

NZFUNDS

Portfolio Insights

30 April 2018

Product Disclosure Statement

The NZ Funds Managed Portfolio Service, the NZ Funds KiwiSaver Scheme, and the NZ Funds Managed Superannuation Service are all issued by New Zealand Funds Management Limited.

The Product Disclosure Statement and the Disclose Register contain important information to help you to understand how your money is managed and the risks associated with investing.

A copy of the NZ Funds Managed Portfolio Service Product Disclosure Statement, the NZ Funds KiwiSaver Scheme Product Disclosure Statement, and the NZ Funds Managed Superannuation Service Product Disclosure Statement is available on request or by visiting the NZ Funds website at www.nzfunds.co.nz.

Even if you have invested with NZ Funds for many years, please take the time to read these documents regularly as the content is frequently updated.

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Performance summary

NZ Funds Managed Portfolio Service





Cumulative returns to 30 April 2018

Managed Portfolio Service		Actual Portfolio Returns								
Category	Portfolio		1 month	3 months	6 months	1 year	2 years	5 years	10 years	Since inception
 Cash	Core Cash Portfolio ²	Pre tax	0.15%	0.44%	0.90%	1.82%	3.79%	13.41%	33.40%	35.17%
		Post tax	0.11%	0.31%	0.65%	1.31%	2.71%	9.48%	22.82%	23.93%
 Income	Core Income Portfolio ³	Pre tax	0.16%	0.22%	1.02%	3.04%	6.22%	19.88%	-	58.06%
		Post tax	0.12%	0.16%	0.73%	2.19%	4.46%	14.00%	-	38.84%
	Global Income Portfolio ¹	Pre tax	-0.55%	-2.32%	-2.58%	-0.39%	2.94%	11.79%	-	42.62%
		Post tax	-0.40%	-1.67%	-1.86%	-0.26%	2.14%	8.39%	-	28.84%
 Inflation	Core Inflation Portfolio ⁴	Pre tax	2.14%	-0.43%	2.72%	4.26%	10.15%	17.84%	-	43.17%
		Post tax	2.24%	-0.58%	2.33%	4.14%	10.16%	20.29%	-	57.94%
	Property Inflation Portfolio ¹	Pre tax	0.90%	-0.62%	1.50%	-1.07%	1.93%	21.54%	-	55.75%
		Post tax	1.05%	-0.61%	0.92%	-1.54%	1.17%	19.27%	-	47.48%
	Equity Inflation Portfolio ⁴	Pre tax	1.34%	-2.47%	2.90%	7.60%	6.01%	28.32%	-	50.72%
		Post tax	1.25%	-2.78%	2.48%	5.99%	7.61%	34.27%	-	124.30%
 Growth	Core Growth Composite Strategy ⁶	Pre tax	2.76%	-5.52%	-0.69%	7.21%	13.91%	39.87%	40.55%	167.63% ⁸
		Post tax	2.87%	-4.99%	-0.94%	6.48%	13.07%	33.84%	-	-
	Global Multi-Asset Growth Portfolio ⁹	Pre tax	4.06%	-2.30%	4.79%	7.01%	5.70%	-23.64%	-	-28.29%
		Post tax	4.24%	-1.47%	4.13%	5.09%	4.02%	-29.14%	-	-33.49%
	Global Equity Growth Composite Strategy ⁵	Pre tax	1.15%	-3.29%	1.62%	9.43%	27.85%	60.41%	56.70%	260.84% ⁸
		Post tax	1.40%	-3.27%	0.46%	8.24%	26.05%	52.17%	-	-
	Dividend and Growth Composite Strategy ⁷	Pre tax	2.56%	-0.74%	3.81%	7.09%	21.54%	71.32%	74.19%	746.98% ⁸
		Post tax	2.77%	-1.06%	3.27%	6.44%	19.53%	63.66%	-	-

IMPORTANT: Please refer to page 8 of this summary for the footnotes relating to this page.
Past performance is not necessarily an indication of future returns.

NZ Funds Managed Portfolio Service

Annualised returns to 30 April 2018

Managed Portfolio Service			Actual Portfolio Returns							
Category	Portfolio		1 month	3 months	6 months	1 year	2 years	5 years	10 years	Since inception
 Cash	Core Cash Portfolio ²	Pre tax	0.15%	0.44%	0.90%	1.82%	1.88%	2.55%	2.92%	3.01%
		Post tax	0.11%	0.31%	0.65%	1.31%	1.35%	1.83%	2.08%	2.13%
 Income	Core Income Portfolio ³	Pre tax	0.16%	0.22%	1.02%	3.04%	3.06%	3.69%	-	4.79%
		Post tax	0.12%	0.16%	0.73%	2.19%	2.21%	2.65%	-	3.41%
	Global Income Portfolio ¹	Pre tax	-0.55%	-2.32%	-2.58%	-0.39%	1.46%	2.25%	-	3.81%
		Post tax	-0.40%	-1.67%	-1.86%	-0.26%	1.07%	1.62%	-	2.70%
 Inflation	Core Inflation Portfolio ⁴	Pre tax	2.14%	-0.43%	2.72%	4.26%	4.95%	3.34%	-	3.85%
		Post tax	2.24%	-0.58%	2.33%	4.14%	4.96%	3.76%	-	4.93%
	Property Inflation Portfolio ¹	Pre tax	0.90%	-0.62%	1.50%	-1.07%	0.96%	3.98%	-	4.77%
		Post tax	1.05%	-0.61%	0.92%	-1.54%	0.58%	3.59%	-	4.17%
	Equity Inflation Portfolio ⁴	Pre tax	1.34%	-2.47%	2.90%	7.60%	2.96%	5.11%	-	4.41%
		Post tax	1.25%	-2.78%	2.48%	5.99%	3.73%	6.07%	-	8.87%
 Growth	Core Growth Composite Strategy ⁶	Pre tax	2.76%	-5.52%	-0.69%	7.21%	6.73%	6.94%	3.46%	6.78%
		Post tax	2.87%	-4.99%	-0.94%	6.48%	6.33%	6.00%	-	-
	Global Multi-Asset Growth Portfolio ⁹	Pre tax	4.06%	-2.30%	4.79%	7.01%	2.81%	-5.25%	-	-5.00%
		Post tax	4.24%	-1.47%	4.13%	5.09%	1.99%	-6.66%	-	-6.10%
	Global Equity Growth Composite Strategy ⁵	Pre tax	1.15%	-3.29%	1.62%	9.43%	13.07%	9.91%	4.59%	5.96%
		Post tax	1.40%	-3.27%	0.46%	8.24%	12.27%	8.76%	-	-
	Dividend and Growth Composite Strategy ⁷	Pre tax	2.56%	-0.74%	3.81%	7.09%	10.24%	11.37%	5.71%	8.77%
		Post tax	2.77%	-1.06%	3.27%	6.44%	9.33%	10.35%	-	-

IMPORTANT: Please refer to page 8 for the footnotes relating to this page.
Past performance is not necessarily an indication of future returns.

NZ Funds Managed Portfolio Service – Notes

Returns

Pre tax returns are stated after Portfolio fees and expenses, but before any advisory fees or investor tax. Post tax returns are stated after Portfolio fees and expenses and investor tax at the highest Prescribed Investor Rate (PIR). From 1 October 2008 to 30 September 2010 the highest PIR was 30%. Since 1 October 2010 the highest PIR has been 28%. Past performance is not necessarily an indication of future returns.

Composite Strategies

The Composite Strategies have been developed to illustrate the long-term performance of the investment categories represented by the relevant Portfolios.

The Composite Strategies are not the historic returns of the Portfolios.

They illustrate the historical performance of the NZ Funds approach of managing assets of the type held within the respective NZ Funds Managed Portfolio Service Portfolio to which each Composite Strategy relates.

The Composite Strategies are tax-adjusted to remove, as much as possible, the impact of the different tax regimes that applied during the calculation period. The pre tax returns are also stated after Portfolio fees and expenses, but before any advisory fees or investor tax. The post tax returns are stated after Portfolio fees and expenses and investor tax at the highest Prescribed Investor Rate (PIR).

For more detail on the calculation of each of the Composite Strategies please contact NZ Funds.




The performance of the Composite Strategies is not an indication of future Portfolio returns.

Footnotes for pages 6 & 7

- 1 Inception date was 31 October 2008.
- 2 Inception date was 28 February 2008.
- 3 Inception date was 23 July 2008.
- 4 Performance is measured since the launch of the APS platform (now known as NZ Funds Managed Portfolio Service) on 31 October 2008. The post tax since inception returns for the Core Inflation Portfolio and the Equity Inflation Portfolio include the benefit of formation tax losses under the PIE rules. For more detail, please contact NZ Funds.
- 5 Composite strategy inception was 6 March 1996.
- 6 Composite strategy inception was 1 May 2003.
- 7 Composite strategy inception was 2 December 1992.
- 8 Pre tax equivalent gross return (for more detail, refer to the performance page for each Portfolio/Composite Strategy).
- 9 Inception date was 7 November 2011.

NZ Funds KiwiSaver Scheme




Cumulative returns to 30 April 2018

NZ Funds KiwiSaver Scheme		Returns						
Strategy		1 month	3 months	6 months	1 year	2 years	5 years	Since Inception
 Income	Pre tax	-0.15%	-0.93%	-0.59%	1.88%	5.60%	16.29%	33.58%
	Post tax	-0.11%	-0.67%	-0.42%	1.36%	4.03%	11.55%	23.10%
 Inflation	Pre tax	1.80%	-1.17%	3.54%	6.66%	11.57%	24.93%	46.34%
	Post tax	1.77%	-1.49%	2.90%	5.76%	10.44%	24.62%	41.46%
 Growth	Pre tax	2.33%	-3.26%	3.29%	10.75%	24.98%	59.52%	81.29%
	Post tax	2.36%	-3.11%	2.31%	9.10%	22.36%	48.90%	65.70%

Pre tax returns are stated after Strategy fees and expenses, but before any advisory fees or investor tax. Post tax returns are stated after Strategy fees and expenses and investor tax at the highest Prescribed Investor Rate (PIR) of 28%. Inception date of the Scheme was 31 October 2010. Past performance is not necessarily an indication of future returns.

NZ Funds KiwiSaver Scheme





Annualised returns to 30 April 2018

NZ Funds KiwiSaver Scheme		Returns						
Strategy		1 month	3 months	6 months	1 year	2 years	5 years	Since Inception
 Income	Pre tax	-0.15%	-0.93%	-0.59%	1.88%	2.76%	3.06%	3.94%
	Post tax	-0.11%	-0.67%	-0.42%	1.36%	2.00%	2.21%	2.81%
 Inflation	Pre tax	1.80%	-1.17%	3.54%	6.66%	5.62%	4.55%	5.21%
	Post tax	1.77%	-1.49%	2.90%	5.76%	5.09%	4.50%	4.73%
 Growth	Pre tax	2.33%	-3.26%	3.29%	10.75%	11.80%	9.79%	8.26%
	Post tax	2.36%	-3.11%	2.31%	9.10%	10.62%	8.29%	6.97%

Pre tax returns are stated after Strategy fees and expenses, but before any advisory fees or investor tax. Post tax returns are stated after Strategy fees and expenses and investor tax at the highest Prescribed Investor Rate (PIR) of 28%. Inception date of the Scheme was 31 October 2010. Past performance is not necessarily an indication of future returns.

NZ Funds Managed Superannuation Service





Cumulative returns to 30 April 2018

NZ Funds Managed Superannuation Service		Returns						
Strategy		1 month	3 months	6 months	1 year	2 years	5 years	Since Inception
 ROPS GBP	Pre tax	0.06%	-0.06%	-0.75%	-	-	-	8.33%
	Post tax	0.06%	0.02%	-0.37%	-	-	-	6.17%
 Income	Pre tax	-0.16%	-0.97%	-0.64%	1.82%	-	-	2.58%
	Post tax	-0.11%	-0.70%	-0.46%	1.31%	-	-	1.86%
 Inflation	Pre tax	1.79%	-1.25%	3.45%	6.59%	-	-	6.11%
	Post tax	1.76%	-1.55%	2.83%	5.71%	-	-	5.83%
 Growth	Pre tax	2.32%	-3.33%	3.18%	10.50%	-	-	11.81%
	Post tax	2.35%	-3.16%	2.23%	8.92%	-	-	10.75%

Pre tax returns are stated after Strategy fees and expenses, but before any advisory fees or investor tax. Post tax returns are stated after Strategy fees and expenses and investor tax at the highest Prescribed Investor Rate (PIR) of 28%. Inception date of the Service was 25 January 2017, except ROPS GBP which has an inception date of 11 August 2017. Past performance is not necessarily an indication of future returns.

