NZ Funds
Wealth Builder

Product Disclosure Statement

Issued by New Zealand Funds Management Limited 12 November 2026
This document replaces the Product Disclosure Statement dated 30 March 2026

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on *disclose-register.companiesoffice.govt.nz*. New Zealand Funds Management Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial advice provider to help you to make an investment decision.

NZFunds

1. Key information summary

What is this?

This is a managed investment scheme. Your money will be pooled with other investors' money and invested in various investments.

New Zealand Funds Management Limited (NZ Funds, we, us or our) will invest your money and charge you a fee for its services.

The returns you receive are dependent on the investment decisions of NZ Funds and the performance of the investments.

The value of those investments may go up or down. The types of investments and the fees you will be charged are described in this document.

What will your money be invested in?

NZ Funds Wealth Builder offers seven investment options: five actively managed Strategies and two life cycle asset allocation options (Life Cycle).

These investment options are summarised in the table on pages 4 and 5. More information about the investment target and strategy for each investment option is provided on pages 10 and 11.

Who manages the Strategies?

NZ Funds is the manager of the Strategies. See section 7 of this Product Disclosure Statement (PDS) 'Who is involved?' on page 15 for more information.

How can you get your money out?

You can withdraw all or part of your investment at any time.

In certain circumstances, NZ Funds may defer or suspend withdrawals. See section 2 of this PDS 'How does this investment work?' on page 7 for more information.

Your investment in the Strategies can be sold but there is no established market for trading these financial products. This means that you may not be able to find a buyer for your investment.

How will your investment be taxed?

All of the Strategies offered under this PDS are Portfolio Investment Entities (PIEs). The amount of tax you pay in respect of a PIE is based on your prescribed investor rate (PIR).

To determine your PIR, go to *www.ird.govt.nz/roles/portfolio-investment-entities/using-prescribed-investor-rates*. See section 6 of this PDS 'What taxes will you pay?' on page 15 for more information.

Where can you find more key information?

NZ Funds publishes Quarterly Fund Updates for each investment option. The updates show the returns, and the total fees actually charged to investors, during the previous year.

The latest Quarterly Fund Updates are available at *www.nzfunds.co.nz*. NZ Funds will also give you copies of those documents on request.

Comparing our investment options

Name	Objective	Description	Risk indicator	Estimated annual fund charges [3,4] Total invested < $1 million	Estimated annual fund charges after fee rebate [3,4,5] Total invested ≥ $1 million
Self Select					
Cash Strategy[1]	To provide a source of capital.	Anticipated to mainly own and trade cash and cash equivalents and other authorised asset classes [6] over the minimum suggested timeframe.		0.20%	0.20%
Income Strategy	To generate income by investing in income assets and other authorised assets with active management.	Anticipated to mainly own and trade New Zealand, Australian and international bonds and other authorised asset classes [6] over the minimum suggested timeframe.		1.12%	1.12%
Defensive Growth Strategy	To mitigate the impact of inflation on your investment over the medium and/or long term with active management.	Anticipated to mainly own and trade New Zealand, Australian and international shares, and other authorised asset classes [6] over the minimum suggested timeframe.		1.35%	1.25%
Share Growth Strategy[1]	To grow your investment over the long term by investing in shares and other authorised assets with active management.	Anticipated to mainly own and trade New Zealand, Australian and international shares with downside mitigation over the minimum suggested timeframe.		1.35%	1.25%
Growth Plus Strategy	To grow your investment over the long term by investing in growth assets and other authorised assets with active management.	Anticipated to mainly own and trade New Zealand, Australian and international shares and other authorised asset classes[6] including commodities with downside mitigation over the minimum suggested timeframe.		1.65%	1.25%

