

What fees are investors charged?

Investors in the Core Cash Portfolio are charged fund charges. In the year to 31 March 2017 these were:

	% of net asset value
Total fund charges	0.40%
Which are made up of:	
Total management and administration charges	0.40%
Including:	
Manager's basic fee	0.15%
Other management and administration charges	0.25%
Total performance-based fees	n/a

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 Managed Portfolio Service for more information about those fees.

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

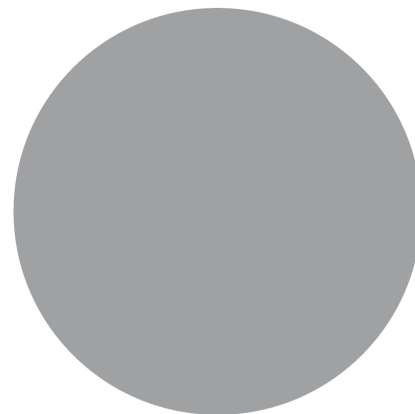
Example of how this applies to an investor

Liam had \$10,000 in the 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 \$134 (that's 1.34% of his initial \$10,000). Liam did not pay any other charges. This gives Liam a total return after tax of \$134 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 100.00%

Target investment mix²

Cash and cash equivalents	100%
New Zealand fixed interest	0%
International fixed interest	0%
Australasian equities	0%
International equities	0%
Listed property	0%
Unlisted property	0%
Commodities	0%
Other	0%

What does the fund invest in? (continued)

Top 10 investments

	Name	Percentage of fund net assets	Type	Country	Credit Rating
1	Westpac 32 day term deposit	49.99%	Cash and cash equivalents	New Zealand	A-1+
2	Kiwibank bank bill 26/07/2017	14.87%	Cash and cash equivalents	New Zealand	A-1
3	ASB bank bill 18/09/2017	11.54%	Cash and cash equivalents	New Zealand	A-1+
4	BNZ bank bill 21/08/2017	10.73%	Cash and cash equivalents	New Zealand	A-1+
5	BNZ bank bill 26/07/2017	4.30%	Cash and cash equivalents	New Zealand	A-1+
6	Kiwibank bank bill 08/08/2017	3.30%	Cash and cash equivalents	New Zealand	A-1
7	ASB bank bill 21/08/2017	3.30%	Cash and cash equivalents	New Zealand	A-1+
8	Westpac current account	1.86%	Cash and cash equivalents	New Zealand	A-1+
9	Redemption due to unitholders	0.10%	Cash and cash equivalents	New Zealand	
10	Citibank New Zealand NZD current account	0.07%	Cash and cash equivalents	United States of America	A-1

The top 10 investments make up 100.05% of the fund.

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
Richard James	Chief Executive, Chair of the Investment Committee and a Director	8 years 4 months	Chief Operating Officer, New Zealand Funds Management Limited	6 years 1 month
Michael Lang	Chief Investment Officer and a Director	8 years 10 months	Partner, Eclectica Asset Management	1 years 8 months
David Wilson	Investment Strategist and a Principal	20 years 6 months	Chief Economist, JB Were	3 years 5 months
Mark Brooks	Head of Income and a Principal	9 years 7 months	Senior Portfolio Manager, Credaris	3 years 4 months
Paul van Wetering	Investment Analyst	5 years 3 months	Senior Fund Accountant, New Zealand Funds Management Limited	0 years 9 months

Further information

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

Notes

1. The bar graph shows fund returns after the deduction of fees and tax; however, the market index returns are shown before any fees or tax are deducted.
2. The fund does not have a target investment mix. For the purposes of this update, the target investment mix has been compiled using the actual investment mix. NZ Funds is an active investment manager and as a result the actual investment mix and target investment mix will change in the future and changes may be material.

Manager

New Zealand Funds Management Limited
Level 16, Zurich House
21 Queen Street
Private Bag 92163
Auckland 1142
Attention: Head of Client Services
Phone 09 377 2277 or 0508 733 337
info@nzfunds.co.nz