NZFUNDS

NZ Funds Wealth Builder Security Listings

20 September 2021

Product Disclosure Statement

New Zealand Funds Management Limited is the issuer of the Strategies making up NZ Funds Wealth Builder.

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 Wealth Builder 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.

Wealth Builder Income Strategy

Complete Strategy as at 20 September 2021

STRATEGY / SECURITY	ESTIMATED YIELD[1]	CREDIT RATING	PORTFOLIO EXPOSURE %	PORTFOLIO EXPOSURE $
CASH AND CASH EQUIVALENTS			**40.4%**	**$2,179,138**
NEW ZEALAND AND AUSTRALIAN BONDS			**34.6%**	**$1,868,146**
ANZ Bank Ltd 2.999% 17/09/2031	2.8%	A-	6.9%	$374,114
Housing NZ Ltd 3.42% 18/10/2028	2.2%	AA+	4.6%	$249,692
Vector Ltd 4.996% 14/03/2024	2.3%	BBB	2.9%	$158,151
Kiwibank Ltd 2.36% 11/12/2030	2.9%	BBB-	1.7%	$89,838
Housing NZ Ltd 2.97% 12/06/2023	1.5%	AAA	1.5%	$82,517
Precinct Properties New Zealand 4.42% 27/11/2024	2.7%	NR	1.4%	$76,676
Fletcher Building 3.9% 15/03/2025	2.7%	NR	1.4%	$73,460
Westpac floating perpetual	0.9%	BBB+	1.3%	$69,770
Infratil 5.5% 15/06/2024	3.0%	NR	1.1%	$58,405
ASB Bank Limited 5.25% 15/12/2026	1.6%	BBB+	1.1%	$57,332
Precinct Properties 2.85% 28/05/2027	3.0%	NR	1.0%	$52,369
Housing NZ Ltd 3.36% 12/06/2025	1.9%	AAA	0.9%	$50,873
Transpower New Zealand 1.735% 04/09/2025	2.0%	AA	0.9%	$47,436
Fletcher Building 2.8% 15/03/2026	2.8%	NR	0.8%	$45,659
Property for Industry 4.25% 01/10/2025	2.7%	NR	0.8%	$45,311
Transpower 1.52% 08/04/2026	2.1%	AA	0.8%	$44,462
Peet 6.75% 07/06/2024	6.6%	NR	0.8%	$43,891
Insurance Australia Group 5.15% 15/06/2043	2.8%	BBB	0.7%	$38,620
Port of Tauranga 1.02% 29/09/2025	2.3%	A-	0.7%	$38,216
Westpac Banking floating 27/08/2029	2.0%	BBB+	0.7%	$36,361
Ryman Healthcare 2.55% 18/12/2026	2.9%	NR	0.6%	$34,644
Trustpower 3.97% 22/02/2029	3.0%	NR	0.6%	$30,368
Mercury NZ 3.6% 11/07/2049	2.3%	BB+	0.5%	$24,929
Spark Finance 2.6% 18/03/2030	2.9%	A-	0.4%	$24,222

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Wealth Builder Income Strategy

Complete Strategy as at 20 September 2021 (continued)

