

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 incurred a loss after fund charges were deducted of -\$47 (that's -0.47% of his initial \$10,000). Liam did not pay any other charges. This gives Liam a total loss after tax of -\$47 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	20.65%
New Zealand fixed interest	36.46%
International fixed interest	42.89%

Target investment mix²

Cash and cash equivalents	21%
New Zealand fixed interest	36%
International fixed interest	43%
Australasian equities	0%
International equities	0%
Listed property	0%
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 (if applicable)
1	Westpac 32 day term deposit	12.88%	Cash and cash equivalents	New Zealand	A-1+
2	Goldman Sachs NZD margin account	5.55%	Cash and cash equivalents	United Kingdom	A-1
3	Suvretta Offshore Fund	4.24%	International equities	Cayman Islands	
4	Westpac current account	3.60%	Cash and cash equivalents	New Zealand	A-1+
5	Fletcher Building	3.02%	Australasian equities	New Zealand	
6	Impala Resource Fund	2.67%	International equities	Cayman Islands	
7	Rio Tinto PLC ADR	2.37%	International equities	United States of America	
8	Meridian Energy	2.25%	Australasian equities	New Zealand	
9	Vector 4.996% 14/03/2024	2.06%	New Zealand fixed interest	New Zealand	BBB
10	Crown Subordinated Notes 23/04/2075	1.84%	International fixed interest	Australia	

The top 10 investments make up 47.55% of the fund⁴.

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. The fund targets 100% exposure to the UK currency. As at 31 December 2018, the fund's total foreign currency exposure was 103.36%.

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

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

Further information

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

Notes

- 1 As the fund started on 11 August 2017, 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 11 August 2017. As a result, the risk indicator may provide a less reliable indicator of the potential future volatility of the fund.
- 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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