NZ Funds Managed Superannuation Service

Annualised returns to 30 April 2018

NZ Funds Managed Superannuation Service		Returns						
Strategy		1 month	3 months	6 months	1 year	2 years	5 years	Since Inception
 ROPS GBP	Pre tax	0.06%	-0.06%	-0.75%	-	-	-	11.79%
	Post tax	0.06%	0.02%	-0.37%	-	-	-	8.71%
 Income	Pre tax	-0.16%	-0.97%	-0.64%	1.82%	-	-	2.04%
	Post tax	-0.11%	-0.70%	-0.46%	1.31%	-	-	1.47%
 Inflation	Pre tax	1.79%	-1.25%	3.45%	6.59%	-	-	4.82%
	Post tax	1.76%	-1.55%	2.83%	5.71%	-	-	4.60%
 Growth	Pre tax	2.32%	-3.33%	3.18%	10.50%	-	-	9.26%
	Post tax	2.35%	-3.16%	2.23%	8.92%	-	-	8.44%

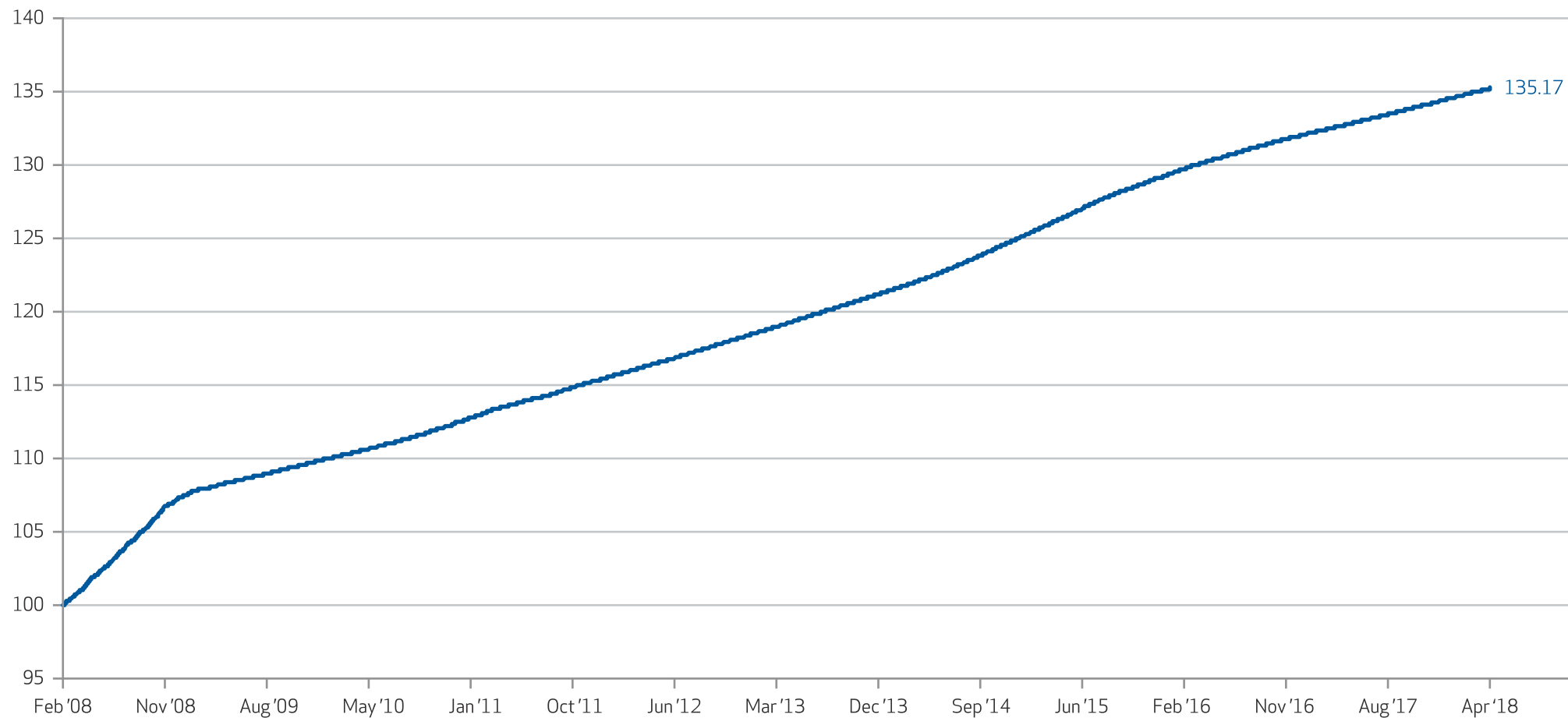
Pre tax returns are stated after Strategy fees and expenses, but before any advisory fees or investor tax. Post tax returns are stated after Strategy fees and expenses and investor tax at the highest Prescribed Investor Rate (PIR) of 28%. Inception date of the Service was 25 January 2017, except ROPS GBP which has an inception date of 11 August 2017. Past performance is not necessarily an indication of future returns.



NZ Funds Managed Portfolio Service

Core Cash Portfolio

Performance since inception (28 February 2008) to 30 April 2018



Portfolio returns*	1 month	3 months	6 months	1 year	2 years	5 years	10 years	Since inception	Maximum decline 12 months ^x	Volatility 5 years [^]
Core Cash Portfolio	0.15%	0.44%	0.90%	1.82%	3.79%	13.41%	33.40%	35.17%	0.00%	0.10%

Core Cash Portfolio

Complete Portfolio as at 30 April 2018

Strategy / Security	Estimated yield ¹	Credit rating	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS			100.0%	\$48,215,817
Bank deposits	2.0%	n/a	2.3%	\$1,110,643
Westpac 32 day term deposit	2.6%	A-1+	51.7%	\$24,907,937
Kiwibank bank bill 25/07/2018	0.0%	A-1	10.7%	\$5,162,419
BNZ bank bill 23/05/2018	1.9%	A-1+	7.7%	\$3,700,508
ASB bank bill 21/06/2018	1.9%	A-1+	7.7%	\$3,694,740
BNZ bank bill 30/07/2018	0.0%	A-1+	3.8%	\$1,843,218
BNZ bank bill 25/07/2018	0.0%	A-1+	3.8%	\$1,839,408
Kiwibank bank bill 14/05/2018	1.9%	A-1	3.1%	\$1,480,891
ASB bank bill 12/07/2018	2.0%	A-1+	3.1%	\$1,476,121
ASB bank bill 30/07/2018	0.0%	A-1+	3.1%	\$1,474,538
ASB bank bill 23/07/2018	2.0%	A-1+	2.3%	\$1,106,366
Kiwibank bank bill 11/07/2018	2.0%	A-1	1.5%	\$738,104
Net receivables ²	n/a	n/a	-0.7%	-\$319,075
TOTAL ECONOMIC EXPOSURE³			100.0%	\$48,215,817

1. The yield is not the actual return of the portfolio, nor is it a projection or forecast. Details of the yield calculation are available on request from NZ Funds.

2. Net receivables include unrealised profit and loss and net receivables/payables.

3. Total economic exposure represents the total economic value of a Portfolio, which is the net asset value of the Portfolio adjusted for the effect of direct derivative positions taken by the Portfolio and indirect derivative positions taken other than via a fund including hedge funds. For more details of the total economic exposure calculations, contact NZ Funds.

Note: Rounding may affect any subtotals and totals.

Core Cash Portfolio

Notes

Core Cash Portfolio

- * Returns are stated after Portfolio fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns.

Maximum Decline and Volatility

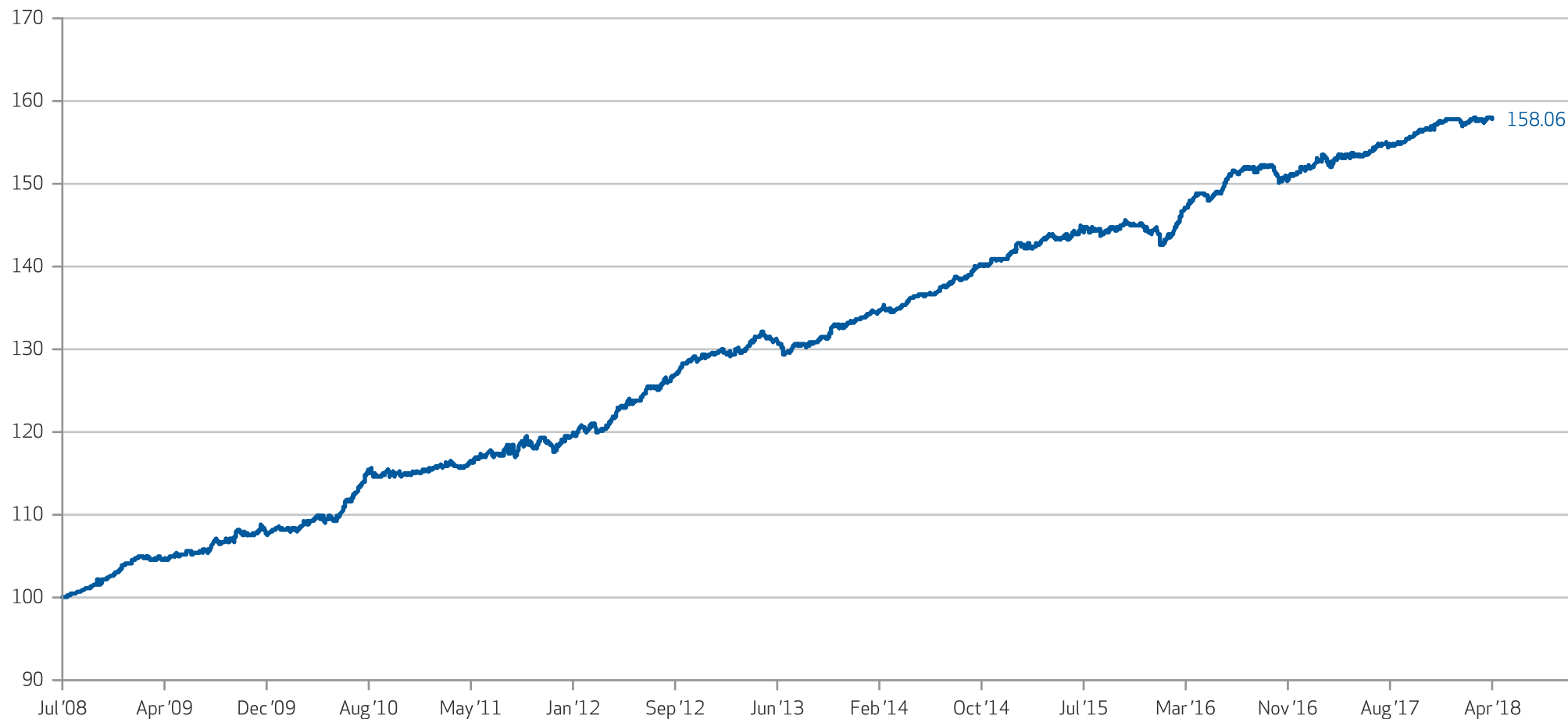
- x Returns should be looked at in conjunction with the level of risk associated with an investment. We use 'maximum decline' as a measure of risk. It represents the largest decline in value experienced during the previous 12 months.
- ^ This is the annualised standard deviation calculated from weekly returns of the Portfolio over the 5 years ending 31 March 2018. For more details on the Portfolio's Maximum Decline and Volatility please contact NZ Funds.

Note

Rounding may affect the subtotals and totals.

Core Income Portfolio

Performance since inception (23 July 2008) to 30 April 2018



Portfolio returns*	1 month	3 months	6 months	1 year	2 years	5 years	Since inception	Maximum decline 12 months ^x	Volatility 5 years [^]
Core Income Portfolio	0.16%	0.22%	1.02%	3.04%	6.22%	19.88%	58.06%	-0.59%	1.61%

Core Income Portfolio

Complete Portfolio as at 30 April 2018

Strategy / Security	Estimated yield ¹	Credit rating	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS			12.2%	\$15,319,034
AUSTRALASIAN BONDS			87.8%	\$109,799,937
Westpac Banking 4.695% 01/09/2026	4.0%	BBB	8.6%	\$10,761,192
BlueScope Steel Finance USA 6.5% 15/05/2021	4.4%	BBB-	8.4%	\$10,553,489
Insurance Australia Group 5.15% 15/06/2043	4.2%	BBB	8.3%	\$10,392,370
Woodside Finance 3.7% 15/09/2026	3.9%	BBB+	7.0%	\$8,740,927
Meridian Energy 4.88% 20/03/2024	4.1%	BBB+	6.7%	\$8,386,290
Mercury NZ 6.9% 11/07/2044	4.0%	BB+	6.0%	\$7,508,208
Crown Subordinated Notes 23/04/2075	6.0%	NR	5.8%	\$7,242,734
Infratil 5.5% 15/06/2024	4.8%	NR	5.4%	\$6,769,764
Trustpower 4.01% 15/12/2022	4.1%	NR	3.9%	\$4,822,584
Z Energy 4.01% 01/11/2021	3.9%	NR	3.8%	\$4,791,627
Fletcher Building Industries 5.8% 15/03/2020	4.9%	NR	3.7%	\$4,663,030
Bank of New Zealand 4.102% 15/06/2023	3.7%	AA-	3.6%	\$4,553,576
Qantas Airways 4.75% 12/10/2026	4.3%	BBB-	3.6%	\$4,531,703
NEXTDC 6.25% 09/06/2021	4.7%	NR	3.3%	\$4,100,309
Fletcher Building Industries 4.75% 15/03/2021	4.8%	NR	2.9%	\$3,651,199
Property for Industry 4.59% 28/11/2024	4.3%	NR	2.6%	\$3,250,718
Precinct Properties New Zealand 4.42% 27/11/2024	4.3%	NR	2.2%	\$2,790,972
University of Canterbury 7.25% 15/12/2019	4.1%	NR	1.8%	\$2,289,245
TOTAL ECONOMIC EXPOSURE²			100.0%	\$125,118,972
FOREIGN CURRENCY EXPOSURE			10.2%	\$12,816,885

1. The yield is not the actual return of the portfolio, nor is it a projection or forecast. Details of the yield calculation are available on request from NZ Funds.

2. Total economic exposure represents the total economic value of a Portfolio, which is the net asset value of the Portfolio adjusted for the effect of direct derivative positions taken by the Portfolio and indirect derivative positions taken other than via a fund including hedge funds. For more details of the total economic exposure calculations, contact NZ Funds.

Note: Rounding may affect any subtotals and totals.

Core Income Portfolio

Notes

Core Income Portfolio

- * Returns are stated after Portfolio fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns.

