

# Fund Update

For the quarter ended 30 September 2024

- **Squirrel Investment Funds**
- **Squirrel Monthly Income Fund**

This fund update was first made publicly available on: 30 October 2024

This is a replacement fund update. It replaces the previous fund updates for the quarter ending 30 September 2024, first made publicly available on 29 October 2024. This and previous replacement fund updates have corrected the actual asset mix in the "What does the Fund Invest In?" section and the annual return in the "How has the fund performed?" section.

## What is the purpose of this update?

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

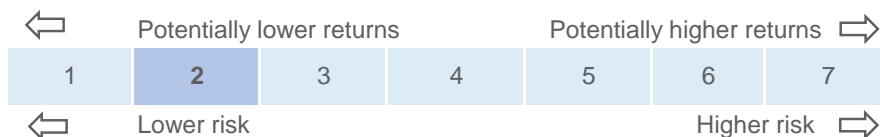
**Objective:** To provide an annual return, after fees and before tax, that outperforms the 1 Year New Term Deposit Rate (>\$10k) by a margin of 2.00%.

**Strategy:** The fund is designed to provide investors with a regular income return generated through exposure to a diversified portfolio of loans predominately secured against registered first mortgages on residential property across New Zealand. Loan exposure is obtained by investing in the Squirrel Wholesale Investment Funds scheme, whose funds obtain their loan exposure through investing via the Squirrel peer-to-peer ("P2P") platform operated by Squirrel Money Limited. Assets of the Squirrel Wholesale Funds may include exposure to fractional and/or whole loans, as well as cash and cash equivalents.

Total value of the fund	\$NZ 27,109,934
The date the fund started	13 October 2021

## What are the risks of investing?<sup>1</sup>

Risk indicator for the Squirrel Monthly Income 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 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.

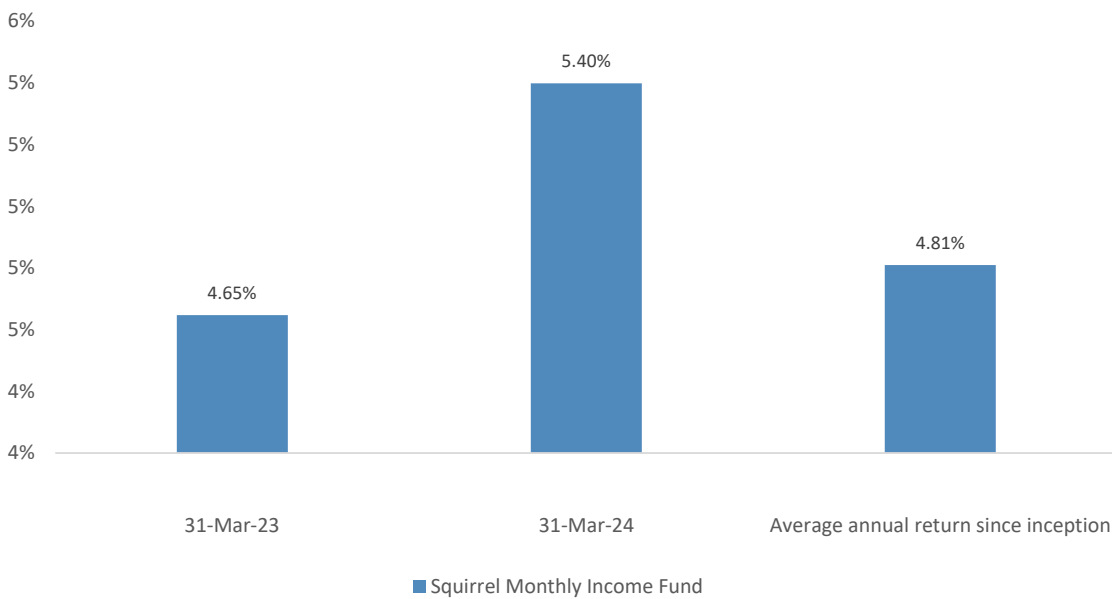
See the product disclosure statement (PDS) for more information about the risks associated with investing in this fund.

**How has the fund performed?**

Annual return (after deductions for charges and tax)	5.48%
Annual return (after deductions for charges but before tax)	7.57%

There is no appropriate market index and no suitable comparable peer group index for the fund against which to assess either movements in relation to the returns from the assets in which the fund invests or the performance of the fund as a whole. For further information see the document entitled “Squirrel Monthly Income Fund – No market index” available on the offer register at <https://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 Squirrel Monthly Income Fund are charged fund charges. In the year to 31 March 2024 these were:

	% of net asset value (including GST)
Total fund charges	2.14%
Which are made up of:	
Total manager and administration charges	2.14%
Including:	
Manager's basic fee (including GST)	2.14%
Other management and administration charges	0.00%

Manager's basic fee includes an estimate of the charges incurred in the underlying fund in which the fund invests. The estimate incorporates information provided by the underlying fund manager as well as information sourced from the underlying fund's disclosure documents.

