

# NZ Funds Managed Superannuation Service Security Listings

20 July 2018

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## Product Disclosure Statement

New Zealand Funds Management Limited is the issuer of 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.

For further information or to request a copy of 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](http://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.

## Important Legal Information

Please note that these Security Listings 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.



# ROPS GBP Income Strategy

Complete Strategy as at 20 July 2018

STRATEGY / SECURITY	ESTIMATED YIELD <sup>1</sup>	CREDIT RATING	PORTFOLIO EXPOSURE %	PORTFOLIO EXPOSURE \$
<b>CASH AND CASH EQUIVALENTS</b>			<b>10.7%</b>	<b>\$170,661</b>
<b>AUSTRALASIAN BONDS</b>			<b>45.0%</b>	<b>\$720,285</b>
Vector 4.996% 14/03/2024	4.1%	BBB	4.8%	\$77,672
Insurance Australia Group 5.15% 15/06/2043	4.1%	BBB	4.0%	\$64,169
BlueScope Steel Finance USA 4.625% 05/25/2023	4.3%	BBB-	3.7%	\$58,482
Westpac Banking 4.695% 01/09/2026	3.9%	BBB	3.3%	\$52,135
Crown Subordinated Notes 23/04/2075	6.2%	NR	2.9%	\$46,104
Infratil 5.5% 15/06/2024	5.0%	NR	2.6%	\$41,781
Precinct Properties New Zealand 4.42% 27/11/2024	4.1%	NR	2.3%	\$37,378
NEXTDC 6% 09/06/2022	6.0%	NR	2.3%	\$36,814
Property for Industry 4.59% 28/11/2024	4.1%	NR	2.2%	\$34,759
Meridian Energy 4.88% 20/03/2024	3.8%	BBB+	2.0%	\$32,585
WEL Networks 02/08/2023	4.9%	NR	1.9%	\$30,949
Fletcher Building Industries 5.8% 15/03/2020	4.6%	NR	1.9%	\$30,828
Trustpower 4.01% 15/12/2022	3.8%	NR	1.9%	\$30,115
Qantas Airways 4.75% 12/10/2026	4.2%	BBB-	1.8%	\$28,791
Woodside Finance 3.7% 15/09/2026	3.9%	BBB+	1.8%	\$28,303
NEXTDC 6.25% 09/06/2021	4.6%	NR	1.6%	\$25,178
Fletcher Building Industries 4.75% 15/03/2021	4.4%	NR	1.4%	\$23,015
Powerco 4.67% 15/11/2024	4.3%	BBB	1.2%	\$19,741
Z Energy 4.01% 01/11/2021	3.7%	NR	0.5%	\$8,605
Nufarm Australia Ltd/Nufarm Americas 5.75% 30/04/2026	5.8%	BB-	0.5%	\$8,204
Mercury NZ 6.9% 11/07/2044	4.1%	BB+	0.3%	\$4,657

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# ROPS GBP Income Strategy

Complete Strategy as at 20 July 2018 (continued)

STRATEGY / SECURITY	ESTIMATED YIELD <sup>1</sup>	CREDIT RATING	PORTFOLIO EXPOSURE %	PORTFOLIO EXPOSURE \$
<b>INTERNATIONAL BONDS</b>			<b>44.4%</b>	<b>\$711,197</b>
HCA 4.75% 01/05/2023	4.2%	BBB-	5.0%	\$79,621
Valeant Pharmaceuticals International 5.5% 01/11/2025	5.2%	BB-	4.7%	\$75,511
First Data 5% 15/01/2024	4.6%	BB	4.6%	\$74,393
Flex 5% 15/02/2023	3.8%	BBB-	3.6%	\$57,801
Devon Energy 5.85% 15/12/2025	3.6%	BBB	3.4%	\$54,918
Verizon Communications 2.625% 15/08/2026	3.6%	BBB+	3.4%	\$54,638
NRG Energy 6.625% 15/01/2027	5.6%	BB-	3.4%	\$53,918
Constellation Brands 4.75% 01/12/2025	3.7%	BBB	3.2%	\$50,555
Seagate HDD Cayman 4.875% 01/03/2024	4.9%	BB+	3.2%	\$50,504
Southern Copper 7.50% 27/07/2035	5.0%	BBB	3.1%	\$49,770
Icahn Enterprises 5.875% 01/02/2022	5.2%	BB+	2.6%	\$41,366
EOG Resources 4.15% 15/01/2026	3.3%	BBB+	2.2%	\$35,751
Amcor Finance USA 3.625% 28/04/2026	4.0%	BBB	2.0%	\$31,948
United States bond futures (short)	n/a	n/a	0.0%	\$503
<b>TOTAL ECONOMIC EXPOSURE<sup>2</sup></b>			<b>100.0%</b>	<b>\$1,602,122</b>
<b>GBP CURRENCY EXPOSURE</b>			<b>100.0%</b>	<b>\$1,601,799</b>
<b>OTHER FOREIGN CURRENCY EXPOSURE</b>			<b>4.3%</b>	<b>\$69,169</b>

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.



