

# FUND UPDATE

FOR THE QUARTER ENDED 30 JUNE 2022



MACQUARIE

## Macquarie Investment Funds

### Macquarie Income Generator Fund<sup>1</sup>

This fund update was first made publicly available on: 28 July 2022

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

This document tells you how the Macquarie Income Generator Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. Macquarie Asset Management Public Investments (NZ) 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 a gross fixed monthly income in excess of bank deposit rates, along with a positive return on capital over the long term. To achieve this, the fund invests in a diversified mix of growth and defensive assets, with a focus on reliable income generation.

Payment of a fixed monthly distribution is delivered by actively managing a diversified range of income-producing assets such as fixed interest securities, corporate bonds, equities and infrastructure. The fund gains most of its underlying investment exposure by investing into other funds.

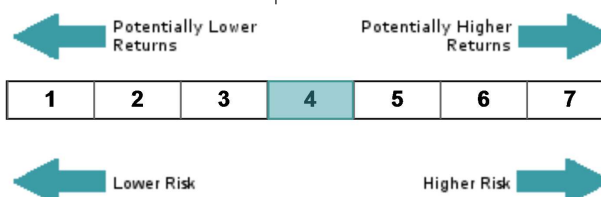
Environmental, Social and Governance characteristics are integrated into the underlying investment managers' investment processes.

The assets included in the international listed property category are hedged back to New Zealand dollars. For the international listed infrastructure category, the currency weights of the underlying index are hedged back to New Zealand dollars. The assets included in the global corporate bonds category are also hedged back to New Zealand dollars. The Australian dollar assets are not currently hedged, but the investment manager retains discretion to adjust this exposure.

The performance objective of the fund is to maximise the amount of the monthly distribution payments to investors by outperforming, over the medium term, the weighted average return of the market indices used to measure performance of the underlying funds/assets in which the fund invests.

#### What are the risks of investing?

Risk indicator for the Macquarie Income Generator 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 [www.sorted.org.nz](http://www.sorted.org.nz).

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 5 year period to 30 June 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.

See the Product Disclosure Statement (PDS) for more information about the risks associated with investing in this fund.

#### How has the fund performed?

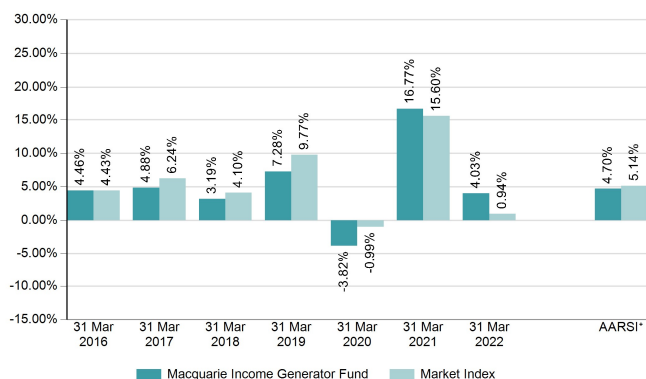
	Average over past 5 years	Past year
<b>Annual return<sup>2</sup></b> (after deductions for charges and tax)	3.82%	-4.39%
<b>Annual return<sup>2</sup></b> (after deductions for charges but before tax)	4.56%	-4.61%
<b>Market index annual return<sup>2</sup></b> (reflects no deduction for charges and tax)	4.19%	-6.86%

The market index annual return is based on the weighted average return of the market indices used to measure performance of the underlying funds/assets. Additional information about the market index is available on the offer register at [www.companiesoffice.govt.nz/disclose](http://www.companiesoffice.govt.nz/disclose).

**Total value of the fund** NZ\$63,250,040

**The date the fund started** 30 June 2014

## Annual Return Graph<sup>3</sup>



\* Average Annual Return Since Inception to 30 June 2022

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 June 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 Macquarie Income Generator Fund are charged fund charges. In the year to 31 March 2022 these were:

	% of net asset value
<b>Total fund charges</b>	0.92%
Which are made up of:	
<b>Total management and administration charges</b>	0.92%
Including:	
Manager's basic fee (excluding GST)	0.80%
Other management and administration charges (including GST)	0.12%

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the PDS for the Macquarie Investment Funds Goals Based Funds on the offer register at [www.companiesoffice.govt.nz/disclose](http://www.companiesoffice.govt.nz/disclose) for more information about those fees.

