

NZFUNDS

Portfolio Insights

January 2019

Product Disclosure Statement

New Zealand Funds Management Limited is the issuer of the NZ Funds Managed Portfolio Service, the NZ Funds KiwiSaver Scheme, and 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.

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 31 January 2019

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%	0.46%	0.92%	1.84%	3.67%	12.80%	27.27%	37.06%
		Post tax	0.11%	0.33%	0.66%	1.32%	2.63%	9.06%	18.87%	25.18%
 Income	Core Income Portfolio ³	Pre tax	0.33%	0.76%	2.24%	3.68%	7.76%	21.60%	55.72%	63.52%
		Post tax	0.24%	0.55%	1.61%	2.64%	5.54%	15.18%	37.50%	42.28%
	Global Income Portfolio ¹	Pre tax	2.19%	1.44%	1.37%	-0.15%	2.80%	14.00%	42.98%	45.79%
		Post tax	1.57%	1.04%	0.99%	-0.09%	2.04%	9.93%	29.14%	30.91%
 Inflation	Core Inflation Portfolio ⁴	Pre tax	3.52%	1.43%	-3.48%	-1.08%	6.67%	18.02%	38.04%	42.24%
		Post tax	3.16%	1.05%	-3.79%	-1.58%	6.58%	19.47%	51.74%	56.35%
	Property Inflation Portfolio ¹	Pre tax	3.92%	2.40%	0.59%	6.14%	9.67%	32.27%	63.33%	66.35%
		Post tax	3.68%	2.10%	0.34%	5.81%	9.32%	29.94%	55.01%	57.00%
	Equity Inflation Portfolio ⁴	Pre tax	6.54%	-1.37%	-5.98%	-5.49%	2.13%	22.62%	41.40%	46.06%
		Post tax	5.22%	-1.26%	-4.88%	-4.92%	2.28%	28.22%	93.72%	119.36%
 Growth	Core Growth Composite Strategy ⁶	Pre tax	4.46%	-2.59%	-9.21%	-12.21%	1.19%	13.34%	36.73%	148.70% ⁸
		Post tax	3.07%	-2.42%	-7.38%	-9.85%	3.52%	11.60%	31.18%	-
	Global Multi-Asset Growth Portfolio ⁹	Pre tax	4.76%	-3.54%	-10.87%	-11.66%	-14.73%	-28.90%	-	-35.16%
		Post tax	5.16%	-3.97%	-10.94%	-10.69%	-14.82%	-34.39%	-	-39.72%
	Global Equity Growth Composite Strategy ⁵	Pre tax	6.80%	-0.53%	-6.63%	-6.86%	12.23%	41.05%	63.95%	247.51% ⁸
		Post tax	5.92%	-0.90%	-6.25%	-6.51%	12.38%	34.66%	55.15%	-
	Dividend and Growth Composite Strategy ⁷	Pre tax	3.05%	0.99%	-4.65%	-2.60%	12.37%	66.58%	104.20%	731.08% ⁸
		Post tax	2.98%	0.70%	-5.10%	-3.25%	11.08%	60.93%	92.41%	-

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 31 January 2019

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%	0.46%	0.92%	1.84%	1.82%	2.44%	2.44%	2.93%
		Post tax	0.11%	0.33%	0.66%	1.32%	1.31%	1.75%	1.74%	2.08%
 Income	Core Income Portfolio ³	Pre tax	0.33%	0.76%	2.24%	3.68%	3.81%	3.99%	4.53%	4.78%
		Post tax	0.24%	0.55%	1.61%	2.64%	2.73%	2.87%	3.24%	3.41%
	Global Income Portfolio ¹	Pre tax	2.19%	1.44%	1.37%	-0.15%	1.39%	2.65%	3.64%	3.74%
		Post tax	1.57%	1.04%	0.99%	-0.09%	1.01%	1.91%	2.59%	2.66%
 Inflation	Core Inflation Portfolio ⁴	Pre tax	3.52%	1.43%	-3.48%	-1.08%	3.28%	3.37%	3.28%	3.49%
		Post tax	3.16%	1.05%	-3.79%	-1.58%	3.24%	3.62%	4.26%	4.45%
	Property Inflation Portfolio ¹	Pre tax	3.92%	2.40%	0.59%	6.14%	4.72%	5.75%	5.03%	5.09%
		Post tax	3.68%	2.10%	0.34%	5.81%	4.55%	5.38%	4.48%	4.50%
	Equity Inflation Portfolio ⁴	Pre tax	6.54%	-1.37%	-5.98%	-5.49%	1.06%	4.16%	3.52%	3.76%
		Post tax	5.22%	-1.26%	-4.88%	-4.92%	1.13%	5.10%	6.84%	7.96%
 Growth	Core Growth Composite Strategy ⁶	Pre tax	4.46%	-2.59%	-9.21%	-12.21%	0.60%	2.54%	3.18%	5.95%
		Post tax	3.07%	-2.42%	-7.38%	-9.85%	1.75%	2.22%	2.75%	-
	Global Multi-Asset Growth Portfolio ⁹	Pre tax	4.76%	-3.54%	-10.87%	-11.66%	-7.66%	-6.59%	-	-5.81%
		Post tax	5.16%	-3.97%	-10.94%	-10.69%	-7.71%	-8.08%	-	-6.75%
	Global Equity Growth Composite Strategy ⁵	Pre tax	6.80%	-0.53%	-6.63%	-6.86%	5.94%	7.12%	5.07%	5.58%
		Post tax	5.92%	-0.90%	-6.25%	-6.51%	6.01%	6.13%	4.49%	-
	Dividend and Growth Composite Strategy ⁷	Pre tax	3.05%	0.99%	-4.65%	-2.60%	6.00%	10.74%	7.40%	8.42%
		Post tax	2.98%	0.70%	-5.10%	-3.25%	5.40%	9.98%	6.76%	-

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 31 January 2019

NZ Funds KiwiSaver Scheme		Returns						
Strategy		1 month	3 months	6 months	1 year	2 years	5 years	Since Inception
 Income	Pre tax	1.04%	1.08%	1.94%	2.06%	6.07%	19.01%	37.61%
	Post tax	0.75%	0.77%	1.39%	1.48%	4.35%	13.39%	25.77%
 Inflation	Pre tax	4.85%	0.25%	-4.11%	-2.23%	6.35%	23.01%	44.77%
	Post tax	4.02%	0.02%	-3.92%	-2.57%	5.88%	22.51%	39.91%
 Growth	Pre tax	4.60%	-1.54%	-7.43%	-6.74%	9.06%	35.05%	74.76%
	Post tax	3.96%	-1.71%	-6.96%	-6.25%	8.43%	27.83%	60.33%

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 31 January 2019

NZ Funds KiwiSaver Scheme		Returns						
Strategy		1 month	3 months	6 months	1 year	2 years	5 years	Since Inception
 Income	Pre tax	1.04%	1.08%	1.94%	2.06%	2.99%	3.54%	3.94%
	Post tax	0.75%	0.77%	1.39%	1.48%	2.15%	2.54%	2.82%
 Inflation	Pre tax	4.85%	0.25%	-4.11%	-2.23%	3.13%	4.23%	4.58%
	Post tax	4.02%	0.02%	-3.92%	-2.57%	2.90%	4.14%	4.15%
 Growth	Pre tax	4.60%	-1.54%	-7.43%	-6.74%	4.43%	6.19%	7.00%
	Post tax	3.96%	-1.71%	-6.96%	-6.25%	4.13%	5.03%	5.89%

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 31 January 2019

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	1.12%	-1.70%	-0.35%	-0.86%	-	-	7.46%
	Post tax	0.83%	-1.14%	-0.12%	-0.38%	-	-	5.75%
 Income	Pre tax	1.05%	1.09%	1.93%	2.00%	5.98%	-	5.66%
	Post tax	0.76%	0.79%	1.39%	1.44%	4.28%	-	4.06%
 Inflation	Pre tax	4.88%	0.33%	-4.03%	-2.24%	6.31%	-	5.04%
	Post tax	4.05%	0.10%	-3.84%	-2.56%	5.86%	-	4.75%
 Growth	Pre tax	4.65%	-1.51%	-7.40%	-6.80%	8.78%	-	7.79%
	Post tax	4.00%	-1.67%	-6.92%	-6.27%	8.25%	-	7.19%

