

NZ Funds Managed Superannuation Service Security Listings

20 September 2019



Product Disclosure Statement

New Zealand Funds Management Limited is the issuer of the NZ Funds Managed Superannuation Service.

The Product Disclosure Statement and the Disclose Register contain important information to help you to understand how your money is managed and the risks associated with investing.

For further information or to request a copy of the NZ Funds Managed Superannuation Service Product Disclosure Statement, please contact New Zealand Funds Management Limited or visit our website at www.nzfunds.co.nz.

Even if you have invested with NZ Funds for many years, please take the time to read these documents regularly as the content is frequently updated.

Important Legal Information

Please note that these Security Listings have been provided for information purposes only. The content of this document is not intended as a substitute for specific professional advice on investments, financial planning or any other matter.



Income Strategy - British Pounds

This Strategy was previously known as the ROPS GBP Income Strategy.

Complete Strategy as at 20 September 2019

STRATEGY / SECURITY	ESTIMATED YIELD ¹	CREDIT RATING	PORTFOLIO EXPOSURE %	PORTFOLIO EXPOSURE \$
CASH AND CASH EQUIVALENTS			10.4%	\$773,979
AUSTRALASIAN BONDS			54.9%	\$4,071,115
Vector 4.996% 14/03/2024	2.4%	BBB	5.4%	\$396,713
BlueScope Steel Finance USA 4.625% 25/05/2023	2.3%	BBB-	4.4%	\$325,282
Insurance Australia Group 5.15% 15/06/2043	2.7%	BBB	4.2%	\$312,557
Westpac Banking 4.695% 01/09/2026	2.4%	BBB	3.5%	\$259,181
Transpower New Zealand 1.735% 04/09/2025	1.7%	AA-	3.3%	\$247,572
WEL Networks 4.9% 02/08/2023	2.8%	NR	3.1%	\$231,819
NEXTDC 6% 09/06/2022	3.0%	NR	2.9%	\$217,126
Precinct Properties New Zealand 4.42% 27/11/2024	2.6%	NR	2.7%	\$198,433
Property for Industry 4.59% 28/11/2024	2.5%	NR	2.5%	\$181,579
Fletcher Building Industries 5.8% 15/03/2020	3.2%	NR	2.4%	\$175,033
Westpac floating perpetual	2.4%	BBB+	2.2%	\$160,063
Powerco 4.67% 15/11/2024	2.4%	BBB	2.1%	\$157,095
Infratil 5.5% 15/06/2024	3.2%	NR	2.0%	\$144,944
NEXTDC 6.25% 09/06/2021	4.6%	NR	1.7%	\$127,108
Peet 6.75% 07/06/2024	6.0%	NR	1.6%	\$116,551
Property for Industry 4.25% 01/10/2025	2.6%	NR	1.5%	\$113,187
Fletcher Building Industries 4.75% 15/03/2021	3.0%	NR	1.5%	\$113,157
Trustpower 4.01% 15/12/2022	2.4%	NR	1.4%	\$103,347
Westpac Banking floating 27/08/2029	3.0%	BBB	1.2%	\$90,130
Insurance Australia Group floating 15/06/2045	3.1%	BBB	1.1%	\$77,819
Trustpower 3.97% 22/02/2029	2.8%	NR	1.0%	\$75,284
Mercury NZ 3.6% 11/07/2049	2.8%	BB+	0.8%	\$61,065
Spark Finance 2.6% 18/03/2030	2.7%	A-	0.8%	\$60,349
ANZ floating perpetual	2.5%	BBB+	0.8%	\$57,568
NEXTDC floating 09/06/2022	2.4%	NR	0.4%	\$30,148
Trustpower Ltd 3.35% 29/07/2026	2.7%	NR	0.3%	\$22,637
New Zealand interest rate swaps exposure	n/a	n/a	0.2%	\$15,366

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Income Strategy - British Pounds

This Strategy was previously known as the ROPS GBP Income Strategy.