## Example of how this applies to an investor<sup>4</sup>

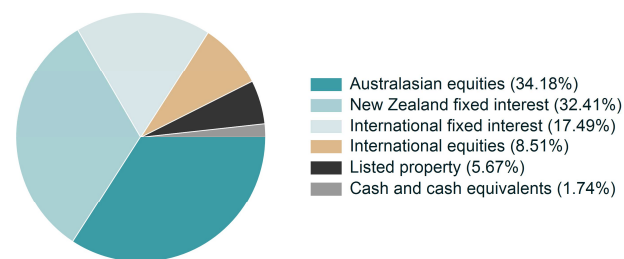
Small differences in fees and charges can have a big impact on your investment over the long term.

Jeff 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, Jeff received a return after fund charges were deducted of \$427 (that is 4.27% of his initial \$10,000). This gives Jeff a total return after tax of \$403 for the year.

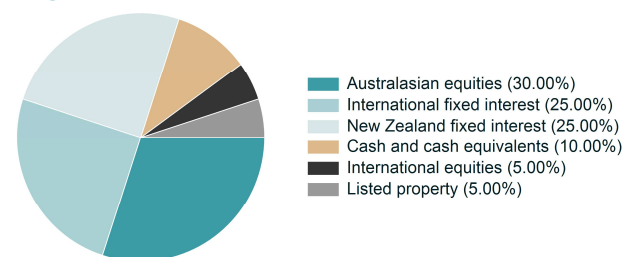
## What does the fund invest in?

This shows the types of assets that the fund invests in.

### Actual investment mix



### Target investment mix



## Top 10 investments

Name	% of Fund net assets	Type	Country	Credit Rating (if applicable)
New Zealand Government				
1 Inflation Linked Bond - maturing 20 Sep 25	8.04%	New Zealand fixed interest	New Zealand	AA+
New Zealand Government				
2 Inflation Linked Bond - maturing 20 Sep 30	3.84%	New Zealand fixed interest	New Zealand	AA+
3 iShares MBS ETF	2.46%	International fixed interest	United States	N/A
4 Fisher & Paykel Healthcare Corp Ltd	2.34%	Australasian equities	New Zealand	N/A
5 Spark New Zealand Ltd	1.77%	Australasian equities	New Zealand	N/A
6 Mainfreight Ltd	1.39%	Australasian equities	New Zealand	N/A
7 Meridian Energy Ltd	1.33%	Australasian equities	New Zealand	N/A
8 Auckland International Airport Ltd	1.28%	Australasian equities	New Zealand	N/A
9 EBOS Group Ltd	1.17%	Australasian equities	New Zealand	N/A
10 Infratil Ltd	1.09%	Australasian equities	New Zealand	N/A

The top 10 investments make up 24.71% of the fund.

## Key personnel

Name	Current position	Time in current position	Previous or other current position	Time in previous or other current position
1 Rebekah Swan	Head of New Zealand Public Investments, Macquarie Asset Management (NZ) Limited	4 months	Managing Director and Head of Client Services, AMP Capital Investors (New Zealand) Limited	1 year 5 months
2 Vicky Hyde-Smith	Associate Director, Macquarie Asset Management (NZ) Limited	4 months	Head of Fixed Income, AMP Capital Investors (New Zealand) Limited	5 years 1 month
3 Grant Hassell	Division Director, Macquarie Asset Management (NZ) Limited	4 months	Global Head of Fixed Income, AMP Capital Investors Limited	3 years 4 months
4 Michael Gray	Head of Investment Strategy (NZ), Macquarie Asset Management (NZ) Limited	4 months	Head of Investments NZ, AMP Capital Investors (New Zealand) Limited	1 year
5 Supriya Edwards	Investment Specialist, Macquarie Asset Management (NZ) Limited	4 months	Fixed Income Analyst, AMP Capital Investors (New Zealand) Limited	1 year 7 months

## Further information

## CONTACT US

If you have any enquiries about your investment or any of Macquarie's products or services please call us on 0800 400 499.

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You can also obtain this information, the PDS for the Macquarie Investment Funds Goals Based Funds, and some additional information from the offer register at [www.companiesoffice.govt.nz/disclose](http://www.companiesoffice.govt.nz/disclose).

## Notes

1. In March 2022, Macquarie Asset Management Holdings Pty Limited completed the acquisition of the AMP Capital Global Equities and Fixed Income business from AMP Group Holdings Limited. Prior to that acquisition, Macquarie Asset Management Public Investments (NZ) Limited was known as AMP Investment Management (N.Z.) Limited and the Macquarie Income Generator Fund was known as the AMP Capital Income Generator Fund.
2. These returns are for the periods ending 30 June 2022.
3. The bar graph shows fund returns after the deduction of fees and tax, however, the market index returns are shown before any fees or tax are deducted.
4. The returns and tax calculations used in this example are the actual fund returns and tax charges (or rebates) for the year ended 31 March 2022. Net of tax returns can be more than gross of tax returns where, due to the fund's tax position, it receives a tax rebate rather than paying tax.