which are made up of:	
Total management and administration charge	1.10%
Including:	
Manager's basic fee	0.80%
Other management and administration charges	0.30%
Other charges	Dollar amount per investor
Administration fee	\$36 per annum

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the Product Disclosure Statement for the JMI Wealth KiwiSaver Scheme for more information about those fees.

All fees are disclosed on a before-tax basis. GST will be added to fees and may be included in some expenses, where applicable.

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

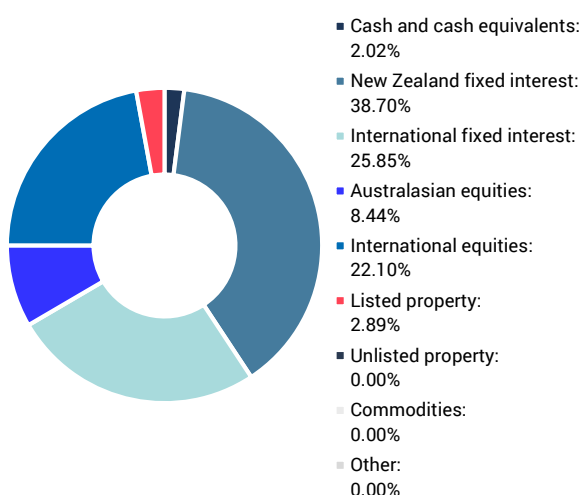
Example of how this applies to an investor

Debbie 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, Debbie received a return after fund charges were deducted but before tax of \$1,116 (that is 11.16% of Debbie's initial \$10,000). Debbie also paid \$36 in other charges. This gives Debbie a total return after tax of \$964 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.

Asset Category	Target Asset Mix
Cash and cash equivalents	5.00%
New Zealand fixed interest	40.00%
International fixed interest	25.00%
Australasian equities	10.00%
International equities	15.00%
Listed property	5.00%
Unlisted Property	-
Commodities	-
Other	-

Top 10 investments

Name	% of fund's net asset value	Type	Country	Credit rating (if applicable)
CAPITAL GROUP NEW PERSPECTIVE FUND LUX	7.07%	International equities	Luxembourg	
MILFORD TRANS TASMAN BOND FUND	5.35%	New Zealand fixed interest	New Zealand	
NIKKO AM GLOBAL BOND FUND	3.81%	Australasian equities	New Zealand	
FR SD8397 6.50% 1/01/2054	3.65%	International fixed interest	United States	
NZ LOCAL GOVT FUND AGENC 4.50% 15/05/2030	2.17%	New Zealand fixed interest	New Zealand	AAA
NZD CASH ACCOUNT (ANZ BANK)	2.12%	Cash and cash equivalents	New Zealand	
SALT SUSTAINABLE GLOBAL LISTED INFRASTRUCTURE FUND	2.01%	Australasian equities	New Zealand	AA-
BOC CALL ACCOUNT	1.98%	Cash and cash equivalents	New Zealand	
WELLINGTON GLOBAL STEWARDS FUND	1.94%	International equities	Ireland	
BANK OF NEW ZEALAND 5.872% 1/09/2028	1.38%	New Zealand fixed interest	New Zealand	AA-

The top 10 investments make up 31.48% of the fund's net asset value.

Currency hedging

As at 30 September 2024, the fund's exposure to assets denominated in foreign currencies was 55.3%, of which 75.9% was hedged. This means the fund's unhedged foreign currency exposure was 13.3% of the net asset value of the fund. See the current SIPO on the offer register at disclose-register.companiesoffice.govt.nz for more information on the fund's currency hedging strategy.

Key personnel

This shows the directors and employees who have the most influence on the investment decisions of the fund:

Name	Current position	Time in current position	Previous or other current position	Time in previous or other current position
Andrew Kelleher	Director - JMI Wealth, Select Wealth and Clarity Funds Management	16 years and 5 months	Acting Managing Principal - ASB Securities Limited	3 years and 5 months
Simon Reichenbach	Senior Investment Executive - JMI Wealth Limited	5 years	Senior Research Analyst - Staples Rodway Asset Management	4 years and 11 months
Stuart Kenneth Reginald Millar	Chief Investment Officer - Smartshares	5 years and 4 months	Head of Portfolio Management - ANZ Investments	6 years and 4 months
Michael Gray	Investment Strategist - JMI Wealth Limited	1 year and 6 months	Head of Investment Strategy – Macquarie Asset Management (NZ)	2 years

Further information

You can also obtain this information, the Product Disclosure Statement for the JMI Wealth KiwiSaver Scheme, and some additional information, from the offer register at disclose-register.companiesoffice.govt.nz.

Notes

- 1 Market index returns (as well as actual returns) have been used to complete the risk indicator, as the fund has not been in existence for 5 years. As a result, the risk indicator may provide a less reliable indicator of the potential future volatility of the fund. The risk indicator for the fund uses 1 year and 2 months of market index returns.