

What fees are investors charged?

Investors in the Dividend and Growth Portfolio are charged fund charges. In the year to 31 March 2019 these were:

	% of net asset value
Total fund charges	2.89%
Which are made up of:	
Total management and administration charges	2.89%
Including:	
Manager's basic fee	1.75%
Other management and administration charges	1.14%
Total performance-based fees	0.00%

See the PDS for more information about the basis on which performance-based 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 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.

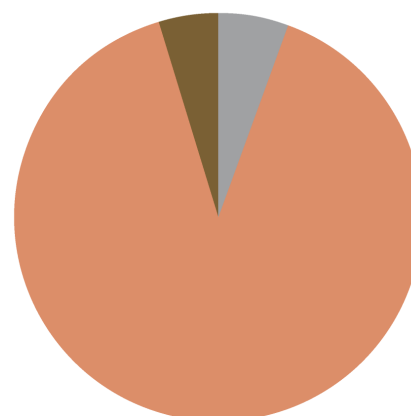
Example of how this applies to an investor

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 \$774 (that's 7.74% of his initial \$10,000). Liam did not pay any other charges. This gives Liam a total return after tax of \$774 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	5.70%
Australasian equities	89.69%
Listed property	4.61%

Target investment mix²

Cash and cash equivalents	6%
New Zealand fixed interest	0%
International fixed interest	0%
Australasian equities	90%
International equities	0%
Listed property	4%
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	27.35%	Cash and cash equivalents	New Zealand	A-1+
2	Meridian Energy	7.58%	Australasian equities	New Zealand	
3	Contact Energy	7.28%	Australasian equities	New Zealand	
4	Spark New Zealand	5.03%	Australasian equities	New Zealand	
5	a2 Milk	5.00%	Australasian equities	New Zealand	
6	Tower	4.75%	Australasian equities	New Zealand	
7	Fletcher Building	4.58%	Australasian equities	New Zealand	
8	Fisher & Paykel Healthcare	4.27%	Australasian equities	New Zealand	
9	Auckland International Airport	3.68%	Australasian equities	New Zealand	
10	Metlifecare	3.02%	Australasian equities	New Zealand	

The top 10 investments make up 72.54% of the fund.³

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 31 March 2019, the fund's foreign currency exposure was 0.88%.

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	0 years 6 months	Chief Investment Officer, New Zealand Funds Management Limited	10 years 1 month
James Grigor	Chief Investment Officer and a Principal	0 years 4 months	Senior Portfolio Manager, New Zealand Funds Management Limited	1 years 7 months
Mark Brooks	Head of Income and a Principal	11 years 4 months	Senior Portfolio Manager, Credaris	3 years 4 months
David Wilson	Chief Operating Officer - Investments and a Principal	0 years 4 months	Investment Strategist, New Zealand Funds Management Limited	21 years 11 months
David Haslam*	Senior Dealer	2 years 3 months	Equities Trader, UBS NZ	0 years 11 months

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

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 is able to invest in a wide range of assets and 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.
3. 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

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