Name	Objective	Description		Risk indicator	Estimated annual fund charges [3,4] Total invested < $1 million	Estimated annual fund charges after fee rebate [3,4,5] Total invested ≥ $1 million
Share Growth with Life Cycle [1,2]						
Share Growth with Life Cycle age 0-54	To allocate your investment across three Strategies according to your age.	Income Strategy Defensive Growth Strategy Share Growth Strategy	5% 10% 85%	← Lower risk Higher risk → 1 2 3 4 **5** 6 7 ← Potentially lower returns Potentially higher returns →	1.34%	1.24%
Share Growth with Life Cycle at age 65		Income Strategy Defensive Growth Strategy Share Growth Strategy	27% 34% 39%	← Lower risk Higher risk → 1 2 3 **4** 5 6 7 ← Potentially lower returns Potentially higher returns →	1.29%	1.21%
Share Growth with Life Cycle at age 75		Income Strategy Defensive Growth Strategy Share Growth Strategy	35% 34% 31%	← Lower risk Higher risk → 1 2 3 **4** 5 6 7 ← Potentially lower returns Potentially higher returns →	1.27%	1.20%
Growth Plus with Life Cycle [2] (default option)						
Growth Plus with Life Cycle age 0-54	To allocate your investment across three Strategies according to your age.	Income Strategy Defensive Growth Strategy Growth Plus Strategy	5% 10% 85%	← Lower risk Higher risk → 1 2 3 4 5 **6** 7 ← Potentially lower returns Potentially higher returns →	1.59%	1.24%
Growth Plus with Life Cycle at age 65		Income Strategy Defensive Growth Strategy Growth Plus Strategy	27% 34% 39%	← Lower risk Higher risk → 1 2 3 4 **5** 6 7 ← Potentially lower returns Potentially higher returns →	1.40%	1.21%
Growth Plus with Life Cycle at age 75		Income Strategy Defensive Growth Strategy Growth Plus Strategy	35% 34% 31%	← Lower risk Higher risk → 1 2 3 **4** 5 6 7 ← Potentially lower returns Potentially higher returns →	1.36%	1.20%

There is an administration fee of $29.76 a year.
If you are under 18 NZ Funds rebates the administration fee.
See page 14 for more information.

See page 12 for an explanation of the risk indicator and pages 12 and 13 for information about other risks that are not included in the risk indicator. **To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at *portal.nzfunds.co.nz/RiskLaunch/*.**

1. The Cash Strategy and Share Growth Strategy commenced operation on or about the date of this PDS. Accordingly, the risk indicator uses returns based on a market index over the five years to 30 September 2026 rather than the actual returns of the Cash Strategy and Share Growth Strategy. As a result, the risk indicator may be a less reliable indicator of the potential future volatility of the Cash Strategy, Share Growth Strategy and the Share Growth with Life Cycle option. 2. The Life Cycle options automatically allocate your investment across the relevant Strategies each year according to your age. We have selected three examples (age 0-54, at age 65 and at age 75) to provide information on the Life Cycle options in this PDS. More information on Life Cycle can be found on page 8. 3. As a percentage of the net asset value of each Strategy. 4. Includes estimated performance fees. See page 14 for more information. 5. If you invest $1 million or more in funds offered by NZ Funds, a fee rebate will apply. The fund charges shown are after this fee rebate. See pages 13 and 14 for more information. 6. See pages 10 and 11 for the authorised asset classes and target investment mix for each Strategy.

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2. How does this investment work?

Legal structure

The Strategies are established within the NZ Funds Managed Portfolio Service Part Two managed investment scheme (Scheme) registered under the Financial Markets Conduct Act 2013 (FMC Act). The Scheme is governed by a trust deed (Trust Deed) between NZ Funds and The New Zealand Guardian Trust Company Limited (Supervisor).

The money you invest into a Strategy is pooled with other investors' money to purchase assets. You will receive units in each Strategy you invest in which represent your interest in that Strategy. The units do not give you legal ownership of the Strategy's assets but they do give you the right to a share of any returns from those assets. The assets of a Strategy are not available to meet the liabilities of any other fund in the Scheme.

The number of units you receive is based on the Strategy's unit price. The performance of your investment will be measured by the rise or fall of the unit price.

The Strategies do not make distributions and any income received by the Strategies is reflected in the unit price.

Key features & benefits

Some of the features of this offer, including the use of derivatives and leverage, may mean an investment in the Strategies is not appropriate for you.

We recommend you discuss the features and benefits of this offer with a financial adviser before deciding whether to invest.

The Scheme offers:

- five actively managed Strategies (Self Select);
    - Cash Strategy,
    - Income Strategy,
    - Defensive Growth Strategy,
    - Share Growth Strategy, and
    - Growth Plus Strategy.

You can also choose to invest using one of the two life cycle asset allocation options (Life Cycle):

- Share Growth with Life Cycle, which includes the Income Strategy, Defensive Growth Strategy and Share Growth Strategy; and
- Growth Plus with Life Cycle, which includes the Income Strategy, Defensive Growth Strategy and Growth Plus Strategy.

