

What fees are investors charged?

Investors in the Global Multi-Asset Growth Portfolio are charged fund charges. In the year to 31 March 2016 these were:

	% of net asset value
Total fund charges	3.94%
Which are made up of:	
Total management and administration charges	3.94%
Including:	
Manager's basic fee	1.75%
Other management and administration charges*	2.19% (estimate) ²
Total performance-based fees	0.00%

*Note: Included within 'Other management and administration charges' are performance-based fees charged by external managers of underlying funds that the fund invests into which totalled 0.96%. Performance-based fees are subject to market movements and manager performance and the amount of these fees for any given period may materially differ from those disclosed for the year to 31 March 2016. For the 12 months to 31 December 2016, external manager performance fees totalled 1.21%. As a result, 'Total fund charges' for that period totalled 4.20%.

See the PDS for more information about the basis on which performance-based fees are charged.

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the PDS for the NZ Funds Managed Portfolio Service for more information about those fees.

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

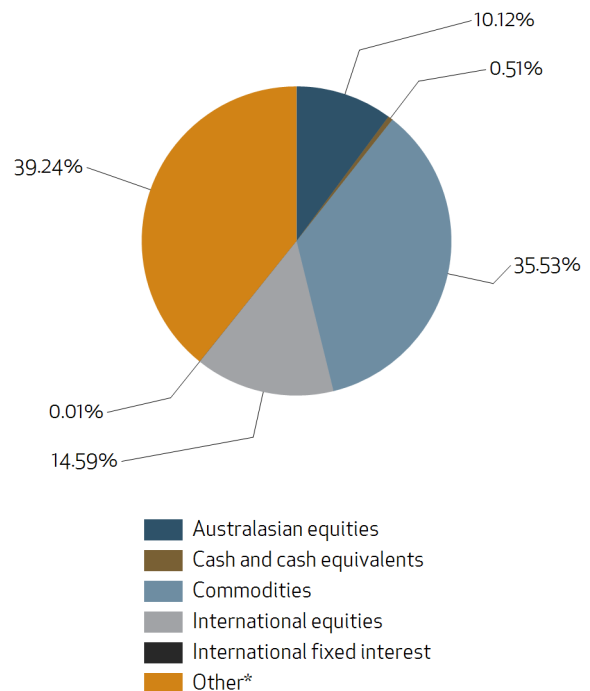
Example of how this applies to an investor

Liam had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Liam received a return after fund charges were deducted of \$1,622 (that's 16.22% of his initial \$10,000). Liam did not pay any other charges. This gives Liam a total return after tax of \$1,622 for the year.

What does the fund invest in?

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

Actual investment mix³



Target investment mix⁴

Cash and cash equivalents	1%
New Zealand fixed interest	0%
International fixed interest	0%
Australasian equities	10%
International equities	15%
Listed property	0%
Commodities	35%
Other*	39%

*'Other' includes foreign currency and alternative security funds.

What does the fund invest in? (continued)

Top 10 investments

	Name	Percentage of fund net assets	Type	Country	Credit Rating
1	Impala Resource Fund	16.84%	International equities	Cayman Islands	
2	H2O Global Feeder Fund Class C	16.82%	Other*	Cayman Islands	
3	Astenbeck Offshore Commodities Fund II	12.19%	Other*	Cayman Islands	
4	Woodside Petroleum	8.53%	Australasian equities	Australia	
5	Rio Tinto	8.03%	Australasian equities	Australia	
6	Citibank USD margin account	5.77%	Cash and cash equivalents	United Kingdom	A-1
7	WTI Crude Future Dec17	3.10%	Commodities	United States of America	
8	Murray Goulburn Unit Trust	3.10%	Australasian equities	Australia	
9	WTI Crude Future Jun17	2.76%	Commodities	United States of America	
10	Westpac current account	2.16%	Cash and cash equivalents	New Zealand	A-1+

*Alternative security fund

The top 10 investments make up 79.30% of the fund.⁵

NZ Funds actively manages currency exposure and the fund may be fully hedged or unhedged.

Key personnel

This shows the directors and employees who have the most impact on the investment decisions of the fund.

Name	Current position	Time in current position	Previous or other position	Time in previous or other position
Richard James	Chief Executive, Chair of the Investment Committee and a Director	7 years 10 months	Chief Operating Officer, New Zealand Funds Management Limited	6 years 1 month
Michael Lang	Chief Investment Officer and a Director	8 years 4 months	Partner, Eclectica Asset Management	1 years 8 months
David Wilson	Investment Strategist and a Principal	20 years	Chief Economist, JB Were	3 years 5 months
Mark Brooks	Head of Income and a Principal	9 years 1 month	Senior Portfolio Manager, Credaris	3 years 4 months

Further information

You can also obtain this information, the PDS for the NZ Funds Managed Portfolio Service, and some additional information from the offer register at www.companiesoffice.govt.nz/disclose/.

Notes

1. The bar graph shows fund returns after the deduction of fees and tax; however, the market index returns are shown before any fees or tax are deducted.
2. Other management and administration charges comprise:
 - (a) operating costs directly incurred by the fund; and
 - (b) annual management fees, performance-based fees and operating costs incurred by underlying funds the fund invests into.

Estimates were used when deriving annual management fees, performance-based fees and operating costs incurred by the following underlying funds the fund invests into.

Fund	Information and assumptions used to make estimates
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Paulson International Fund	The fee and operating cost amount obtained from the administrator of the Paulson International Fund was for the year to 31 December 2015.
Astenbeck Offshore Commodities Fund II	The fee and operating cost amount obtained from the manager of Astenbeck Offshore Commodities Fund II was for the year to 31 December 2015.
H2O Global Feeder Alpha Fund - Class C	Fee and operating cost information obtained from the manager of H2O Global Feeder Alpha Fund - Class C was for the year to 31 December 2015.

3. NZ Funds uses derivatives as part of its active investment management approach. The use of derivatives can result in the total economic exposure of the fund exceeding 100% which means the fund is leveraged. Where economic exposure exceeds 100%, the actual investment mix pie graph and the target investment mix table have been scaled to 100%. Without scaling, the total economic exposure of the fund, as shown in the actual investment mix and the target investment mix, would be 194.34% and 198.00% respectively. For more information on economic exposure, see the NZ Funds Managed Portfolio Service 'Other Material Information' document on the offer register at www.companiesoffice.govt.nz/disclose.
4. The fund is able to invest in a wide range of assets and does not have a target investment mix. For the purposes of this update, the target investment mix has been compiled using the actual investment mix. NZ Funds is an active investment manager and as a result the actual investment mix and target investment mix will change in the future and changes may be material.
5. The top 10 investments have been compiled using a balance sheet approach. This differs from the approach used in compiling the actual and target investment mixes, which include the impact of derivatives.

Manager

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