

FUND UPDATE

FOR THE QUARTER ENDED 30 SEPTEMBER 2022



MACQUARIE

Macquarie Investment Funds

Macquarie NZ Fixed Interest Fund¹

This fund update was first made publicly available on: 31 October 2022

What is the purpose of this update?

This document tells you how the Macquarie NZ Fixed Interest 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 is an actively managed diversified portfolio of fixed interest securities, focusing predominantly on government bonds and corporate securities in the New Zealand market.

Investment is in a diversified portfolio of primarily investment grade quality corporate and government securities. Derivatives are frequently utilised to manage risk. The portfolio is structured to add value through credit risk management and interest rate management. The portfolio may also contain a modest amount of foreign currency fixed interest securities, 100% hedged back to New Zealand dollars.

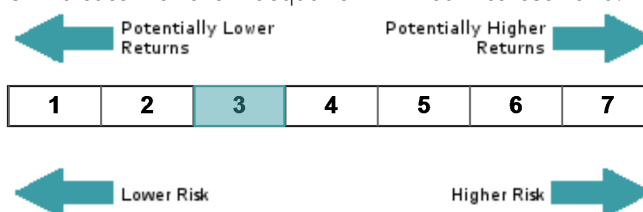
Environmental, Social and Governance characteristics are integrated into our investment process.

The performance objective of the fund is to provide a Gross Return (see note 2 below) above the return of the Bloomberg NZBond Composite 0+ Yr Index on a rolling three year basis.

| | |
|----------------------------------|-----------------|
| Total value of the fund | NZ\$288,762,478 |
| The date the fund started | 05 June 1995 |

What are the risks of investing?

Risk indicator for the Macquarie NZ Fixed Interest 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.

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 September 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.

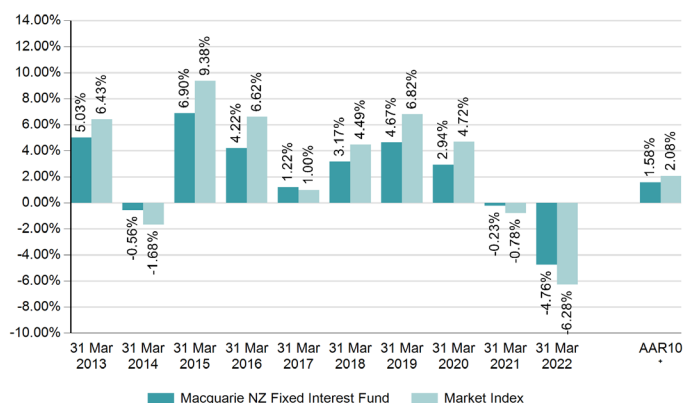
See the Product Disclosure Statement (PDS) for more information about the risks associated with investing in this fund.

How has the fund performed?

| | Average over past 5 years | Past year |
|---|---------------------------|-----------|
| Annual return³ (after deductions for charges and tax) | 0.22% | -6.40% |
| Annual return³ (after deductions for charges but before tax) | 0.29% | -8.80% |
| Market index annual return³ (reflects no deduction for charges and tax) | 0.45% | -8.80% |

The market index annual return is based on the Bloomberg NZBond Composite 0+ Yr Index. Additional information about the market index is available on the offer register at www.companiesoffice.govt.nz/disclose.

Annual Return Graph⁴



* Average Annual Return for the last 10 years to 30 September 2022

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 30 September 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 NZ Fixed Interest Fund are charged fund charges. In the year to 31 March 2022 these were:

| | % of net asset value |
|---|----------------------|
| Total fund charges | 0.58% |
| Which are made up of: | |
| Total management and administration charges | 0.58% |
| Including: | |
| Manager's basic fee (excluding GST) | 0.55% |
| Other management and administration charges (including GST) | 0.03% |

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 Cash and Fixed Interest Funds on the offer register at www.companiesoffice.govt.nz/disclose for more information about those fees.

Example of how this applies to an investor⁵

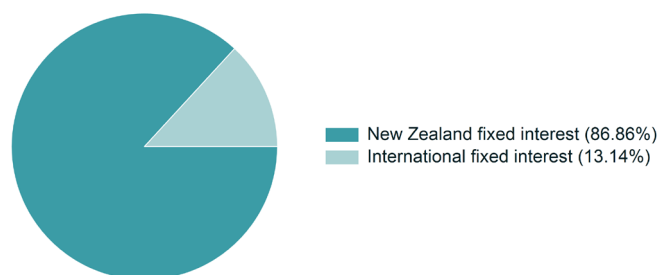
Small differences in fees and charges can have a big impact on your investment over the long term.

