



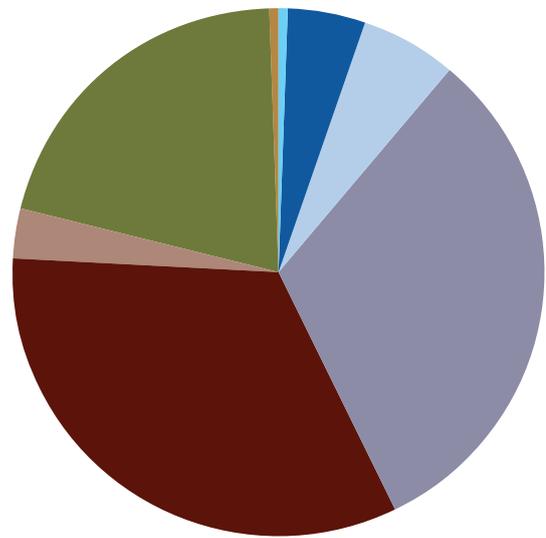
## Example of how this applies to an investor

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 \$234 (that's 2.34%<sup>4</sup> of his initial \$10,000). Liam also paid \$36 in other charges. This gives Liam a total return after tax of \$198 for the year.

## What does the fund invest in?

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

### Actual investment mix<sup>5</sup>



|                              |        |
|------------------------------|--------|
| Cash and cash equivalents    | 0.72%  |
| New Zealand fixed interest   | 4.58%  |
| International fixed interest | 6.00%  |
| Australasian equities        | 31.60% |
| International equities       | 33.07% |
| Listed property              | 2.97%  |
| Commodities                  | 20.73% |
| Other*                       | 0.33%  |

### Target investment mix<sup>6</sup>

|                              |     |
|------------------------------|-----|
| Cash and cash equivalents    | 5%  |
| New Zealand fixed interest   | 12% |
| International fixed interest | 13% |
| Australasian equities        | 30% |
| International equities       | 35% |
| Listed property              | 5%  |
| Unlisted property            | 0%  |
| Commodities                  | 0%  |
| Other*                       | 0%  |

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

## What does the fund invest in?

### Top 10 investments

|    | Name   | Percentage of fund net assets | Type                       | Country                  | Credit rating |
|----|--|-------------------------------|----------------------------|--------------------------|---------------|
| 1  | Amounts receivable from related underlying funds | 19.89%                        | Cash and cash equivalents  | New Zealand              |               |
| 2  | Citibank New Zealand NZD current account         | 13.74%                        | Cash and cash equivalents  | United States of America | A-1           |
| 3  | Goldman Sachs NZD margin account                 | 7.53%                         | Cash and cash equivalents  | United Kingdom           | A-1           |
| 4  | Suvretta Offshore Fund                           | 4.75%                         | International equities     | Cayman Islands           |               |
| 5  | Westpac current account                          | 4.06%                         | Cash and cash equivalents  | New Zealand              | A-1+          |
| 6  | New Zealand Government Bond 1.5% 15/05/2031      | 3.58%                         | New Zealand fixed interest | New Zealand              | AA+           |
| 7  | VanEck Vectors Gold Miners                       | 3.50%                         | International equities     | United States of America |               |
| 8  | Citibank Hong Kong USD current account           | 3.17%                         | Cash and cash equivalents  | United States of America | A-1           |
| 9  | Chorus   | 3.06%                         | Australasian equities      | New Zealand              |               |
| 10 | Meridian Energy                                  | 3.04%                         | Australasian equities      | New Zealand              |               |

The top 10 investments make up 66.32% of the fund.<sup>7</sup>

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 June 2020, the fund's foreign currency exposure was 14.65%.

## 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 9 months          | Chief Investment Officer, New Zealand Funds Management Limited | 10 years 1 month                   |
| James Grigor     | Chief Investment Officer and a Principal              | 1 year 7 months          | Senior Portfolio Manager, New Zealand Funds Management Limited | 1 year 7 months                    |
| Andrew Curtayne* | Senior Portfolio Manager                              | 0 year 2 months          | Senior Analyst, Melqart Asset Management                       | 3 years 8 months                   |
| David Wilson     | Chief Operating Officer - Investments and a Principal | 1 year 7 months          | Investment Strategist, New Zealand Funds Management Limited    | 21 years 11 months                 |
| Mark Brooks      | Head of Income and a Principal                        | 12 years 7 months        | Senior Portfolio Manager, Credaris                             | 3 years 4 months                   |

\* Key personnel not named in previous fund update for the fund.

## Further information

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

## Notes

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- 1 As the fund started on 27 February 2020, 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 27 February 2020. 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 27 February 2020, historical fee information for the most recent scheme year is not available. The total fund charges shown are based on fee information in the PDS dated 9 June 2020. 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). For more information on the basis of estimates, see the PDS and the NZ Funds WealthBuilder 'Other Material Information' document on the offer register at [www.companiesoffice.govt.nz/disclose](http://www.companiesoffice.govt.nz/disclose).
- 3 For investors aged 18 or over, NZ Funds charges an administration fee of \$3 per month.
- 4 As the fund started on 27 February 2020, this calculation is based on the market index return for the past year.
- 5 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 has been scaled to 100%. Without scaling, the total economic exposure of the fund, as shown in the actual investment mix would be 139.50%. For more information on economic exposure, see the Other Material Information document on the offer register at [www.companiesoffice.govt.nz/disclose](http://www.companiesoffice.govt.nz/disclose).
- 6 Targets indicate what is expected to apply over the course of an economic cycle and should be considered as general guidance only. NZ Funds is an active manager and may use investment strategies that differ materially from the targets.
- 7 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](mailto:info@nzfunds.co.nz)

[www.nzfunds.co.nz](http://www.nzfunds.co.nz)