Complete Strategy as at 20 September 2019 (continued)

STRATEGY / SECURITY	ESTIMATED YIELD ¹	CREDIT RATING	PORTFOLIO EXPOSURE %	PORTFOLIO EXPOSURE \$
INTERNATIONAL BONDS			34.8%	\$2,579,927
iShares iBoxx \$ Investment Grade Corporate Bond Fund	2.3%	n/a	4.8%	\$357,173
US Treasury 2.625% 15/02/2029	0.8%	AA+	4.1%	\$302,093
Icahn Enterprises 6.25% 15/05/2026	4.1%	BB+	4.1%	\$300,770
American Homes 4 Rent 4.9% 15/02/2029	2.3%	BBB-	3.6%	\$264,506
Constellation Brands 4.75% 01/12/2025	1.7%	BBB	2.8%	\$209,720
Southern Copper 7.50% 27/07/2035	3.5%	BBB+	2.7%	\$203,340
Microsoft 3.3% 06/02/2027	1.2%	AAA	2.4%	\$180,366
Bausch Health 6.125% 15/04/2025	3.9%	B-	2.4%	\$174,267
HCA 4.125% 15/06/2029	2.5%	BBB-	2.2%	\$159,917
Netflix 5.375% 15/11/2029	3.6%	BB-	2.0%	\$145,397
Uber Technologies 8% 11/01/2026	6.3%	CCC+	1.7%	\$124,422
Chevron 2.954% 16/05/2026	1.2%	AA	1.2%	\$88,066
Southern Copper 3.5% 08/11/2022	1.6%	BBB+	0.9%	\$69,500
United States bond futures	n/a	n/a	0.0%	\$392
TOTAL ECONOMIC EXPOSURE²			100.2%	\$7,425,022
GBP CURRENCY EXPOSURE			100.6%	\$7,450,598
OTHER FOREIGN CURRENCY EXPOSURE			7.8%	\$574,614

1. The yield calculation represents an estimate of the yield on the Strategy, calculated using the most recent information provided by the external investment managers involved in managing the Strategy, hedged back to New Zealand dollars where appropriate. It is not calculated 'as at' any particular date as different external investment managers provide data at varying dates. As a result, in some instances the yields may lag the date of this Strategy summary. The yield is not the actual return on the Strategy, nor is it a projection or forecast. The Strategy's return could be less than the Strategy's yield. Details of the yield calculation are available on request from NZ Funds.
2. Total economic exposure represents the total economic value of a Strategy, which is the net asset value of the Strategy adjusted for the effect of direct derivative positions taken by the Strategy and indirect derivative positions taken other than via a fund including hedge funds. For more details of the total economic exposure calculations, contact NZ Funds.

Note: Rounding may affect any subtotals and totals.



