

## NZ Funds WealthBuilder LifeCycle - age 65

This fund update was first made publicly available on 1 May 2020

### What is the purpose of this update?

This document tells you how the NZ Funds WealthBuilder LifeCycle - age 65 has performed and what fees were charged. The document will help you to compare the investment option with other investment options. 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 investment option

The objective of LifeCycle is to allocate your investment across the NZ Funds WealthBuilder Income, Inflation and Growth Strategies based on your age to ensure your investment is allocated in a manner consistent with your investment timeframe. At age 65, your investment will be allocated as follows: 27% to the Income Strategy; 34% to the Inflation Strategy; and 39% to the Growth Strategy.

Total value of the investment option	-
The date the investment option started	-

### What are the risks of investing?

Risk indicator for the NZ Funds WealthBuilder LifeCycle - age 65<sup>1</sup>:



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the investment option'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 an investment option's future performance. The risk indicator is based on the returns data for the five years to 31 March 2020<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 investment option.

### How has the investment option 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)	-4.08%

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 LifeCycle - age 65 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>	1.42%
Which are made up of:	
<b>Total management and administration charges (estimated)</b>	1.39%
Including:	
Manager's basic fee	1.13%
Other management and administration charges	0.26%
<b>Total performance-based fees (estimated)</b>	0.03%
<b>Other charges</b>	<b>\$ amount per investor</b>
Administration fee <sup>3</sup>	\$36

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

Investors are not currently charged individual action fees (for example, withdrawing from or switching funds). See the PDS for more information about 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 investment option 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 -\$408 (that's -4.08%<sup>4</sup> of his initial \$10,000). Liam also paid \$36 in other charges. This gives Liam a total return after tax of -\$444 for the year.

## What does the investment option invest in?

As the investment option has not started accepting investments, information regarding the investment option's actual investment mix and top 10 investments as at 31 March 2020 is not available.

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

Cash and cash equivalents	3%
New Zealand fixed interest	15%
International fixed interest	20%
Australasian equities	20%
International equities	38%
Listed property	3%
Unlisted property	0%
Commodities	0%
Other*	1%

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

## Key personnel

This shows the directors and employees who have the most impact on the investment decisions of the investment option.

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 6 months	Chief Investment Officer, New Zealand Funds Management Limited	10 years 1 month
James Grigor	Chief Investment Officer and a Principal	1 year 4 months	Senior Portfolio Manager, New Zealand Funds Management Limited	1 year 7 months
David Wilson	Chief Operating Officer - Investments and a Principal	1 year 4 months	Investment Strategist, New Zealand Funds Management Limited	21 years 11 months
Mark Brooks	Head of Income and a Principal	12 years 4 months	Senior Portfolio Manager, Credaris	3 years 4 months
David Haslam	Senior Dealer	3 years 3 months	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 To calculate the risk indicator, a combination of actual returns and market index returns have been used as the investment option does not have a full five year return history. 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 investment option.
- 2 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 including fees and costs payable in respect of the underlying funds in which the investment option 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 This calculation is based on the market index return for the past year as there is no past year actual return for the investment option.
- 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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