

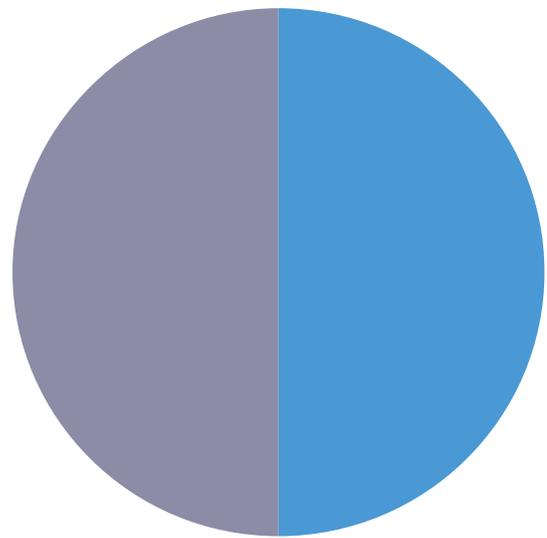
Example of how this applies to an investor

Liam had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Liam received a return after fund charges were deducted of \$1,265 (that's 12.65%³ of his initial \$10,000). Liam did not pay any other charges. This gives Liam a total return after tax of \$1,265 for the year.

What does the fund invest in?

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

Actual investment mix



Cash and cash equivalents	50.23%
Australasian equities	49.77%

Target investment mix⁴

Cash and cash equivalents	5%
New Zealand fixed interest	0%
International fixed interest	0%
Australasian equities	85%
International equities	0%
Listed property	10%
Unlisted property	0%
Commodities	0%
Other	0%

What does the fund invest in?

Top 10 investments

	Name	Percentage of fund net assets	Type	Country	Credit rating
1	Westpac current account	39.78%	Cash and cash equivalents	New Zealand	A-1+
2	Goldman Sachs NZD margin account	4.98%	Cash and cash equivalents	United Kingdom	A-1
3	Spark New Zealand	4.80%	Australasian equities	New Zealand	
4	Citibank Australia AUD current account	4.42%	Cash and cash equivalents	United States of America	A-1
5	Telstra	3.32%	Australasian equities	Australia	
6	Citibank New Zealand NZD current account	3.20%	Cash and cash equivalents	United States of America	A-1
7	Chorus	3.01%	Australasian equities	New Zealand	
8	Australia & New Zealand Banking Group	2.99%	Australasian equities	Australia	
9	Commonwealth Bank of Australia	2.98%	Australasian equities	Australia	
10	National Australia Bank Ltd	2.86%	Australasian equities	Australia	

The top 10 investments make up 72.34% of the fund.⁵

NZ Funds actively manages the foreign currency exposure of the fund. Where the fund holds assets denominated in a foreign currency, NZ Funds has the choice of whether to hedge back to the NZ dollar or retain a foreign currency exposure. The fund may also take active foreign currency positions by holding non-NZD cash and/or foreign currency derivatives. As at 30 September 2021, the fund's foreign currency exposure was 0.81%.

Key personnel

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

Name	Current position	Time in current position	Previous or other position	Time in previous or other position
Michael Lang	Chief Executive and a Director	3 years	Chief Investment Officer, New Zealand Funds Management Limited	10 years 1 month
James Grigor	Chief Investment Officer and a Principal	2 years 10 months	Senior Portfolio Manager, New Zealand Funds Management Limited	1 year 7 months
Mark Brooks	Head of Income and a Principal	13 years 10 months	Senior Portfolio Manager, Credaris	3 years 4 months
Andrew Curtayne	Senior Portfolio Manager	1 year 5 months	Senior Analyst, Melqart Asset Management	3 years 8 months
David Haslam	Senior Dealer	4 years 9 months	Equities Trader, UBS NZ	0 years 11 months

Further information

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

Notes

- 1 As the fund started on 22 October 2020, actual returns for the last five years are not available. To calculate the risk indicator, a combination of actual returns and returns on a peer group index over the five years to 30 September 2021 (as there is no appropriate market index), rather than the actual returns of the fund, have been used. As a result, the risk indicator may provide a less reliable indicator of the potential future volatility of the fund.
- 2 As the fund started on 22 October 2020, historical fee information for the most recent fund year is not available. The total fund charges shown are based on our best estimate of the fees and costs that will be charged to the fund including fees and costs payable in respect of the underlying funds in which the fund invests (including performance fees). For more information on the basis of estimates, see the PDS and the NZ Funds Income Generator 'Other Material Information' document on the offer register at www.companiesoffice.govt.nz/disclose.
- 3 As the fund started on 22 October 2020, this calculation is based on the peer group index return for the past year, after deduction of estimated fees and tax of 28%. The actual return for the Income Generator since inception to 30 September 2021 is 9.85% after deduction of estimated fees and tax of 28%.
- 4 The target investment mix is anticipated only and the fund's actual asset allocation is expected to vary significantly over the course of an economic cycle.
- 5 The top 10 investments have been compiled using a balance sheet approach. This differs from the approach used in compiling the actual and target investment mixes, which include the impact of derivatives.

MANAGER

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