Maximum Decline and Volatility

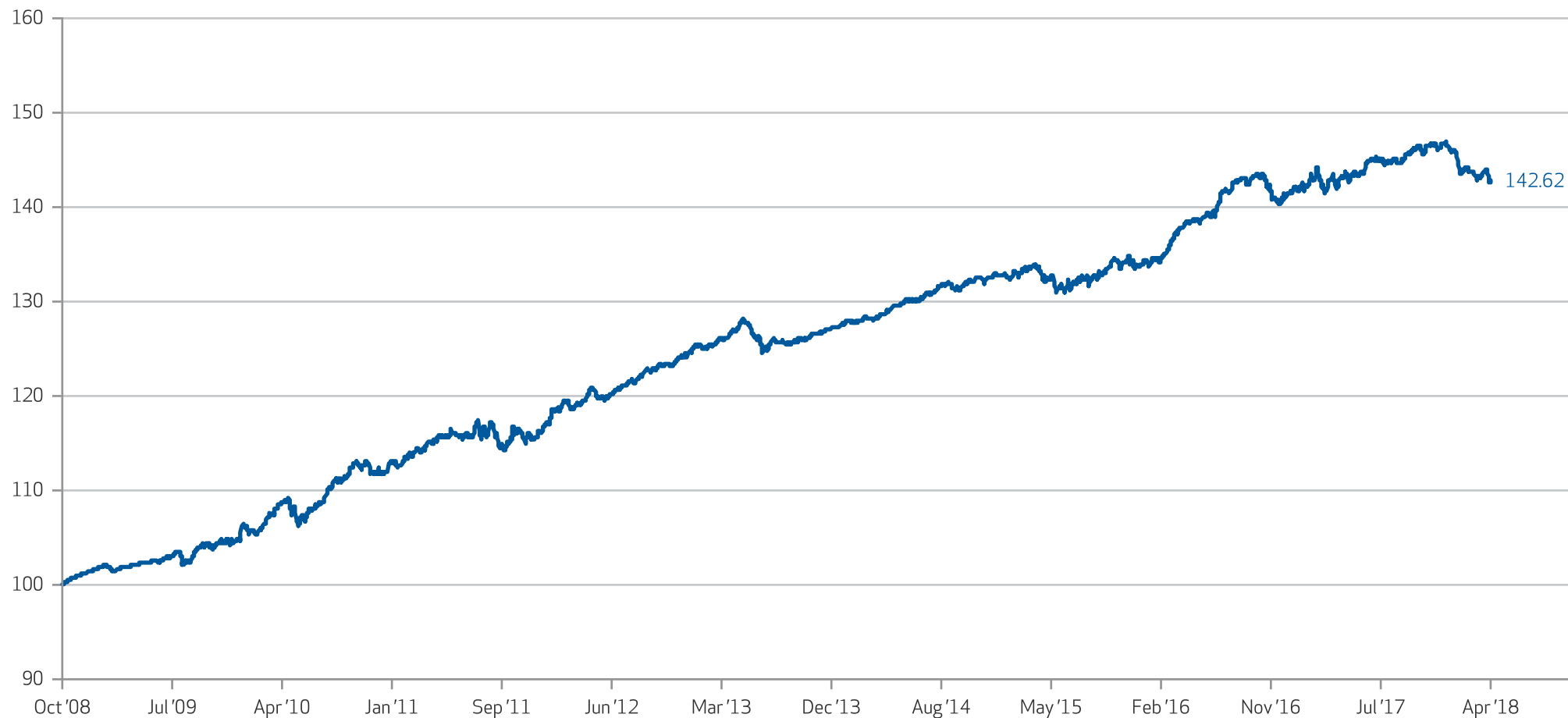
- x Returns should be looked at in conjunction with the level of risk associated with an investment. We use 'maximum decline' as a measure of risk. It represents the largest decline in value experienced during the previous 12 months.
- ^ This is the annualised standard deviation calculated from weekly returns of the Portfolio over the 5 years ending 31 March 2018. For more details on the Portfolio's Maximum Decline and Volatility please contact NZ Funds.

Note

Rounding may affect the subtotals and totals.

Global Income Portfolio

Performance since inception (31 October 2008) to 30 April 2018



Portfolio returns*	1 month	3 months	6 months	1 year	2 years	5 years	Since inception	Maximum decline 12 months ^x	Volatility 5 years [^]
Global Income Portfolio	-0.55%	-2.32%	-2.58%	-0.39%	2.94%	11.79%	42.62%	-2.96%	2.01%

Global Income Portfolio

Complete Portfolio as at 30 April 2018

Strategy / Security	Estimated yield ¹	Credit rating	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS			6.9%	\$7,888,953
INTERNATIONAL BONDS			96.7%	\$110,938,186
HCA 4.75% 05/01/2023	4.2%	BBB-	10.4%	\$11,931,048
Flex 5% 15/02/2023	3.7%	BBB-	10.3%	\$11,857,743
First Data 5% 15/01/2024	4.4%	BB	9.8%	\$11,233,371
Valeant Pharmaceuticals International 5.5% 01/11/2025	5.3%	BB-	8.0%	\$9,180,261
Devon Energy 5.85% 15/12/2025	3.7%	BBB	7.2%	\$8,232,413
NRG Energy 6.625% 15/01/2027	5.7%	BB-	7.0%	\$8,090,009
Verizon Communications 2.625% 15/08/2026	3.8%	BBB+	6.9%	\$7,926,131
Constellation Brands 4.75% 01/12/2025	3.8%	BBB-	6.6%	\$7,524,534
Southern Copper 7.50% 27/07/2035	4.8%	BBB	6.5%	\$7,469,815
Seagate HDD Cayman 4.875% 01/03/2024	0.0%	BB+	6.4%	\$7,343,362
Wells Fargo Co 3.55% 29/09/2025	3.8%	A-	5.9%	\$6,771,615
Icahn Enter/Fin lep 5.875% 02/01/2022	4.9%	NR	5.3%	\$6,040,097
EOG Resources 4.15% 15/01/2026	3.5%	BBB+	4.6%	\$5,280,127
Credit default swaps - Market value ²	n/a	n/a	1.8%	\$2,017,135
United States bond futures (short)	n/a	n/a	0.0%	\$40,524
TOTAL ECONOMIC EXPOSURE³			103.6%	\$118,827,138
FOREIGN CURRENCY EXPOSURE			13.5%	\$15,493,119

1. The yield is not the actual return of the portfolio, nor is it a projection or forecast. Details of the yield calculation are available on request from NZ Funds.

2. Credit default swaps notional value is currently \$25,615,165.

3. Total economic exposure represents the total economic value of a Portfolio, which is the net asset value of the Portfolio adjusted for the effect of direct derivative positions taken by the Portfolio and indirect derivative positions taken other than via a fund including hedge funds. For more details of the total economic exposure calculations, contact NZ Funds.

Note: Rounding may affect any subtotals and totals.

Global Income Portfolio

Notes

Global Income Portfolio

- * Returns are stated after Portfolio fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns.

Maximum Decline and Volatility

- x Returns should be looked at in conjunction with the level of risk associated with an investment. We use 'maximum decline' as a measure of risk. It represents the largest decline in value experienced during the previous 12 months.
- ^ This is the annualised standard deviation calculated from weekly returns of the Portfolio over the 5 years ending 31 March 2018. For more details on the Portfolio's Maximum Decline and Volatility please contact NZ Funds.

Note

Rounding may affect the subtotals and totals.

Core Inflation Portfolio

Performance since inception (31 October 2008) to 30 April 2018



Portfolio returns*	1 month	3 months	6 months	1 year	2 years	5 years	Since inception	Maximum decline 12 months ^x	Volatility 5 years [^]
Core Inflation Portfolio	2.14%	-0.43%	2.72%	4.26%	10.15%	17.84%	43.17%	-6.38%	7.70%

Core Inflation Portfolio

Complete Portfolio as at 30 April 2018

Strategy / Security ¹	Estimated yield ²	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS		10.8%	\$12,017,550
INTERNATIONAL BONDS		20.0%	\$22,295,992
Floating Rate and Perpetual Bond Strategy	6.4%	20.0%	\$22,295,992
AUSTRALASIAN SHARES		71.6%	\$79,703,451
Dividend and Growth Fund	5.3%	71.6%	\$79,703,451
TOTAL ECONOMIC EXPOSURE³		102.4%	\$114,016,993
FOREIGN CURRENCY EXPOSURE		9.4%	\$10,515,267

1. Where a strategy is shown, the asset class reflects the predominant assets in the strategy. The strategy may include other assets including cash.
2. The yield calculation represents an estimate of the yield on the Portfolio, calculated using the most recent information provided by the external investment managers involved in managing the Portfolio, hedged back to New Zealand dollars where appropriate. It is not calculated 'as at' any particular date as different external investment managers provide data at varying dates. As a result, in some instances the yields may lag the date of this Portfolio summary. The yield is not the actual return on the Portfolio, nor is it a projection or forecast. The Portfolio's return could be less than the Portfolio's yield. Details of the yield calculation are available on request from NZ Funds.
3. Total economic exposure represents the total economic value of a Portfolio, which is the net asset value of the Portfolio adjusted for the effect of direct derivative positions taken by the Portfolio and indirect derivative positions taken other than via a fund including hedge funds. For more details of the total economic exposure calculations, contact NZ Funds.
Note: Rounding may affect any subtotals and totals.

Core Inflation Portfolio

Notes

Core Inflation Portfolio

- * Returns are stated after Portfolio fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns.

Maximum Decline and Volatility

- x Returns should be looked at in conjunction with the level of risk associated with an investment. We use 'maximum decline' as a measure of risk. It represents the largest decline in value experienced during the previous 12 months.
- ^ This is the annualised standard deviation calculated from weekly returns of the Portfolio over the 5 years ending 31 March 2018. For more details on the Portfolio's Maximum Decline and Volatility please contact NZ Funds.

Note

Rounding may affect the subtotals and totals.

Property Inflation Portfolio

Performance since inception (31 October 2008) to 30 April 2018



Portfolio returns*	1 month	3 months	6 months	1 year	2 years	5 years	Since inception	Maximum decline 12 months ^x	Volatility 5 years [^]
Property Inflation Portfolio	0.90%	-0.62%	1.50%	-1.07%	1.93%	21.54%	55.75%	-5.86%	6.41%

Property Inflation Portfolio

Complete Portfolio as at 30 April 2018

Strategy / Security ¹	Estimated yield ²	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS		15.0%	\$13,119,568
INTERNATIONAL BONDS		15.9%	\$13,889,073
Floating Rate and Perpetual Bond Strategy	6.4%	14.9%	\$12,964,950
Credit default swaps - Market value ³	n/a	1.1%	\$924,123
AUSTRALASIAN SHARES		41.6%	\$36,225,762
Goodman Property Trust	5.2%	4.2%	\$3,676,332
Metlifecare	2.0%	4.2%	\$3,633,008
Chorus	7.7%	4.1%	\$3,585,077
Kiwi Property Group Ltd	5.7%	4.0%	\$3,488,859
Property For Industry	4.7%	4.0%	\$3,466,394
Goodman Group	3.3%	3.8%	\$3,282,876
Vital Healthcare Property Trust	4.7%	3.7%	\$3,219,744
Vicinity Centres	6.8%	3.5%	\$3,075,349
Precinct Properties New Zealand	5.2%	3.5%	\$3,051,609
Investore Property	6.7%	3.5%	\$3,031,210
Stride Property Group	6.9%	3.1%	\$2,715,304
INTERNATIONAL SHARES		28.9%	\$25,223,698
Unibail-Rodamco	8.4%	3.8%	\$3,298,361
Link	3.5%	3.7%	\$3,212,920
UDR	3.4%	3.6%	\$3,156,762
Public Storage	3.9%	3.6%	\$3,137,349

Property Inflation Portfolio

Complete Portfolio as at 30 April 2018 (continued)

Strategy / Security ¹	Estimated yield ²	Portfolio exposure %	Portfolio exposure \$
INTERNATIONAL SHARES (CONTINUED)			
Avalonbay Communities Inc	3.4%	3.6%	\$3,114,093
Mid-America Apartment Communities	3.9%	3.6%	\$3,112,150
Equity Residential	3.3%	3.6%	\$3,105,804
Gecina	6.3%	3.5%	\$3,086,258
ALTERNATIVE SECURITIES		0.7%	\$572,500
Universa Black Swan Protection Protocol	n/a	0.7%	\$572,500
TOTAL ECONOMIC EXPOSURE⁴		102.1%	\$89,030,601
FOREIGN CURRENCY EXPOSURE		29.0%	\$25,255,264

1. Where a strategy is shown, the asset class reflects the predominant assets in the strategy. The strategy may include other assets including cash.

2. The yield calculation represents an estimate of the yield on the Portfolio, calculated using the most recent information provided by the external investment managers involved in managing the Portfolio, hedged back to New Zealand dollars where appropriate. It is not calculated 'as at' any particular date as different external investment managers provide data at varying dates. As a result, in some instances the yields may lag the date of this Portfolio summary. The yield is not the actual return on the Portfolio, nor is it a projection or forecast. The Portfolio's return could be less than the Portfolio's yield. Details of the yield calculation are available on request from NZ Funds.

3. Credit default swaps notional value is currently \$43,049,549.

4. Total economic exposure represents the total economic value of a Portfolio, which is the net asset value of the Portfolio adjusted for the effect of direct derivative positions taken by the Portfolio and indirect derivative positions taken other than via a fund including hedge funds. For more details of the total economic exposure calculations, contact NZ Funds.

Note: Rounding may affect any subtotals and totals.

Property Inflation Portfolio

Notes

Property Inflation Portfolio

- * Returns are stated after Portfolio fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns.

Maximum Decline and Volatility

- x Returns should be looked at in conjunction with the level of risk associated with an investment. We use 'maximum decline' as a measure of risk. It represents the largest decline in value experienced during the previous 12 months.
- ^ This is the annualised standard deviation calculated from weekly returns of the Portfolio over the 5 years ending 31 March 2018. For more details on the Portfolio's Maximum Decline and Volatility please contact NZ Funds.

Note

Rounding may affect the subtotals and totals.

