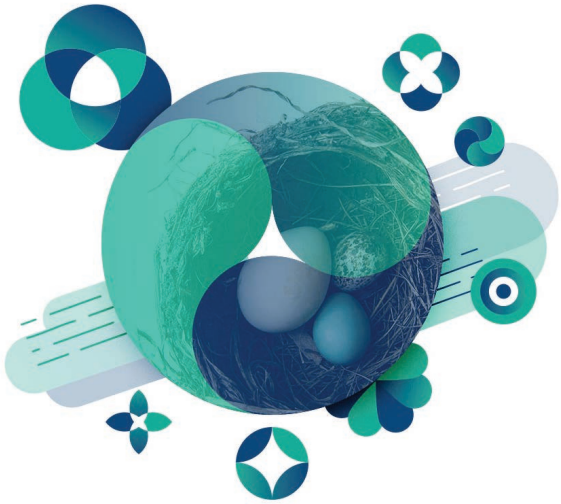


fisher funds

FISHER FUNDS MANAGED FUNDS FUND UPDATE

Conservative Fund

For the quarter ended: 31 December 2018
This fund update was first made publicly available on:
8 February 2019

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. 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 providing a modest level of return over the medium term. Invests in mainly income assets with a small amount in growth assets.

Total value of the fund	$9,482,237
Number of investors in the fund	211
The date the fund started	31 Jul 2018

WHAT ARE THE RISKS OF INVESTING?

Risk indicator for the Conservative Fund[1]:

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?

	Past year
Annual return (after deductions for charges and tax)	Not applicable[2]
Annual return (after deductions for charges but before tax)	Not applicable[2]
Market index annual return (reflects no deduction for charges and tax)	2.39%

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 on the offer register at companiesoffice.govt.nz/disclose under Fisher Funds Managed Funds or OFR10667.

WHAT FEES ARE INVESTORS CHARGED?

Investors in the Conservative Fund are charged fund charges that include GST. In the year to 31 March 2018 these were:

	% of net asset value
Total fund charges	1.41%
Which are made up of:	
Total management and administration charges	1.41%
Including :	
Manager's basic fee	1.12%
Other management and administration charges[3]	0.29%
Total performance-based fees	0.00%

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

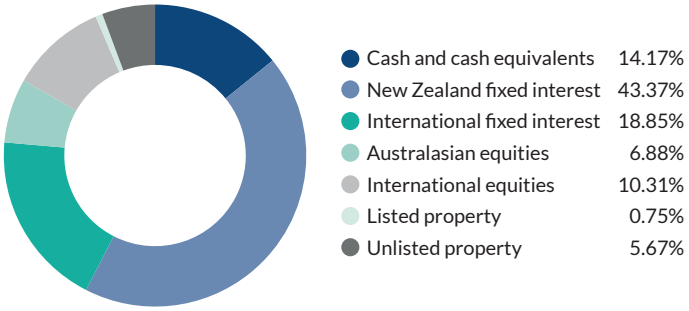
EXAMPLE OF HOW THIS APPLIES TO AN INVESTOR

Katie had $10,000 in the fund at 31 July 2018 and did not make any further contributions. At 31 December 2018, Katie incurred a loss after fund charges were deducted of -$47 (that is -0.47% of her initial $10,000). Katie did not pay other charges. This gives Katie a total loss after tax of -$47 for the period.

WHAT DOES THE FUND INVEST IN?

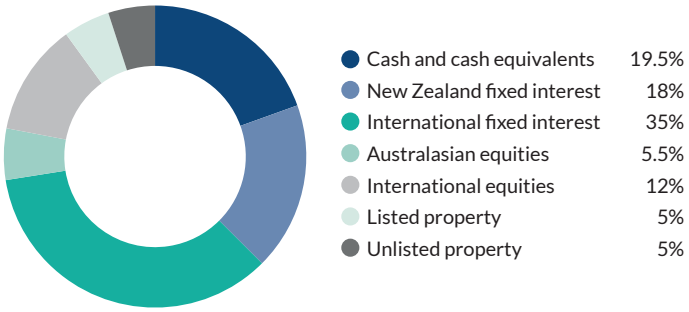
Actual investment mix

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 currency hedge ratios for each asset class (hedged into NZD) at quarter end are:

	Benchmark	Actual
International fixed interest	100%	99.1%
Australian equities	70%	67.8%
International equities	50%	42.7%
Listed property (overseas portion)	70%	70.1%

Top 10 Investments

Name	% of fund net assets	Type	Country	Credit rating *(if applicable)*
ANZ 10 A/C - CURRENT ACCOUNTS 31/12/2018	5.74%	Cash and cash equivalents	NZ	NA
BAYFAIR MALL	2.77%	Unlisted property	NZ	NA
GOVERNMENT OF NEW ZEALAND 4.5% 15-APR-2027	2.15%	New Zealand fixed interest	NZ	Aaa
2Y T-NOTE (CBT) MAR 19 28/03/2019	2.13%	International fixed interest	NZ	NA
10Y JAPAN GOVT BOND (OSE) MAR 19 12/03/2019	2.08%	International fixed interest	NZ	NA
GOVERNMENT OF NEW ZEALAND 3.5% 14-APR-2033	1.79%	New Zealand fixed interest	NZ	Aaa
GOVERNMENT OF NEW ZEALAND 2.75% 15-APR-2025	1.52%	New Zealand fixed interest	NZ	Aaa
RABOBANK NEDERLAND FRN 22-MAR-2021	1.51%	New Zealand fixed interest	NZ	Aa3
GOVERNMENT OF NEW ZEALAND 2.75% 15-APR-2037	1.45%	New Zealand fixed interest	NZ	Aaa
GOVERNMENT OF NEW ZEALAND 3.0% 20-APR-2029	1.44%	New Zealand fixed interest	NZ	Aaa

The top 10 investments make up 22.58% 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	1 Years, 5 Months	Director, Fisher Funds Management Limited	12 Years, 4 Months
Mark Brighouse	Chief Investment Strategist	1 Years, 5 Months	Chief Investment Officer, Fisher Funds Management Limited	5 Years, 9 Months
David McLeish	Senior Portfolio Manager, Fixed Interest	7 Years, 9 Months	Executive Director, Goldman Sachs International, London	3 Years, 0 Months
Ashley Gardyne	Senior Portfolio Manager, International Equities	2 Years, 8 Months	Senior Investment Analyst, International Equities, Fisher Funds Management Limited	2 Years, 11 Months
Sam Dickie	Senior Portfolio Manager, NZ Equities	1 Years, 10 Months	Portfolio Manager, Moore Capital Asia Limited	5 Years, 10 Months

FURTHER INFORMATION

You can also obtain this information, the PDS for the Fisher Funds Managed Funds, and some additional information from the offer register at companiesoffice.govt.nz/disclose under Fisher Funds Managed Funds or OFR10667.

NOTES

[1] Market index returns as well as the fund's actual returns have been used to fill in the risk indicator, as the fund commenced less than 5 years ago. As a result of market index returns being used, the risk indicator may provide a less reliable indicator of the potential future volatility of the fund. Market index returns were used for the period from 1 January 2014 to 31 July 2018.

[2] The Conservative Fund was introduced on 31 July 2018, the first annual returns will be available in the 30 September 2019 fund update.

[3] The other management and administration charges are estimated based on the other management and administration charges for existing funds managed by Fisher Funds that are invested similarly.