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 Squirrel Monthly Income Fund on the offer register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz) for more information about those fees.

## Example of how this applies to an investor

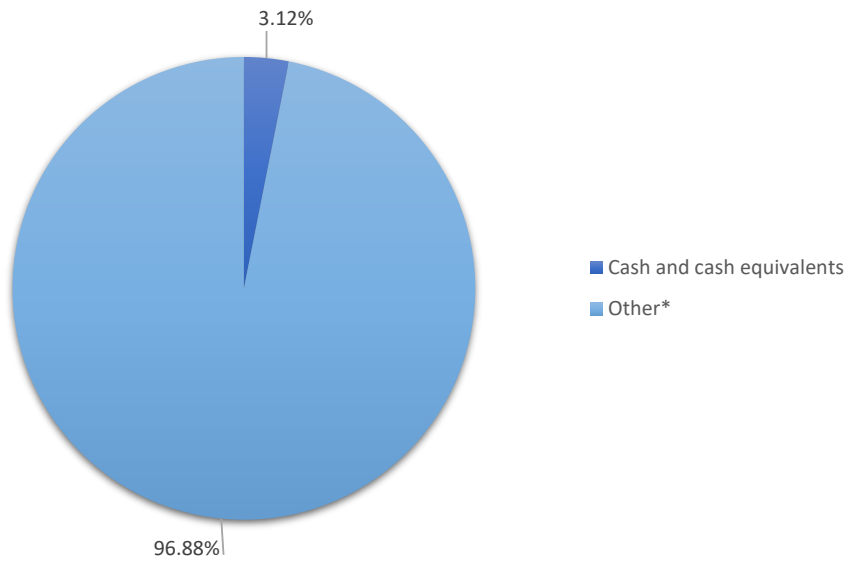
Small differences in fees and charges can have a big impact on your investment over the long term.

Anthony 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, Anthony received a return after fund charges were deducted of \$757 (that is 7.57% of his initial \$10,000). This gives Anthony a total return after tax of \$548 for the year.

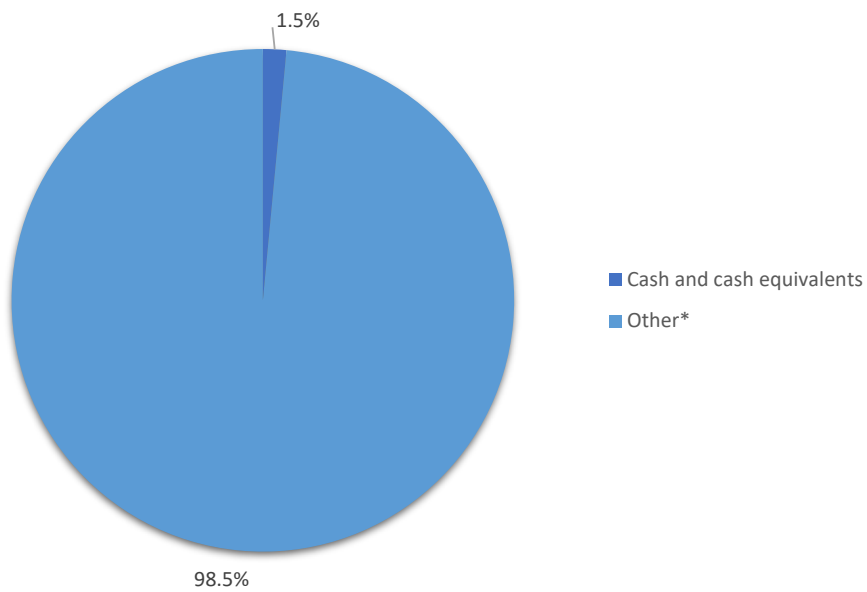
### What does the fund invest in?

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

#### Actual investment mix



#### Target investment mix



\* Other represents private fixed and variable interest rate loans on the Squirrel P2P platform. Full details of the strategy and permitted investments for the fund are outlined in the Statement of Investment Policy and Objectives (SIPO).

## Top 10 investments

	Name	% of fund net assets	Type*	Country	Credit rating (if applicable)
1	Construction Loan Secured By Residential Dwelling (Waikato)	4.54%	Other	NZ	N/A
2	Construction Loan Secured By Residential Dwelling (Auckland)	4.27%	Other	NZ	N/A
3	Construction Loan Secured By Residential Dwelling (Auckland)	2.26%	Other	NZ	N/A
4	Construction Loan Secured By Residential Dwelling (Wellington)	2.15%	Other	NZ	N/A
5	Home Loan Secured By Residential Dwelling (Auckland)	2.12%	Other	NZ	N/A
6	Home Loan Secured By Residential Dwelling (Auckland)	2.11%	Other	NZ	N/A
7	Construction Loan Secured By Residential Dwelling (Auckland)	1.87%	Other	NZ	N/A
8	Construction Loan Secured By Residential Dwelling (Taranaki)	1.77%	Other	NZ	N/A
9	Construction Loan Secured By Residential Dwelling (Auckland)	1.60%	Other	NZ	N/A
10	Construction Loan Secured By Residential Dwelling (Canterbury)	1.57%	Other	NZ	N/A

The top 10 investments make up 24.26% of the net asset value of the fund.

