

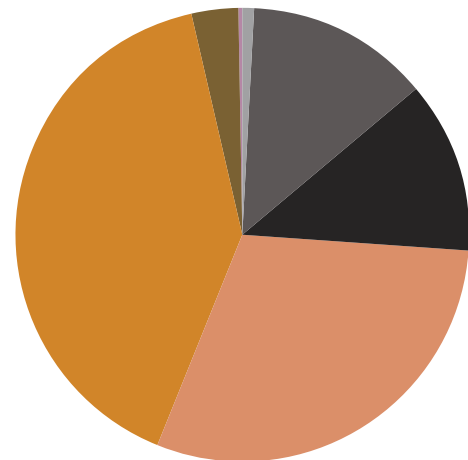
Example of how this applies to an investor

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 \$833 (that's 8.33%³ of his initial \$10,000). Liam did not pay any other charges. This gives Liam a total return after tax of \$833 for the year.

What does the fund invest in?

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

Actual investment mix⁴



Cash and cash equivalents	0.98%
New Zealand fixed interest	13.12%
International fixed interest	12.28%
Australasian equities	29.90%
International equities	40.34%
Listed property	3.12%
Other*	0.26%

Target investment mix⁵

Cash and cash equivalents	5%
New Zealand fixed interest	13%
International fixed interest	13%
Australasian equities	30%
International equities	32%
Listed property	0%
Unlisted property	0%
Commodities	0%
Other*	7%

* 'Other' comprises alternative securities (investment in total return and/or downside-orientated hedge funds).

What does the fund invest in? (continued)

Top 10 investments

	Name	Percentage of fund net assets	Type	Country	Credit rating (if applicable)
1	Westpac 32 day term deposit	12.33%	Cash and cash equivalents	New Zealand	A-1+
2	Suvretta Offshore Fund	7.09%	International equities	Cayman Islands	
3	Bank Of New Zealand Due 29-Jun-2020	6.11%	New Zealand fixed interest	New Zealand	
4	Goldman Sachs NZD margin account	3.12%	Cash and cash equivalents	United Kingdom	A-1
5	Westpac current account	3.07%	Cash and cash equivalents	New Zealand	A-1+
6	Emerson Point Capital Partners LP	2.65%	International equities	United States of America	
7	Spark New Zealand	2.37%	Australasian equities	New Zealand	
8	Contact Energy	2.33%	Australasian equities	New Zealand	
9	Meridian Energy	2.32%	Australasian equities	New Zealand	
10	Glade Brook Private Investor LLC	1.83%	International equities	United States of America	

The top 10 investments make up 43.22% of the fund⁶.

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 2019, the fund's foreign currency exposure was 9.63%.

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	1 year	Chief Investment Officer, New Zealand Funds Management Limited	10 years 1 month
James Grigor	Chief Investment Officer	0 years 10 months	Senior Portfolio Manager, New Zealand Funds Management Limited	1 year 7 months
David Wilson	Chief Operating Officer - Investments	0 years 10 months	Investment Strategist, New Zealand Funds Management Limited	21 years 11 months
Mark Brooks	Head of Income	11 years 10 months	Senior Portfolio Manager, Credaris	3 years 4 months
David Haslam	Senior Dealer	2 years 9 months	Equities Trader, UBS NZ	0 years 11 months

Further information

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

Notes

- 1 As the fund started on 15 April 2019, actual returns for the last five years are not available. To calculate the risk indicator, a combination of actual returns and market index returns have been used. Market index returns were used for the period prior to 15 April 2019. 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 15 April 2019, historical fee information for the most recent scheme year is not available. The total fund charges shown are based on the fee information in the PDS dated 8 April 2019. It includes 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 that may be charged by underlying external managers). For more information on the basis of estimates, see the PDS and the NZ Funds Trust Investment Series 'Other Material Information' document on the offer register at www.companiesoffice.govt.nz/disclose.
- 3 As the fund started on 15 April 2019, this calculation is based on the market index return for the past year.
- 4 NZ Funds uses derivatives as part of its active management approach. The use of derivatives can result in the total economic exposure of the fund exceeding 100% which means the fund is leveraged. Where economic exposure exceeds 100%, the actual investment mix pie graph and the target investment mix table have been scaled to 100%. Without scaling, the total economic exposure of the fund, as shown in the actual investment mix and the target investment mix, would be 102.05% and 102.00% respectively. For more information on economic exposure, see the PDS.
- 5 Targets indicate what is expected to apply over the course of an economic cycle and should be considered as general only. NZ Funds is an active investment manager and may at times use investment strategies that differ materially from the targets shown.
- 6 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

New Zealand Funds Management Limited
Level 16, 21 Queen Street
Private Bag 92163
Auckland 1142

Attention: Head of Client Services

T. 09 377 2277 or 0508 733 337

E. info@nzfunds.co.nz

www.nzfunds.co.nz