

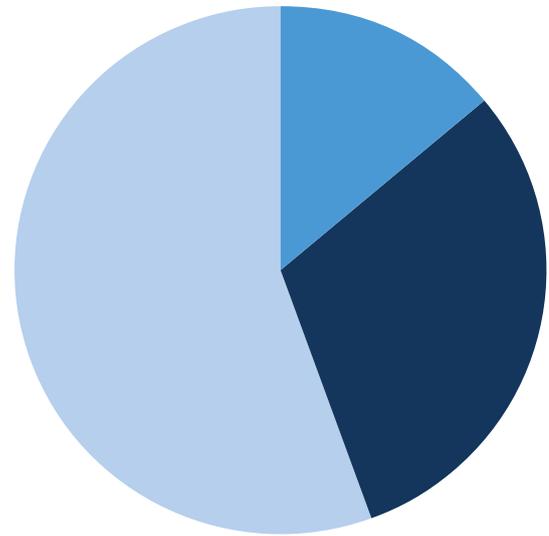
Example of how this applies to an investor

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 \$577 (that's 5.77%⁴ of his initial \$10,000). Liam also paid \$36 in other charges. This gives Liam a total return after tax of \$541 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	14.09%
New Zealand fixed interest	30.51%
International fixed interest	55.40%

Target investment mix⁵

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%

What does the fund invest in?

Top 10 investments

	Name	Percentage of fund net assets	Type	Country	Credit rating
1	Westpac current account	11.08%	Cash and cash equivalents	New Zealand	A-1+
2	Citibank New Zealand NZD current account	8.44%	Cash and cash equivalents	United States of America	A-1
3	Citibank Hong Kong USD current account	7.51%	Cash and cash equivalents	United States of America	A-1
4	National Australia Bank Income Securities perpetual	4.87%	International fixed interest	Australia	BBB
5	Vector Ltd 4.996% 14/03/2024	4.23%	New Zealand fixed interest	New Zealand	BBB
6	JPMorgan Chase 3.625% 01/12/2027	2.67%	International fixed interest	United States of America	BBB+
7	Westpac Banking 4.695% 01/09/2026	2.67%	New Zealand fixed interest	New Zealand	BBB+
8	Goldman Sachs Group 3.5% 01/04/2025	2.37%	International fixed interest	United States of America	BBB+
9	Citigroup Inc 4.125% 25/07/2028	2.25%	International fixed interest	United States of America	BBB
10	Housing NZ Ltd 2.97% 12/06/2023	2.18%	New Zealand fixed interest	New Zealand	AA+

The top 10 investments make up 48.27% of the fund.⁶

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 30 September 2020, the fund's foreign currency exposure was 7.16%.

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	2 years	Chief Investment Officer, New Zealand Funds Management Limited	10 years 1 month
James Grigor	Chief Investment Officer and a Principal	1 year 10 months	Senior Portfolio Manager, New Zealand Funds Management Limited	1 year 7 months
David Wilson	Chief Operating Officer - Investments and a Principal	1 year 10 months	Investment Strategist, New Zealand Funds Management Limited	21 years 11 months
Mark Brooks	Head of Income and a Principal	12 years 10 months	Senior Portfolio Manager, Credaris	3 years 4 months
David Haslam	Senior Dealer	3 years 9 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/.

Notes

- 1 As the fund started on 27 February 2020, 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 27 February 2020. As a result, the risk indicator may provide a less reliable indicator of the potential future volatility of the fund.
- 2 As the fund started on 27 February 2020, historical fee information for the most recent scheme year is not available. The total fund charges shown are based on 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.
- 3 For investors aged 18 or over, NZ Funds charges an administration fee of \$3 per month.
- 4 As the fund started on 27 February 2020, this calculation is based on the market index return for the past year.
- 5 The target investment mix is anticipated only and the Strategy's actual asset allocation is expected to vary significantly over the course of an economic cycle.
- 6 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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