Strategies

NZ Funds uses an active investment management approach when managing the Strategies. This approach seeks to maintain a balance between preserving your capital and growing your wealth in a manner that is consistent with each Strategy's objective.

Our active investment management approach means that we make ongoing investment decisions, search for emerging opportunities, buy or sell securities, and use sophisticated investment instruments and techniques (used by other managers who manage money in similar ways to us) in seeking to achieve the investment objective of each Strategy.

In managing the Strategies, we may take a wide variety of actions. These are described in the Statement of Investment Policy & Objectives (SIPO), which is available on the scheme register at *disclose-register.companiesoffice.govt.nz*.

The Cash Strategy predominantly invests in bank bills and is designed for Members who require access to their funds in the near term. It is suited to Members who require an investment with lower volatility.

In managing the Defensive Growth Strategy we use an active-quant approach. Active-quant means that, as part of our active management approach, we select companies from the sectors that are the focus of the Defensive Growth Strategy and then use quantitative screens to determine their portfolio weight and liquidity.

We may use external investment managers (external managers), specialising in different asset classes and investment approaches. External managers may be selected where we consider they will help meet the Strategies' objectives. Some of the external managers we use may not offer their services to individual investors.

We may employ downside mitigation strategies designed to mitigate the effect of market downturns on the Strategies. The ability to access downside mitigation is a key feature of the Share Growth Strategy and Growth Plus Strategy, and from time to time other Strategies. However, there may be periods where downside mitigation is not successful or is not applied.

NZ Funds may use derivatives in managing the Strategies. A derivative is a specialised financial instrument that gets (derives) its value from another asset (the underlying asset). Derivatives are useful because they are financially equivalent to buying, selling, or trading the underlying asset itself, and are generally very liquid because of the volume of transactions traded daily.

The use of derivatives can help us achieve better outcomes by enabling us to implement changes rapidly. The transaction costs associated with trading derivatives are also minimal when compared to the costs of buying, selling, or trading the underlying assets.

Derivatives can be considered to be 'leveraged' investments, which means that a relatively small investment in derivatives can produce the same gain or loss as a much larger investment in the underlying asset. As a result, gains or losses may be increased compared to an investment approach that does not use derivatives.

The use of derivatives and the leverage their use may create can increase or decrease investment risk. NZ Funds uses derivatives in a selective manner and makes decisions on the amount of leverage through derivatives that individual Strategies may use.

The use of derivatives is managed through NZ Funds' active management approach and through the processes and policies surrounding our investment guidelines. The guidelines are not limits on the amount of leverage that the use of derivatives may create in each authorised asset class.

NZ Funds expects to regularly use leverage (via derivatives) to change the exposure to authorised asset classes (except for the Cash Strategy). The actual amount of leverage used by the Strategies for the preceding five years is set out in the Other Material Information (OMI) document, which is available on the offer register at *disclose-register.companiesoffice.govt.nz*.

The Strategies may deviate materially from the target allocations, due to active investment management decisions and factors such as fund flows or movements in securities prices. NZ Funds may choose to modify its investment approach or the target allocations from time to time to, for example, ensure that the Strategies meet our responsible investment policy or as part of its active management approach.

The use of derivatives in managing the Strategies is a key feature of NZ Funds' investment management approach and may be extensive. The ability to use derivatives enables the Strategies (other than the Cash Strategy) amongst other things, to gain additional exposures through leverage. Leverage may magnify both gains and losses.

Other features & benefits

Wholesale trusts

The Strategies may invest directly, or indirectly via wholesale trusts. A wholesale trust is a wholesale fund managed by us which holds investments. The wholesale trust investment structure provides operational and administrative efficiencies.

Securities lending

The Strategies may undertake securities lending and other revenue generating activities. Securities lending involves the transfer (lending) of securities (e.g. bonds or shares) to a third party (the borrower) for a fixed period of time, in return for a payment (revenue).

To protect against loss, the borrower may provide the lender with collateral in the form of cash or securities. There is no guarantee that the relevant Strategy will not incur a loss.

The net proceeds generated from these activities will be shared equally between NZ Funds and the relevant Strategy. Where these activities involve risks, such as the risk of default, the risks are borne by the relevant Strategy.

