

# NZ Funds Managed Superannuation Service Security Listings

28 February 2018

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## Product Disclosure Statement

New Zealand Funds Management Limited is the issuer of the NZ Funds Managed Superannuation Service.

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.

For further information or to request a copy of 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](http://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.

## Important Legal Information

Please note that these Security Listings have been provided for information purposes only. The content of this document is not intended as a substitute for specific professional advice on investments, financial planning or any other matter.



# ROPS GBP Income Strategy

Complete Strategy as at 28 February 2018

STRATEGY / SECURITY	ESTIMATED YIELD	CREDIT RATING	PORTFOLIO EXPOSURE %	PORTFOLIO EXPOSURE \$
<b>CASH AND CASH EQUIVALENTS</b>			<b>12.0%</b>	<b>\$41,959</b>
<b>AUSTRALASIAN BONDS</b>			<b>46.4%</b>	<b>\$161,913</b>
Insurance Australia Group 5.15% 15/06/2043	4.2%	BBB	4.2%	\$14,763
Westpac Banking 4.695% 01/09/2026	4.0%	BBB	4.2%	\$14,717
BlueScope Steel Finance USA 6.5% 15/05/2021	3.4%	BB+	4.0%	\$14,068
Woodside Finance 3.7% 15/09/2026	3.9%	BBB+	3.4%	\$12,020
Meridian Energy 4.88% 20/03/2024	4.1%	BBB+	3.4%	\$11,736
Mercury NZ 6.9% 11/07/2044	4.1%	BB+	3.0%	\$10,429
Crown Subordinated Notes 23/04/2075	6.0%	NR	2.9%	\$10,183
ANZ National Bank 5.28% perpetual	5.5%	BBB	2.9%	\$10,140
Infratil 5.5% 15/06/2024	5.0%	NR	2.7%	\$9,359
Trustpower 4.01% 15/12/2022	4.0%	NR	1.9%	\$6,689
Z Energy 4.01% 01/11/2021	3.9%	NR	1.9%	\$6,550
Fletcher Building Industries 5.8% 15/03/2020	5.5%	NR	1.9%	\$6,471
Qantas Airways 4.75% 12/10/2026	4.3%	BBB-	1.8%	\$6,427
Bank of New Zealand 4.102% 15/06/2023	3.6%	AA-	1.8%	\$6,272
NEXTDC 6.25% 09/06/2021	4.8%	NR	1.6%	\$5,641
Fletcher Building Industries 4.75% 15/03/2021	5.2%	NR	1.4%	\$5,052
Property for Industry 4.59% 28/11/2024	4.4%	NR	1.3%	\$4,441
Precinct Properties New Zealand 4.42% 27/11/2024	4.3%	NR	1.1%	\$3,834
University of Canterbury 7.25% 15/12/2019	4.2%	NR	0.9%	\$3,122
<b>INTERNATIONAL BONDS</b>			<b>43.2%</b>	<b>\$150,558</b>
HCA 4.5% 15/02/2027	4.7%	BBB-	4.9%	\$17,132
Flex 5% 15/02/2023	3.7%	BBB-	4.9%	\$17,000
First Data 5% 15/01/2024	4.2%	BB	4.5%	\$15,857

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# ROPS GBP Income Strategy

Complete Strategy as at 28 February 2018 (continued)

STRATEGY / SECURITY	ESTIMATED YIELD	CREDIT RATING	PORTFOLIO EXPOSURE %	PORTFOLIO EXPOSURE \$
<b>INTERNATIONAL BONDS (CONTINUED)</b>				
Valeant Pharmaceuticals International 5.5% 01/11/2025	5.5%	BB-	3.7%	\$12,934
Devon Energy 5.85% 15/12/2025	3.7%	BBB	3.4%	\$11,842
Verizon Communications 2.625% 15/08/2026	3.8%	BBB+	3.3%	\$11,410
NRG Energy 6.625% 15/01/2027	5.9%	BB-	3.3%	\$11,396
Seagate HDD Cayman 4.875% 01/03/2024	4.7%	BB+	3.1%	\$10,887
Constellation Brands 4.75% 01/12/2025	3.7%	BBB-	3.1%	\$10,864
Southern Copper 7.50% 27/07/2035	4.7%	BBB	3.1%	\$10,811
Wells Fargo Co 3.55% 29/09/2025	3.6%	A-	2.9%	\$10,021
EOG Resources 4.15% 15/01/2026	3.6%	BBB+	2.2%	\$7,560
Credit default swaps - Market value <sup>1</sup>	n/a	n/a	0.8%	\$2,844
<b>TOTAL ECONOMIC EXPOSURE</b>			<b>101.6%</b>	<b>\$354,430</b>
<b>FOREIGN CURRENCY EXPOSURE</b>			<b>107.8%</b>	<b>\$376,119</b>

1. Credit default swaps notional value is currently \$36,508.

Note: Rounding may affect any subtotals and totals.



