



NZ Funds
Wealth Builder
Income Generator
Advised Portfolio Service

Annual Report
For the year ended 31 March 2021

30 July 2021

NZ Funds

Transforming Wealth

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Annual Report

Prepared as at 30 July 2021 for the year ended 31 March 2021.

Details of the Schemes

The NZ Funds Managed Portfolio Service comprises funds established within two managed investment schemes – the NZ Funds Managed Portfolio Service Part One scheme and the NZ Funds Managed Portfolio Service Part Two scheme (the ‘Schemes’) and offered via three offers. This Annual Report relates to both Schemes. The funds established within each Scheme are:

Scheme	Offer	Fund
NZ Funds Managed Portfolio Service Part One	NZ Funds Advised Portfolio Service:	Core Inflation Portfolio
		Equity Inflation Portfolio
NZ Funds Managed Portfolio Service Part Two	NZ Funds Advised Portfolio Service:	Core Cash Portfolio
		Core Income Portfolio
		Global Income Portfolio
		Property Inflation Portfolio
		Core Growth Portfolio
		Global Equity Growth Portfolio
		Dividend and Growth Portfolio
	NZ Funds Wealth Builder ¹ :	Income Strategy
		Inflation Strategy
		Growth Strategy
NZ Funds Income Generator ²	Income Generator	

¹ The funds offered under NZ Funds Wealth Builder commenced operation on 27 February 2020.

² NZ Funds Income Generator commenced operation on 22 October 2020.

Type of Scheme

Managed Funds

Manager

New Zealand Funds Management Limited (NZ Funds)

Supervisor

The New Zealand Guardian Trust Company Limited

Product Disclosure Statement (PDS)

The latest NZ Funds Advised Portfolio Service Product Disclosure Statement (PDS) dated 30 June 2021 is open for applications.

The latest NZ Funds Wealth Builder PDS dated 30 June 2021 is open for applications.

The latest NZ Funds Income Generator PDS dated 30 June 2021 is open for applications.

Quarterly Fund Updates

The latest fund updates for each of the funds offered under the NZ Funds Advised Portfolio Service, NZ Funds Wealth Builder and NZ Funds Income Generator for the quarter ended 30 June 2021 were made publicly available on 29 July 2021.

Financial Statements and Auditor's Report

The latest Schemes' financial statements for the accounting period ended 31 March 2021 and auditor's report were lodged with the Registrar on 30 July 2021¹.

¹ The funds offered under NZ Funds Wealth Builder commenced operation on 27 February 2020 and therefore the first accounting period and financial statements for these funds will be for the period 27 February 2020 to 31 March 2021. The NZ Funds Income Generator commenced operation on 22 October 2020. Accordingly, the first accounting period and financial statements for this fund will be for the period 22 October 2020 to 31 March 2021.

Information on contributions and Scheme participants

Units on Issue

The table below shows the number of units on issue for each fund at the start and end of the year.

NZ Funds Advised Portfolio Service	Units on Issue at 1 April 2020	Units on Issue at 31 March 2021
Core Cash Portfolio	28,107,517	19,209,178
Core Income Portfolio	80,760,295	86,421,957
Global Income Portfolio	80,024,753	86,080,212
Core Inflation Portfolio	66,020,296	69,937,758
Property Inflation Portfolio	49,286,973	54,378,044
Equity Inflation Portfolio	89,010,301	91,492,159
Core Growth Portfolio	74,152,035	74,579,953
Global Equity Growth Portfolio	57,418,329	60,321,910
Dividend and Growth Portfolio	62,517,238	73,998,677

NZ Funds Wealth Builder¹	Units on Issue at 27 February 2020	Units on Issue at 31 March 2021
Income Strategy	-	3,338,291
Inflation Strategy	-	2,929,539
Growth Strategy	-	9,317,876

NZ Funds Income Generator²	Units on Issue at 22 October 2020	Units on Issue at 31 March 2021
NZ Funds Income Generator	-	15,953,875

¹ The funds offered under NZ Funds Wealth Builder commenced operation on 27 February 2020.

² The NZ Funds Income Generator commenced operation on 22 October 2020.

Changes relating to the Schemes

This section provides information on the material changes which occurred to the Schemes during the year ended 31 March 2021.

Governing document

There were no material changes to the Schemes' Trust Deeds during the year ended 31 March 2021.

On 22 September 2020, a Supplemental Deed under the NZ Funds Managed Portfolio Service Part Two Scheme Trust Deed was entered into by the Supervisor and the Manager establishing the NZ Funds Income Generator Portfolio. On 30 September 2020, a Supplemental Deed under the NZ Funds Managed Portfolio Service Part Two Scheme Trust Deed was entered into by the Supervisor and the Manager to change the name of the NZ Funds Income Generator Portfolio to NZ Funds Income Generator.

The terms of the offer of interests in the Scheme

On 6 October 2020, the NZ Funds Income Generator offer was registered and was open for applications from 14 October 2020.

