# Fund update

For the quarter ended 30 September 2026

NZFUNDS

# NZ Funds Income Generator

**This fund update was first made publicly available on 29 October 2026**

## What is the purpose of this update?

This document tells you how the NZ Funds Income Generator 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 NZ Funds Income Generator is to provide a source of income by primarily investing in dividend paying shares and derivatives including options. The fund is anticipated to mainly own and trade New Zealand and Australian shares, derivatives including options over the minimum suggested timeframe.

| | |
|---|---|
| Total value of the fund | $13,509,089 |
| The date the fund started | 22 October 2020 |

## What are the risks of investing?

Risk indicator for the NZ Funds Income Generator:




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 https://portal.nzfunds.co.nz/RiskLaunch.

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 September 2026. 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.

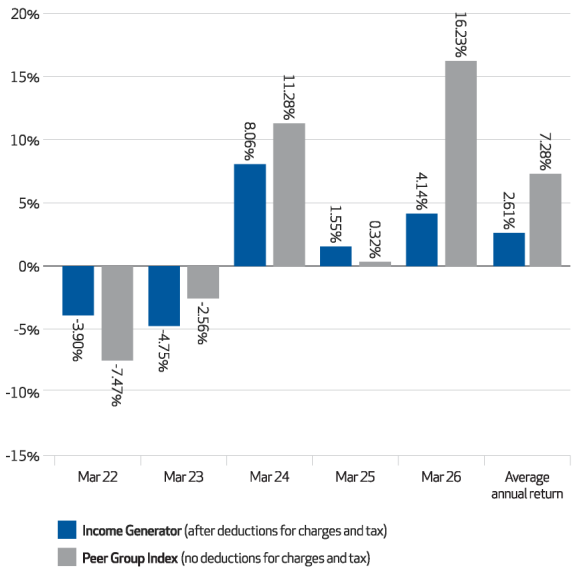
See the Product Disclosure Statement (PDS) for more information about the risks associated with investing in this fund.

## How has the fund performed?

| | Average over past 5 years | Past year |
|---|---|---|
| **Annual return** (after deductions for charges and tax) | 1.19% | 2.07% |
| **Annual return** (after deductions for charges but before tax) | 0.90% | 0.83% |
| **Peer group index annual return** (reflects no deduction for charges and tax) | 5.04% | 7.65% |

The manager has used a peer group index to prepare the table, as there is no appropriate market index available for the fund. A peer group index may be a less reliable indicator of performance than an appropriate market index. 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 year ending 31 March since the fund started. The last bar shows the average annual return since the fund started, up to 30 September 2026.

**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 NZ Funds Income Generator are charged fund charges. In the year to 31 March 2026 these were:

| | % of net asset value |
|---|---|
| **Total fund charges** | 1.67% |
| Which are made up of: | |
| **Total management and administration charges** | 1.67% |
| Including: | |
| Manager's basic fee | 1.57% |
| Other management and administration charges | 0.10% |
| **Total performance-based fees** | 0.00% |

Investors are not currently charged individual action fees (for example, withdrawing from or switching funds). See the PDS for the NZ Funds Income Generator for more information about fees.

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

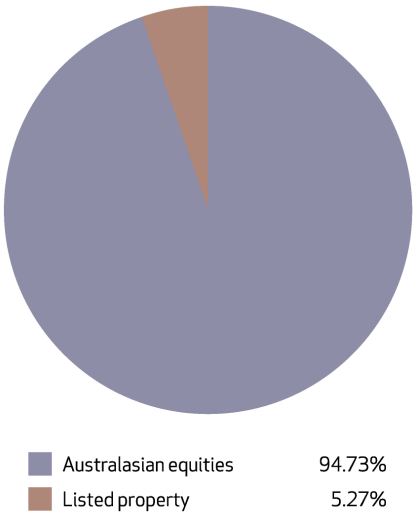
## Example of how this applies to an investor

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 $207 (that's 2.07% of his initial $10,000). Liam did not pay any other charges. This gives Liam a total return after tax of $207 for the year.

## What does the fund invest in?

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

**Actual investment mix[2]**




**Target investment mix[3]**

| | |
|---|---|
| Cash and cash equivalents | 5% |
| New Zealand fixed interest | 0% |
| International fixed interest | 0% |
| Australasian equities | 85% |
| International equities | 0% |
| Listed property | 10% |
| 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 | Woolworths Group Ltd | 7.08% | Australasian equities | Australia | |
| 2 | Rio Tinto Ltd | 6.63% | Australasian equities | Australia | |
| 3 | Goldman Sachs Futures | 6.49% | Cash and cash equivalents | Australia | A-1 |
| 4 | CSL Ltd | 6.42% | Australasian equities | Australia | |
| 5 | Telstra Corp Ltd | 6.00% | Australasian equities | Australia | |
| 6 | National Australia Bank Ltd | 5.92% | Australasian equities | Australia | |
| 7 | Nufarm Ltd/Australia | 5.73% | Australasian equities | Australia | |
| 8 | Westpac Banking Corp | 5.72% | Australasian equities | Australia | |
| 9 | Transurban Group | 5.67% | Australasian equities | Australia | |
| 10 | Goodman Group | 5.59% | Listed property | Australia | |

The top 10 investments make up 61.25% of the fund.[4]

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 2026, the fund's foreign currency exposure was 0.04%.

## 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 |
|---|---|---|---|---|
| John Cobb | Chair of the Investment Governance Committee and a Director | 3 years 10 months | Chief Executive Officer, JBWere NZ | 1 year 11 months |
| Michael Lang | Chief Executive and a Director | 8 years | Chief Investment Officer, New Zealand Funds Management Limited | 10 years 1 month |
| Mark Brooks | Chief Investment Officer and a Principal | 2 years 7 months | Head of Income, New Zealand Funds Management Limited | 16 years 3 months |

## Further information

You can also obtain this information, the PDS for the NZ Funds Income Generator, 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 peer group index returns are shown before any fees or tax are deducted.
2. NZ Funds uses derivatives as part of its active management approach. The use of derivatives can result in the total economic exposure of the fund exceeding 100% which means the fund is leveraged. Where economic exposure exceeds 100%, the actual investment mix pie graph has been scaled to 100%.

   Without scaling, the total economic exposure of the fund, as shown in the actual investment mix would be 106.01%, made up as follows: Australasian equities 100.42% and Listed property 5.59%.

   For more information on the calculation of economic exposure and the use of leverage, see the Other Material Information document.
3. 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.
4. 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.

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