Complete Strategy as at 20 July 2018

STRATEGY / SECURITY	ESTIMATED YIELD <sup>1</sup>	CREDIT RATING	PORTFOLIO EXPOSURE %	PORTFOLIO EXPOSURE \$
<b>CASH AND CASH EQUIVALENTS</b>			<b>11.2%</b>	<b>\$373,859</b>
<b>AUSTRALASIAN BONDS</b>			<b>44.7%</b>	<b>\$1,490,109</b>
Vector 4.996% 14/03/2024	4.1%	BBB	4.8%	\$160,690
Insurance Australia Group 5.15% 15/06/2043	4.1%	BBB	4.0%	\$132,755
BlueScope Steel Finance USA 4.625% 05/25/2023	4.3%	BBB-	3.6%	\$120,989
Westpac Banking 4.695% 01/09/2026	3.9%	BBB	3.2%	\$107,858
Crown Subordinated Notes 23/04/2075	6.2%	NR	2.9%	\$95,383
Infratil 5.5% 15/06/2024	5.0%	NR	2.6%	\$86,439
Precinct Properties New Zealand 4.42% 27/11/2024	4.1%	NR	2.3%	\$77,329
NEXTDC 6% 09/06/2022	6.0%	NR	2.3%	\$76,162
Property for Industry 4.59% 28/11/2024	4.1%	NR	2.2%	\$71,910
Meridian Energy 4.88% 20/03/2024	3.8%	BBB+	2.0%	\$67,414
WEL Networks 02/08/2023	4.9%	NR	1.9%	\$64,028
Fletcher Building Industries 5.8% 15/03/2020	4.6%	NR	1.9%	\$63,777
Trustpower 4.01% 15/12/2022	3.8%	NR	1.9%	\$62,303
Qantas Airways 4.75% 12/10/2026	4.2%	BBB-	1.8%	\$59,564
Woodside Finance 3.7% 15/09/2026	3.9%	BBB+	1.8%	\$58,554
NEXTDC 6.25% 09/06/2021	4.6%	NR	1.6%	\$52,089
Fletcher Building Industries 4.75% 15/03/2021	4.4%	NR	1.4%	\$47,614
Powerco 4.67% 15/11/2024	4.3%	BBB	1.2%	\$40,841
Z Energy 4.01% 01/11/2021	3.7%	NR	0.5%	\$17,802
Nufarm Australia Ltd/Nufarm Americas 5.75% 30/04/2026	5.8%	BB-	0.5%	\$16,974
Mercury NZ 6.9% 11/07/2044	4.1%	BB+	0.3%	\$9,634

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Complete Strategy as at 20 July 2018 (continued)

STRATEGY / SECURITY	ESTIMATED YIELD <sup>1</sup>	CREDIT RATING	PORTFOLIO EXPOSURE %	PORTFOLIO EXPOSURE \$
<b>INTERNATIONAL BONDS</b>			<b>44.1%</b>	<b>\$1,471,350</b>
HCA 4.75% 01/05/2023	4.2%	BBB-	4.9%	\$164,723
Valeant Pharmaceuticals International 5.5% 01/11/2025	5.2%	BB-	4.7%	\$156,220
First Data 5% 15/01/2024	4.6%	BB	4.6%	\$153,907
Flex 5% 15/02/2023	3.8%	BBB-	3.6%	\$119,580
Devon Energy 5.85% 15/12/2025	3.6%	BBB	3.4%	\$113,617
Verizon Communications 2.625% 15/08/2026	3.6%	BBB+	3.4%	\$113,037
NRG Energy 6.625% 15/01/2027	5.6%	BB-	3.3%	\$111,548
Constellation Brands 4.75% 01/12/2025	3.7%	BBB	3.1%	\$104,589
Seagate HDD Cayman 4.875% 01/03/2024	4.9%	BB+	3.1%	\$104,485
Southern Copper 7.50% 27/07/2035	5.0%	BBB	3.1%	\$102,966
Icahn Enterprises 5.875% 01/02/2022	5.2%	BB+	2.6%	\$85,579
EOG Resources 4.15% 15/01/2026	3.3%	BBB+	2.2%	\$73,963
Amcor Finance USA 3.625% 28/04/2026	4.0%	BBB	2.0%	\$66,095
United States bond/futures/(short)	n/a	n/a	0.0%	\$1,040
<b>TOTAL ECONOMIC EXPOSURE<sup>2</sup></b>			<b>100.0%</b>	<b>\$3,335,318</b>
<b>FOREIGN CURRENCY EXPOSURE</b>			<b>4.3%</b>	<b>\$144,132</b>

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Note: Rounding may affect any subtotals and totals.