Borrowing

The Strategies do not borrow to invest.

Making investments

Wealth Builder is designed for individuals saving for retirement or for individuals or trusts saving for a specific goal. You can invest by completing an online application or if you are unable to access online via a paper application available from NZ Funds or your financial advice provider. See section 10 'How to apply' on page 16 for more information.

An investment can be made by lump sum or regular contributions. You can choose to make regular contributions on a weekly, fortnightly, monthly or quarterly basis. You can stop regular contributions at any time by sending us a letter or email.

NZ Funds does not charge an application or a contribution fee.

Investment choices

You can invest in the Scheme in three ways: using the Self Select investment option to invest in one or more of the Strategies, or using one of the two Life Cycle investment options.

Self Select

Self Select enables investors to choose any combination of five Strategies to meet their financial goals. Under Self Select, you choose which of the five Strategies your contributions will be invested in and how much is invested in each. You can ask us to rebalance to your chosen allocation annually. If you choose Self Select we recommend that you work with a financial adviser.

Life Cycle

The Strategies can also be accessed by selecting one of the two Life Cycle investment options:

- **Share Growth with Life Cycle investment option**, which includes the Income Strategy, Defensive Growth Strategy and Share Growth Strategy; and
- **Growth Plus with Life Cycle investment option**, which includes the Income Strategy, Defensive Growth Strategy and Growth Plus Strategy.

You can only invest in one of the Life Cycle options.

Growth Plus with Life Cycle is the default investment option. If you do not choose to invest in one or more Strategies, or the Share Growth with Life Cycle investment option, then your funds will be invested in the Growth Plus with Life Cycle investment option.

The Life Cycle investment options automatically rebalance your investment across the Strategies every year, according to your age. Regularly rebalancing your investments can have a significant impact on the long term success of your investment.

The Life Cycle approach is designed to manage the risk of your investment by automatically allocating your investment across the Strategies making up each Life Cycle investment option according to your age. Regularly rebalancing your investments can significantly impact on the long term success of your investment in KiwiSaver.

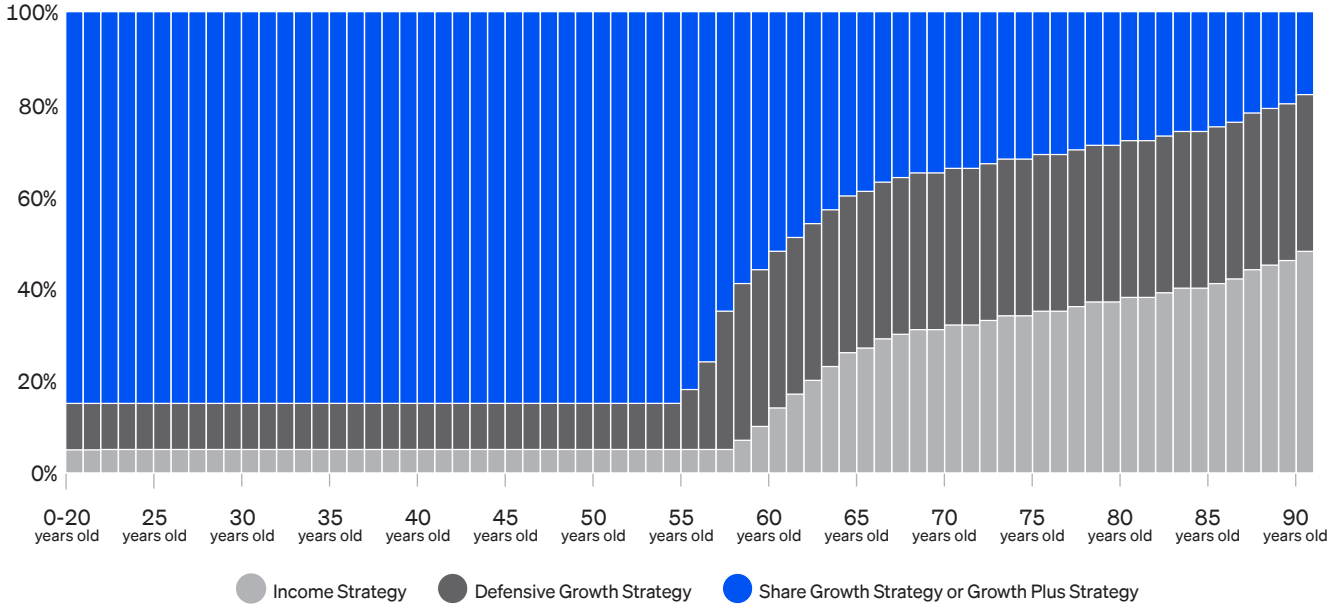
For Investors under 55 years old, the Life Cycle approach places 85% of your investments into either the Share Growth Strategy or the Growth Plus Strategy. Beginning at age 55, the Life Cycle approach steadily reduces your exposure to the Share Growth Strategy or Growth Plus Strategy (as applicable) and increases the proportion of your investments allocated to the Income and Defensive Growth Strategies. Glidepath allocation will be based on the age of the oldest account holder.