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 31 January 2019

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	1.12%	-1.70%	-0.35%	-0.86%	-	-	5.00%
	Post tax	0.83%	-1.14%	-0.12%	-0.38%	-	-	3.87%
 Income	Pre tax	1.05%	1.09%	1.93%	2.00%	2.95%	-	2.77%
	Post tax	0.76%	0.79%	1.39%	1.44%	2.12%	-	1.99%
 Inflation	Pre tax	4.88%	0.33%	-4.03%	-2.24%	3.10%	-	2.47%
	Post tax	4.05%	0.10%	-3.84%	-2.56%	2.89%	-	2.33%
 Growth	Pre tax	4.65%	-1.51%	-7.40%	-6.80%	4.30%	-	3.79%
	Post tax	4.00%	-1.67%	-6.92%	-6.27%	4.04%	-	3.50%

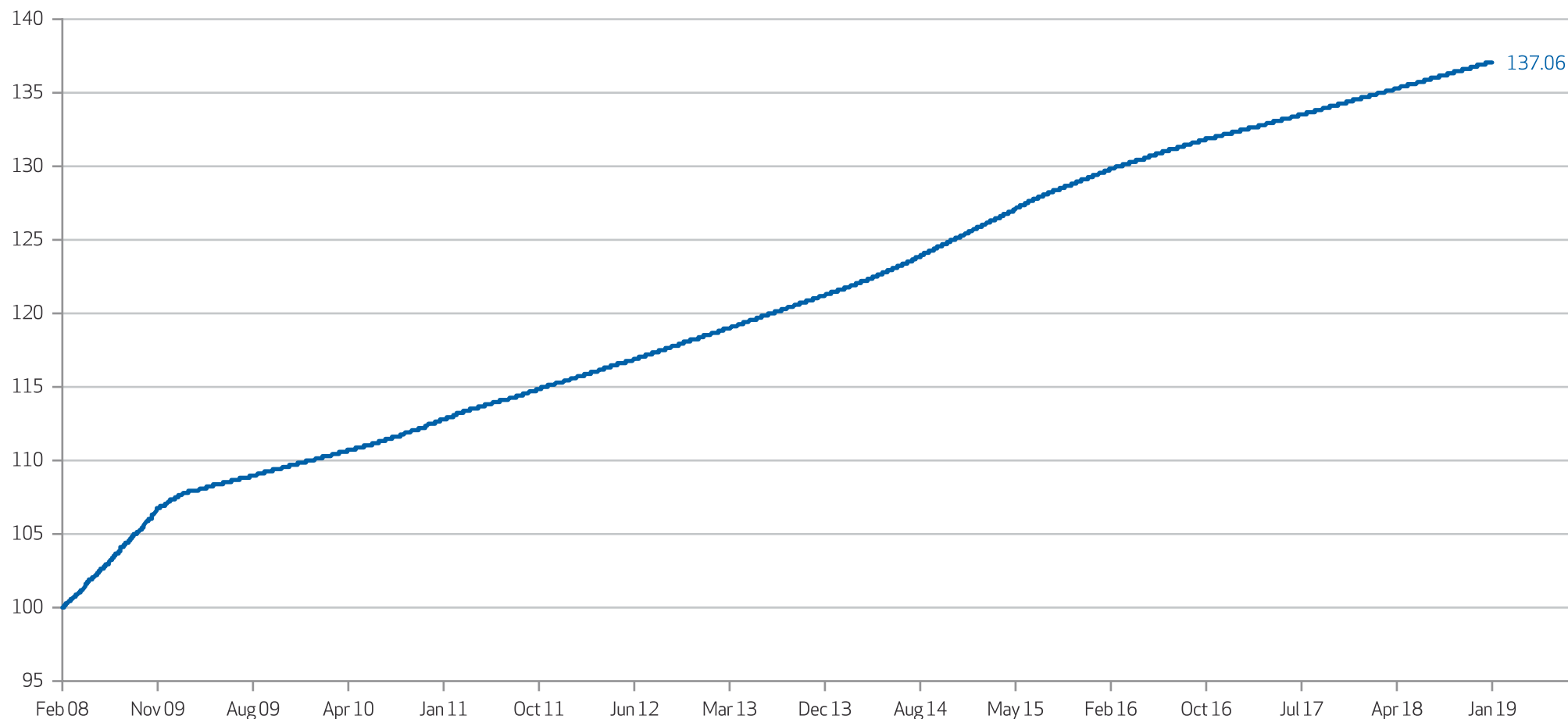
Pre tax returns are stated after Strategy fees and expenses, but before any advisory fees or investor tax. Post tax returns are stated after Strategy fees and expenses and investor tax at the highest Prescribed Investor Rate (PIR) of 28%. Inception date of the Service was 25 January 2017, except ROPS 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 31 January 2019



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%	0.46%	0.92%	1.84%	3.67%	12.80%	27.27%	37.06%	-0.04%	0.14%

Core Cash Portfolio

Complete Portfolio as at 21 January 2019

Strategy / Security	Estimated yield ¹	Credit rating	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS			100.0%	\$47,781,942
Bank deposits	2.0%	n/a	0.6%	\$293,928
Westpac 32 day term deposit	2.5%	A-1+	46.5%	\$22,230,621
BNZ bank bill 08/02/2019	1.8%	A-1+	8.1%	\$3,870,987
Kiwibank bank bill 08/02/2019	1.8%	A-1	8.1%	\$3,870,987
Kiwibank bank bill 29/01/2019	1.8%	A-1	6.3%	\$3,012,269
BNZ bank bill 05/02/2019	1.8%	A-1+	5.4%	\$2,581,044
Kiwibank bank bill 07/02/2019	1.8%	A-1	5.4%	\$2,580,787
BNZ bank bill 22/02/2019	1.8%	A-1+	4.5%	\$2,149,046
BNZ bank bill 29/01/2019	1.8%	A-1+	4.1%	\$1,936,458
BNZ bank bill 13/02/2019	1.8%	A-1+	2.2%	\$1,075,006
Kiwibank bank bill 15/02/2019	1.8%	A-1	2.2%	\$1,074,899
BNZ bank bill 19/02/2019	1.8%	A-1+	1.8%	\$859,748
Kiwibank bank bill 20/02/2019	1.8%	A-1	1.8%	\$859,705
Kiwibank bank bill 22/02/2019	1.8%	A-1	1.8%	\$859,618
Kiwibank bank bill 08/04/2019	1.9%	A-1	1.3%	\$643,195
Net receivables ²	n/a	n/a	-0.2%	-\$116,356
TOTAL ECONOMIC EXPOSURE³			100.0%	\$47,781,942

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.
- † Cumulative returns.

