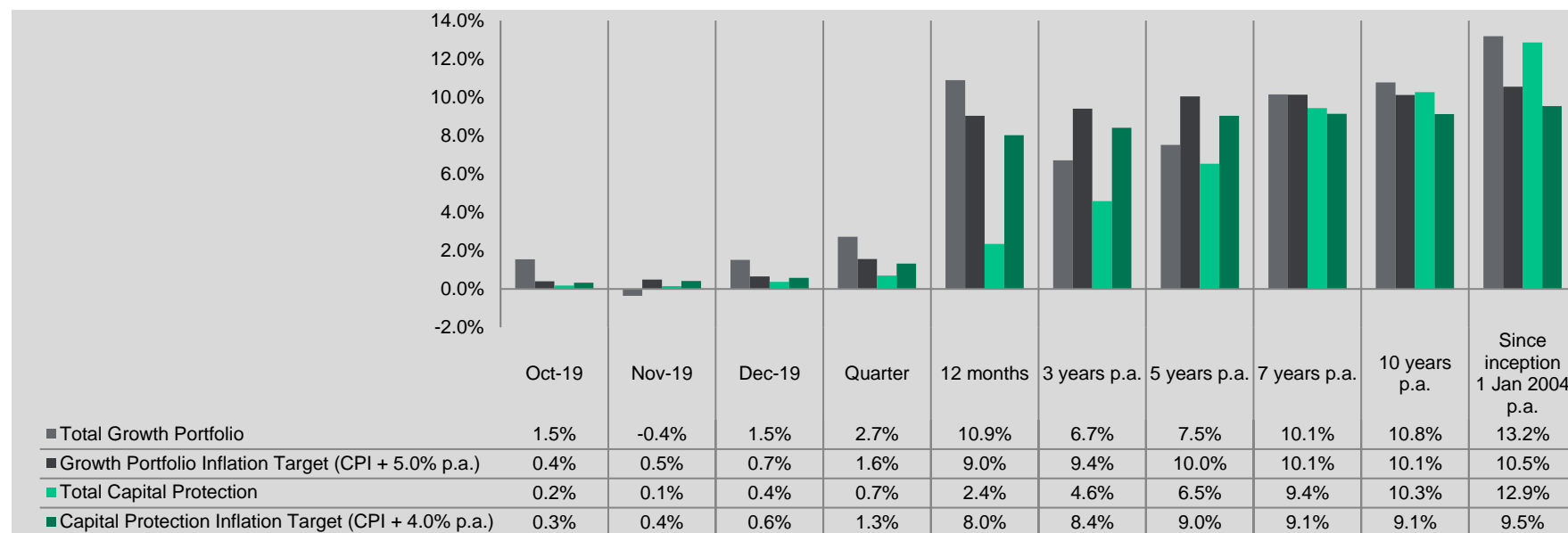


THACSA Fund performance: Q4 2019

Total Growth and Capital Protection performance

The net performance of the Growth and Capital Protection portfolios to 31 December 2019 compared to the relevant inflation targets is shown in the graph below. The inflation target of the Growth Portfolio is the consumer price inflation (CPI) + 5.0% per annum over five year periods. The Fund's Capital Protection Portfolio has a performance objective of CPI + 4.0% p.a. over three year periods. Prior to the implementation of the Life Stage investment strategy in July 2015, the total Fund returns have been applied to both the Growth and Capital Protection portfolios:



The Growth portfolio exceeded the inflation target (CPI + 5.0% p.a.) over the past quarter and over the past year but underperformed the target over longer reported measurement periods. The Capital Protection portfolio underperformed the relevant inflation target (CPI + 4.0% p.a.) over measurement periods up to and including five years but outperformed over longer measured periods. Since inception, the Growth portfolio and the Capital Protection portfolio delivered real returns of 7.6% p.a. and 7.3% p.a. respectively, comfortably exceeding the respective inflation targets.¹

¹ Over the period since inception (1 January 2004) headline inflation was 5.6% p.a.

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