\* Exposure to private fixed and variable interest rate loans on the Squirrel P2P platform. Full details of the strategy and permitted investments for the fund are outlined in the SIPO.

## 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
<b>David Tyrer</b>	Chief Operating Officer - Squirrel	4 years 9 months	Head of Digital Transformation – ANZ	3 years
<b>Tim Bowen</b>	Chief Financial Officer - Squirrel	8 years 3 months	Director, Evergreen Consultants	2 years
<b>Doug Thomson</b>	Investor Relations Manager	3 years 9 months	Head of Investor Relations , Old Mutual Alternative Investments	3 years 3 months

## Further information

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

## Additional information<sup>2</sup>

Composition of related underlying funds	% of total assets of related underlying fund
<b>Squirrel Wholesale Construction Loan Fund</b>	
- Secured loans for which the Secured asset is residential property	96.34%
- Unsecured loans	0.00%
- Cash and Cash equivalents	3.66%
<b>Squirrel Wholesale Home Loan Fund</b>	
- Secured loans for which the Secured asset is residential property	97.92%
- Unsecured loans	0.00%
- Cash and Cash equivalents	2.08%
<b>Squirrel Wholesale Personal Loan Fund</b>	
- Secured loans for which the Secured asset is other assets	0.00%
- Secured loans for which the Secured asset is residential property	0.00%
- Unsecured loans	0.00%
- Cash and Cash equivalents	0.00%

Loans are allocated an asset type based on the zoning of the principal secured property (by value) that is set in the local council's district plan.

For loan exposures of the fund where "other assets" is the primary security asset type, the other assets are motor vehicles.

Through its investment in related underlying funds, the fund has an interest in 190 loans.

10 largest loans of the Fund	% of net assets
Construction loan secured by Residential Dwelling (Waikato)	4.54%
Construction loan secured by Residential Dwelling (Auckland)	4.27%
Construction loan secured by Residential Dwelling (Auckland)	2.26%
Construction loan secured by Residential Dwelling (Wellington)	2.15%
Home loan secured by Residential Dwelling (Auckland)	2.12%
Home loan secured by Residential Dwelling (Auckland)	2.11%
Construction loan secured by Residential Dwelling (Auckland)	1.87%
Construction loan secured by Residential Dwelling (Taranaki)	1.77%
Construction loan secured by Residential Dwelling (Auckland)	1.60%
Construction loan secured by Residential Dwelling (Canterbury)	1.57%
<b>TOTAL</b>	<b>24.26%</b>

Risk rating*	% of net assets of related underlying fund
<b>Squirrel Wholesale Construction Loan Fund</b>	
A	46.87%
B	47.84%
C	1.52%
D	0.11%
E	0.00%
F	0.00%

<b>Squirrel Home Loan Fund</b>	
A	30.66%
B	62.36%
C	4.91%
D	0.00%
E	0.00%
F	0.00%
<b>Squirrel Wholesale Personal Loan Fund</b>	
A	0.00%
B	0.00%
C	0.00%
D	0.00%
E	0.00%
F	0.00%

Investors can find more information on the risk rating methodology in the Squirrel Investment Funds Scheme Other Material Information document which can be found at <https://disclose-register.companiesoffice.govt.nz>.

<b>Loan assets by term</b>	<b>% of total assets of the fund*</b>
One year or less	78.09%
More than one year and less than, or equal to, five years	18.59%
More than five years and less than, or equal to, ten years	0.00%
More than 10 years	0.00%

\* Percentages are based on the remaining term to maturity

Through its investment in related underlying funds, the fund currently has no exposure to any loans with no risk rating or other risk-based categorisation allocated.

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## Notes

<sup>1</sup> A combination of actual fund returns and estimated returns have been used to determine the risk indicator as the fund has not been operating for the required five years. Estimated returns have been used until 31 October 2021 and fund returns thereafter. The basis for determining the estimated returns is to use a proxy market index, comprising 40% of the Bloomberg NZBond Bank Bill Index and 60% of the Bloomberg NZ Bond Composite 0+ Yr Index, for the period to 31 October 2021. The risk indicator may therefore provide a less reliable indicator of the fund's future volatility.

<sup>2</sup> The Manager has prepared this additional information in accordance with the Financial Markets Conduct (Squirrel Investment Funds) Exemption Notice 2021.