Maximum Decline and Volatility

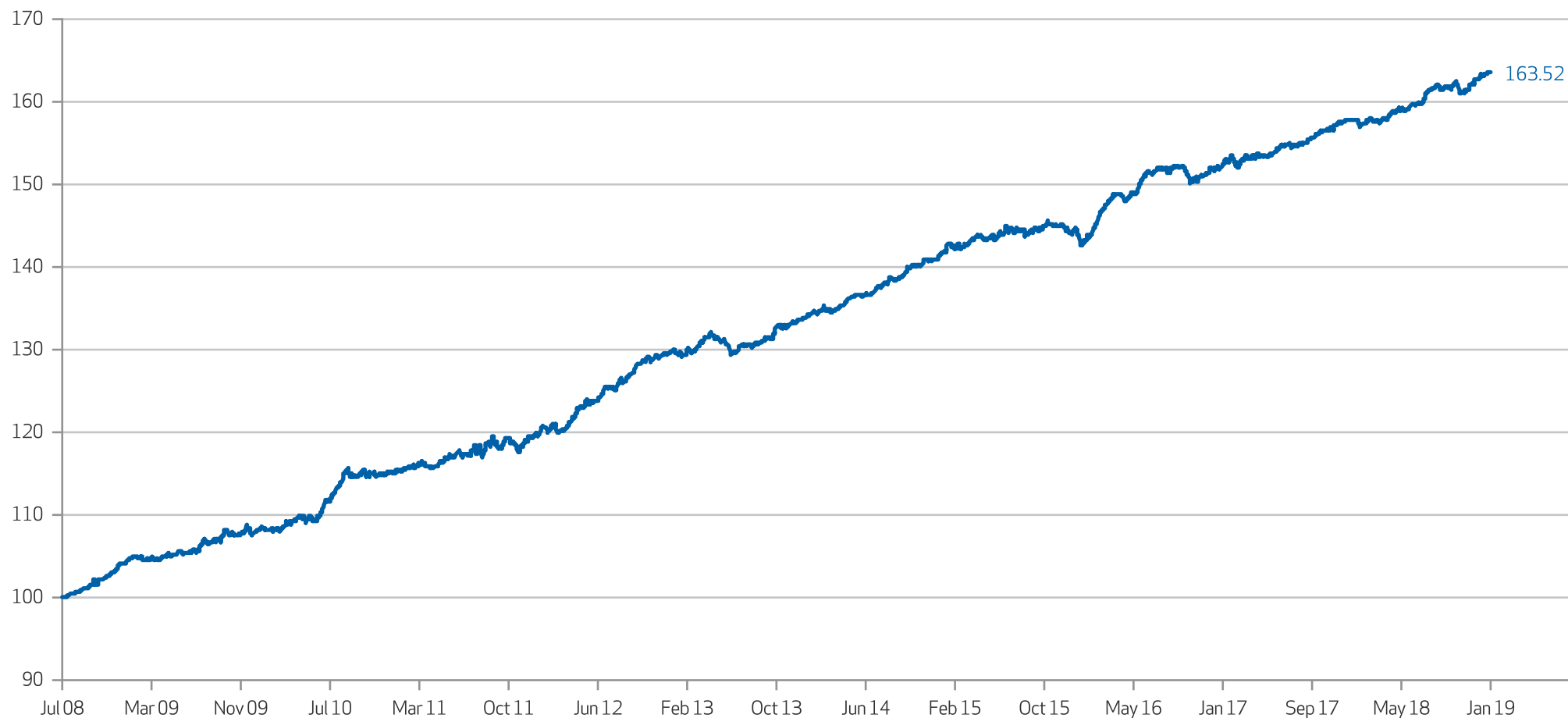
- x Returns should be looked at in conjunction with the level of risk associated with an investment. We use 'maximum decline' as a measure of risk. It represents the largest decline in value experienced during the previous 12 months.
- ^ This is the annualised standard deviation calculated from weekly returns of the Portfolio over the 5 years ending 31 December 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 31 January 2019



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 Income Portfolio	0.33%	0.76%	2.24%	3.68%	7.76%	21.60%	55.72%	63.52%	-0.99%	1.59%

Core Income Portfolio

Complete Portfolio as at 21 January 2019

Strategy / Security	Estimated yield ¹	Credit rating	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS			5.4%	\$6,547,714
AUSTRALASIAN BONDS			94.6%	\$115,374,924
Vector 4.996% 14/03/2024	3.8%	BBB	9.8%	\$11,932,871
Insurance Australia Group 5.15% 15/06/2043	4.3%	BBB	7.9%	\$9,671,742
BlueScope Steel Finance USA 4.625% 25/05/2023	3.8%	BBB-	7.3%	\$8,920,144
Westpac Banking 4.695% 01/09/2026	3.8%	BBB	6.5%	\$7,912,582
WEL Networks 4.9% 02/08/2023	4.4%	NR	5.8%	\$7,048,899
Crown Subordinated Notes 23/04/2075	4.8%	NR	5.7%	\$6,917,114
Precinct Properties New Zealand 4.42% 27/11/2024	4.0%	NR	4.7%	\$5,751,415
Fletcher Building Industries 5.8% 15/03/2020	4.8%	NR	4.5%	\$5,522,318
NEXTDC 6% 09/06/2022	5.3%	NR	4.5%	\$5,500,500
Property for Industry 4.59% 28/11/2024	4.0%	NR	4.4%	\$5,313,696
Amcor Finance USA 3.625% 28/04/2026	3.5%	BBB	4.0%	\$4,874,045
Infratil 5.5% 15/06/2024	4.7%	NR	3.9%	\$4,727,105
Powerco 4.67% 15/11/2024	3.8%	BBB	3.7%	\$4,560,285

Core Income Portfolio

Complete Portfolio as at 21 January 2019 (continued)

Strategy / Security	Estimated yield ¹	Credit rating	Portfolio exposure %	Portfolio exposure \$
AUSTRALASIAN BONDS (CONTINUED)				
Meridian Energy 4.88% 20/03/2024	3.4%	BBB+	3.6%	\$4,349,752
Qantas Airways 4.75% 12/10/2026	3.9%	BBB-	3.5%	\$4,318,851
Woodside Finance 3.7% 15/09/2026	3.8%	BBB+	3.5%	\$4,218,322
NEXTDC 6.25% 09/06/2021	6.2%	NR	3.0%	\$3,714,927
Fletcher Building Industries 4.75% 15/03/2021	4.9%	NR	2.8%	\$3,465,814
Trustpower 4.01% 15/12/2022	3.5%	NR	2.7%	\$3,352,386
Property for Industry 4.25% 01/10/2025	4.0%	NR	2.7%	\$3,302,156
TOTAL ECONOMIC EXPOSURE²			100.0%	\$121,922,638
FOREIGN CURRENCY EXPOSURE			4.2%	\$5,141,294

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.
- † Cumulative returns.

Maximum Decline and Volatility

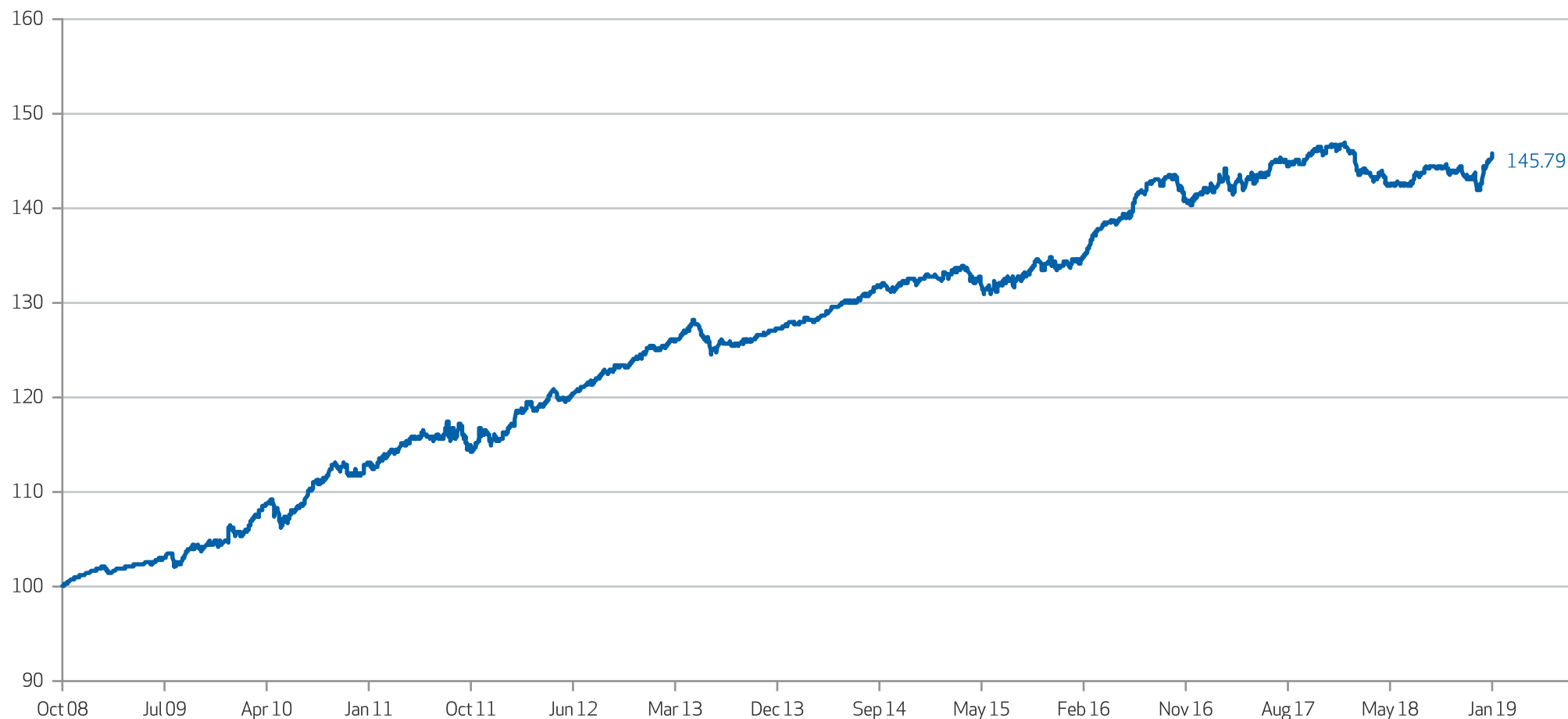
- x Returns should be looked at in conjunction with the level of risk associated with an investment. We use 'maximum decline' as a measure of risk. It represents the largest decline in value experienced during the previous 12 months.
- ^ This is the annualised standard deviation calculated from weekly returns of the Portfolio over the 5 years ending 31 December 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 31 January 2019