# Income Strategy

Complete Strategy as at 28 February 2018

STRATEGY / SECURITY	ESTIMATED YIELD <sup>1</sup>	CREDIT RATING	PORTFOLIO EXPOSURE %	PORTFOLIO EXPOSURE \$
<b>CASH AND CASH EQUIVALENTS</b>			<b>11.5%</b>	<b>\$220,603</b>
<b>AUSTRALASIAN BONDS</b>			<b>46.7%</b>	<b>\$893,799</b>
Insurance Australia Group 5.15% 15/06/2043	4.2%	BBB	4.3%	\$81,494
Westpac Banking 4.695% 01/09/2026	4.0%	BBB	4.2%	\$81,240
BlueScope Steel Finance USA 6.5% 15/05/2021	3.4%	BB+	4.1%	\$77,657
Woodside Finance 3.7% 15/09/2026	3.9%	BBB+	3.5%	\$66,355
Meridian Energy 4.88% 20/03/2024	4.1%	BBB+	3.4%	\$64,784
Mercury NZ 6.9% 11/07/2044	4.1%	BB+	3.0%	\$57,571
Crown Subordinated Notes 23/04/2075	6.0%	NR	2.9%	\$56,212
ANZ National Bank 5.28% perpetual	5.5%	BBB	2.9%	\$55,977
Infratil 5.5% 15/06/2024	5.0%	NR	2.7%	\$51,666
Trustpower 4.01% 15/12/2022	4.0%	NR	1.9%	\$36,924
Z Energy 4.01% 01/11/2021	3.9%	NR	1.9%	\$36,160
Fletcher Building Industries 5.8% 15/03/2020	5.5%	NR	1.9%	\$35,720
Qantas Airways 4.75% 12/10/2026	4.3%	BBB-	1.9%	\$35,476
Bank of New Zealand 4.102% 15/06/2023	3.6%	AA-	1.8%	\$34,621
NEXTDC 6.25% 09/06/2021	4.8%	NR	1.6%	\$31,139
Fletcher Building Industries 4.75% 15/03/2021	5.2%	NR	1.5%	\$27,889
Property for Industry 4.59% 28/11/2024	4.4%	NR	1.3%	\$24,516
Precinct Properties New Zealand 4.42% 27/11/2024	4.3%	NR	1.1%	\$21,164
University of Canterbury 7.25% 15/12/2019	4.2%	NR	0.9%	\$17,234
<b>INTERNATIONAL BONDS</b>			<b>43.4%</b>	<b>\$831,115</b>
HCA 4.5% 15/02/2027	4.7%	BBB-	4.9%	\$94,574
Flex 5% 15/02/2023	3.7%	BBB-	4.9%	\$93,842
First Data 5% 15/01/2024	4.2%	BB	4.6%	\$87,533

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Complete Strategy as at 28 February 2018 (continued)

STRATEGY / SECURITY	ESTIMATED YIELD <sup>1</sup>	CREDIT RATING	PORTFOLIO EXPOSURE %	PORTFOLIO EXPOSURE \$
<b>INTERNATIONAL BONDS (CONTINUED)</b>				
Valeant Pharmaceuticals International 5.5% 01/11/2025	5.5%	BB-	3.7%	\$71,401
Devon Energy 5.85% 15/12/2025	3.7%	BBB	3.4%	\$65,372
Verizon Communications 2.625% 15/08/2026	3.8%	BBB+	3.3%	\$62,985
NRG Energy 6.625% 15/01/2027	5.9%	BB-	3.3%	\$62,907
Seagate HDD Cayman 4.875% 01/03/2024	4.7%	BB+	3.1%	\$60,101
Constellation Brands 4.75% 01/12/2025	3.7%	BBB-	3.1%	\$59,973
Southern Copper 7.50% 27/07/2035	4.7%	BBB	3.1%	\$59,677
Wells Fargo Co 3.55% 29/09/2025	3.6%	A-	2.9%	\$55,321
EOG Resources 4.15% 15/01/2026	3.6%	BBB+	2.2%	\$41,733
Credit default swaps - Market value <sup>2</sup>	n/a	n/a	0.8%	\$15,697
<b>TOTAL ECONOMIC EXPOSURE<sup>3</sup></b>			<b>101.6%</b>	<b>\$1,945,517</b>
<b>FOREIGN CURRENCY EXPOSURE</b>			<b>4.9%</b>	<b>\$94,548</b>