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 incurred a loss after fund charges were deducted of -\$653 (that is -6.53% of his initial \$10,000). This gives Jeff a total loss after tax of -\$476 for the year.

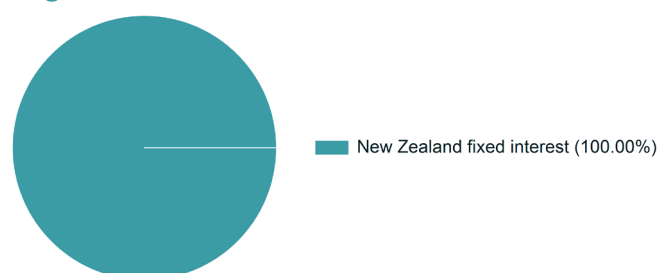
What does the fund invest in?

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) |
|----|---|----------------------|----------------------------|-------------|-------------------------------|
| 1 | New Zealand Government Bond - maturing 20 Apr 29 | 7.47% | New Zealand fixed interest | New Zealand | AA+ |
| 2 | New Zealand Government Bond - maturing 15 Apr 27 | 7.19% | New Zealand fixed interest | New Zealand | AA+ |
| 3 | New Zealand Government Bond - maturing 15 May 31 | 5.75% | New Zealand fixed interest | New Zealand | AA+ |
| 4 | New Zealand Government Bond - maturing 14 Apr 33 | 4.74% | New Zealand fixed interest | New Zealand | AA+ |
| 5 | New Zealand Government Bond - maturing 15 Apr 37 | 4.52% | New Zealand fixed interest | New Zealand | AA+ |
| 6 | New Zealand Government Bond - maturing 15 Apr 25 | 4.22% | New Zealand fixed interest | New Zealand | AA+ |
| 7 | Westpac New Zealand Ltd - maturing 29 Jul 24 | 2.63% | New Zealand fixed interest | New Zealand | A+ |
| 8 | Toyota Finance New Zealand Ltd - maturing 22 Oct 24 | 2.43% | New Zealand fixed interest | New Zealand | A+ |
| 9 | New Zealand Government Bond - maturing 15 May 28 | 2.24% | New Zealand fixed interest | New Zealand | AA+ |
| 10 | New Zealand Government Bond - maturing 15 May 32 | 1.96% | New Zealand fixed interest | New Zealand | AA+ |

The top 10 investments make up 43.15% 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 Vicky Hyde-Smith | Associate Director, Macquarie Asset Management (NZ) Limited | 7 months | Head of Fixed Income, AMP Capital Investors (New Zealand) Limited | 5 years 1 month |
| 2 Tim Mowbray | Portfolio Manager, Macquarie Asset Management (NZ) Limited | 7 months | Portfolio Manager, AMP Capital Investors (New Zealand) Limited | 4 years 1 month |
| 3 Carrick Lucas | Senior Portfolio Manager, Macquarie Asset Management (NZ) Limited | 7 months | Senior Portfolio Manager, AMP Capital Investors (New Zealand) Limited | 1 year 2 months |
| 4 Rebekah Swan | Head of New Zealand Public Investments, Macquarie Asset Management (NZ) Limited | 7 months | Managing Director and Head of Client Services, AMP Capital Investors (New Zealand) Limited | 1 year 5 months |
| 5 Michael Gray | Head of Investment Strategy (NZ), Macquarie Asset Management (NZ) Limited | 7 months | Head of Investments NZ, AMP Capital Investors (New Zealand) Limited | 1 year |

Further information

You can also obtain this information, the PDS for the Macquarie Investment Funds Cash and Fixed Interest Funds, and some additional information from the offer register at www.companiesoffice.govt.nz/disclose.

Notes

- 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 NZ Fixed Interest Fund was known as the AMP Capital NZ Fixed Interest Fund.
- Gross Return is the return before the deduction of tax, expenses and fees and assumes all income is reinvested.
- These returns are for the periods ending 30 September 2022.
- 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.
- 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.

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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