STRATEGY / SECURITY	ESTIMATED YIELD[1]	CREDIT RATING	PORTFOLIO EXPOSURE %	PORTFOLIO EXPOSURE $
NEW ZEALAND AND AUSTRALIAN BONDS (CONTINUED)				
Infratil 3.6% 15/12/2027	3.5%	NR	0.2%	$8,662
WEL Networks 4.9% 02/08/2023	2.8%	NR	0.1%	$7,239
New Zealand interest rate swaps exposure	n/a	n/a	0.0%	$2,676
Australian bond futures (short)	n/a	n/a	0.0%	$1,628
Australian interest rate swaps exposure	n/a	n/a	0.0%	$623
INTERNATIONAL BONDS			**33.0%**	**$1,779,457**
Credit default swaps - Market value[2]	n/a	n/a	4.6%	$249,757
JPMorgan Chase 3.625% 01/12/2027	2.3%	BBB+	1.9%	$103,441
Bausch Health 5% 30/01/2028	6.6%	B	1.8%	$95,295
Goldman Sachs Group 3.5% 01/04/2025	1.7%	BBB+	1.7%	$91,295
Bank of America Corp 2.687% 22/04/2032	2.9%	A-	1.6%	$87,149
Citigroup Inc 4.125% 25/07/2028	2.7%	BBB	1.6%	$87,004
GFL Environ Inc 4.375% 15/08/2029	4.5%	B-	1.6%	$85,524
American Homes 4 Rent 4.9% 15/02/2029	2.8%	BBB-	1.5%	$78,948
First Quantum Minerals 6.875% 01/03/2026	4.1%	B	1.5%	$78,876
AT&T Inc 4.35% 01/03/2029	2.6%	BBB	1.4%	$77,205
Alcoa 4.125% 31/03/2029	3.1%	BB+	1.3%	$71,883
Energizer Holdings 4.75% 15/06/2028	4.4%	B	1.3%	$67,888
Goldman Sachs 1.431% 09/03/2027	2.0%	BBB+	1.2%	$66,697
Uber Technologies 8% 01/11/2026	2.7%	B-	1.2%	$64,059
Uber Technologies 6.25% 15/01/2028	4.5%	B-	1.2%	$63,312
Tyson Foods Inc 4.35% 01/03/2029	2.4%	BBB+	1.0%	$56,333
Oracle Corp 2.875% 25/03/2031	2.9%	BBB+	1.0%	$53,042
McDonald's Corp 2.625% 01/09/2029	2.5%	BBB+	0.9%	$49,163
Verizon Communications Inc 4.016% 03/12/2029	2.6%	BBB+	0.9%	$47,369
Oracle Corp 2.8% 01/04/2027	2.1%	BBB+	0.8%	$44,877

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Wealth Builder Income Strategy

Complete Strategy as at 20 September 2021 (continued)

STRATEGY / SECURITY	ESTIMATED YIELD[1]	CREDIT RATING	PORTFOLIO EXPOSURE %	PORTFOLIO EXPOSURE $
NEW ZEALAND AND AUSTRALIAN BONDS (CONTINUED)				
Netflix 5.375% 15/11/2029	2.9%	BB+	0.7%	$35,522
Dell 6.02% 15/06/2026	2.2%	BBB-	0.6%	$30,182
Bank of America Corp 3.864% 23/07/2024	1.2%	A-	0.6%	$30,165
British Telecom 5.125% 04/12/2028	2.9%	BBB	0.4%	$22,890
Broadcom Inc 4.25% 15/04/2026	2.1%	BBB-	0.4%	$18,942
United States bond futures (short)	n/a	n/a	0.3%	$18,664
German bond futures (short)	n/a	n/a	0.1%	$3,976
TOTAL ECONOMIC EXPOSURE[3]			**107.9%**	**$5,826,740**
FOREIGN CURRENCY EXPOSURE			**7.9%**	**$426,704**

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. Credit default swaps notional value is currently $5,760,598.
3. 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.

