

JMIS Investment Management Funds Quarterly Fund Update

For the quarter ended 30 September 2016

JMIS EQUITY INCOME FUND

This fund update was first made publicly available on 28 October 2016

What is the purpose of this update?

This document tells you how the JMIS Equity Income Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. JMIS Investment 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 JMIS Equity Income Fund aims to achieve returns over the medium term by investing in a portfolio of well-diversified Australasian equities with an income bias. It may also invest in listed property shares and alternative assets. The target mix is 10% for Australian and 60% for New Zealand equities, 20% listed property and 10% for Australasian cash and New Zealand fixed interest securities, but broad variations to this are likely.

Total value of the fund	\$50,324,084.20
The date the fund started	29 October 2013

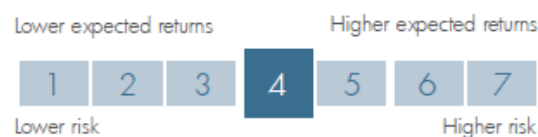
How has the fund performed?

	Past year
Annual return (after deductions for charges and tax)	17.30%
Annual return (after deductions for charges but before tax)	17.89%
Market index annual return (reflects no deduction for charges and tax)	1.14%

We calculate the market index annual return from 5 September 2016 by using 75% of the NZX50 Portfolio Index and 25% of the ASX 200 Accumulation Index in Australian dollars. Between 29 October 2013 and 4 September 2016 the NZX 90 Day Bank Bill Index was used as the benchmark index. Additional information about the market index is available on the offer register at www.business.govt.nz/disclose.

What are the risks of investing?

Risk indicator for the JMIS Equity Income Fund¹



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.

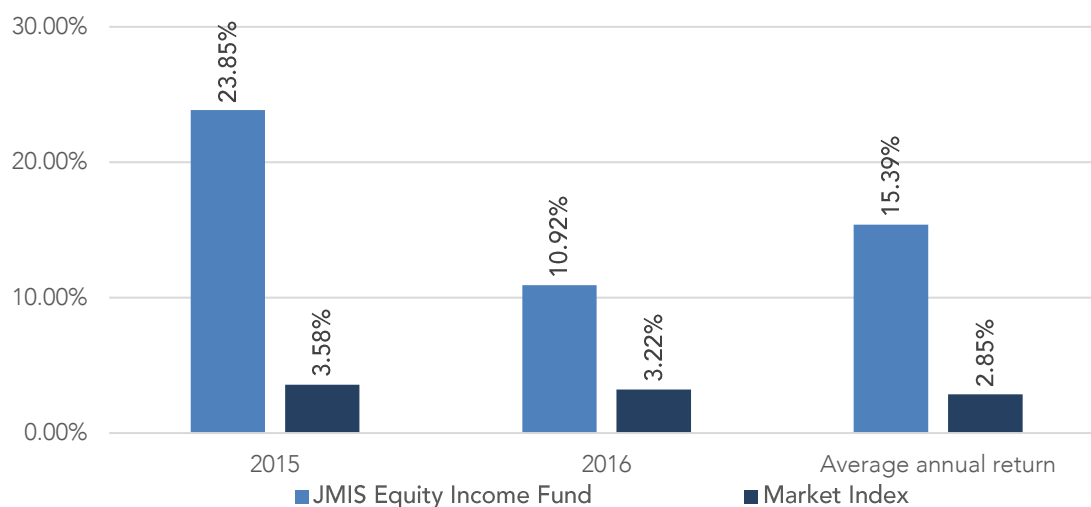
To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz/tools/investor-kickstarter.

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 five year period to 30 September 2016. 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.

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 31 March 2016.

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 JMIS Equity Income Fund are charged fund charges. In the year to 31 March 2016 these were:

	% of net asset value
Total fund charges	1.00%
Comprising management and administration charges which are made up of:	
Manager's basic fee	0.62%
Other management and administration charges	0.38%

There are no performance fees charged in relation to any of the JMIS Funds.

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 more information about those fees.