Equity Inflation Portfolio

Performance since inception (31 October 2008) to 30 April 2018



Portfolio returns*	1 month	3 months	6 months	1 year	2 years	5 years	Since inception	Maximum decline 12 months ^x	Volatility 5 years [^]
Equity Inflation Portfolio	1.34%	-2.47%	2.90%	7.60%	6.01%	28.32%	50.72%	-7.01%	7.00%

Equity Inflation Portfolio

Complete Portfolio as at 30 April 2018

Strategy / Security ¹	Estimated yield ²	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS		10.7%	\$9,725,936
INTERNATIONAL BONDS		19.8%	\$18,017,949
Floating Rate and Perpetual Bond Strategy	6.4%	18.7%	\$17,027,076
Credit default swaps - Market value ³	n/a	1.1%	\$990,873
INTERNATIONAL SHARES		71.1%	\$64,847,151
Equity index futures (long)	n/a	44.8%	\$40,901,275
Global Banking & Finance Index Strategy	1.8%	12.2%	\$11,161,856
Impala Resource Fund	0.0%	7.6%	\$6,939,653
Global Energy Index Strategy	4.8%	5.1%	\$4,618,882
Global Metal & Mining Index Strategy	3.3%	1.3%	\$1,225,485
ALTERNATIVE SECURITIES		0.6%	\$591,000
Universa Black Swan Protection Protocol	n/a	0.6%	\$591,000
TOTAL ECONOMIC EXPOSURE⁴		102.2%	\$93,182,036
FOREIGN CURRENCY EXPOSURE		28.5%	\$26,022,415

1. Where a strategy is shown, the asset class reflects the predominant assets in the strategy. The strategy may include other assets including cash.

2. The yield calculation represents an estimate of the yield on the Portfolio, calculated using the most recent information provided by the external investment managers involved in managing the Portfolio, hedged back to New Zealand dollars where appropriate. It is not calculated 'as at' any particular date as different external investment managers provide data at varying dates. As a result, in some instances the yields may lag the date of this Portfolio summary. The yield is not the actual return on the Portfolio, nor is it a projection or forecast. The Portfolio's return could be less than the Portfolio's yield. Details of the yield calculation are available on request from NZ Funds.

3. Credit default swaps notional value is currently \$46,159,042.

4. Total economic exposure represents the total economic value of a Portfolio, which is the net asset value of the Portfolio adjusted for the effect of direct derivative positions taken by the Portfolio and indirect derivative positions taken other than via a fund including hedge funds. For more details of the total economic exposure calculations, contact NZ Funds.

Note: Rounding may affect any subtotals and totals.

Equity Inflation Portfolio

Notes

Equity Inflation Portfolio

* Returns are stated after Portfolio fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns.

Maximum Decline and Volatility

x Returns should be looked at in conjunction with the level of risk associated with an investment. We use 'maximum decline' as a measure of risk. It represents the largest decline in value experienced during the previous 12 months.

^ This is the annualised standard deviation calculated from weekly returns of the Portfolio over the 5 years ending 31 March 2018. For more details on the Portfolio's Maximum Decline and Volatility please contact NZ Funds.

Note

Rounding may affect the subtotals and totals.

Core Growth Portfolio

Performance since inception (31 October 2008) to 30 April 2018 for Core Growth Portfolio



Portfolio returns*	1 month	3 months	6 months	1 year	2 years	5 years	Since inception	Maximum decline 12 months ^x	Volatility 5 years [^]
Core Growth Portfolio	2.76%	-5.52%	-0.69%	7.21%	13.91%	39.87%	49.17%	-10.44%	13.01%

Core Growth Portfolio

Tax-adjusted performance to 30 April 2018 for Core Growth Composite Strategy



Composite strategy returns**	1 month	3 months	6 months	1 year	2 years	5 years	10 years	Since inception	Maximum decline 12 months ^x	Volatility 5 years [^]
Core Growth Composite Strategy	2.76%	-5.52%	-0.69%	7.21%	13.91%	39.87%	40.55%	167.63%	-10.44%	13.01%

Core Growth Portfolio

Complete Portfolio as at 30 April 2018

Strategy / Security ¹	Estimated yield ²	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS		1.0%	\$833,519
INTERNATIONAL BONDS		2.3%	\$1,936,492
Credit default swaps - Market value ³	n/a	2.3%	\$1,936,492
AUSTRALASIAN SHARES		22.8%	\$19,002,547
Dividend and Growth Strategy	5.3%	22.8%	\$19,002,547
INTERNATIONAL SHARES		85.9%	\$71,604,096
Equity index futures (long)	n/a	56.9%	\$47,444,867
Kynikos Global Capital Partners	0.0%	17.7%	\$14,772,084
Suvretta Offshore Fund	0.0%	11.3%	\$9,387,146
ALTERNATIVE SECURITIES		16.6%	\$13,802,361
ISAM Systematic Fund	n/a	9.0%	\$7,532,908
H2O Global Feeder Fund Class C	n/a	7.5%	\$6,269,452
TOTAL ECONOMIC EXPOSURE⁴		128.6%	\$107,179,015
FOREIGN CURRENCY EXPOSURE		53.4%	\$44,535,315

1. Where a strategy is shown, the asset class reflects the predominant assets in the strategy. The strategy may include other assets including cash.

2. The yield calculation represents an estimate of the yield on the Portfolio, calculated using the most recent information provided by the external investment managers involved in managing the Portfolio, hedged back to New Zealand dollars where appropriate. It is not calculated 'as at' any particular date as different external investment managers provide data at varying dates. As a result, in some instances the yields may lag the date of this Portfolio summary. The yield is not the actual return on the Portfolio, nor is it a projection or forecast. The Portfolio's return could be less than the Portfolio's yield. Details of the yield calculation are available on request from NZ Funds.

3. Credit default swaps notional value is currently \$106,326,708.

4. Total economic exposure represents the total economic value of a Portfolio, which is the net asset value of the Portfolio adjusted for the effect of direct derivative positions taken by the Portfolio and indirect derivative positions taken other than via a fund including hedge funds. For more details of the total economic exposure calculations, contact NZ Funds.

Note: Rounding may affect any subtotals and totals.

Core Growth Portfolio

Notes

Core Growth Portfolio

- * Returns are stated after Portfolio fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns.

Maximum Decline and Volatility

- x Returns should be looked at in conjunction with the level of risk associated with an investment. We use 'maximum decline' as a measure of risk. It represents the largest decline in value experienced during the previous 12 months.
- ^ This is the annualised standard deviation calculated from weekly returns of the Portfolio over the 5 years ending 31 March 2018. For more details on the Portfolio's Maximum Decline and Volatility please contact NZ Funds.

Note

Rounding may affect the subtotals and totals.

Composite Strategy

- ** The Composite Strategy is used to illustrate the long-term performance of the investment approach used in managing the Core Growth Portfolio.

The Composite Strategy does not represent the historic returns of the Core Growth Portfolio.

It illustrates the historical performance of the NZ Funds approach of managing assets of the type held within the Core Growth Portfolio.

The Composite Strategy is tax-adjusted to remove, as much as possible, the impact of the different tax regimes that applied during the calculation period. Returns are stated after Portfolio fees and expenses, but before any advisory fees or investor tax.

For more detail on the calculation of the Core Growth Composite Strategy please contact NZ Funds.

The performance of the Core Growth Composite Strategy is not an indication of the future returns of the Core Growth Portfolio.

Global Multi-Asset Growth Portfolio

Performance since inception (7 November 2011) to 30 April 2018



Portfolio returns*	1 month	3 months	6 months	1 year	2 years	5 years	Since inception	Maximum decline 12 months ^x	Volatility 5 years [^]
Global Multi-Asset Growth Portfolio	4.06%	-2.30%	4.79%	7.01%	5.70%	-23.64%	-28.29%	-18.58%	15.92%

Global Multi-Asset Growth Portfolio

Complete Portfolio as at 30 April 2018

Strategy / Security ¹	Estimated yield ²	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS		13.0%	\$3,620,351
INTERNATIONAL BONDS		2.2%	\$612,419
Credit default swaps - Market value ³	n/a	2.2%	\$612,419
INTERNATIONAL SHARES		80.0%	\$22,334,102
Global Oil Index Strategy	4.8%	22.6%	\$6,323,679
Global Agriculture Index Strategy	3.4%	21.0%	\$5,859,440
Global Metal & Mining Index Strategy	3.3%	20.0%	\$5,593,330
Impala Resource Fund	0.0%	16.3%	\$4,557,653
ALTERNATIVE SECURITIES		9.2%	\$2,578,592
ISAM Systematic Fund	n/a	8.4%	\$2,358,899
Universa Black Swan Protection Protocol	n/a	0.8%	\$219,693
TOTAL ECONOMIC EXPOSURE⁴		104.4%	\$29,145,464
FOREIGN CURRENCY EXPOSURE		51.4%	\$14,339,425

1. Where a strategy is shown, the asset class reflects the predominant assets in the strategy. The strategy may include other assets including cash.

2. The yield calculation represents an estimate of the yield on the Portfolio, calculated using the most recent information provided by the external investment managers involved in managing the Portfolio, hedged back to New Zealand dollars where appropriate. It is not calculated 'as at' any particular date as different external investment managers provide data at varying dates. As a result, in some instances the yields may lag the date of this Portfolio summary. The yield is not the actual return on the Portfolio, nor is it a projection or forecast. The Portfolio's return could be less than the Portfolio's yield. Details of the yield calculation are available on request from NZ Funds.

3. Credit default swaps notional value is currently \$28,529,050.

4. Total economic exposure represents the total economic value of a Portfolio, which is the net asset value of the Portfolio adjusted for the effect of direct derivative positions taken by the Portfolio and indirect derivative positions taken other than via a fund including hedge funds. For more details of the total economic exposure calculations, contact NZ Funds.

Note: Rounding may affect any subtotals and totals.

Global Multi-Asset Growth Portfolio

Notes

Global Multi-Asset Growth Portfolio

- * Returns are stated after Portfolio fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns.

Maximum Decline and Volatility

- x Returns should be looked at in conjunction with the level of risk associated with an investment. We use 'maximum decline' as a measure of risk. It represents the largest decline in value experienced during the previous 12 months.
- ^ This is the annualised standard deviation calculated from weekly returns of the Portfolio over the 5 years ending 31 March 2018. For more details on the Portfolio's Maximum Decline and Volatility please contact NZ Funds.

Note

Rounding may affect the subtotals and totals.

Global Equity Growth Portfolio

Performance since inception (31 October 2008) to 30 April 2018 for Global Equity Growth Portfolio



Portfolio returns*	1 month	3 months	6 months	1 year	2 years	5 years	Since inception	Maximum decline 12 months ^x	Volatility 5 years [^]
Global Equity Growth Portfolio	1.15%	-3.29%	1.62%	9.43%	27.85%	60.41%	66.64%	-7.11%	10.37%

Global Equity Growth Portfolio

Tax-adjusted performance to 30 April 2018 for Global Equity Growth Composite Strategy



Composite strategy returns**	1 month	3 months	6 months	1 year	2 years	5 years	10 years	Since inception	Maximum decline 12 months ^x	Volatility 5 years [^]
Global Equity Growth Composite Strategy	1.15%	-3.29%	1.62%	9.43%	27.85%	60.41%	56.70%	260.84%	-7.11%	10.37%

Global Equity Growth Portfolio

Complete Portfolio as at 30 April 2018

Strategy / Security ¹	Estimated yield ²	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS		2.2%	\$1,447,452
INTERNATIONAL BONDS		2.0%	\$1,337,883
Credit default swaps - Market value ³	n/a	2.0%	\$1,337,883
INTERNATIONAL SHARES		98.8%	\$65,298,908
LSV Global Concentrated Fund	0.8%	68.6%	\$45,352,541
Equity index futures (long)	n/a	30.2%	\$19,946,368
ALTERNATIVE SECURITIES		1.0%	\$665,126
Universa Black Swan Protection Protocol	n/a	1.0%	\$665,126
TOTAL ECONOMIC EXPOSURE⁴		104.0%	\$68,749,369
FOREIGN CURRENCY EXPOSURE		57.9%	\$38,288,629

1. Where a strategy is shown, the asset class reflects the predominant assets in the strategy. The strategy may include other assets including cash.

2. The yield calculation represents an estimate of the yield on the Portfolio, calculated using the most recent information provided by the external investment managers involved in managing the Portfolio, hedged back to New Zealand dollars where appropriate. It is not calculated 'as at' any particular date as different external investment managers provide data at varying dates. As a result, in some instances the yields may lag the date of this Portfolio summary. The yield is not the actual return on the Portfolio, nor is it a projection or forecast. The Portfolio's return could be less than the Portfolio's yield. Details of the yield calculation are available on request from NZ Funds.

3. Credit default swaps notional value is currently \$62,324,199.

4. Total economic exposure represents the total economic value of a Portfolio, which is the net asset value of the Portfolio adjusted for the effect of direct derivative positions taken by the Portfolio and indirect derivative positions taken other than via a fund including hedge funds. For more details of the total economic exposure calculations, contact NZ Funds.

Note: Rounding may affect any subtotals and totals.

Global Equity Growth Portfolio

Notes

Global Equity Growth Portfolio

- * Returns are stated after Portfolio fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns.

Maximum Decline and Volatility

- x Returns should be looked at in conjunction with the level of risk associated with an investment. We use 'maximum decline' as a measure of risk. It represents the largest decline in value experienced during the previous 12 months.
- ^ This is the annualised standard deviation calculated from weekly returns of the Portfolio over the 5 years ending 31 March 2018. For more details on the Portfolio's Maximum Decline and Volatility please contact NZ Funds.

Note

Rounding may affect the subtotals and totals.

Composite Strategy

- ** The Composite Strategy is used to illustrate the long-term performance of the investment approach used in managing the Global Equity Growth Portfolio.

The Composite Strategy does not represent the historic returns of the Global Equity Growth Portfolio.

It illustrates the historical performance of the NZ Funds approach of managing assets of the type held within the Global Equity Growth Portfolio.