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 \$201,536.

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.



# Inflation Strategy

Complete Strategy as at 28 February 2018

STRATEGY / SECURITY <sup>1</sup>	ESTIMATED YIELD <sup>2</sup>	PORTFOLIO EXPOSURE %	PORTFOLIO EXPOSURE \$
<b>CASH AND CASH EQUIVALENTS</b>		<b>7.7%</b>	<b>\$210,898</b>
<b>INTERNATIONAL BONDS</b>		<b>20.4%</b>	<b>\$560,019</b>
Floating Rate and Perpetual Bond Strategy	6.0%	19.8%	\$542,548
Credit default swaps - Market value <sup>3</sup>	n/a	0.6%	\$17,470
<b>AUSTRALASIAN SHARES</b>		<b>37.5%</b>	<b>\$1,028,407</b>
Dividend and Growth Strategy	5.5%	37.5%	\$1,028,407
<b>INTERNATIONAL SHARES</b>		<b>36.5%</b>	<b>\$1,001,983</b>
Equity index futures (long)	n/a	24.5%	\$672,739
Global Banking & Finance Index Strategy	1.9%	5.5%	\$150,084
Impala Resource Fund	0.0%	2.7%	\$74,237
Global Metal & Mining Index Strategy	3.8%	1.9%	\$53,182
Global Energy Index Strategy	4.9%	1.9%	\$51,742
<b>ALTERNATIVE SECURITIES</b>		<b>0.5%</b>	<b>\$14,060</b>
Universa Black Swan Protection Protocol	n/a	0.5%	\$14,060
<b>TOTAL ECONOMIC EXPOSURE<sup>4</sup></b>		<b>102.5%</b>	<b>\$2,815,367</b>
<b>FOREIGN CURRENCY EXPOSURE</b>		<b>20.3%</b>	<b>\$556,784</b>

- Where a strategy is shown, the asset class reflects the predominant assets in the strategy. The strategy may include other assets including cash.
- 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.
- Credit default swaps notional value is currently \$1,627,280.
- 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.



# Growth Strategy

Complete Strategy as at 28 February 2018

STRATEGY / SECURITY <sup>1</sup>	ESTIMATED YIELD <sup>2</sup>	PORTFOLIO EXPOSURE %	PORTFOLIO EXPOSURE \$
<b>CASH AND CASH EQUIVALENTS</b>		1.0%	\$53,941
<b>INTERNATIONAL BONDS</b>		1.6%	\$85,893
Credit default swaps - Market value <sup>3</sup>	n/a	1.6%	\$85,893
<b>AUSTRALASIAN SHARES</b>		32.7%	\$1,761,621
Dividend and Growth Strategy	5.5%	32.7%	\$1,761,621
<b>INTERNATIONAL SHARES</b>		81.1%	\$4,375,987
Equity index futures (long)	n/a	31.3%	\$1,690,381
LSV Global Concentrated Fund	0.7%	25.3%	\$1,365,615
Suvretta Offshore Fund	0.0%	15.5%	\$835,136
Impala Resource Fund	0.0%	9.0%	\$484,855
<b>ALTERNATIVE SECURITIES</b>		5.6%	\$299,840
ISAM Systematic Fund	n/a	4.7%	\$253,923
Universa Black Swan Protection Protocol	n/a	0.9%	\$45,917
<b>TOTAL ECONOMIC EXPOSURE<sup>4</sup></b>		121.9%	\$6,577,282
<b>FOREIGN CURRENCY EXPOSURE</b>		55.7%	\$3,004,412

- Where a strategy is shown, the asset class reflects the predominant assets in the strategy. The strategy may include other assets including cash.
- 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.
- Credit default swaps notional value is currently \$5,371,058.
- 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.

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