



## What fees are investors charged?

Investors in the LifeCycle Process - example: age 55 are charged fund charges. In the year to 31 March 2017 these were:

	% of net asset value
<b>Total fund charges</b>	1.63%
Which are made up of:	
<b>Total management and administration charges</b>	1.63%
Including:	
Manager's basic fee	1.19%
Other management and administration charges*	0.44% (estimate) <sup>2</sup>
<b>Total performance-based fees</b>	n/a
Other charges	\$ amount per investor
Administration fee <sup>3</sup>	\$36

\*Note: Included within 'Other management and administration charges' are performance-based fees charged by external managers of underlying funds that the investment option invested into which totalled 0.25%. Performance-based fees are subject to market movements and external manager performance and the amount of these fees for any given period may materially differ from those disclosed for the year to 31 March 2017.

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

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

## Example of how this applies to an investor

Liam had \$10,000 in the investment option 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 \$331 (that's 3.31% of his initial \$10,000). Liam also paid \$36 in other charges. This gives Liam a total return after tax of \$295 for the year.

## What does the investment option invest in?

For information on the types of assets that each Strategy invests in and the top 10 investments for each Strategy, see the separate fund update for each Strategy for the quarter ending 30 June 2017. Copies of these fund updates are available at [www.nzfunds.co.nz](http://www.nzfunds.co.nz).

## Key personnel

For information on the directors and employees who have the most impact on the investment decisions of each Strategy, see the separate fund update for each Strategy for the quarter ending 30 June 2017. Copies of these fund updates are available at [www.nzfunds.co.nz](http://www.nzfunds.co.nz).

## Further information

You can also obtain this information, the PDS for the NZ Funds KiwiSaver Scheme, and some additional information from the offer register at [www.companiesoffice.govt.nz/disclose](http://www.companiesoffice.govt.nz/disclose).

## Notes

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

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

<b>Fund</b>	<b>Information and assumptions used to make estimates</b>
True Partner Fund	The fee and operating cost amount obtained from the manager of the True Partner Fund was for the year to 31 December 2016. Performance fee amounts are estimated using the same criteria used by the manager of the True Partner Fund.
Kuvari Focus Fund	Fee and operating cost amounts are estimated using fee targets provided by the manager of the Kuvari Focus Fund.
Paulson International Fund	The fee and operating cost amount obtained from the administrator of the Paulson International Fund was for the period to 30 November 2016.
Suvretta Offshore Fund	The fee and operating cost amount obtained from the audited financial statements of the Suvretta Offshore Fund was for the year to 31 December 2016. Performance fee amounts are estimated using the same criteria used by the manager of the Suvretta Offshore Fund.
Impala Resource Fund	Fee and operating cost amounts are estimated using fee targets provided by the manager of the Impala Resource Fund.

3. The NZ Funds KiwiSaver Scheme has an administration fee of \$3.00 per investor per month.

**Manager**

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