Income Strategy

Complete Strategy as at 20 September 2019

STRATEGY / SECURITY	ESTIMATED YIELD ¹	CREDIT RATING	PORTFOLIO EXPOSURE %	PORTFOLIO EXPOSURE \$
CASH AND CASH EQUIVALENTS			17.7%	\$1,252,119
AUSTRALASIAN BONDS			50.7%	\$3,584,591
Vector 4.996% 14/03/2024	2.4%	BBB	4.9%	\$349,304
BlueScope Steel Finance USA 4.625% 25/05/2023	2.3%	BBB-	4.0%	\$286,409
Insurance Australia Group 5.15% 15/06/2043	2.7%	BBB	3.9%	\$275,205
Westpac Banking 4.695% 01/09/2026	2.4%	BBB	3.2%	\$228,208
Transpower New Zealand 1.735% 04/09/2025	1.7%	AA-	3.1%	\$217,986
WEL Networks 4.9% 02/08/2023	2.8%	NR	2.9%	\$204,116
NEXTDC 6% 09/06/2022	3.0%	NR	2.7%	\$191,178
Precinct Properties New Zealand 4.42% 27/11/2024	2.6%	NR	2.5%	\$174,719
Property for Industry 4.59% 28/11/2024	2.5%	NR	2.3%	\$159,879
Fletcher Building Industries 5.8% 15/03/2020	3.2%	NR	2.2%	\$154,115
Westpac floating perpetual	2.4%	BBB+	2.0%	\$140,934
Powerco 4.67% 15/11/2024	2.4%	BBB	2.0%	\$138,321
Infratil 5.5% 15/06/2024	3.2%	NR	1.8%	\$127,622
NEXTDC 6.25% 09/06/2021	4.6%	NR	1.6%	\$111,918
Peet 6.75% 07/06/2024	6.0%	NR	1.5%	\$102,622
Property for Industry 4.25% 01/10/2025	2.6%	NR	1.4%	\$99,660
Fletcher Building Industries 4.75% 15/03/2021	3.0%	NR	1.4%	\$99,634
Trustpower 4.01% 15/12/2022	2.4%	NR	1.3%	\$90,996
Westpac Banking floating 27/08/2029	3.0%	BBB	1.1%	\$79,359
Insurance Australia Group floating 15/06/2045	3.1%	BBB	1.0%	\$68,519
Trustpower 3.97% 22/02/2029	2.8%	NR	0.9%	\$66,287
Mercury NZ 3.6% 11/07/2049	2.8%	BB+	0.8%	\$53,768
Spark Finance 2.6% 18/03/2030	2.7%	A-	0.8%	\$53,137
ANZ floating perpetual	2.5%	BBB+	0.7%	\$50,689
NEXTDC floating 09/06/2022	2.4%	NR	0.4%	\$26,545
Trustpower Ltd 3.35% 29/07/2026	2.7%	NR	0.3%	\$19,932
New Zealand interest rate swaps exposure	n/a	n/a	0.2%	\$13,530

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Income Strategy

Complete Strategy as at 20 September 2019 (continued)

STRATEGY / SECURITY	ESTIMATED YIELD ¹	CREDIT RATING	PORTFOLIO EXPOSURE %	PORTFOLIO EXPOSURE \$
INTERNATIONAL BONDS			31.8%	\$2,249,773
iShares iBoxx \$ Investment Grade Corporate Bond Fund	2.3%	n/a	4.4%	\$311,466
US Treasury 2.625% 15/02/2029	0.8%	AA+	3.7%	\$263,434
Icahn Enterprises 6.25% 15/05/2026	4.1%	BB+	3.7%	\$262,280
American Homes 4 Rent 4.9% 15/02/2029	2.3%	BBB-	3.3%	\$230,657
Constellation Brands 4.75% 01/12/2025	1.7%	BBB	2.6%	\$182,882
Southern Copper 7.50% 27/07/2035	3.5%	BBB+	2.5%	\$177,318
Microsoft 3.3% 06/02/2027	1.2%	AAA	2.2%	\$157,284
Bausch Health 6.125% 15/04/2025	3.9%	B-	2.1%	\$151,966
HCA 4.125% 15/06/2029	2.5%	BBB-	2.0%	\$139,452
Netflix 5.375% 15/11/2029	3.6%	BB-	1.8%	\$126,790
Uber Technologies 8% 11/01/2026	6.3%	CCC+	1.5%	\$108,499
Chevron 2.954% 16/05/2026	1.2%	AA	1.1%	\$76,796
Southern Copper 3.5% 08/11/2022	1.6%	BBB+	0.9%	\$60,606
United States bond futures	n/a	n/a	0.0%	\$342
TOTAL ECONOMIC EXPOSURE²			100.2%	\$7,086,483
FOREIGN CURRENCY EXPOSURE			7.1%	\$502,756