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 [^]
Global Income Portfolio	2.19%	1.44%	1.37%	-0.15%	2.80%	14.00%	42.98%	45.79%	-2.76%	2.14%

Global Income Portfolio

Complete Portfolio as at 21 January 2019

Strategy / Security	Estimated yield ¹	Credit rating	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS			38.6%	\$43,314,739
INTERNATIONAL BONDS			61.4%	\$68,979,394
HCA 4.75% 01/05/2023	3.4%	BBB-	10.9%	\$12,273,886
Icahn Enterprises 5.875% 01/02/2022	4.4%	BB+	10.3%	\$11,526,628
NRG Energy 6.625% 15/01/2027	4.8%	BB	7.4%	\$8,324,884
Devon Energy 5.85% 15/12/2025	3.7%	BBB	7.2%	\$8,076,915
Constellation Brands 4.75% 01/12/2025	3.5%	BBB	6.7%	\$7,546,326
Southern Copper 7.50% 27/07/2035	4.7%	BBB+	6.6%	\$7,362,425
First Quantum Minerals 7% 15/02/2021	6.5%	B	5.1%	\$5,678,008
Bausch Health 4.5% 15/05/2023	7.1%	B-	4.9%	\$5,555,390
Southern Copper 3.5% 08/11/2022	3.0%	BBB+	2.3%	\$2,634,931
TOTAL ECONOMIC EXPOSURE²			100.0%	\$112,294,133
FOREIGN CURRENCY EXPOSURE			4.5%	\$5,090,309

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.

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.
- † Cumulative 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 December 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 31 January 2019



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 Inflation Portfolio	3.52%	1.43%	-3.48%	-1.08%	6.67%	18.02%	38.04%	42.24%	-10.11%	8.03%

Core Inflation Portfolio

Complete Portfolio as at 21 January 2019

Strategy / Security ¹	Estimated yield ²	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS		4.1%	\$3,989,436
INTERNATIONAL BONDS		27.0%	\$26,277,961
Floating Rate and Perpetual Bond Strategy	6.3%	27.0%	\$26,277,961
AUSTRALASIAN SHARES		68.9%	\$67,078,626
Dividend and Growth Strategy	4.7%	68.9%	\$67,078,626
TOTAL ECONOMIC EXPOSURE³		100.0%	\$97,346,023
FOREIGN CURRENCY EXPOSURE		0.6%	\$550,395

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.
- † Cumulative 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 December 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 31 January 2019



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 [^]
Property Inflation Portfolio	3.92%	2.40%	0.59%	6.14%	9.67%	32.27%	63.33%	66.35%	-5.73%	6.04%

Property Inflation Portfolio

Complete Portfolio as at 21 January 2019

Strategy / Security ¹	Estimated yield ²	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS		5.1%	\$4,260,918
INTERNATIONAL BONDS		19.8%	\$16,469,037
Floating Rate and Perpetual Bond Strategy	6.3%	19.5%	\$16,175,074
United States bond futures (short)	n/a	0.4%	\$293,963
AUSTRALASIAN SHARES		42.3%	\$35,134,813
Goodman Group	2.6%	5.0%	\$4,189,794
Fletcher Building	7.9%	5.0%	\$4,131,816
Vicinity Centres	5.9%	4.0%	\$3,286,787
Property For Industry	6.0%	3.8%	\$3,145,467
Goodman Property Trust	4.4%	3.7%	\$3,096,178
Precinct Properties New Zealand	4.6%	3.7%	\$3,077,445
Kiwi Property Group Ltd	5.6%	3.6%	\$3,030,241
Investore Property	6.3%	3.6%	\$3,026,358
Vital Healthcare Property Trust	4.8%	3.5%	\$2,922,018
Stride Property Group	6.3%	3.5%	\$2,922,018
Argosy Property	5.3%	2.8%	\$2,306,692

Property Inflation Portfolio

Complete Portfolio as at 21 January 2019 (continued)

Strategy / Security ¹	Estimated yield ²	Portfolio exposure %	Portfolio exposure \$
INTERNATIONAL SHARES		32.4%	\$26,923,703
UDR	2.4%	4.6%	\$3,816,683
Link	2.9%	4.6%	\$3,811,160
Equity Residential	2.3%	4.5%	\$3,700,711
Avalonbay Communities Inc	2.5%	4.4%	\$3,688,069
Mid-America Apartment Communities	3.0%	4.3%	\$3,573,237
Public Storage	3.2%	4.0%	\$3,311,949
Gecina	6.9%	3.1%	\$2,566,822
Unibail-Rodamco SE & WFD Unibail-Rodamco	10.1%	3.0%	\$2,455,072
ALTERNATIVE SECURITIES		0.7%	\$613,686
Universa Black Swan Protection Protocol	n/a	0.7%	\$613,686
TOTAL ECONOMIC EXPOSURE³		100.4%	\$83,402,157
FOREIGN CURRENCY EXPOSURE		16.4%	\$13,644,891

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.

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.
- † Cumulative 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 December 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 31 January 2019



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 [^]
Equity Inflation Portfolio	6.54%	-1.37%	-5.98%	-5.49%	2.13%	22.62%	41.40%	46.06%	-14.28%	7.72%

Equity Inflation Portfolio

Complete Portfolio as at 21 January 2019

Strategy / Security ¹	Estimated yield ²	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS		1.5%	\$1,180,589
INTERNATIONAL BONDS		28.8%	\$22,975,126
Floating Rate and Perpetual Bond Strategy	6.3%	27.8%	\$22,181,138
Inflation swaps - Market value ³	n/a	0.5%	\$427,842
United States bond futures (short)	n/a	0.5%	\$366,146
INTERNATIONAL SHARES		70.4%	\$56,110,629
Equity index futures (long)	n/a	49.6%	\$39,491,821
Global Banking & Finance Index Strategy	1.9%	13.1%	\$10,416,774
Impala Resource Fund	n/a	7.8%	\$6,202,034
ALTERNATIVE SECURITIES		0.8%	\$619,392
Universa Black Swan Protection Protocol	n/a	0.8%	\$619,392
TOTAL ECONOMIC EXPOSURE⁴		101.5%	\$80,885,736
FOREIGN CURRENCY EXPOSURE		19.5%	\$15,570,610

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. Inflation swaps notional value is currently \$22,759,645.

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.
- † Cumulative 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 December 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 31 January 2019 for Core Growth Portfolio



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 Growth Portfolio	4.46%	-2.59%	-9.21%	-12.21%	1.19%	13.34%	36.73%	38.61%	-17.94%	13.71%

Core Growth Portfolio

Tax-adjusted performance to 31 January 2019 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	4.46%	-2.59%	-9.21%	-12.21%	1.19%	13.34%	36.73%	148.70%	-17.94%	13.71%

Core Growth Portfolio

Complete Portfolio as at 21 January 2019

Strategy / Security ¹	Estimated yield ²	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS		5.0%	\$3,944,209
INTERNATIONAL SHARES		111.3%	\$87,411,445
Equity index futures (long)	n/a	107.9%	\$84,716,178
Emerson Point Capital Partners LP	n/a	1.9%	\$1,524,554
Suvretta Offshore Fund	n/a	1.5%	\$1,170,713
ALTERNATIVE SECURITIES		21.3%	\$16,768,109
H2O Global Feeder Fund Class C	n/a	13.8%	\$10,813,802
ISAM Systematic Fund	n/a	7.6%	\$5,954,307
TOTAL ECONOMIC EXPOSURE³		137.7%	\$108,123,763
FOREIGN CURRENCY EXPOSURE		34.2%	\$26,866,792

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 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.
- † Cumulative 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 December 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 31 January 2019



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	4.76%	-3.54%	-10.87%	-11.66%	-14.73%	-28.90%	-35.16%	-20.08%	17.83%

Global Multi-Asset Growth Portfolio

Complete Portfolio as at 21 January 2019

Strategy / Security ¹	Estimated yield ²	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS		13.6%	\$3,512,070
INTERNATIONAL SHARES		77.6%	\$19,979,311
Global Metal & Mining Index Strategy	3.6%	23.8%	\$6,134,427
Global Oil Index Strategy	5.0%	20.4%	\$5,244,428
Global Agriculture Index Strategy	3.6%	17.6%	\$4,527,216
Impala Resource Fund	n/a	15.8%	\$4,073,241
ALTERNATIVE SECURITIES		8.7%	\$2,249,852
ISAM Systematic Fund	n/a	7.6%	\$1,957,701
Universa Black Swan Protection Protocol	n/a	1.1%	\$292,152
TOTAL ECONOMIC EXPOSURE³		100.0%	\$25,741,233
FOREIGN CURRENCY EXPOSURE		35.3%	\$9,079,969

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.