On 1 December 2020, changes to the fees payable by the Portfolios were implemented, including the introduction of a performance-based fee in the:

- Private Global Inflation Trust;
- Private Global Property Trust;
- Private Global Macro Trust; and
- Private Income Generator Trust,

each being a related underlying fund that the NZ Funds Advised Portfolio Service, NZ Funds Wealth Builder and NZ Funds Income Generator funds invest in.

Statement Of Investment Policy and Objectives (SIPO)

On 21 October 2020, the SIPO was updated to:

- include NZ Funds Income Generator; and
- remove economic exposure limits for the Portfolios;
- update target asset allocations for the Portfolios;
- reflect additional exclusions under NZ Funds' Responsible Investment Policy; and
- update the Glossary by adding cryptocurrencies as an example of 'Alternative securities'.

Related party transactions

The scale of the related party transactions for the Schemes changed during the year due to the introduction of performance-based fees in the:

- Private Global Inflation Trust;
- Private Global Property Trust;
- Private Global Macro Trust; and
- Private Income Generator Trust,

being related underlying funds, which are considered related party transactions. For more information on performance-based fees, see the Product Disclosure Statements and the Other Material Information documents.

All related party transactions during the year ended 31 March 2021 were conducted on arm's-length terms.

Other information for particular types of managed funds

Unit prices

NZ Funds Advised Portfolio Service	Unit price at 1 April 2020 (\$)	Unit price at 31 March 2021 (\$)
Core Cash Portfolio	1.39	1.38
Core Income Portfolio	1.54	1.80
Global Income Portfolio	1.42	1.71
Core Inflation Portfolio	1.36	1.87
Property Inflation Portfolio	1.54	2.07
Equity Inflation Portfolio	0.88	1.37
Core Growth Portfolio	1.27	2.96
Global Equity Growth Portfolio	1.49	2.91
Dividend and Growth Portfolio	1.85	2.66

NZ Funds Wealth Builder¹	Unit price at 27 February 2020 (\$)	Unit price at 31 March 2021 (\$)
Income Strategy	-	1.08
Inflation Strategy	-	1.38
Growth Strategy	-	1.70

NZ Funds Income Generator²	Unit price at 22 October 2020 (\$)	Unit price at 31 March 2021 (\$)
NZ Funds Income Generator	-	1.07

¹ The funds offered under NZ Funds Wealth Builder commenced operation on 27 February 2020.

² The NZ Funds Income Generator commenced operation on 22 October 2020.

Changes to persons involved in the Schemes

There were no changes to the Manager, the Supervisor, or the auditor of the Schemes during the year ended 31 March 2021.

The following changes occurred to the key personnel of the Manager during the year:

- On 6 July 2020, Helen Jones was appointed as Head of Risk and added as key personnel under the Manager's MIS licence.

There were no changes to the directors of the Manager.

The following changes occurred to the directors of the Supervisor during the year:

- On 31 August 2020, Bryan David Connor was appointed a director of the Supervisor.

How to find further information

Each Scheme's Trust Deed, the SIPO and financial statements are available on the scheme register on the Disclose website at disclose-register.companiesoffice.govt.nz.

The PDS, Quarterly Fund Updates, and Other Material Information for the Schemes are available on the offer register on the Disclose website at disclose-register.companiesoffice.govt.nz.

Information relating to the Schemes and the funds (such as the current PDS, Quarterly Fund Updates, Annual Report and SIPO) is also available on our website at www.nzfunds.co.nz.

You may request a copy of the above information from us, free of charge, at the contact details on page 8.

Contact details and complaints

Manager

Attention: Client Services
New Zealand Funds Management Limited

Level 16, 21 Queen Street

Private Bag 92163
Auckland 1142

T. 09 377 2277 or 0508 733 337

E. info@nzfunds.co.nz

Supervisor

Attention: NZ Funds Relationship Manager
The New Zealand Guardian Trust Company Limited

Level 14, 191 Queen Street

PO Box 274
Auckland 1140

T. 09 909 5100

E. ct-auckland@nzgt.co.nz

Complaints

In the first instance, please contact the Manager using the contact details on this page. Complaints about an investment can also be made direct to the Supervisor. The Manager and the Supervisor are both members of an approved dispute resolution scheme run by Financial Services Complaints Limited (FSCL). If your complaint has not been resolved to your satisfaction, you can contact FSCL.

Dispute Resolution Scheme

Attention: Early Assistance Officer
Financial Services Complaints Limited

PO Box 5967
Wellington 6140

T. 04 472 3725 or 0800 347 257

E. complaints@fscl.org.nz

W. www.fscl.org.nz

FSCL will not charge a fee to any complainant to investigate or resolve a complaint.



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Management Limited**

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480 Moray Place
Dunedin

Christchurch

Level 2
112 Cashel Street
Christchurch

Invercargill

Level 1
46 Deveron Street
Invercargill

Timaru

Level 1
2 Sefton Street East
Timaru