



INCOME FUND FACT SHEET

as at 28 February 2023

Annualised return
Since inception

3.3%

as at 28/02/2023
after fees and before tax

Annualised return
5 year

1.5%

as at 28/02/2023
after fees and before tax

If you had invested
\$10,000 at inception,
today it would be worth ...

\$14,725

inception date 18/04/2011

Unit price

\$1.071

as at 28/02/2023

Minimum
investment

\$100 per month

ABOUT THE FUND

The Income Fund gives our clients access to a diverse portfolio of fixed interest investments from around the globe. This fund combines our rigorous investment research with active portfolio management. As well as being an option to invest in this fund as part of a diversified investment strategy across our managed funds, this fund offers an alternative to bank deposits. Your money is invested throughout the world in a range of industries and sectors that are not available in Australasia, providing added diversification. Because this fund is designed to be a more conservative fund there are no investments in shares. You can also access your money at any time and there is a low minimum for investment.

WHY CHOOSE THE INCOME FUND

Cash and fixed interest play an important stabilising role in any investment portfolio. Think of it as something of a financial umbrella to offer your portfolio protection in difficult market conditions. This is because these types of investments are expected to offer more stable, though lower returns over the long term.

FUND HIGHLIGHTS

February 2023

Investment returns pulled back in February as the oscillation in bond yields continues.

In New Zealand, employment and inflation remains strong, giving the Reserve Bank little reason to alter their path to higher interest rates. As such, the Bank largely stuck to the script this month, raising the Official Cash Rate by 0.5% to 4.75%, closing in on their 5.5% peak forecast. Bond yields across most major offshore markets also rose between 0.3% and 0.5% on similar concerns – causing bond prices to fall.

After January's strong performance, our holding in the bonds of the Italian bank **Monte Dei Paschi** continued to benefit from positive news flow. Their strong operational performance was reflected in a 2-notch credit rating upgrade from Moody's following the bank's significant balance sheet improvements over the last year.

Another highlight was our exposure to select European corporate borrowers, where continued inflation and strong growth benefits their credit quality. Luxury furniture maker **International Design Group** and Luxury sneaker seller Golden Goose were two good examples. Both companies are growing strongly with demand at the high-end of retail remaining resilient. Profit margins also remain high as pricing power for these brands continues to be strong, allowing for them to pass on any cost inflation.

On the flipside, bonds with long-dated maturities (and thus more interest rate exposure) were laggards for the month. Our holding in the **Charter Communications 2032** maturity bonds is an example of this. Their business model is also one of the more interest rate sensitive in the portfolio, with fixed costs and waning video subscriptions difficult to offset, however the medium to long-term outlook for the company remains bright as they continue to drive market leading broadband products while generate significant cashflow.

Other underperforming holdings this month included banking names, **Natwest Group** and **Permanent TSB** – both having performed strongly in the prior six months. We think the sector still offers compelling value given the industry's significant shifts to shore up balance sheets and mitigate risky lending after hard lessons learned during the Global Financial Crisis.

FUND PERFORMANCE

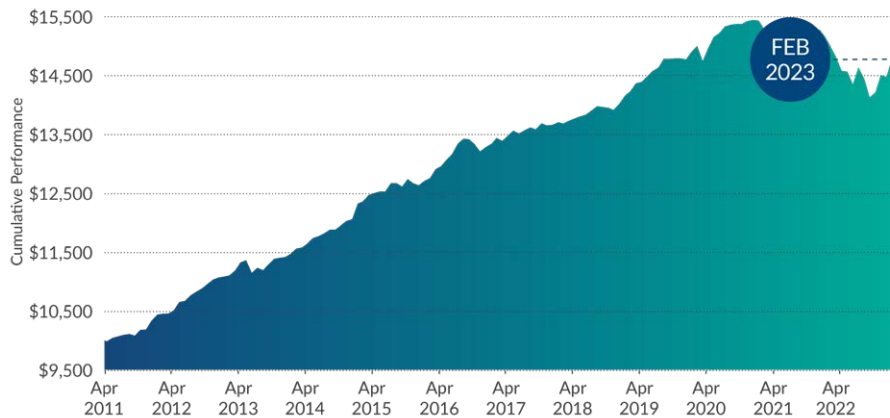
after fees and before tax for the period ending 28/02/2023

	1 Year	3 Years*	5 Years*	7 Years*	Since Launch*
Income Fund	-1.9%	-0.6%	1.5%	2.1%	3.3%
S&P/NZX 2 Year Swap Index	-0.4%	-0.6%	0.8%	1.4%	

Returns include the impact of monthly distributions and assume they have been reinvested. The Income Fund paid monthly distributions with the last distribution paid on 15 July 2018.