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.
- † Cumulative 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 December 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 31 January 2019 for Global Equity Growth Portfolio



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 [^]
Global Equity Growth Portfolio	6.80%	-0.53%	-6.63%	-6.86%	12.23%	41.05%	63.95%	60.48%	-15.89%	10.89%

Global Equity Growth Portfolio

Tax-adjusted performance to 31 January 2019 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	6.80%	-0.53%	-6.63%	-6.86%	12.23%	41.05%	63.95%	247.51%	-15.89%	10.89%

Global Equity Growth Portfolio

Complete Portfolio as at 21 January 2019

Strategy / Security ¹	Estimated yield ²	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS		1.0%	\$666,373
INTERNATIONAL SHARES		116.8%	\$77,848,299
LSV Global Concentrated Fund	0.9%	65.6%	\$43,744,335
Equity index futures (long)	n/a	38.7%	\$25,815,339
Suvretta Offshore Fund	n/a	12.4%	\$8,288,626
ALTERNATIVE SECURITIES		1.1%	\$717,548
Universa Black Swan Protection Protocol	n/a	1.1%	\$717,548
TOTAL ECONOMIC EXPOSURE³		118.9%	\$79,232,220
FOREIGN CURRENCY EXPOSURE		38.6%	\$25,689,039

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.

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.
- † Cumulative 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 December 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 31 January 2019 for Dividend and Growth Portfolio



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 [^]
Dividend and Growth Portfolio	3.05%	0.99%	-4.65%	-2.60%	12.37%	66.58%	104.20%	100.50%	-12.60%	8.99%

Dividend and Growth Portfolio

Tax-adjusted performance to 31 January 2019 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	3.05%	0.99%	-4.65%	-2.60%	12.37%	66.58%	104.20%	731.08%	-12.60%	8.99%

Dividend and Growth Portfolio

Complete Portfolio as at 21 January 2019

Strategy / Security	Estimated yield ¹	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS		3.9%	\$3,963,322
AUSTRALASIAN SHARES		96.1%	\$98,362,035
Australian futures index exposure	n/a	17.0%	\$17,393,510
Fletcher Building	7.9%	12.3%	\$12,589,241
Meridian Energy	6.8%	7.8%	\$8,017,824
Rio Tinto PLC ADR ²	4.4%	7.4%	\$7,543,775
Contact Energy	8.3%	6.9%	\$7,053,352
Metlifecare	2.7%	5.8%	\$5,917,467
a2 Milk	1.1%	5.7%	\$5,813,454
Woodside Petroleum	5.7%	5.0%	\$5,165,317
Tower	5.7%	4.7%	\$4,815,264
Auckland International Airport	4.4%	2.4%	\$2,498,352
Spark New Zealand	8.3%	2.3%	\$2,349,597
Sanford	4.7%	2.2%	\$2,296,295
Fisher & Paykel Healthcare	2.8%	2.0%	\$2,067,726
Michael Hill International	11.2%	1.9%	\$1,951,236
Mainfreight	2.7%	1.5%	\$1,557,463
Sky City Entertainment	6.7%	1.3%	\$1,375,276

Dividend and Growth Portfolio

Complete Portfolio as at 21 January 2019 (continued)

Strategy / Security	Estimated yield ¹	Portfolio exposure %	Portfolio exposure \$
AUSTRALASIAN SHARES (CONTINUED)			
Z Energy	12.2%	1.2%	\$1,253,968
Chorus	6.6%	1.1%	\$1,165,752
Infratil	6.9%	1.1%	\$1,126,834
Kiwi Property Group Ltd	5.6%	1.1%	\$1,085,907
Ebos	4.3%	1.0%	\$1,022,741
Air New Zealand	9.8%	0.9%	\$945,942
Goodman Property Trust	4.4%	0.8%	\$857,073
Precinct Properties New Zealand	4.6%	0.8%	\$790,947
Trustpower	7.8%	0.7%	\$722,164
Trade Me	5.0%	0.5%	\$533,229
Port of Tauranga	2.8%	0.3%	\$295,768
Property For Industry	6.0%	0.1%	\$89,856
Ryman Healthcare	2.3%	0.1%	\$66,704
TOTAL ECONOMIC EXPOSURE³		100.0%	\$102,325,357
FOREIGN CURRENCY EXPOSURE		0.4%	\$384,826

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. 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.

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.

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.
- † Cumulative 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 December 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.

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NZ Funds KiwiSaver Scheme

NZ Funds KiwiSaver Scheme Income Strategy

Performance since inception (31 October 2010) to 31 January 2019



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	1.04%	1.08%	1.94%	2.06%	6.07%	19.01%	37.61%	-1.02%	1.88%

NZ Funds KiwiSaver Scheme Income Strategy

Complete Strategy as at 21 January 2019

Strategy / Security	Estimated yield ¹	Credit rating	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS			20.4%	\$7,177,418
AUSTRALASIAN BONDS			56.1%	\$19,743,745
Vector 4.996% 14/03/2024	3.8%	BBB	5.8%	\$2,042,034
Insurance Australia Group 5.15% 15/06/2043	4.3%	BBB	4.7%	\$1,655,095
BlueScope Steel Finance USA 4.625% 25/05/2023	3.8%	BBB-	4.3%	\$1,526,476
Westpac Banking 4.695% 01/09/2026	3.8%	BBB	3.8%	\$1,354,055
WEL Networks 4.9% 02/08/2023	4.4%	NR	3.4%	\$1,206,256
Crown Subordinated Notes 23/04/2075	4.8%	NR	3.4%	\$1,183,704
Precinct Properties New Zealand 4.42% 27/11/2024	4.0%	NR	2.8%	\$984,221
Fletcher Building Industries 5.8% 15/03/2020	4.8%	NR	2.7%	\$945,017
NEXTDC 6% 09/06/2022	5.3%	NR	2.7%	\$941,283
Property for Industry 4.59% 28/11/2024	4.0%	NR	2.6%	\$909,316
Amcor Finance USA 3.625% 28/04/2026	3.5%	BBB	2.4%	\$834,080
Infratil 5.5% 15/06/2024	4.7%	NR	2.3%	\$808,934
Powerco 4.67% 15/11/2024	3.8%	BBB	2.2%	\$780,387
Meridian Energy 4.88% 20/03/2024	3.4%	BBB+	2.1%	\$744,359
Qantas Airways 4.75% 12/10/2026	3.9%	BBB-	2.1%	\$739,071
Woodside Finance 3.7% 15/09/2026	3.8%	BBB+	2.1%	\$721,868
NEXTDC 6.25% 09/06/2021	6.2%	NR	1.8%	\$635,724
Fletcher Building Industries 4.75% 15/03/2021	4.9%	NR	1.7%	\$593,094
Trustpower 4.01% 15/12/2022	3.5%	NR	1.6%	\$573,683
Property for Industry 4.25% 01/10/2025	4.0%	NR	1.6%	\$565,087

NZ Funds KiwiSaver Scheme Income Strategy

Complete Strategy as at 21 January 2019 (continued)