The Composite Strategy is tax-adjusted to remove, as much as possible, the impact of the different tax regimes that applied during the calculation period. Returns are stated after Portfolio fees and expenses, but before any advisory fees or investor tax.

For more detail on the calculation of the Global Equity Growth Composite Strategy please contact NZ Funds.

The performance of the Global Equity Growth Composite Strategy is not an indication of the future returns of the Global Equity Growth Portfolio.

Dividend and Growth Portfolio

Performance since inception (31 October 2008) to 30 April 2018 for Dividend and Growth Portfolio



Portfolio returns*	1 month	3 months	6 months	1 year	2 years	5 years	Since inception	Maximum decline 12 months ^x	Volatility 5 years [^]
Dividend and Growth Portfolio	2.56%	-0.74%	3.81%	7.09%	21.54%	71.32%	104.33%	-7.47%	9.09%

Dividend and Growth Portfolio

Tax-adjusted performance to 30 April 2018 for Dividend and Growth Composite Strategy



Composite strategy returns**	1 month	3 months	6 months	1 year	2 years	5 years	10 years	Since inception	Maximum decline 12 months ^x	Volatility 5 years [^]
Dividend and Growth Composite Strategy	2.56%	-0.74%	3.81%	7.09%	21.54%	71.32%	74.19%	746.98%	-7.47%	9.09%

Dividend and Growth Portfolio

Complete Portfolio as at 30 April 2018

Strategy / Security	Estimated yield ¹	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS		5.5%	\$5,196,304
INTERNATIONAL BONDS		1.6%	\$1,539,835
Credit default swaps - Market value ²	n/a	1.6%	\$1,539,835
AUSTRALASIAN SHARES		96.1%	\$91,083,336
Rio Tinto PLC ADR ³	4.4%	12.6%	\$11,958,119
Meridian Energy	8.2%	10.0%	\$9,434,826
Metlifecare	2.0%	9.9%	\$9,344,990
Chorus	7.7%	9.8%	\$9,272,556
Trade Me	6.4%	7.2%	\$6,790,514
Woodside Petroleum	5.2%	5.9%	\$5,580,422
Z Energy	9.8%	4.2%	\$3,990,967
Trustpower	8.6%	4.1%	\$3,912,073
Australian futures index exposure	n/a	4.1%	\$3,894,127
Tower	6.3%	3.7%	\$3,522,666
Fisher & Paykel Healthcare	2.9%	3.5%	\$3,301,356
Nufarm	1.9%	3.4%	\$3,246,985
Spark New Zealand	9.6%	3.2%	\$3,012,775
Sky City Entertainment	6.0%	3.1%	\$2,968,953

Dividend and Growth Portfolio

Complete Portfolio as at 30 April 2018 (continued)

Strategy / Security	Estimated yield ¹	Portfolio exposure %	Portfolio exposure \$
AUSTRALASIAN SHARES (CONTINUED)			
Fletcher Building	5.4%	3.0%	\$2,857,403
Sanford	5.1%	2.8%	\$2,661,899
Michael Hill International	7.9%	2.8%	\$2,613,818
Amaysim Australia	0.0%	1.2%	\$1,103,638
Sky Network Television total return swap (short)	n/a	0.9%	\$846,409
Murray Goulburn Unit Trust	0.0%	0.8%	\$768,840
TOTAL ECONOMIC EXPOSURE*		103.3%	\$97,819,476
FOREIGN CURRENCY EXPOSURE		10.7%	\$10,165,079

1. The yield calculation represents an estimate of the yield on the Portfolio, calculated using forecast dividends (Source: Bloomberg), NZ Funds' estimate of imputation credits where appropriate, and hedged back to New Zealand dollars where appropriate. The yield is not the actual return on the Portfolio, nor is it a projection or forecast. The Portfolio's return could be less than the Portfolio's yield. Details of the yield calculation are available on request from NZ Funds.

2. Credit default swaps notional value is currently \$78,557,227.

3. The Rio Tinto PLC ADR is shown as an exposure to Australasian shares, as economically this holding provides a return equivalent to that of a Rio Tinto share which is an Australian share for asset classification purposes.

4. Total economic exposure represents the total economic value of a Portfolio, which is the net asset value of the Portfolio adjusted for the effect of direct derivative positions taken by the Portfolio and indirect derivative positions taken other than via a fund including hedge funds. For more details of the total economic exposure calculations, contact NZ Funds.

Note: Rounding may affect any subtotals and totals.

Dividend and Growth Portfolio

Notes

Dividend and Growth Portfolio

- * Returns are stated after Portfolio fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns.

Maximum Decline and Volatility

- x Returns should be looked at in conjunction with the level of risk associated with an investment. We use 'maximum decline' as a measure of risk. It represents the largest decline in value experienced during the previous 12 months.
- ^ This is the annualised standard deviation calculated from weekly returns of the Portfolio over the 5 years ending 31 March 2018. For more details on the Portfolio's Maximum Decline and Volatility please contact NZ Funds.

Note

Rounding may affect the subtotals and totals.

Composite Strategy

- ** The Composite Strategy is used to illustrate the long-term performance of the investment approach used in managing the Dividend and Growth Portfolio.

The Composite Strategy does not represent the historic returns of the Dividend and Growth Portfolio.

It illustrates the historical performance of the NZ Funds approach of managing assets of the type held within the Dividend and Growth Portfolio.

The Composite Strategy is tax-adjusted to remove, as much as possible, the impact of the different tax regimes that applied during the calculation period. Returns are stated after Portfolio fees and expenses, but before any advisory fees or investor tax.

For more detail on the calculation of the Dividend and Growth Composite Strategy please contact NZ Funds.

The performance of the Dividend and Growth Composite Strategy is not an indication of the future returns of the Dividend and Growth Portfolio.



NZ Funds KiwiSaver Scheme

NZ Funds KiwiSaver Scheme Income Strategy

Performance since inception (31 October 2010) to 30 April 2018



Strategy returns*	1 month	3 months	6 months	1 year	2 years	5 years	Since inception	Maximum decline 12 months ^x	Volatility 5 years [^]
Income Strategy	-0.15%	-0.93%	-0.59%	1.88%	5.60%	16.29%	33.58%	-1.34%	1.88%

NZ Funds KiwiSaver Scheme Income Strategy

Complete Strategy as at 30 April 2018

Strategy / Security	Estimated yield ¹	Credit rating	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS			18.2%	\$4,942,320
AUSTRALASIAN BONDS			40.4%	\$10,972,229
Westpac Banking 4.695% 01/09/2026	4.0%	BBB	4.0%	\$1,075,358
BlueScope Steel Finance USA 6.5% 15/05/2021	4.4%	BBB-	3.9%	\$1,054,603
Insurance Australia Group 5.15% 15/06/2043	4.2%	BBB	3.8%	\$1,038,502
Woodside Finance 3.7% 15/09/2026	3.9%	BBB+	3.2%	\$873,475
Meridian Energy 4.88% 20/03/2024	4.1%	BBB+	3.1%	\$838,036
Mercury NZ 6.9% 11/07/2044	4.0%	BB+	2.8%	\$750,290
Crown Subordinated Notes 23/04/2075	6.0%	NR	2.7%	\$723,761
Infratil 5.5% 15/06/2024	4.8%	NR	2.5%	\$676,498
Trustpower 4.01% 15/12/2022	4.1%	NR	1.8%	\$481,917
Z Energy 4.01% 01/11/2021	3.9%	NR	1.8%	\$478,824
Fletcher Building Industries 5.8% 15/03/2020	4.9%	NR	1.7%	\$465,973
Bank of New Zealand 4.102% 15/06/2023	3.7%	AA-	1.7%	\$455,036
Qantas Airways 4.75% 12/10/2026	4.3%	BBB-	1.7%	\$452,850
NEXTDC 6.25% 09/06/2021	4.7%	NR	1.5%	\$409,741
Fletcher Building Industries 4.75% 15/03/2021	4.8%	NR	1.3%	\$364,862
Property for Industry 4.59% 28/11/2024	4.3%	NR	1.2%	\$324,842
Precinct Properties New Zealand 4.42% 27/11/2024	4.3%	NR	1.0%	\$278,900
University of Canterbury 7.25% 15/12/2019	4.1%	NR	0.8%	\$228,763

NZ Funds KiwiSaver Scheme Income Strategy

Complete Strategy as at 30 April 2018 (continued)

Strategy / Security	Estimated yield ¹	Credit rating	Strategy exposure %	Strategy exposure \$
INTERNATIONAL BONDS			43.0%	\$11,694,212
HCA 4.75% 05/01/2023	4.2%	BBB-	4.6%	\$1,257,675
Flex 5% 15/02/2023	3.7%	BBB-	4.6%	\$1,249,948
First Data 5% 15/01/2024	4.4%	BB	4.4%	\$1,184,132
Valeant Pharmaceuticals International 5.5% 01/11/2025	5.3%	BB-	3.6%	\$967,709
Devon Energy 5.85% 15/12/2025	3.7%	BBB	3.2%	\$867,795
NRG Energy 6.625% 15/01/2027	5.7%	BB-	3.1%	\$852,784
Verizon Communications 2.625% 15/08/2026	3.8%	BBB+	3.1%	\$835,509
Constellation Brands 4.75% 01/12/2025	3.8%	BBB-	2.9%	\$793,176
Southern Copper 7.50% 27/07/2035	4.8%	BBB	2.9%	\$787,408
Seagate HDD Cayman 4.875% 01/03/2024	0.0%	BB+	2.8%	\$774,078
Wells Fargo Co 3.55% 29/09/2025	3.8%	A-	2.6%	\$713,809
Icahn Enter/Fin lep 5.875% 02/01/2022	4.9%	NR	2.3%	\$636,698
EOG Resources 4.15% 15/01/2026	3.5%	BBB+	2.0%	\$556,589
Credit default swaps - Market value ²	n/a	n/a	0.8%	\$212,630
United States bond futures (short)	n/a	n/a	0.0%	\$4,272
TOTAL ECONOMIC EXPOSURE³			101.6%	\$27,608,762
FOREIGN CURRENCY EXPOSURE			10.7%	\$2,913,942

1. The yield calculation represents an estimate of the yield on the Strategy, calculated using the most recent information provided by the external investment managers involved in managing the Strategy, hedged back to New Zealand dollars where appropriate. It is not calculated 'as at' any particular date as different external investment managers provide data at varying dates. As a result, in some instances the yields may lag the date of this Strategy summary. The yield is not the actual return on the Strategy, nor is it a projection or forecast. The Strategy's return could be less than the Strategy's yield. Details of the yield calculation are available on request from NZ Funds.

2. Credit default swaps notional value is currently \$2,700,145.

3. Total economic exposure represents the total economic value of a Strategy, which is the net asset value of the Strategy adjusted for the effect of direct derivative positions taken by the Strategy and indirect derivative positions taken other than via a fund including hedge funds. For more details of the total economic exposure calculations, contact NZ Funds.

Note: Rounding may affect any subtotals and totals.

NZ Funds KiwiSaver Scheme Income Strategy

Notes

NZ Funds KiwiSaver Scheme Income Strategy

- * Returns are stated after Strategy fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns.

Maximum Decline and Volatility

- x Returns should be looked at in conjunction with the level of risk associated with an investment. We use 'maximum decline' as a measure of risk. It represents the largest decline in value experienced during the previous 12 months.
- ^ This is the annualised standard deviation calculated from weekly returns of the Strategy over the 5 years ending 31 March 2018. For more details on the Strategy's Maximum Decline and Volatility please contact NZ Funds.

Note

Rounding may affect the subtotals and totals.

NZ Funds KiwiSaver Scheme Inflation Strategy

Performance since inception (31 October 2010) to 30 April 2018



Strategy returns*	1 month	3 months	6 months	1 year	2 years	5 years	Since inception	Maximum decline 12 months ^x	Volatility 5 years [^]
Inflation Strategy	1.80%	-1.17%	3.54%	6.66%	11.57%	24.93%	46.34%	-5.40%	7.66%

NZ Funds KiwiSaver Scheme Inflation Strategy

Complete Strategy as at 30 April 2018

Strategy / Security ¹	Estimated yield ²	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS		13.7%	\$5,795,149
INTERNATIONAL BONDS		19.7%	\$8,342,760
Floating Rate and Perpetual Bond Strategy	6.4%	19.1%	\$8,094,582
Credit default swaps - Market value ³	n/a	0.6%	\$248,178
AUSTRALASIAN SHARES		34.0%	\$14,427,059
Dividend and Growth Strategy	5.3%	34.0%	\$14,427,059
INTERNATIONAL SHARES		34.5%	\$14,654,434
Equity index futures (long)	n/a	21.8%	\$9,243,618
Global Banking & Finance Index Strategy	1.8%	5.9%	\$2,522,560
Impala Resource Fund	0.0%	3.6%	\$1,511,204
Global Energy Index Strategy	4.8%	2.5%	\$1,043,860
Global Metal & Mining Index Strategy	3.3%	0.8%	\$333,192
ALTERNATIVE SECURITIES		0.5%	\$206,032
Universa Black Swan Protection Protocol	n/a	0.5%	\$206,032
TOTAL ECONOMIC EXPOSURE⁴		102.3%	\$43,425,433
FOREIGN CURRENCY EXPOSURE		16.3%	\$6,906,105

1. Where a strategy is shown, the asset class reflects the predominant assets in the strategy. The strategy may include other assets including cash.

2. The yield calculation represents an estimate of the yield on the Strategy, calculated using the most recent information provided by the external investment managers involved in managing the Strategy, hedged back to New Zealand dollars where appropriate. It is not calculated 'as at' any particular date as different external investment managers provide data at varying dates. As a result, in some instances the yields may lag the date of this Strategy summary. The yield is not the actual return on the Strategy, nor is it a projection or forecast. The Strategy's return could be less than the Strategy's yield. Details of the yield calculation are available on request from NZ Funds.

