Fund update

For the quarter ended 30 June 2023

NZFUNDS

NZ Funds Active Series Cash Portfolio

This fund update was first made publicly available on 31 July 2023

What is the purpose of this update?

This document tells you how the Cash Portfolio has performed and what fees were charged. The document will help you to compare the fund with other funds. 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.

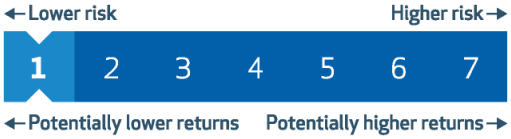
Description of this fund

The objective of the Cash Portfolio fund is to provide a source of capital. The fund is anticipated to hold mainly cash and cash equivalents.

Total value of the fund	$59,423,337
The date the fund started	28 February 2008

What are the risks of investing?

Risk indicator for the Cash Portfolio:



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund'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/.

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 a fund's future performance. The risk indicator is based on the returns data for the five years to 30 June 2023. 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.

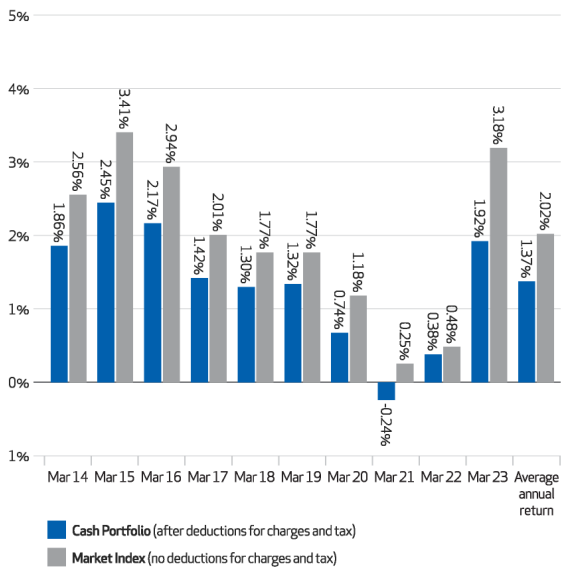
See the Product Disclosure Statement (PDS) for more information about the risks associated with investing in this fund.

How has the fund performed?

	Average over past 5 years	Past year
Annual return (after deductions for charges and tax)	0.94%	2.75%
Annual return (after deductions for charges but before tax)	1.30%	3.85%
Market index annual return (reflects no deduction for charges and tax)	1.55%	4.13%

The market index annual return is based on the S&P/NZX Call Rate Deposit Index Total Return . Additional information about the market index is available on the offer register at www.companiesoffice.govt.nz/disclose.

Annual return graph[1]



This shows the return after fund charges and tax for each of the last 10 years ending 31 March. The last bar shows the average annual return for the last 10 years, up to 30 June 2023.

Important: This does not tell you how the fund will perform in the future.

Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

What fees are investors charged?

Investors in the Cash Portfolio are charged fund charges. In the year to 31 March 2023 these were:

	% of net asset value
Total fund charges	0.11%*
Which are made up of:	
Total management and administration charges	0.11%
Including:	
Manager's basic fee	0.04%
Other management and administration charges	0.07%
Total performance-based fees	n/a

*Note: The total fund charges for the next fund year is estimated to be 0.40%. Investors may also be charged individual action fees for specific actions or decisions (for example, if an investor has a financial adviser and has agreed to pay a fee to the adviser for providing financial advice). NZ Funds does not currently charge any establishment, contribution, termination, withdrawal or switch fees. See the PDS for the NZ Funds Active Series for more information about fees.

Small differences in fees and charges can have a big impact on your investment over the long term.

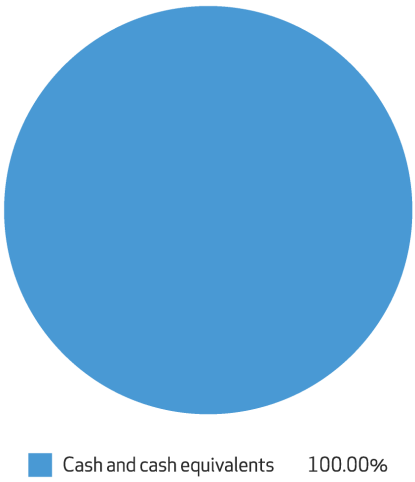
Example of how this applies to an investor

Liam had $10,000 in the 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 $275 (that's 2.75% of his initial $10,000). Liam did not pay any other charges. This gives Liam a total return after tax of $275 for the year.

What does the fund invest in?

This shows the types of assets that the fund invests in.

Actual investment mix



Target investment mix[2]

Cash and cash equivalents	100%
New Zealand fixed interest	0%
International fixed interest	0%
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
1	Westpac Cash	16.00%	Cash and cash equivalents	New Zealand	A-1+
2	Kiwibank Bank Bill 5.67% 12/09/2023	11.87%	Cash and cash equivalents	New Zealand	A-1
3	ASB Bank Bill 5.56% 01/08/2023	9.96%	Cash and cash equivalents	New Zealand	A-1+
4	ASB Bank Bill 5.67% 07/09/2023	7.92%	Cash and cash equivalents	New Zealand	A-1+
5	Kiwibank Bank Bill 5.67% 07/09/2023	7.92%	Cash and cash equivalents	New Zealand	A-1
6	BNZ Bank Bill 5.68% 08/09/2023	7.92%	Cash and cash equivalents	New Zealand	A-1+
7	Westpac Bank Bill 5.88% 11/09/2023	7.91%	Cash and cash equivalents	New Zealand	A-1+
8	BNZ Bank Bill 5.68% 22/09/2023	7.90%	Cash and cash equivalents	New Zealand	A-1+
9	Westpac Bank Bill 5.74% 26/07/2023	5.98%	Cash and cash equivalents	New Zealand	A-1+
10	Westpac Bank Bill 5.84% 16/08/2023	5.96%	Cash and cash equivalents	New Zealand	A-1+

The top 10 investments make up 89.34% of the fund.[3]

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	4 years 9 months	Chief Investment Officer, New Zealand Funds Management Limited	10 years 1 month
James Grigor	Chief Investment Officer and a Principal	4 years 7 months	Senior Portfolio Manager, New Zealand Funds Management Limited	1 year 7 months
Mark Brooks	Head of Income and a Principal	15 years 7 months	Senior Portfolio Manager, Credaris	3 years 4 months
David Haslam	Senior Dealer	6 years 6 months	Equities Trader, UBS NZ	0 years 11 months
Casey Keiper	Senior Equity Analyst	0 years 9 months	Equity Analyst, Hobson Wealth	1 year 4 months

Further information

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

Notes

1. The bar graph shows fund returns after the deduction of fees and tax; however, the market index returns are shown before any fees or tax are deducted.
2. Targets indicate what are 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.
3. The top 10 investments have been compiled using a balance sheet approach. The percentage is calculated by measuring gross asset holdings against the net assets of the fund. As a result, the top 10 holdings may exceed 100%.

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