Example of how this applies to an investor

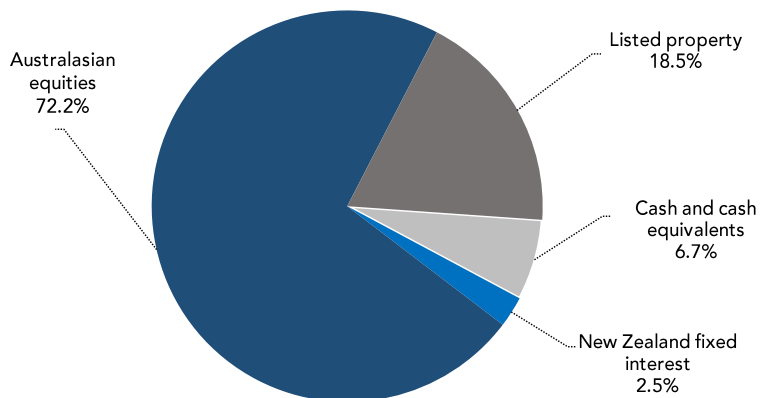
Small differences in fees and charges can have a big impact on your investment over the long term.

Sarah had \$10,000 in the JMIS Equity Income Fund at the start of the year and did not make any further contributions. At the end of the year, Sarah received a return after fund charges were deducted of \$1,789 (that is 17.89% of her initial \$10,000). Sarah does not pay any other charges. This gives Sarah a total return after tax of \$1,730 for the year.

What does the fund invest in?

This shows the types of assets that the JMIS Equity Income Fund invests in.

Actual investment mix



Target investment mix

Asset Sector	Target Asset Allocation %	Range %
Cash and cash equivalents	5	0 - 20
Australasian Equities	70	0 - 100
International Equities	0	0 - 5
Listed Property	20	0 - 40
New Zealand Fixed Interest	5	0 - 50
International Fixed Interest	0	0 - 10
Other Assets	0	0 - 10
Total Asset Allocation	100	

Top 10 investments

	Name	Country	Type	Credit rating (if applicable)	% of net asset value
1	PGG Wrightson	New Zealand	Australasian equities		5.29%
2	Metro Performance Glass	New Zealand	Australasian equities		4.94%
3	Contact Energy	New Zealand	Australasian equities		4.66%
4	Heartland Bank	New Zealand	Australasian equities		4.42%
5	Cash at Bank	New Zealand	Cash and Cash Equivalents		4.28%
6	Airwork Holdings	New Zealand	Australasian equities		3.94%
7	Meridian Energy	New Zealand	Australasian equities		3.86%
8	Tourism Holdings	New Zealand	Australasian equities		3.51%
9	Arvida Group	New Zealand	Australasian equities		3.38%
10	Hellaby Holdings	New Zealand	Australasian equities		3.31%

The top 10 investments make up 41.59% of the net asset value of the Fund.

Key personnel

Name	Current position	Time in current position	Previous position	Time in previous position
Alan Lee	Director, JMIS Limited and subsidiaries	11 years 3 months	Director, Jarden Morgan Investment Services Limited	4 years 0 months
Andrew Kelleher	Director, JMIS Limited and subsidiaries	8 years 5 months	Acting Managing Principal, ASB Securities Limited and Investment Consultant, ASB Limited	3 years 5 months
Ross Jewell	Director, JMIS Limited and Senior Executive, JMIS Investment Management Limited	11 years 3 months	Director, Jarden Morgan Investment Services Limited	15 years 11 months
Ian Arkle	Investment Executive, JMIS Limited	5 years 2 months	Investment Manager, NZ Guardian Trust	6 years 0 months
Jonathan Westoby	Investment Executive, JMIS Limited	10 years 6 months	Stockbroker, Macquarie Group	12 years 8 months

Further information

You can also obtain this information, the PDS for the JMIS Funds, and some additional information from the offer register at www.business.govt.nz/disclose.

Notes

1. As the Fund commenced operations on 29 October 2013, a combination of actual fund returns and market index returns were used to determine the risk indicator. Therefore, it may provide a less reliable indicator of potential future volatility. For the five-year period ending 30 June 2016, market index returns have been used to 28 October 2013 with actual fund returns used for the balance of the period.

If you have any questions please contact us on +64 09 308 1450 or visit our website www.jmis.co.nz