Older Investors have less time before they begin to withdraw funds. This shorter investment time horizon means they are less likely to recoup any losses if a downturn occurs.

Moving into lower-volatility Strategies may reduce potential returns, but offers less volatility. The chart on page 9 shows the current Strategy allocations under the two Life Cycle options. These allocations may change.

The Life Cycle options are designed for Investors who want to remain invested through their retirement years and draw down on their savings regularly. They may not be appropriate for Investors who plan to withdraw all, or a significant portion of their investment when they reach age 65 or early on in their retirement.

Life Cycle



If you choose a Life Cycle investment option, it is important that you understand that your initial investment and any subsequent investments will be allocated across the Strategies in accordance with the Glidepath shown in the chart above based on your age at the last reallocation date. You also agree that your investment in the Strategies making up the chosen Glidepath will be reallocated on 31 August each year (reallocation date) in accordance with the Glidepath.

If you wish to change your investment mix, you need to fully withdraw from Life Cycle and reinvest in the Strategies using Self Select. More information on how to switch can be found below.

Withdrawing your investments

You can withdraw all or part of your investment in a Strategy at any time by completing a withdrawal request online through the NZ Funds Digital Wallet. NZ Funds does not charge a withdrawal fee.

You can choose to make regular withdrawals of a set amount on a fortnightly, monthly or quarterly basis. You can set up regular withdrawals by completing a single withdrawal request; you do not need to complete a request for each withdrawal. You can stop regular withdrawals any time online or by sending us a letter or email.

If you have chosen Self Select, you may withdraw amounts from one or more Strategies. If you have chosen a Life Cycle investment option, amounts will be withdrawn from each Strategy in line with the proportions under the Glidepath according to your age at the last reallocation date.

We may in our discretion defer withdrawals for up to two business days. We may also suspend withdrawals in certain circumstances where we consider that it is not practicable or would be materially prejudicial to the interests of investors in the Strategy.

How to switch between funds

You can switch between Self Select and Life Cycle, or between Life Cycle investment options at any time, subject to NZ Funds' ability to suspend switches.

If you have chosen Self Select, you can switch between Strategies by completing a switch request online through the NZ Funds Digital Wallet. Switch requests are normally processed within two business days of receipt. NZ Funds does not charge a switch fee.

If you have chosen a Life Cycle investment option, you are unable to switch between Strategies as your investment is allocated automatically using the Glidepath.

You may switch between Life Cycle and Self Select, or between Life Cycle investment options, by completing a switch request online through the NZ Funds Digital Wallet. If you are switching between Life Cycle and Self Select, or between Life Cycle investment options, you must make a full withdrawal from all Strategies you are invested in, followed by a reinvestment.

The NZ Funds Digital Wallet is available from the Apple App Store and from the Google Play site. If you are unable to access the NZ Funds Digital Wallet, a paper switch form is available from NZ Funds or your financial adviser.

We may in our discretion defer processing some or all switch requests for up to 20 business days. Where a switch request is deferred, withdrawal proceeds will be calculated on the date that the switch request is processed, and not on the date that it is received.

We may also suspend switches in certain circumstances where we consider that it is not practicable or would be materially prejudicial to the interests of investors in the Strategy.

You must not allow an AI agent, bot or other automated service to complete or submit withdrawal or switch forms on your behalf. For more information on withdrawals and switches, see the OMI document on the offer register at *disclose-register.companiesoffice.govt.nz*.

3. Description of your investment options

NZ Funds uses an active investment management approach when managing the Strategies. This approach seeks to maintain a balance between preserving your capital and growing your wealth in a manner that is consistent with each Strategy's objective.

