

## NZ Funds WealthBuilder - Income Strategy

This fund update was first made publicly available on 13 February 2020

### What is the purpose of this update?

This document tells you how the NZ Funds WealthBuilder - Income Strategy has performed and what fees were charged. The document will help you to compare the fund with other funds. New Zealand Funds Management Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

### Description of this fund

The objective of the NZ Funds WealthBuilder - Income Strategy is to provide exposure to income assets. The fund is anticipated to hold mainly Australasian and international bonds.

Total value of the fund	-
The date the fund started	-

### What are the risks of investing?

Risk indicator for the NZ Funds WealthBuilder - Income Strategy<sup>1</sup>:



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at [www.nzfunds.co.nz/AdviceSolutions/RiskProfile/](http://www.nzfunds.co.nz/AdviceSolutions/RiskProfile/)

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

The risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for the five years to 31 December 2019<sup>1</sup>. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

See the Product Disclosure Statement (PDS) for more information about the risks associated with investing in this fund.

### How has the fund performed?

	Past year
<b>Annual return</b> (after deductions for charges and tax)	not applicable
<b>Annual return</b> (after deductions for charges but before tax)	not applicable
<b>Market index annual return</b> (reflects no deduction for charges and tax)	8.87%

The market index annual return is based on a composite index calculated using the market indices and weightings set out in the Statement of Investment Policy and Objectives (SIPO). Additional information about the market index is available on the offer register at [www.companiesoffice.govt.nz/disclose/](http://www.companiesoffice.govt.nz/disclose/).

### What fees are investors charged?

Investors in the NZ Funds WealthBuilder - Income Strategy are charged fund charges. Based on the PDS dated 12 December 2019, these are estimated to be:

	% of net asset value
<b>Total fund charges (estimated)<sup>2</sup></b>	1.12%
Which are made up of:	
<b>Total management and administration charges (estimated)</b>	1.10%
Including:	
Manager's basic fee	1.04%
Other management and administration charges	0.06%
<b>Total performance-based fees (estimated)</b>	0.02%
Other charges	\$ amount per investor
Administration fee <sup>3</sup>	\$36

See the PDS for more information about the basis on which performance fees are charged.

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the NZ Funds WealthBuilder 'Other Material Information' document on the offer register at [www.companiesoffice.govt.nz/disclose](http://www.companiesoffice.govt.nz/disclose/) 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 \$887 (that's 8.87%<sup>4</sup> of his initial \$10,000). Liam also paid \$36 in other charges. This gives Liam a total return after tax of \$851 for the year.

## What does the fund invest in?

As the fund has not started accepting investments, information regarding the fund's actual investment mix and top 10 investments as at 31 December 2019 is not available.

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

Cash and cash equivalents	5%
New Zealand fixed interest	40%
International fixed interest	55%
Australasian equities	0%
International equities	0%
Listed property	0%
Unlisted property	0%
Commodities	0%
Other	0%

## 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 3 months	Chief Investment Officer, New Zealand Funds Management Limited	10 years 1 month
James Grigor	Chief Investment Officer and a Principal	1 year 1 months	Senior Portfolio Manager, New Zealand Funds Management Limited	1 year 7 months
David Wilson	Chief Operating Officer - Investments and a Principal	1 years 1 months	Investment Strategist, New Zealand Funds Management Limited	21 years 11 months
Mark Brooks	Head of Income and a Principal	12 years 1 months	Senior Portfolio Manager, Credaris	3 years 4 months
David Haslam	Senior Dealer	3 years	Equities Trader, UBS NZ	0 years 11 months

## 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 has not started accepting investments, actual returns for the fund are not available. Market index returns for the five years to 31 December 2019, rather than the fund's actual returns, have been used to prepare the risk indicator. As a result, the risk indicator may provide a less reliable indicator of the potential future volatility of the fund than had it been prepared using actual returns.
- 2 As the fund has not started accepting investments, 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 12 December 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). 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 has not started accepting investments, this calculation is based on the market index return for the past year.
- 5 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.

**Manager**

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