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Inflation Strategy

Complete Strategy as at 20 September 2019

STRATEGY / SECURITY ¹	ESTIMATED YIELD ²	PORTFOLIO EXPOSURE %	PORTFOLIO EXPOSURE \$
CASH AND CASH EQUIVALENTS		5.9%	\$475,720
AUSTRALASIAN BONDS		0.0%	\$376
New Zealand inflation swaps exposure	n/a	0.0%	\$376
INTERNATIONAL BONDS		22.8%	\$1,835,144
Floating Rate and Perpetual Bond Strategy	3.5%	22.5%	\$1,811,500
Inflation swaps - Market value ³	n/a	0.3%	\$22,021
United States bond futures (short)	n/a	0.0%	\$1,623
AUSTRALASIAN SHARES		27.6%	\$2,223,987
Dividend and Growth Strategy	3.5%	27.6%	\$2,223,987
INTERNATIONAL SHARES		31.8%	\$2,557,696
Equity index futures (long)	n/a	16.3%	\$1,315,665
MFS Global Research Focused Fund	0.2%	7.1%	\$572,844
LSV Global Concentrated Fund	0.7%	3.2%	\$259,784
Suvretta Offshore Fund	n/a	3.0%	\$243,831
Emerson Point Capital Partners LP	n/a	2.1%	\$165,572
COMMODITIES		12.3%	\$993,852
Commodities precious metal futures exposure	n/a	12.3%	\$993,852
ALTERNATIVE SECURITIES		0.2%	\$13,242
Universa Black Swan Protection Protocol	n/a	0.2%	\$13,242
TOTAL ECONOMIC EXPOSURE⁴		100.6%	\$8,100,018
FOREIGN CURRENCY EXPOSURE		2.9%	\$235,563

- Where a strategy is shown, the asset class reflects the predominant assets in the strategy. The strategy may include other assets including cash.
- The yield calculation represents an estimate of the yield on the Strategy, calculated using the most recent information provided by the external investment managers involved in managing the Strategy, hedged back to New Zealand dollars where appropriate. It is not calculated 'as at' any particular date as different external investment managers provide data at varying dates. As a result, in some instances the yields may lag the date of this Strategy summary. The yield is not the actual return on the Strategy, nor is it a projection or forecast. The Strategy's return could be less than the Strategy's yield. Details of the yield calculation are available on request from NZ Funds.
- Inflation swaps notional value is currently \$835,241.
- Total economic exposure represents the total economic value of a Strategy, which is the net asset value of the Strategy adjusted for the effect of direct derivative positions taken by the Strategy and indirect derivative positions taken other than via a fund including hedge funds. For more details of the total economic exposure calculations, contact NZ Funds.

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Growth Strategy

Complete Strategy as at 20 September 2019

STRATEGY / SECURITY ¹	ESTIMATED YIELD ²	PORTFOLIO EXPOSURE %	PORTFOLIO EXPOSURE \$
CASH AND CASH EQUIVALENTS		15.3%	\$3,447,614
AUSTRALASIAN SHARES		24.0%	\$5,398,923
Dividend and Growth Strategy	3.5%	24.0%	\$5,398,923
INTERNATIONAL SHARES		60.3%	\$13,551,916
Equity index futures (long)	n/a	24.5%	\$5,498,204
MFS Global Research Focused Fund	0.2%	13.8%	\$3,111,671
LSV Global Concentrated Fund	0.7%	7.4%	\$1,653,967
Suvretta Offshore Fund	n/a	6.3%	\$1,426,448
Emerson Point Capital Partners LP	n/a	4.6%	\$1,038,470
Glade Brook Private Investor LLC	n/a	2.6%	\$594,108
Lyft	0.0%	1.0%	\$229,048
ALTERNATIVE SECURITIES		0.3%	\$75,756
Universa Black Swan Protection Protocol	n/a	0.3%	\$75,756
TOTAL ECONOMIC EXPOSURE³		100.0%	\$22,474,209
FOREIGN CURRENCY EXPOSURE		7.0%	\$1,571,480

1. Where a strategy is shown, the asset class reflects the predominant assets in the strategy. The strategy may include other assets including cash.
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