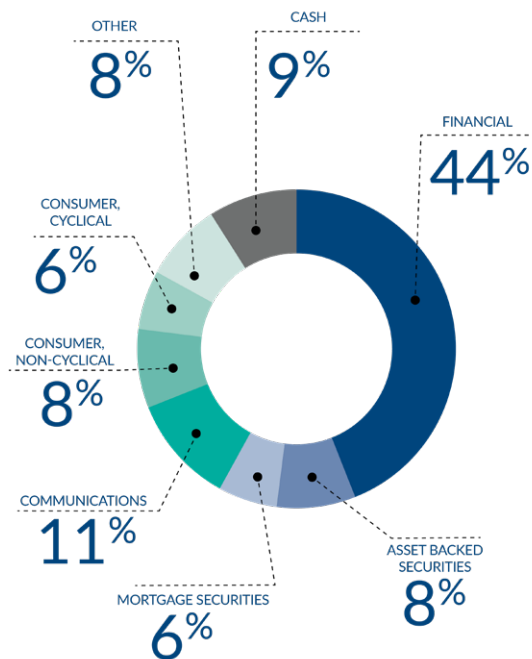
* Fund performance figures have been annualised where the performance period is more than one year.

Growth of \$10,000 invested in the Fund since inception



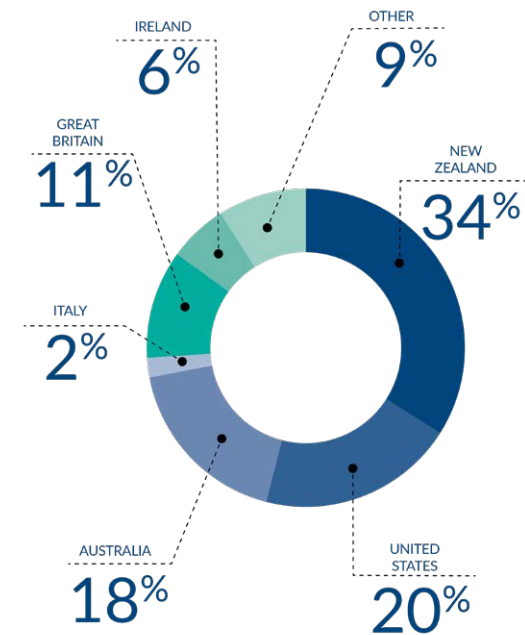
SECTOR SPLIT

as at 28 February 2023



GEOGRAPHIC SPLIT

as at 28 February 2023



FUND DETAILS

Fund inception	April 2011
PIE registered	Yes
Benchmark	S&P/NZX 2 Year Swap Index
Distributions	No – however, regular withdrawals are available
Annual fund charge*	0.93% p.a.
Entry fee – direct	Nil
Entry fee – adviser	0-4%
Exit fee	Nil
Minimum investment	\$2,000
Minimum withdrawal	\$100
Regular savings plan	Yes – min \$100 per month
Manager	Fisher Funds Management Ltd
Supervisor/custodian	Trustees Executors Ltd

* See the Fisher Funds Managed Funds 'Other Material Information' document at fisherfunds.co.nz/resources for more information on how the annual fund charge has been calculated.

YOUR INCOME PORTFOLIO TEAM



David McLeish
Senior Portfolio Manager



Quin Casey
Portfolio Manager - Credit



Matt Logan
Senior Investment Analyst



Lyle McNee
Senior Investment Analyst

For a copy of our product disclosure statement, visit our website fisherfunds.co.nz or phone 0508 FISHER (0508 347 437)

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