3. Credit default swaps notional value is currently \$23,797,306.

4. Total economic exposure represents the total economic value of a Strategy, which is the net asset value of the Strategy adjusted for the effect of direct derivative positions taken by the Strategy and indirect derivative positions taken other than via a fund including hedge funds. For more details of the total economic exposure calculations, contact NZ Funds.

Note: Rounding may affect any subtotals and totals.

NZ Funds KiwiSaver Scheme Inflation Strategy

Notes

NZ Funds KiwiSaver Scheme Inflation Strategy

* Returns are stated after Strategy fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns.

Maximum Decline and Volatility

- x Returns should be looked at in conjunction with the level of risk associated with an investment. We use 'maximum decline' as a measure of risk. It represents the largest decline in value experienced during the previous 12 months.
- ^ This is the annualised standard deviation calculated from weekly returns of the Strategy over the 5 years ending 31 March 2018. For more details on the Strategy's Maximum Decline and Volatility please contact NZ Funds.

Note

Rounding may affect the subtotals and totals.

NZ Funds KiwiSaver Scheme Growth Strategy

Performance since inception (31 October 2010) to 30 April 2018



Strategy returns*	1 month	3 months	6 months	1 year	2 years	5 years	Since inception	Maximum decline 12 months ^x	Volatility 5 years [^]
Growth Strategy	2.33%	-3.26%	3.29%	10.75%	24.98%	59.52%	81.29%	-8.83%	12.22%

NZ Funds KiwiSaver Scheme Growth Strategy

Complete Strategy as at 30 April 2018

Strategy / Security ¹	Estimated yield ²	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS		1.0%	\$1,523,044
INTERNATIONAL BONDS		1.6%	\$2,459,811
Credit default swaps - Market value ³	n/a	1.6%	\$2,459,811
AUSTRALASIAN SHARES		29.3%	\$44,637,169
Dividend and Growth Strategy	5.3%	29.3%	\$44,637,169
INTERNATIONAL SHARES		76.8%	\$116,948,705
Equity index futures (long)	n/a	40.5%	\$61,692,703
LSV Global Concentrated Fund	0.8%	17.0%	\$25,940,197
Suvretta Offshore Fund	0.0%	12.8%	\$19,492,835
Impala Resource Fund	0.0%	6.4%	\$9,822,970
ALTERNATIVE SECURITIES		5.6%	\$8,570,436
ISAM Systematic Fund	n/a	5.0%	\$7,613,908
Universa Black Swan Protection Protocol	n/a	0.6%	\$956,528
TOTAL ECONOMIC EXPOSURE⁴		114.3%	\$174,139,165
FOREIGN CURRENCY EXPOSURE		57.0%	\$86,738,463

1. Where a strategy is shown, the asset class reflects the predominant assets in the strategy. The strategy may include other assets including cash.

2. The yield calculation represents an estimate of the yield on the Strategy, calculated using the most recent information provided by the external investment managers involved in managing the Strategy, hedged back to New Zealand dollars where appropriate. It is not calculated 'as at' any particular date as different external investment managers provide data at varying dates. As a result, in some instances the yields may lag the date of this Strategy summary. The yield is not the actual return on the Strategy, nor is it a projection or forecast. The Strategy's return could be less than the Strategy's yield. Details of the yield calculation are available on request from NZ Funds.

3. Credit default swaps notional value is currently \$152,446,795.

4. Total economic exposure represents the total economic value of a Strategy, which is the net asset value of the Strategy adjusted for the effect of direct derivative positions taken by the Strategy and indirect derivative positions taken other than via a fund including hedge funds. For more details of the total economic exposure calculations, contact NZ Funds.

Note: Rounding may affect any subtotals and totals.

NZ Funds KiwiSaver Scheme Growth Strategy

Notes

NZ Funds KiwiSaver Scheme Growth Strategy

- * Returns are stated after Strategy fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns.

Maximum Decline and Volatility

- x Returns should be looked at in conjunction with the level of risk associated with an investment. We use 'maximum decline' as a measure of risk. It represents the largest decline in value experienced during the previous 12 months.
- ^ This is the annualised standard deviation calculated from weekly returns of the Strategy over the 5 years ending 31 March 2018. For more details on the Strategy's Maximum Decline and Volatility please contact NZ Funds.

Note

Rounding may affect the subtotals and totals.

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NZ Funds Managed Superannuation Service

NZ Funds ROPS GBP Income Strategy

Performance since inception (11 August 2017) to 30 April 2018



Strategy returns*	1 month	3 months	6 months	1 year	2 years	5 years	Since inception	Maximum decline 12 months ^x	Volatility 5 years [^]
ROPS GBP Income Strategy	0.06%	-0.06%	-0.75%	n/a	n/a	n/a	8.33%	n/a	10.86%

NZ Funds ROPS GBP Income Strategy

Complete Strategy as at 30 April 2018

Strategy / Security	Estimated yield	Credit rating	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS			18.0%	\$134,883
AUSTRALASIAN BONDS			40.5%	\$303,972
Westpac Banking 4.695% 01/09/2026	4.0%	BBB	4.0%	\$29,791
BlueScope Steel Finance USA 6.5% 15/05/2021	4.4%	BBB-	3.9%	\$29,216
Insurance Australia Group 5.15% 15/06/2043	4.2%	BBB	3.8%	\$28,770
Woodside Finance 3.7% 15/09/2026	3.9%	BBB+	3.2%	\$24,199
Meridian Energy 4.88% 20/03/2024	4.1%	BBB+	3.1%	\$23,217
Mercury NZ 6.9% 11/07/2044	4.0%	BB+	2.8%	\$20,786
Crown Subordinated Notes 23/04/2075	6.0%	NR	2.7%	\$20,051
Infratil 5.5% 15/06/2024	4.8%	NR	2.5%	\$18,742
Trustpower 4.01% 15/12/2022	4.1%	NR	1.8%	\$13,351
Z Energy 4.01% 01/11/2021	3.9%	NR	1.8%	\$13,265
Fletcher Building Industries 5.8% 15/03/2020	4.9%	NR	1.7%	\$12,909
Bank of New Zealand 4.102% 15/06/2023	3.7%	AA-	1.7%	\$12,606
Qantas Airways 4.75% 12/10/2026	4.3%	BBB-	1.7%	\$12,546
NEXTDC 6.25% 09/06/2021	4.7%	NR	1.5%	\$11,351
Fletcher Building Industries 4.75% 15/03/2021	4.8%	NR	1.3%	\$10,108
Property for Industry 4.59% 28/11/2024	4.3%	NR	1.2%	\$8,999
Precinct Properties New Zealand 4.42% 27/11/2024	4.3%	NR	1.0%	\$7,727
University of Canterbury 7.25% 15/12/2019	4.1%	NR	0.8%	\$6,338

NZ Funds ROPS GBP Income Strategy

Complete Strategy as at 30 April 2018 (continued)

Strategy / Security	Estimated yield	Credit rating	Strategy exposure %	Strategy exposure \$
INTERNATIONAL BONDS			43.1%	\$323,974
HCA 4.75% 05/01/2023	4.2%	BBB-	4.6%	\$34,842
Flex 5% 15/02/2023	3.7%	BBB-	4.6%	\$34,628
First Data 5% 15/01/2024	4.4%	BB	4.4%	\$32,805
Valeant Pharmaceuticals International 5.5% 01/11/2025	5.3%	BB-	3.6%	\$26,809
Devon Energy 5.85% 15/12/2025	3.7%	BBB	3.2%	\$24,041
NRG Energy 6.625% 15/01/2027	5.7%	BB-	3.1%	\$23,625
Verizon Communications 2.625% 15/08/2026	3.8%	BBB+	3.1%	\$23,147
Constellation Brands 4.75% 01/12/2025	3.8%	BBB-	2.9%	\$21,974
Southern Copper 7.50% 27/07/2035	4.8%	BBB	2.9%	\$21,814
Seagate HDD Cayman 4.875% 01/03/2024	0.0%	BB+	2.9%	\$21,445
Wells Fargo Co 3.55% 29/09/2025	3.8%	A-	2.6%	\$19,775
Icahn Enter/Fin lep 5.875% 02/01/2022	4.9%	NR	2.3%	\$17,639
EOG Resources 4.15% 15/01/2026	3.5%	BBB+	2.1%	\$15,420
Credit default swaps - Market value ¹	n/a	n/a	0.8%	\$5,891
United States bond futures (short)	n/a	n/a	0.0%	\$118
TOTAL ECONOMIC EXPOSURE			101.6%	\$762,829
GBP CURRENCY EXPOSURE			99.6%	\$748,009
OTHER FOREIGN CURRENCY EXPOSURE			10.7%	\$80,705

1. Credit default swaps notional value is currently \$74,804.

Note: Rounding may affect any subtotals and totals.

NZ Funds ROPS GBP Income Strategy

Notes

NZ Funds ROPS GBP Income Strategy

- * Returns are stated after Strategy fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns.

Maximum Decline and Volatility

- x Returns should be looked at in conjunction with the level of risk associated with an investment. We use 'maximum decline' as a measure of risk. It represents the largest decline in value experienced during the previous 12 months.
- ^ This is the annualised standard deviation calculated using weekly returns of the Strategy and market index data over the 5 years ending 31 March 2018. Market index data is used for calculating the volatility prior to the inception date. For more details on the market index data, see the SIPO for the NZ Funds Managed Superannuation Service. For more details on the Strategy's Maximum Decline and Volatility please contact NZ Funds.

Note

Rounding may affect the subtotals and totals.

NZ Funds Managed Superannuation Service Income Strategy

Performance since inception (25 January 2017) to 30 April 2018



Strategy returns*	1 month	3 months	6 months	1 year	2 years	5 years	Since inception	Maximum decline 12 months ^x	Volatility 5 years [^]
Income Strategy	-0.16%	-0.97%	-0.64%	1.82%	n/a	n/a	2.58%	-1.32%	2.23%

NZ Funds Managed Superannuation Service Income Strategy

Complete Strategy as at 30 April 2018

Strategy / Security	Estimated yield ¹	Credit rating	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS			18.2%	\$469,745
AUSTRALASIAN BONDS			40.4%	\$1,041,087
Westpac Banking 4.695% 01/09/2026	4.0%	BBB	4.0%	\$102,034
BlueScope Steel Finance USA 6.5% 15/05/2021	4.4%	BBB-	3.9%	\$100,065
Insurance Australia Group 5.15% 15/06/2043	4.2%	BBB	3.8%	\$98,537
Woodside Finance 3.7% 15/09/2026	3.9%	BBB+	3.2%	\$82,879
Meridian Energy 4.88% 20/03/2024	4.1%	BBB+	3.1%	\$79,516
Mercury NZ 6.9% 11/07/2044	4.0%	BB+	2.8%	\$71,190
Crown Subordinated Notes 23/04/2075	6.0%	NR	2.7%	\$68,673
Infratil 5.5% 15/06/2024	4.8%	NR	2.5%	\$64,189
Trustpower 4.01% 15/12/2022	4.1%	NR	1.8%	\$45,726
Z Energy 4.01% 01/11/2021	3.9%	NR	1.8%	\$45,433
Fletcher Building Industries 5.8% 15/03/2020	4.9%	NR	1.7%	\$44,213
Bank of New Zealand 4.102% 15/06/2023	3.7%	AA-	1.7%	\$43,176
Qantas Airways 4.75% 12/10/2026	4.3%	BBB-	1.7%	\$42,968
NEXTDC 6.25% 09/06/2021	4.7%	NR	1.5%	\$38,878
Fletcher Building Industries 4.75% 15/03/2021	4.8%	NR	1.3%	\$34,619
Property for Industry 4.59% 28/11/2024	4.3%	NR	1.2%	\$30,822
Precinct Properties New Zealand 4.42% 27/11/2024	4.3%	NR	1.0%	\$26,463
University of Canterbury 7.25% 15/12/2019	4.1%	NR	0.8%	\$21,706

NZ Funds Managed Superannuation Service Income Strategy

Complete Strategy as at 30 April 2018 (continued)

Strategy / Security	Estimated yield ¹	Credit rating	Strategy exposure %	Strategy exposure \$
INTERNATIONAL BONDS			43.0%	\$1,109,591
HCA 4.75% 05/01/2023	4.2%	BBB-	4.6%	\$119,333
Flex 5% 15/02/2023	3.7%	BBB-	4.6%	\$118,600
First Data 5% 15/01/2024	4.4%	BB	4.4%	\$112,355
Valeant Pharmaceuticals International 5.5% 01/11/2025	5.3%	BB-	3.6%	\$91,820
Devon Energy 5.85% 15/12/2025	3.7%	BBB	3.2%	\$82,340
NRG Energy 6.625% 15/01/2027	5.7%	BB-	3.1%	\$80,915
Verizon Communications 2.625% 15/08/2026	3.8%	BBB+	3.1%	\$79,276
Constellation Brands 4.75% 01/12/2025	3.8%	BBB-	2.9%	\$75,260
Southern Copper 7.50% 27/07/2035	4.8%	BBB	2.9%	\$74,712
Seagate HDD Cayman 4.875% 01/03/2024	0.0%	BB+	2.8%	\$73,447
Wells Fargo Co 3.55% 29/09/2025	3.8%	A-	2.6%	\$67,729
Icahn Enter/Fin lep 5.875% 02/01/2022	4.9%	NR	2.3%	\$60,412
EOG Resources 4.15% 15/01/2026	3.5%	BBB+	2.0%	\$52,811
Credit default swaps - Market value ²	n/a	n/a	0.8%	\$20,175
United States bond futures (short)	n/a	n/a	0.0%	\$405
TOTAL ECONOMIC EXPOSURE³			101.6%	\$2,620,424
FOREIGN CURRENCY EXPOSURE			10.7%	\$276,486

1. The yield calculation represents an estimate of the yield on the Strategy, calculated using the most recent information provided by the external investment managers involved in managing the Strategy, hedged back to New Zealand dollars where appropriate. It is not calculated 'as at' any particular date as different external investment managers provide data at varying dates. As a result, in some instances the yields may lag the date of this Strategy summary. The yield is not the actual return on the Strategy, nor is it a projection or forecast. The Strategy's return could be less than the Strategy's yield. Details of the yield calculation are available on request from NZ Funds.