Strategy / Security	Estimated yield ¹	Credit rating	Strategy exposure %	Strategy exposure \$
INTERNATIONAL BONDS			23.5%	\$8,288,685
HCA 4.75% 01/05/2023	3.4%	BBB-	4.2%	\$1,474,852
Icahn Enterprises 5.875% 01/02/2022	4.4%	BB+	3.9%	\$1,385,060
NRG Energy 6.625% 15/01/2027	4.8%	BB	2.8%	\$1,000,333
Devon Energy 5.85% 15/12/2025	3.7%	BBB	2.8%	\$970,536
Constellation Brands 4.75% 01/12/2025	3.5%	BBB	2.6%	\$906,780
Southern Copper 7.50% 27/07/2035	4.7%	BBB+	2.5%	\$884,682
First Quantum Minerals 7% 15/02/2021	6.5%	B	1.9%	\$682,279
Bausch Health 4.5% 15/05/2023	7.1%	B-	1.9%	\$667,545
Southern Copper 3.5% 08/11/2022	3.0%	BBB+	0.9%	\$316,618
TOTAL ECONOMIC EXPOSURE²			100.0%	\$35,209,847
FOREIGN CURRENCY EXPOSURE			4.2%	\$1,491,474

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. 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.
- † Cumulative 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 December 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 31 January 2019



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	4.85%	0.25%	-4.11%	-2.23%	6.35%	23.01%	44.77%	-11.17%	8.04%

NZ Funds KiwiSaver Scheme Inflation Strategy

Complete Strategy as at 21 January 2019

Strategy / Security ¹	Estimated yield ²	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS		8.2%	\$4,082,826
INTERNATIONAL BONDS		23.6%	\$11,751,273
Floating Rate and Perpetual Bond Strategy	6.3%	23.1%	\$11,509,394
Inflation swaps - Market value ³	n/a	0.3%	\$130,337
United States bond futures (short)	n/a	0.2%	\$111,542
AUSTRALASIAN SHARES		34.8%	\$17,325,771
Dividend and Growth Strategy	4.7%	34.8%	\$17,325,771
INTERNATIONAL SHARES		33.8%	\$16,812,568
Equity index futures (long)	n/a	24.2%	\$12,030,721
Global Banking & Finance Index Strategy	1.9%	6.4%	\$3,173,348
Impala Resource Fund	n/a	3.2%	\$1,608,499
ALTERNATIVE SECURITIES		0.4%	\$177,786
Universa Black Swan Protection Protocol	n/a	0.4%	\$177,786
TOTAL ECONOMIC EXPOSURE⁴		100.8%	\$50,150,224
FOREIGN CURRENCY EXPOSURE		6.1%	\$3,047,389

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. Inflation swaps notional value is currently \$6,933,459.

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.
- † Cumulative 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 December 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 31 January 2019



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	4.60%	-1.54%	-7.43%	-6.74%	9.06%	35.05%	74.76%	-16.06%	12.76%

NZ Funds KiwiSaver Scheme Growth Strategy

Complete Strategy as at 21 January 2019

Strategy / Security ¹	Estimated yield ²	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS		1.0%	\$1,647,610
AUSTRALASIAN SHARES		30.1%	\$49,605,482
Dividend and Growth Strategy	4.7%	30.1%	\$49,605,482
INTERNATIONAL SHARES		85.4%	\$140,688,780
Equity index futures (long)	n/a	48.8%	\$80,388,052
LSV Global Concentrated Fund	0.9%	18.3%	\$30,089,601
Suvretta Offshore Fund	n/a	13.0%	\$21,431,454
Impala Resource Fund	n/a	5.3%	\$8,779,673
ALTERNATIVE SECURITIES		4.4%	\$7,239,988
ISAM Systematic Fund	n/a	3.6%	\$5,963,255
Universa Black Swan Protection Protocol	n/a	0.8%	\$1,276,733
TOTAL ECONOMIC EXPOSURE³		120.9%	\$199,181,860
FOREIGN CURRENCY EXPOSURE		37.1%	\$61,096,619

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.

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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.
- † Cumulative 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 December 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 31 January 2019



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	1.12%	-1.70%	-0.35%	-0.86%	n/a	n/a	7.46%	-10.62%	10.67%

NZ Funds ROPS GBP Income Strategy

Complete Strategy as at 21 January 2019

Strategy / Security	Estimated yield ¹	Credit rating	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS			21.2%	\$433,960
AUSTRALASIAN BONDS			55.5%	\$1,136,066
Vector 4.996% 14/03/2024	3.8%	BBB	5.7%	\$117,500
Insurance Australia Group 5.15% 15/06/2043	4.3%	BBB	4.7%	\$95,235
BlueScope Steel Finance USA 4.625% 25/05/2023	3.8%	BBB-	4.3%	\$87,834
Westpac Banking 4.695% 01/09/2026	3.8%	BBB	3.8%	\$77,913
WEL Networks 4.9% 02/08/2023	4.4%	NR	3.4%	\$69,409
Crown Subordinated Notes 23/04/2075	4.8%	NR	3.3%	\$68,111
Precinct Properties New Zealand 4.42% 27/11/2024	4.0%	NR	2.8%	\$56,633
Fletcher Building Industries 5.8% 15/03/2020	4.8%	NR	2.7%	\$54,377
NEXTDC 6% 09/06/2022	5.3%	NR	2.6%	\$54,162
Property for Industry 4.59% 28/11/2024	4.0%	NR	2.6%	\$52,323
Amcor Finance USA 3.625% 28/04/2026	3.5%	BBB	2.3%	\$47,993
Infratil 5.5% 15/06/2024	4.7%	NR	2.3%	\$46,547
Powerco 4.67% 15/11/2024	3.8%	BBB	2.2%	\$44,904
Meridian Energy 4.88% 20/03/2024	3.4%	BBB+	2.1%	\$42,831
Qantas Airways 4.75% 12/10/2026	3.9%	BBB-	2.1%	\$42,527
Woodside Finance 3.7% 15/09/2026	3.8%	BBB+	2.0%	\$41,537
NEXTDC 6.25% 09/06/2021	6.2%	NR	1.8%	\$36,580
Fletcher Building Industries 4.75% 15/03/2021	4.9%	NR	1.7%	\$34,127
Trustpower 4.01% 15/12/2022	3.5%	NR	1.6%	\$33,010
Property for Industry 4.25% 01/10/2025	4.0%	NR	1.6%	\$32,515

NZ Funds ROPS GBP Income Strategy

Complete Strategy as at 21 January 2019 (continued)

Strategy / Security	Estimated yield ¹	Credit rating	Strategy exposure %	Strategy exposure \$
INTERNATIONAL BONDS			23.3%	\$476,936
HCA 4.75% 01/05/2023	3.4%	BBB-	4.1%	\$84,864
Icahn Enterprises 5.875% 01/02/2022	4.4%	BB+	3.9%	\$79,697
NRG Energy 6.625% 15/01/2027	4.8%	BB	2.8%	\$57,560
Devon Energy 5.85% 15/12/2025	3.7%	BBB	2.7%	\$55,845
Constellation Brands 4.75% 01/12/2025	3.5%	BBB	2.5%	\$52,177
Southern Copper 7.50% 27/07/2035	4.7%	BBB+	2.5%	\$50,905
First Quantum Minerals 7% 15/02/2021	6.5%	B	1.9%	\$39,259
Bausch Health 4.5% 15/05/2023	7.1%	B-	1.9%	\$38,411
Southern Copper 3.5% 08/11/2022	3.0%	BBB+	0.9%	\$18,218
TOTAL ECONOMIC EXPOSURE²			100.0%	\$2,046,961
GBP CURRENCY EXPOSURE			99.3%	\$2,031,966
OTHER FOREIGN CURRENCY EXPOSURE			4.2%	\$85,765

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. 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 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 December 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 31 January 2019



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	1.05%	1.09%	1.93%	2.00%	5.98%	n/a	5.66%	-1.02%	1.89%