# Inflation Strategy

Complete Strategy as at 20 July 2018

STRATEGY / SECURITY <sup>1</sup>	ESTIMATED YIELD <sup>2</sup>	PORTFOLIO EXPOSURE %	PORTFOLIO EXPOSURE \$
<b>CASH AND CASH EQUIVALENTS</b>		<b>11.2%</b>	<b>\$485,010</b>
<b>INTERNATIONAL BONDS</b>		<b>22.0%</b>	<b>\$953,799</b>
Floating Rate and Perpetual Bond Strategy	6.2%	21.2%	\$920,148
Credit default swaps - Market value <sup>3</sup>	n/a	0.5%	\$22,363
United States bond futures (short)	n/a	0.2%	\$10,540
Inflation swaps	n/a	0.0%	\$748
<b>AUSTRALASIAN SHARES</b>		<b>35.8%</b>	<b>\$1,554,532</b>
Dividend and Growth Strategy	5.7%	35.8%	\$1,554,532
<b>INTERNATIONAL SHARES</b>		<b>32.5%</b>	<b>\$1,411,299</b>
Equity index futures (long)	n/a	20.2%	\$876,043
Global Banking & Finance Index Strategy	1.9%	5.8%	\$252,993
Impala Resource Fund	n/a	3.4%	\$148,024
Global Energy Index Strategy	1.8%	2.4%	\$104,384
Global Metal & Mining Index Strategy	3.0%	0.7%	\$29,856
<b>ALTERNATIVE SECURITIES</b>		<b>0.4%</b>	<b>\$16,511</b>
Universa Black Swan Protection Protocol	n/a	0.4%	\$16,511
<b>TOTAL ECONOMIC EXPOSURE<sup>4</sup></b>		<b>101.9%</b>	<b>\$4,421,151</b>
<b>FOREIGN CURRENCY EXPOSURE</b>		<b>12.8%</b>	<b>\$555,373</b>

- Where a strategy is shown, the asset class reflects the predominant assets in the strategy. The strategy may include other assets including cash.
- 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.
- Credit default swaps notional value is currently \$1,755,515.
- 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.

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# Growth Strategy

Complete Strategy as at 20 July 2018

STRATEGY / SECURITY <sup>1</sup>	ESTIMATED YIELD <sup>2</sup>	PORTFOLIO EXPOSURE %	PORTFOLIO EXPOSURE \$
<b>CASH AND CASH EQUIVALENTS</b>		<b>1.0%</b>	<b>\$98,772</b>
<b>INTERNATIONAL BONDS</b>		<b>1.5%</b>	<b>\$151,197</b>
Credit default swaps - Market value <sup>3</sup>	n/a	1.5%	\$151,197
<b>AUSTRALASIAN SHARES</b>		<b>30.9%</b>	<b>\$3,048,717</b>
Dividend and Growth Strategy	5.8%	30.9%	\$3,048,717
<b>INTERNATIONAL SHARES</b>		<b>79.9%</b>	<b>\$7,891,487</b>
Equity index futures (long)	n/a	42.5%	\$4,196,375
LSV Global Concentrated Fund	0.8%	16.8%	\$1,662,166
Suvretta Offshore Fund	n/a	14.5%	\$1,429,324
Impala Resource Fund	n/a	6.1%	\$603,622
<b>ALTERNATIVE SECURITIES</b>		<b>4.8%</b>	<b>\$474,724</b>
ISAM Systematic Fund	n/a	4.3%	\$426,641
Universa Black Swan Protection Protocol	n/a	0.5%	\$48,082
<b>TOTAL ECONOMIC EXPOSURE<sup>4</sup></b>		<b>118.1%</b>	<b>\$11,664,897</b>
<b>FOREIGN CURRENCY EXPOSURE</b>		<b>38.1%</b>	<b>\$3,768,068</b>

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- Credit default swaps notional value is currently \$8,806,264.
- 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.

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