2. Credit default swaps notional value is currently \$256,200.

3. Total economic exposure represents the total economic value of a Strategy, which is the net asset value of the Strategy adjusted for the effect of direct derivative positions taken by the Strategy and indirect derivative positions taken other than via a fund including hedge funds. For more details of the total economic exposure calculations, contact NZ Funds.

Note: Rounding may affect any subtotals and totals.

NZ Funds Managed Superannuation Service Income Strategy

Notes

NZ Funds Managed Superannuation Service Income Strategy

- * Returns are stated after Strategy fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns.

Maximum Decline and Volatility

- x Returns should be looked at in conjunction with the level of risk associated with an investment. We use 'maximum decline' as a measure of risk. It represents the largest decline in value experienced during the previous 12 months.
- ^ This is the annualised standard deviation calculated using weekly returns of the Strategy and market index data over the 5 years ending 31 March 2018. Market index data is used for calculating the volatility prior to the inception date. For more details on the market index data, see the SIPO for the NZ Funds Managed Superannuation Service. For more details on the Strategy's Maximum Decline and Volatility please contact NZ Funds.

Note

Rounding may affect the subtotals and totals.

NZ Funds Managed Superannuation Service Inflation Strategy

Performance since inception (25 January 2017) to 30 April 2018



Strategy returns*	1 month	3 months	6 months	1 year	2 years	5 years	Since inception	Maximum decline 12 months ^x	Volatility 5 years [^]
Inflation Strategy	1.79%	-1.25%	3.45%	6.59%	n/a	n/a	6.11%	-5.39%	7.09%

NZ Funds Managed Superannuation Service Inflation Strategy

Complete Strategy as at 30 April 2018

Strategy / Security ¹	Estimated yield ²	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS		13.6%	\$458,978
INTERNATIONAL BONDS		19.7%	\$661,234
Floating Rate and Perpetual Bond Strategy	6.4%	19.1%	\$641,563
Credit default swaps - Market value ³	n/a	0.6%	\$19,670
AUSTRALASIAN SHARES		34.0%	\$1,143,465
Dividend and Growth Strategy	5.3%	34.0%	\$1,143,465
INTERNATIONAL SHARES		34.5%	\$1,161,487
Equity index futures (long)	n/a	21.8%	\$732,634
Global Banking & Finance Index Strategy	1.8%	5.9%	\$199,934
Impala Resource Fund	0.0%	3.6%	\$119,776
Global Energy Index Strategy	4.8%	2.5%	\$82,735
Global Metal & Mining Index Strategy	3.3%	0.8%	\$26,408
ALTERNATIVE SECURITIES		0.5%	\$16,330
Universa Black Swan Protection Protocol	n/a	0.5%	\$16,330
TOTAL ECONOMIC EXPOSURE⁴		102.3%	\$3,441,494
FOREIGN CURRENCY EXPOSURE		16.3%	\$547,367

1. Where a strategy is shown, the asset class reflects the predominant assets in the strategy. The strategy may include other assets including cash.

2. The yield calculation represents an estimate of the yield on the Strategy, calculated using the most recent information provided by the external investment managers involved in managing the Strategy, hedged back to New Zealand dollars where appropriate. It is not calculated 'as at' any particular date as different external investment managers provide data at varying dates. As a result, in some instances the yields may lag the date of this Strategy summary. The yield is not the actual return on the Strategy, nor is it a projection or forecast. The Strategy's return could be less than the Strategy's yield. Details of the yield calculation are available on request from NZ Funds.

3. Credit default swaps notional value is currently \$1,886,135.

4. Total economic exposure represents the total economic value of a Strategy, which is the net asset value of the Strategy adjusted for the effect of direct derivative positions taken by the Strategy and indirect derivative positions taken other than via a fund including hedge funds. For more details of the total economic exposure calculations, contact NZ Funds.

Note: Rounding may affect any subtotals and totals.

NZ Funds Managed Superannuation Service Inflation Strategy

Notes

NZ Funds Managed Superannuation Service Inflation Strategy

- * Returns are stated after Strategy fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns.

Maximum Decline and Volatility

- x Returns should be looked at in conjunction with the level of risk associated with an investment. We use 'maximum decline' as a measure of risk. It represents the largest decline in value experienced during the previous 12 months.
- ^ This is the annualised standard deviation calculated using weekly returns of the Strategy and market index data over the 5 years ending 31 March 2018. Market index data is used for calculating the volatility prior to the inception date. For more details on the market index data, see the SIPO for the NZ Funds Managed Superannuation Service. For more details on the Strategy's Maximum Decline and Volatility please contact NZ Funds.

Note

Rounding may affect the subtotals and totals.

NZ Funds Managed Superannuation Service Growth Strategy

Performance since inception (25 January 2017) to 30 April 2018



Strategy returns*	1 month	3 months	6 months	1 year	2 years	5 years	Since inception	Maximum decline 12 months ^x	Volatility 5 years [^]
Growth Strategy	2.32%	-3.33%	3.18%	10.50%	n/a	n/a	11.81%	-8.82%	10.45%

NZ Funds Managed Superannuation Service Growth Strategy

Complete Strategy as at 30 April 2018

Strategy / Security ¹	Estimated yield ²	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS		1.0%	\$80,789
INTERNATIONAL BONDS		1.6%	\$130,626
Credit default swaps - Market value ³	n/a	1.6%	\$130,626
AUSTRALASIAN SHARES		29.3%	\$2,370,425
Dividend and Growth Strategy	5.3%	29.3%	\$2,370,425
INTERNATIONAL SHARES		76.9%	\$6,210,477
Equity index futures (long)	n/a	40.6%	\$3,276,146
LSV Global Concentrated Fund	0.8%	17.1%	\$1,377,535
Suvretta Offshore Fund	0.0%	12.8%	\$1,035,153
Impala Resource Fund	0.0%	6.5%	\$521,642
ALTERNATIVE SECURITIES		5.6%	\$455,127
ISAM Systematic Fund	n/a	5.0%	\$404,331
Universa Black Swan Protection Protocol	n/a	0.6%	\$50,796
TOTAL ECONOMIC EXPOSURE⁴		114.5%	\$9,247,444
FOREIGN CURRENCY EXPOSURE		57.0%	\$4,606,183

1. Where a strategy is shown, the asset class reflects the predominant assets in the strategy. The strategy may include other assets including cash.

2. The yield calculation represents an estimate of the yield on the Strategy, calculated using the most recent information provided by the external investment managers involved in managing the Strategy, hedged back to New Zealand dollars where appropriate. It is not calculated 'as at' any particular date as different external investment managers provide data at varying dates. As a result, in some instances the yields may lag the date of this Strategy summary. The yield is not the actual return on the Strategy, nor is it a projection or forecast. The Strategy's return could be less than the Strategy's yield. Details of the yield calculation are available on request from NZ Funds.

3. Credit default swaps notional value is currently \$8,095,577.

4. Total economic exposure represents the total economic value of a Strategy, which is the net asset value of the Strategy adjusted for the effect of direct derivative positions taken by the Strategy and indirect derivative positions taken other than via a fund including hedge funds. For more details of the total economic exposure calculations, contact NZ Funds.

Note: Rounding may affect any subtotals and totals.

NZ Funds Managed Superannuation Service Growth Strategy

Notes

NZ Funds Managed Superannuation Service Growth Strategy

- * Returns are stated after Strategy fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns.

Maximum Decline and Volatility

- x Returns should be looked at in conjunction with the level of risk associated with an investment. We use 'maximum decline' as a measure of risk. It represents the largest decline in value experienced during the previous 12 months.
- ^ This is the annualised standard deviation calculated using weekly returns of the Strategy and market index data over the 5 years ending 31 March 2018. Market index data is used for calculating the volatility prior to the inception date. For more details on the market index data, see the SIPO for the NZ Funds Managed Superannuation Service. For more details on the Strategy's Maximum Decline and Volatility please contact NZ Funds.

Note

Rounding may affect the subtotals and totals.

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Manager portfolios

Floating Rate and Perpetual Bond Strategy

Complete Portfolio as at 30 April 2018

Strategy / Security	Estimated yield ¹	Portfolio exposure %	Portfolio exposure \$
LIFE SCIENCES TOOLS & SERVICES		13.5%	\$8,132,603
Eurofins Scientific Se Frn 29Dec2049	5.7%	13.5%	\$8,132,603
FERTILIZERS & AGRICULTURAL CHEMICALS		8.2%	\$4,941,336
Nufarm Step-up Securities	7.0%	8.2%	\$4,941,336
CASINOS & GAMING		15.8%	\$9,518,368
Crown Subordinated Notes 23/04/2075	6.0%	10.7%	\$6,490,865
Crown Subordinated Notes 14/09/2072	7.0%	5.0%	\$3,027,503
PHARMACEUTICALS		14.7%	\$8,863,999
Valeant Pharmaceuticals International 4.5% 15/05/2023	9.0%	9.3%	\$5,594,645
Valeant Pharmaceuticals International 9% 15/12/2025	8.3%	5.4%	\$3,269,355
DIVERSIFIED BANKS		13.3%	\$8,044,973
National Australia Bank Income Securities perpetual	4.3%	13.3%	\$8,044,973
MORTGAGE REIT'S		18.4%	\$11,136,282
MFA Financial	10.0%	18.4%	\$11,136,282
OFFICE REIT'S		16.1%	\$9,745,039
Precinct Properties New Zealand 4.8% 27/09/2021	4.6%	16.1%	\$9,745,039
TOTAL NZ FUNDS EXPOSURE		100.0%	\$60,382,600

1. The yield is not the actual return on the portfolio, nor is it a projection or forecast. Details of the yield calculation are available on request from NZ Funds. The yield includes foreign currency hedging points where appropriate.
Note: Rounding may affect any subtotals and totals.

Global Agriculture Index Strategy

Complete Portfolio as at 30 April 2018

Strategy / Security	Estimated yield ¹	Portfolio exposure %	Portfolio exposure \$
FERTILIZERS & AGRICULTURAL CHEMICALS		41.4%	\$2,425,464
Quimica Y Minera	2.2%	10.7%	\$624,048
Monsanto	1.4%	10.4%	\$611,494
FMC	0.6%	10.2%	\$596,026
Yara International	6.1%	10.1%	\$593,895
CONSTRUCTION & FARM MACHINERY & HEAVY TRUCKS		28.9%	\$1,691,626
CNH Industrial	4.4%	10.3%	\$604,215
Kubota	4.1%	9.7%	\$569,123
Deere & Co	1.7%	8.8%	\$518,288
AGRICULTURAL PRODUCTS		19.3%	\$1,132,581
Archer-Daniels-Midland	2.7%	10.0%	\$588,531
Bunge	2.4%	9.3%	\$544,050
PACKAGED FOODS & MEATS		10.4%	\$609,770
Marine Harvest	7.9%	10.4%	\$609,770
TOTAL NZ FUNDS EXPOSURE		100.0%	\$5,859,440

1. The yield is not the actual return on the portfolio, nor is it a projection or forecast. Details of the yield calculation are available on request from NZ Funds. The yield includes foreign currency hedging points where appropriate.

Note: Rounding may affect any subtotals and totals.

Global Banking & Finance Index Strategy

Complete Portfolio as at 30 April 2018

Strategy / Security	Estimated yield ¹	Portfolio exposure %	Portfolio exposure \$
DIVERSIFIED BANKS		48.7%	\$6,668,327
Bank of America	2.3%	11.1%	\$1,520,335
JPMorgan Chase	2.3%	10.7%	\$1,470,811
Wells Fargo	3.1%	9.1%	\$1,245,977
Citigroup	2.3%	9.0%	\$1,224,937
US Bancorp	2.7%	8.8%	\$1,206,268
MULTI-INDUSTRYSECTOR HOLDINGS		9.7%	\$1,334,120
Berkshire Hathaway	0.0%	9.7%	\$1,334,120
CONSUMER FINANCE		10.9%	\$1,492,610
Visa	0.4%	10.9%	\$1,492,610
ASSET MANAGEMENT & CUSTODY BANKS		11.0%	\$1,506,221
Blackrock Inc	2.2%	11.0%	\$1,506,221
INVESTMENT BANKING & BROKERAGE		19.6%	\$2,683,139
Morgan Stanley	2.2%	10.0%	\$1,372,225
Goldman Sachs Group	1.1%	9.6%	\$1,310,914
TOTAL NZ FUNDS EXPOSURE		100.0%	\$13,684,416

1. The yield is not the actual return on the portfolio, nor is it a projection or forecast. Details of the yield calculation are available on request from NZ Funds. The yield includes foreign currency hedging points where appropriate.

Note: Rounding may affect any subtotals and totals.

Global Energy Index Strategy

Complete Portfolio as at 30 April 2018

Strategy / Security	Estimated yield ¹	Portfolio exposure %	Portfolio exposure \$
INTEGRATED OIL & GAS		69.0%	\$8,268,953
Occidental Petroleum	3.7%	10.3%	\$1,233,874
Eni	7.5%	9.9%	\$1,189,294
Total	7.3%	9.9%	\$1,183,481
BP	6.8%	9.9%	\$1,182,974
Petrochina	3.2%	9.8%	\$1,179,084
Statoil	6.0%	9.8%	\$1,177,432
Exxon Mobil	4.0%	9.4%	\$1,122,814
OIL & GAS EXPLORATION & PRODUCTION		21.1%	\$2,528,986
CNOOC	4.7%	10.9%	\$1,301,622
EOG Resources	0.3%	10.2%	\$1,227,365
OIL & GAS REFINING & MARKETING		9.9%	\$1,188,482
JX Holdings	4.9%	9.9%	\$1,188,482
TOTAL NZ FUNDS EXPOSURE		100.0%	\$11,986,421

1. The yield is not the actual return on the portfolio, nor is it a projection or forecast. Details of the yield calculation are available on request from NZ Funds. The yield includes foreign currency hedging points where appropriate.