NZ Funds Managed Superannuation Service Income Strategy

Complete Strategy as at 21 January 2019

Strategy / Security	Estimated yield ¹	Credit rating	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS			20.4%	\$797,422
AUSTRALASIAN BONDS			56.1%	\$2,196,447
Vector 4.996% 14/03/2024	3.8%	BBB	5.8%	\$227,172
Insurance Australia Group 5.15% 15/06/2043	4.3%	BBB	4.7%	\$184,126
BlueScope Steel Finance USA 4.625% 25/05/2023	3.8%	BBB-	4.3%	\$169,817
Westpac Banking 4.695% 01/09/2026	3.8%	BBB	3.8%	\$150,636
WEL Networks 4.9% 02/08/2023	4.4%	NR	3.4%	\$134,193
Crown Subordinated Notes 23/04/2075	4.8%	NR	3.4%	\$131,684
Precinct Properties New Zealand 4.42% 27/11/2024	4.0%	NR	2.8%	\$109,492
Fletcher Building Industries 5.8% 15/03/2020	4.8%	NR	2.7%	\$105,131
NEXTDC 6% 09/06/2022	5.3%	NR	2.7%	\$104,716
Property for Industry 4.59% 28/11/2024	4.0%	NR	2.6%	\$101,159
Amcor Finance USA 3.625% 28/04/2026	3.5%	BBB	2.4%	\$92,790
Infratil 5.5% 15/06/2024	4.7%	NR	2.3%	\$89,992
Powerco 4.67% 15/11/2024	3.8%	BBB	2.2%	\$86,816
Meridian Energy 4.88% 20/03/2024	3.4%	BBB+	2.1%	\$82,808
Qantas Airways 4.75% 12/10/2026	3.9%	BBB-	2.1%	\$82,220
Woodside Finance 3.7% 15/09/2026	3.8%	BBB+	2.1%	\$80,306
NEXTDC 6.25% 09/06/2021	6.2%	NR	1.8%	\$70,723
Fletcher Building Industries 4.75% 15/03/2021	4.9%	NR	1.7%	\$65,980
Trustpower 4.01% 15/12/2022	3.5%	NR	1.6%	\$63,821
Property for Industry 4.25% 01/10/2025	4.0%	NR	1.6%	\$62,865

NZ Funds Managed Superannuation Service Income Strategy

Complete Strategy as at 21 January 2019 (continued)

Strategy / Security	Estimated yield ¹	Credit rating	Strategy exposure %	Strategy exposure \$
INTERNATIONAL BONDS			23.5%	\$922,098
HCA 4.75% 01/05/2023	3.4%	BBB-	4.2%	\$164,074
Icahn Enterprises 5.875% 01/02/2022	4.4%	BB+	3.9%	\$154,085
NRG Energy 6.625% 15/01/2027	4.8%	BB	2.8%	\$111,285
Devon Energy 5.85% 15/12/2025	3.7%	BBB	2.8%	\$107,970
Constellation Brands 4.75% 01/12/2025	3.5%	BBB	2.6%	\$100,877
Southern Copper 7.50% 27/07/2035	4.7%	BBB+	2.5%	\$98,419
First Quantum Minerals 7% 15/02/2021	6.5%	B	1.9%	\$75,902
Bausch Health 4.5% 15/05/2023	7.1%	B-	1.9%	\$74,263
Southern Copper 3.5% 08/11/2022	3.0%	BBB+	0.9%	\$35,223
TOTAL ECONOMIC EXPOSURE²			100.0%	\$3,915,966
FOREIGN CURRENCY EXPOSURE			4.2%	\$165,923

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. 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 December 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 31 January 2019



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	4.88%	0.33%	-4.03%	-2.24%	6.31%	n/a	5.04%	-11.11%	7.94%

NZ Funds Managed Superannuation Service Inflation Strategy

Complete Strategy as at 21 January 2019

Strategy / Security ¹	Estimated yield ²	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS		8.2%	\$451,088
INTERNATIONAL BONDS		23.6%	\$1,304,921
Floating Rate and Perpetual Bond Strategy	6.3%	23.1%	\$1,278,061
Inflation swaps - Market value ³	n/a	0.3%	\$14,473
United States bond futures (short)	n/a	0.2%	\$12,386
AUSTRALASIAN SHARES		34.8%	\$1,923,941
Dividend and Growth Strategy	4.7%	34.8%	\$1,923,941
INTERNATIONAL SHARES		33.8%	\$1,866,953
Equity index futures (long)	n/a	24.2%	\$1,335,952
Global Banking & Finance Index Strategy	1.9%	6.4%	\$352,385
Impala Resource Fund	n/a	3.2%	\$178,616
ALTERNATIVE SECURITIES		0.4%	\$19,742
Universa Black Swan Protection Protocol	n/a	0.4%	\$19,742
TOTAL ECONOMIC EXPOSURE⁴		100.8%	\$5,566,645
FOREIGN CURRENCY EXPOSURE		6.1%	\$338,397

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. Inflation swaps notional value is currently \$769,926.

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 December 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 31 January 2019



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	4.65%	-1.51%	-7.40%	-6.80%	8.78%	n/a	7.79%	-16.04%	12.07%

NZ Funds Managed Superannuation Service Growth Strategy

Complete Strategy as at 21 January 2019

Strategy / Security ¹	Estimated yield ²	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS		1.0%	\$125,177
AUSTRALASIAN SHARES		30.1%	\$3,771,659
Dividend and Growth Strategy	4.7%	30.1%	\$3,771,659
INTERNATIONAL SHARES		85.5%	\$10,697,006
Equity index futures (long)	n/a	48.8%	\$6,112,154
LSV Global Concentrated Fund	0.9%	18.3%	\$2,287,806
Suvretta Offshore Fund	n/a	13.0%	\$1,629,500
Impala Resource Fund	n/a	5.3%	\$667,546
ALTERNATIVE SECURITIES		4.4%	\$550,479
ISAM Systematic Fund	n/a	3.6%	\$453,405
Universa Black Swan Protection Protocol	n/a	0.8%	\$97,074
TOTAL ECONOMIC EXPOSURE³		121.0%	\$15,144,321
FOREIGN CURRENCY EXPOSURE		37.1%	\$4,645,366

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. 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 December 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 21 January 2019

Strategy / Security	Estimated yield ¹	Portfolio exposure %	Portfolio exposure \$
FERTILIZERS & AGRICULTURAL CHEMICALS			
Nufarm Step-up Securities	6.7%	6.8%	\$5,198,089
COPPER			
First Quantum Minerals 6.875% 01/03/2026	8.7%	15.4%	\$11,736,155
CASINOS & GAMING			
Crown Subordinated Notes 23/04/2075	4.8%	8.7%	\$6,600,377
PHARMACEUTICALS			
Bausch Health 4.5% 15/05/2023	7.1%	13.5%	\$10,259,488
Bausch Health 6.125% 15/04/2025	6.5%	4.5%	\$3,393,246
LIFE SCIENCES TOOLS & SERVICES			
Eurofins Scientific 3.25%	8.2%	5.1%	\$3,904,997
DIVERSIFIED BANKS			
National Australia Bank Income Securities perpetual	3.8%	12.9%	\$9,810,764
THRIFTS & MORTGAGE FINANCE			
Federal National Mortgage Association 8.25%		3.9%	\$2,936,608

Floating Rate and Perpetual Bond Strategy

Complete Portfolio as at 21 January 2019 (continued)

Strategy / Security	Estimated yield ¹	Portfolio exposure %	Portfolio exposure \$
MORTGAGE REIT'S		12.4%	\$9,462,572
MFA Financial	10.4%	12.4%	\$9,462,572
OFFICE REIT'S		13.2%	\$10,034,717
Precinct Properties New Zealand 4.8% 27/09/2021	3.4%	13.2%	\$10,034,717
SPECIALISED REIT'S		3.7%	\$2,806,554
Public Storage 5.2%	5.0%	3.7%	\$2,806,554
TOTAL NZ FUNDS EXPOSURE		100.0%	\$76,143,567

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 21 January 2019

Strategy / Security	Estimated yield ¹	Portfolio exposure %	Portfolio exposure \$
FERTILIZERS & AGRICULTURAL CHEMICALS		34.1%	\$1,545,639
FMC	0.9%	12.4%	\$563,009
Yara International	5.5%	12.0%	\$541,383
Quimica Y Minera	2.4%	9.7%	\$441,246
CONSTRUCTION & FARM MACHINERY & HEAVY TRUCKS		33.4%	\$1,512,171
Deere & Co	1.0%	12.7%	\$575,051
Kubota	4.2%	10.5%	\$476,757
CNH Industrial	4.5%	10.2%	\$460,363
AGRICULTURAL PRODUCTS		19.8%	\$894,918
Archer-Daniels-Midland	2.3%	11.8%	\$535,350
Bunge	3.0%	7.9%	\$359,568
PACKAGED FOODS & MEATS		12.7%	\$574,488
Marine Harvest	8.1%	12.7%	\$574,488
TOTAL NZ FUNDS EXPOSURE		100.0%	\$4,527,216