Wealth Builder Inflation Strategy

Complete Strategy as at 20 September 2021

STRATEGY / SECURITY[1]	ESTIMATED YIELD[2]	PORTFOLIO EXPOSURE %	PORTFOLIO EXPOSURE $
CASH AND CASH EQUIVALENTS		**1.0%**	**$69,381**
NEW ZEALAND AND AUSTRALIAN BONDS		**0.4%**	**$28,006**
New Zealand inflation rate swaps exposure[3]	n/a	0.4%	$28,006
INTERNATIONAL BONDS		**1.2%**	**$83,311**
Swaptions - Market value[4]	n/a	1.2%	$83,311
NEW ZEALAND AND AUSTRALIAN SHARES		**55.5%**	**$3,853,914**
Dividend and Growth Strategy	3.3%	54.4%	$3,771,241
Australian futures index exposure	n/a	1.0%	$68,673
Income Generator Strategy	2.1%	0.2%	$14,001
INTERNATIONAL SHARES		**70.6%**	**$4,899,952**
Absolute Return Strategy[5]	0.7%	62.4%	$4,328,002
Global total return swap exposure	n/a	5.7%	$392,129
Equity index futures (long)	n/a	2.6%	$179,821
COMMODITIES		**10.7%**	**$742,244**
Commodities energy futures exposure	n/a	**7.7%**	**$533,744**
Commodities base metals futures short exposure	n/a	**1.9%**	**$134,088**
Commodity option exposure	n/a	**1.1%**	**$74,412**
ALTERNATIVE SECURITIES		**4.1%**	**$281,665**
Cryptocurrency future exposure	n/a	3.2%	$219,023
Universa Black Swan Protection Protocol	n/a	0.9%	$62,642
TOTAL ECONOMIC EXPOSURE[6]		**143.5%**	**$9,958,473**
FOREIGN CURRENCY EXPOSURE		**16.7%**	**$1,156,344**

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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3. New Zealand inflation swaps notional value is currently $554,267.
4. Swaptions notional value is currently $1,710,579.
5. As at the date of the security listings, the majority of the assets of the Absolute Return Strategy were held in this asset class. The Absolute Return Strategy may also hold assets in other asset classes.
6. 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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Wealth Builder Growth Strategy

Complete Strategy as at 20 September 2021

STRATEGY / SECURITY[1]	ESTIMATED YIELD[2]	PORTFOLIO EXPOSURE %	PORTFOLIO EXPOSURE $
CASH AND CASH EQUIVALENTS		**1.0%**	**$228,205**
INTERNATIONAL BONDS		**0.1%**	**$15,365**
United States bond futures (short)	n/a	0.1%	$15,365
NEW ZEALAND AND AUSTRALIAN SHARES		**46.4%**	**$10,599,721**
Dividend and Growth Strategy	3.3%	42.6%	$9,717,589
Australian futures index exposure	n/a	3.3%	$748,448
Income Generator Strategy	2.1%	0.6%	$133,684
INTERNATIONAL SHARES		**60.9%**	**$13,907,782**
Global total return swaps exposure	n/a	25.0%	$5,709,215
Fisher International	0.4%	7.7%	$1,753,290
Equity index futures (long)	n/a	7.2%	$1,631,989
Suvretta Offshore Fund	n/a	5.9%	$1,342,015
MFS Global Research Focused Fund	0.5%	5.5%	$1,247,227
Galaxy Digital Holdings Ltd	n/a	4.7%	$1,071,501
Emerson Point Capital Partners LP	n/a	2.8%	$632,056
Goanna Capital Fund	n/a	1.1%	$243,276
Galaxy Digital Holdings Ltd Warrants	n/a	0.8%	$185,506
Global share options	n/a	0.4%	$91,707

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Wealth Builder Growth Strategy

Complete Strategy as at 20 September 2021 (continued)

STRATEGY / SECURITY[1]	ESTIMATED YIELD[2]	PORTFOLIO EXPOSURE %	PORTFOLIO EXPOSURE $
COMMODITIES		**34.6%**	**$7,902,764**
Commodities energy futures exposure	n/a	28.0%	$6,394,041
Commodities base metals futures short exposure	n/a	3.4%	$777,091
Commodity option exposure	n/a	3.2%	$731,631
ALTERNATIVE SECURITIES		**12.2%**	**$2,795,246**
Galaxy Institutional Fund	n/a	5.1%	$1,166,128
Cryptocurrency future exposure	n/a	4.4%	$1,012,304
Galaxy Defi Index Fund	n/a	1.3%	$296,705
Universa Black Swan Protection Protocol	n/a	1.4%	$320,108
TOTAL ECONOMIC EXPOSURE[3]		**155.3%**	**$35,449,082**
FOREIGN CURRENCY EXPOSURE		**18.3%**	**$4,176,402**

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