Note: Rounding may affect any subtotals and totals.

Global Metals and Mining Strategy

Complete Portfolio as at 30 April 2018

Strategy / Security	Estimated yield ¹	Portfolio exposure %	Portfolio exposure \$
ALUMINUM		11.6%	\$831,422
Norsk Hydro Asa	6.2%	11.6%	\$831,422
DIVERSIFIED METALS & MINING		33.1%	\$2,369,972
Rio Tinto PLC ADR	4.4%	11.7%	\$840,238
Sumitomo Metal Mining	4.5%	11.5%	\$819,918
Teck Resources	0.3%	9.9%	\$709,817
COPPER		10.4%	\$746,951
Southern Copper	1.9%	10.4%	\$746,951
GOLD		10.2%	\$730,849
Goldcorp	0.3%	10.2%	\$730,849
STEEL		34.6%	\$2,472,812
Posco-Adr Adr Each Rep 1/4 KRW5000 Lv	4.9%	11.9%	\$848,139
ArcelorMittal	3.9%	11.7%	\$839,482
Nucor	2.1%	11.0%	\$785,190
TOTAL NZ FUNDS EXPOSURE		100.0%	\$7,152,007

1. The yield is not the actual return on the portfolio, nor is it a projection or forecast. Details of the yield calculation are available on request from NZ Funds. The yield includes foreign currency hedging points where appropriate.
Note: Rounding may affect any subtotals and totals.

ISAM: Absolute Returns

Indicative Portfolio Summary as at 30 April 2018

Strategy / Security ¹	Manager	Estimated yield ²	Portfolio value at risk %	Portfolio exposure \$
INTERNATIONAL BONDS			0.3%	
Futures exposure	ISAM	n/a	0.2%	
Interest rates - Futures exposure	ISAM	n/a	0.1%	
CURRENCY			0.4%	
Futures and forwards exposure	ISAM	n/a	0.4%	
INTERNATIONAL SHARES			0.8%	
Futures exposure	ISAM	n/a	0.8%	
COMMODITIES			1.6%	
Agriculture - Futures exposure	ISAM	n/a	0.5%	
Energy - Futures exposure	ISAM	n/a	0.6%	
Metals - Futures exposure	ISAM	n/a	0.5%	
TOTAL NZ FUNDS EXPOSURE			3.0%	\$17,506,228

1. This data is based on the most recent information received from the manager dated 30 April 2018. Actual holdings as at 30 April 2018 may vary from those shown in the table.

2. The yield is not the actual return on the portfolio, nor is it a projection or forecast. Details of the yield calculation are available on request from NZ Funds. The yield includes foreign currency hedging points where appropriate.

Note: Rounding may affect any subtotals and totals.

LSV Global Concentrated ACWI Strategy

Indicative Top 10 as at 30 April 2018

Strategy / Security ¹	Estimated yield ²	Portfolio exposure %	Portfolio exposure \$
INTERNATIONAL SHARES		17.0%	\$12,696,361
Tatneft PAO	8.5%	2.1%	\$1,543,021
Total	7.9%	1.7%	\$1,272,500
Pfizer	3.8%	1.7%	\$1,264,612
Amgen	2.8%	1.7%	\$1,247,903
ITOCHU	5.7%	1.7%	\$1,241,959
Magna International	2.0%	1.7%	\$1,238,102
Nippon Telegraph & Telephone	5.3%	1.7%	\$1,236,595
Cisco Systems	3.0%	1.6%	\$1,226,190
KLA-Tencor	2.4%	1.6%	\$1,219,503
Everest Re Group	1.9%	1.6%	\$1,205,977
TOTAL EXPOSURE TOP 10 (EXCL. CASH AND CASH EQUIVALENTS)		17.0%	\$12,696,361
TOTAL NZ FUNDS EXPOSURE		100.0%	\$1,405,424

1. This is the most recent information received from the manager dated 31 March 2018. Actual holdings as at 30 April 2018 may vary from those shown in the table.

2. The yield is not the actual return on the portfolio, nor is it a projection or forecast. Details of the yield calculation are available on request from NZ Funds. The yield includes foreign currency hedging points where appropriate.

Note: Rounding may affect any subtotals and totals.

NZ Funds Management Dividend and Growth Strategy

Complete Portfolio as at 30 April 2018

Strategy / Security	Estimated yield ¹	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS		5.0%	\$12,819,509
INTERNATIONAL BONDS		1.6%	\$4,162,844
Credit default swaps - Market value ²	n/a	1.6%	\$4,162,844
AUSTRALASIAN SHARES		96.6%	\$246,237,862
Rio Tinto PLC ADR ³	4.4%	12.7%	\$32,327,996
Meridian Energy	8.2%	10.0%	\$25,506,437
Metlifecare	2.0%	9.9%	\$25,263,571
Chorus	7.7%	9.8%	\$25,067,751
Trade Me	6.4%	7.2%	\$18,357,712
Woodside Petroleum	5.2%	5.9%	\$15,086,308
Z Energy	9.8%	4.2%	\$10,789,320
Trustpower	8.6%	4.1%	\$10,576,035
Australian futures index exposure	n/a	4.1%	\$10,527,519
Tower	6.3%	3.7%	\$9,523,299
Fisher & Paykel Healthcare	2.9%	3.5%	\$8,925,000
Nufarm	1.9%	3.4%	\$8,778,013
Spark New Zealand	9.6%	3.2%	\$8,144,840

NZ Funds Management Dividend and Growth Strategy

Complete Portfolio as at 30 April 2018 (continued)

Strategy / Security	Estimated yield ¹	Portfolio exposure %	Portfolio exposure \$
AUSTRALASIAN SHARES (CONTINUED)			
Sky City Entertainment	6.0%	3.1%	\$8,026,371
Fletcher Building	5.4%	3.0%	\$7,724,803
Sanford	5.1%	2.8%	\$7,196,269
Michael Hill International	7.9%	2.8%	\$7,066,286
Amaysim Australia	0.0%	1.2%	\$2,983,614
Sky Network Television total return swap (short)	n/a	0.9%	\$2,288,210
Murray Goulburn Unit Trust	0.0%	0.8%	\$2,078,509
TOTAL NZ FUNDS EXPOSURE		103.3%	\$263,220,215
FOREIGN CURRENCY EXPOSURE		10.8%	\$27,480,629

1. The yield calculation represents an estimate of the yield on the Portfolio, calculated using forecast dividends (Source: Bloomberg), NZ Funds' estimate of imputation credits where appropriate, and hedged back to New Zealand dollars where appropriate. The yield is not the actual return on the Portfolio, nor is it a projection or forecast. The Portfolio's return could be less than the Portfolio's yield. Details of the yield calculation are available on request from NZ Funds.

2. Credit default swaps notional value is currently \$212,374,345.

3. The Rio Tinto PLC ADR is shown as an exposure to Australasian shares, as economically this holding provides a return equivalent to that of a Rio Tinto share which is an Australian share for asset classification purposes.

Note: Rounding may affect any subtotals and totals.



Appendices

Glossary

Credit default swap

An agreement with a counterparty, usually a bank, where the counterparty indemnifies the holder against the possible default of an entity or the holder indemnifies the counterparty against the possible default of an entity. Buying protection via a credit default swap is akin to buying insurance against the default of the entity. The price of the credit default swap will change as the probability of default changes.

Credit spread

Credit spread is a measure of a security's credit quality. The lower the credit spread, the lower the probability that the security will default. Credit spread measures the distance (measured in percentage points or basis points (one basis point equals 0.01%)) the yield on a fixed interest security trades above a benchmark bond yield (such as a government bond of the same maturity). For example, if the government bond yield is 3.5% and a security trades on a yield of 4.5%, its credit spread is 1% or 100 basis points.

Credit spread duration

Credit spread duration measures a security's sensitivity to a change in its credit spread. A security's credit spread will change if the probability of the security defaulting changes. For example, if a security has a credit spread duration of three years, then a one percentage point rise in its credit spread will approximately equate to a 3% fall in the security's price.

Estimated yield

This is calculated using a forecast of next year's dividend or interest payment. This forecast is then divided by the current price to determine an estimated yield.

Exchange Traded Fund (ETF)

An ETF is a managed fund which holds either shares, bonds and/or commodity futures. An ETF is either actively managed by a manager or passively managed to a specific index. An ETF is then traded on a stock exchange so holders will buy and sell the fund by transacting on the stock exchange. This means the price of the ETF may be different from the underlying Net Asset Value (NAV) of the fund. For example an ETF may trade at a discount to its NAV.

Fundamental analysis/research

Analysis based on fundamental factors. In analysing a company, for example, its sales, earnings, return on equity and profit margin are used to obtain a valuation of the company and potential for future growth.

Futures contract

A derivative contract to buy or sell a given security at a specified price, on a specified future date. Futures create an obligation to buy or sell at maturity.

Hedging

Hedging a security will reduce that security's sensitivity to the asset class that has been hedged. For example, hedging the currency exposure of a security reduces its sensitivity to currency movements. Hedging a security's interest rate exposure reduces its sensitivity to interest rates. Hedging is usually implemented through derivative contracts such as foreign exchange forwards.

Glossary

Interest rate duration

Interest rate duration measures a security's sensitivity to changes in interest rates. The higher the number, the greater the security's sensitivity to interest rates. For example if a fixed interest security has a duration of four years, then a one percentage point rise in interest rates will approximately equate to a 4% fall in the security's price.

Interest rate swap

An agreement with a counterparty, usually a bank, to exchange a floating rate cashflow with a fixed rate cashflow for a specified term, or vice versa. For example, in a falling interest rate environment a holder may wish to convert their floating rate investment into a fixed rate investment. This can be done through an interest rate swap. The term of an interest rate swap can be five years or more.

Investment grade

Bonds which have a credit rating of Baa3 (Moody's) or BBB- (S&P) or higher. Generally associated with lower credit risk.

Long position

A position taken by investors who seek to profit from the rising price of an asset. When using derivatives to take a long position, the investor agrees to buy an asset at the current market price at a future date. An investor may also buy the asset immediately. In both cases, the investor only makes a profit if the price of the asset rises. If the price of the asset falls, the investor makes a loss.

Market capitalisation

The size of a publicly listed company. It is calculated by multiplying the number of outstanding shares by the market price per share.

Payout ratio

The percentage of a company's earnings paid as dividends to shareholders. It is calculated by dividing the dividend per share by the earnings per share.

Price/Book

The Price/Book ratio is used to compare the market's valuation of a company to the value of the company as indicated in its financial statements. It is calculated by dividing the market price per share by the book value per share.

Price/Earnings

The Price/Earnings ratio is a valuation ratio. It shows how much investors are willing to pay per dollar of earnings. It is calculated by dividing the market price per share by the earnings per share.

Short position

An investment made to profit from a fall in the price of a security. It is an agreement to sell a security at the current market price. A profit is made only if the price of the security drops. If the price of the security rises, a loss is made.

Total economic exposure

This metric is a total of the different economic exposures held by the Portfolio. These economic exposures comprise those held by way of physical securities; derivative contracts such as futures; and exposures through leverage.

Weighted average

When calculating a weighted average, the proportion of each security within the portfolio is factored into the calculation. A security with a higher (lower) weight in the portfolio will contribute more (less) to the average.

Glossary

Yield

The income return on an investment relative to its purchase price. This refers to the interest or dividends received from a security and is usually expressed annually as a percentage based on the investment's cost, its current market value or its face value.

Yield to maturity

The annualised total return, expressed as a percentage, that a bond is expected to provide to the investor if held to maturity.

External Managers

As at 30 April 2018

MANAGER	SECURITY / STYLE	CORE CASH									NZ FUNDS KIWISAVER SCHEME			NZ FUNDS SUPERANNUATION SERVICE				
		CORE CASH PORTFOLIO	CORE INCOME PORTFOLIO	GLOBAL INCOME PORTFOLIO	CORE INFLATION PORTFOLIO	PROPERTY INFLATION PORTFOLIO	EQUITY INFLATION PORTFOLIO	CORE GROWTH PORTFOLIO	GLOBAL MULTI-ASSET GROWTH PORTFOLIO	GLOBAL EQUITY GROWTH PORTFOLIO	DIVIDEND AND GROWTH PORTFOLIO	INCOME STRATEGY	INFLATION STRATEGY	GROWTH STRATEGY	GBP-ROPS INCOME STRATEGY	INCOME STRATEGY	INFLATION STRATEGY	GROWTH STRATEGY
H2O ASSET MANAGEMENT	ALTERNATIVE SECURITIES						✓											
IMPALA	RESOURCE SHARES						✓		✓				✓	✓			✓	✓
ISAM	ALTERNATIVE SECURITIES - MOMENTUM						✓		✓					✓				✓
KYNIKOS ASSOCIATES	ALTERNATIVE SECURITIES						✓											
LSV	GLOBAL SHARES - ACTIVE									✓				✓				✓
SUVRETTA CAPITAL	ALTERNATIVE SECURITIES						✓							✓				✓
UNIVERSA	ALTERNATIVE SECURITIES				✓	✓			✓	✓			✓	✓			✓	✓

Important Legal Information

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For further information or to request a copy of the NZ Funds Managed Portfolio Service Product Disclosure Statement, NZ Funds KiwiSaver Scheme Product Disclosure Statement, or the the NZ Funds Managed Superannuation Service Product Disclosure Statement, please contact New Zealand Funds Management Limited or visit our website at www.nzfunds.co.nz.