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 21 January 2019

Strategy / Security	Estimated yield ¹	Portfolio exposure %	Portfolio exposure \$
DIVERSIFIED BANKS		49.7%	\$6,748,450
Bank of America	2.1%	11.5%	\$1,561,229
JPMorgan Chase	2.7%	10.9%	\$1,482,925
US Bancorp	2.6%	9.3%	\$1,259,159
Wells Fargo	3.1%	9.3%	\$1,257,532
Citigroup	2.7%	8.7%	\$1,187,605
MULTI-INDUSTRY SECTOR HOLDINGS		10.9%	\$1,476,624
Berkshire Hathaway	0.0%	10.9%	\$1,476,624
CONSUMER FINANCE		12.6%	\$1,708,536
Visa	0.0%	12.6%	\$1,708,536
ASSET MANAGEMENT & CUSTODY BANKS		9.3%	\$1,270,387
Blackrock Inc	2.5%	9.3%	\$1,270,387
INVESTMENT BANKING & BROKERAGE		17.6%	\$2,386,125
Morgan Stanley	2.6%	9.0%	\$1,217,897
Goldman Sachs Group	1.0%	8.6%	\$1,168,228
TOTAL NZ FUNDS EXPOSURE		100.0%	\$13,590,122

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 21 January 2019

Strategy / Security	Estimated yield ¹	Portfolio exposure %	Portfolio exposure \$
ALUMINUM		1.3%	\$80,261
Alcoa	0.0%	1.3%	\$80,261
DIVERSIFIED METALS & MINING		63.5%	\$3,895,333
Rio Tinto PLC ADR	4.4%	30.1%	\$1,848,175
Glencore	6.5%	13.8%	\$845,845
Anglo American	5.3%	11.3%	\$692,096
Teck Resources	0.0%	2.6%	\$157,344
South32	4.4%	2.4%	\$150,152
Sumitomo Metal Mining	4.7%	1.8%	\$107,593
Grupo Mexico SAB de CV	4.8%	1.5%	\$94,128
COPPER		18.9%	\$1,158,934
First Quantum Minerals	0.0%	15.3%	\$940,245
Freeport-McMoRan	1.0%	3.6%	\$218,689
STEEL		16.3%	\$999,898
Nucor	1.8%	3.5%	\$216,671
ArcelorMittal	4.4%	3.0%	\$186,721
Nippon Steel & Sumitomo Metal	5.8%	2.6%	\$159,198
China Steel	2.7%	2.0%	\$121,691
thyssenkrupp	6.7%	1.7%	\$105,438
JFE Holdings	4.0%	1.7%	\$105,280
Steel Dynamics	1.4%	1.7%	\$104,900
TOTAL NZ FUNDS EXPOSURE		100.0%	\$6,134,427

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 Oil Index Strategy

Complete Portfolio as at 21 January 2019

Strategy / Security	Estimated yield ¹	Portfolio exposure %	Portfolio exposure \$
INTEGRATED OIL & GAS		68.3%	\$3,583,337
Occidental Petroleum	3.8%	10.1%	\$531,620
BP	7.1%	10.0%	\$526,242
Exxon Mobil	3.8%	9.8%	\$515,279
Petrochina	3.3%	9.8%	\$512,124
Statoil	6.5%	9.7%	\$507,432
Total	7.8%	9.5%	\$498,332
Eni	8.0%	9.4%	\$492,307
OIL & GAS EXPLORATION & PRODUCTION		22.1%	\$1,161,615
CNOOC	4.3%	12.2%	\$640,576
EOG Resources	0.0%	9.9%	\$521,038
OIL & GAS REFINING & MARKETING		9.5%	\$499,476
JX Holdings	5.7%	9.5%	\$499,476
TOTAL NZ FUNDS EXPOSURE		100.0%	\$5,244,428

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 21 January 2019

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%	\$13,875,309

1. This data is based on the most recent information received from the manager dated 21 January 2019.

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 21 January 2019

Strategy / Security ¹	Estimated yield ²	Portfolio exposure %	Portfolio exposure \$
INTERNATIONAL SHARES		20.4%	\$14,178,733
Pfizer	2.5%	2.7%	\$1,851,228
Verizon Communications	3.5%	2.3%	\$1,614,652
Amgen	2.0%	2.2%	\$1,535,344
Merck	2.0%	2.0%	\$1,409,946
Total	8.1%	2.0%	\$1,392,171
Cisco Systems	2.7%	1.9%	\$1,334,719
Nippon Telegraph & Telephone	6.1%	1.9%	\$1,301,659
Tatneft PAO	8.0%	1.9%	\$1,293,750
Sanofi	6.4%	1.8%	\$1,224,208
Cummins	2.6%	1.8%	\$1,221,056
TOTAL EXPOSURE TOP 10 (EXCL. CASH AND CASH EQUIVALENTS)		20.4%	\$14,178,733
TOTAL NZ FUNDS EXPOSURE		100.0%	\$74,336,678

1. This is the most recent information received from the manager dated 31 December 2018. Actual holdings as at 21 January 2019 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 21 January 2019

Strategy / Security	Estimated yield ¹	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS		2.7%	\$6,438,208
AUSTRALASIAN SHARES		87.1%	\$207,882,638
Australian futures index exposure	n/a	17.2%	\$41,091,316
Fletcher Building	7.9%	12.5%	\$29,741,466
Meridian Energy	6.8%	7.9%	\$18,941,717
Contact Energy	8.3%	7.0%	\$16,663,199
Metlifecare	2.7%	5.9%	\$13,979,726
a2 Milk	1.1%	5.8%	\$13,734,000
Woodside Petroleum	5.7%	5.1%	\$12,202,808
Tower	5.7%	4.8%	\$11,375,825
Auckland International Airport	4.4%	2.5%	\$5,902,234
Spark New Zealand	8.3%	2.3%	\$5,550,809
Sanford	4.7%	2.3%	\$5,424,884
Fisher & Paykel Healthcare	2.8%	2.0%	\$4,884,902
Michael Hill International	11.2%	1.9%	\$4,609,700
Mainfreight	2.7%	1.5%	\$3,679,430
Sky City Entertainment	6.7%	1.4%	\$3,249,022
Z Energy	12.2%	1.2%	\$2,962,439
Chorus	6.6%	1.2%	\$2,754,031
Infratil	6.9%	1.1%	\$2,662,090
Ebos	4.3%	1.0%	\$2,416,175
Air New Zealand	9.8%	0.9%	\$2,234,742
Trustpower	7.8%	0.7%	\$1,706,078
Trade Me	5.0%	0.5%	\$1,259,727
Port of Tauranga	2.8%	0.3%	\$698,737
Ryman Healthcare	2.3%	0.1%	\$157,584

NZ Funds Management Dividend and Growth Strategy

Complete Portfolio as at 21 January 2019 (continued)

Strategy / Security	Estimated yield ¹	Portfolio exposure %	Portfolio exposure \$
INTERNATIONAL SHARES		7.5%	\$17,821,799
Rio Tinto PLC ADR	4.4%	7.5%	\$17,821,799
LISTED PROPERTY		2.8%	\$6,671,048
Kiwi Property Group Ltd	5.6%	1.1%	\$2,565,402
Goodman Property Trust	4.4%	0.8%	\$2,024,792
Precinct Properties New Zealand	4.6%	0.8%	\$1,868,574
Property For Industry	6.0%	0.1%	\$212,280
TOTAL NZ FUNDS EXPOSURE		100.0%	\$238,813,694
FOREIGN CURRENCY EXPOSURE		0.4%	\$909,133

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.

Note: Rounding may affect any subtotals and totals.

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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 31 January 2019

MANAGER	SECURITY / STYLE	NZ FUNDS MANAGED PORTFOLIO SERVICE									NZ FUNDS KIWISAVER SCHEME			NZ FUNDS MANAGED 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	
EMERSON POINT	ALTERNATIVE SECURITIES							✓											
H2O ASSET MANAGEMENT	ALTERNATIVE SECURITIES							✓											
IMPALA	RESOURCE SHARES						✓		✓				✓	✓			✓	✓	
ISAM	ALTERNATIVE SECURITIES - MOMENTUM							✓	✓					✓				✓	
LSV	GLOBAL SHARES - ACTIVE									✓				✓				✓	
SUVRETTA CAPITAL	ALTERNATIVE SECURITIES							✓		✓				✓				✓	
UNIVERSA	ALTERNATIVE SECURITIES					✓	✓		✓	✓			✓	✓			✓	✓	

Important Legal Information

Please note that these Portfolio Insights 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.

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.