Our active investment management approach allows the Strategies to be invested in authorised asset classes in any proportion. It also includes the ability for the Strategies to use derivatives which can create leverage. We may also actively manage foreign currency in the Strategies.

Investment guidelines

NZ Funds uses a combination of authorised asset classes, guideline ranges and target investment mixes in the oversight of the Strategies.

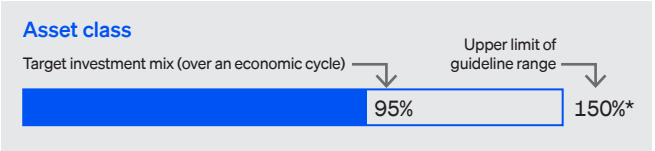
The **authorised asset classes** are the types of assets that each Strategy is permitted to invest in.

The **guideline ranges** are the ranges within which each Strategy will normally (but not always) invest in the authorised asset classes over the course of an economic cycle. More information on the guideline ranges is contained in the OMI document.

The OMI also contains information on how we manage foreign currency, and (where relevant) the historical investment mix and historical leverage range for each Strategy.

The **target investment mix** (being the dark coloured portion of the guideline range for each asset class) is the expected target investment mix for each Strategy over the economic cycle.

The guideline ranges and target investment mix shown in the table below and on page 11 can change for each Strategy over the course of the economic cycle.



* Numbers exceeding 100% illustrate use of leverage via derivatives.

Investment policy & objectives

Further information on NZ Funds' investment approach can be found in the SIPO. The SIPO is available on the scheme register at *disclose-register.companiesoffice.govt.nz*. We may make changes to the SIPO at any time after consulting with the Supervisor.

A description of any material changes will be included in the Scheme's annual report. Where required by the Trust Deed or law, you will receive notice of material changes before they occur. Further information about the assets in each Strategy can be found in the Quarterly Fund Updates at *www.nzfunds.co.nz*.

Responsible investing

Responsible investment, including environmental, social, and governance considerations, is taken into account in the investment policies and procedures of the Strategies as at the date of this PDS.

You can obtain an explanation of the extent to which responsible investment is taken into account in those policies and procedures at *www.nzfunds.co.nz/investment-approach/responsible-investing*.

Strategy	Objective	Strategy summary, guideline ranges and target investment mix [1]	Risk indicator	Minimum suggested timeframe
Self Select				
Cash Strategy[2]	To provide a source of capital.	Anticipated to mainly own and trade cash and cash equivalents and other authorised asset classes over the minimum suggested timeframe. Cash and cash equivalents 100% New Zealand fixed interest 0% International fixed interest 0%	1	1 month+
Income Strategy	To generate income by investing in income assets and other authorised assets with active management.	Anticipated to mainly own and trade New Zealand, Australian and international bonds and other authorised asset classes over the minimum suggested timeframe. Cash and cash equivalents 8% 100% New Zealand fixed interest 45% 100% International fixed interest 47% 100% Alternative Securities[3] 0% 50%	4	2 years+
Defensive Growth Strategy	To mitigate the impact of inflation on your investment over the medium and/or long term with active management.	Anticipated to mainly own and trade New Zealand, Australian and international shares and other authorised asset classes over the minimum suggested timeframe. Cash and cash equivalents 2% 50% New Zealand fixed interest 4% 50% International fixed interest 4% 50% Australasian equities 40% 125% International equities 28% 125% Listed property 22% 125% Alternative Securities[3] 0% 50%	5	5 years+
Share Growth Strategy[2]	To grow your investment over the long term by investing in shares and other authorised assets with active management.	Anticipated to mainly own and trade New Zealand, Australian and international shares with downside mitigation over the minimum suggested timeframe. Cash and cash equivalents 5% 100% New Zealand fixed interest 0% 75% International fixed interest 0% 75% Australasian equities 34% 125% International equities 57% 180% Listed property 4% Alternative securities[2] 0%	5	10 years+

Strategy	Objective	Strategy summary, guideline ranges and target investment mix[1]	Risk indicator	Minimum suggested timeframe
Self Select (continued)				
Growth Plus Strategy	To grow your investment over the long term by investing in growth assets and other authorised assets with active management	Anticipated to mainly own and trade New Zealand, Australian and international shares and other authorised asset classes including commodities with downside mitigation over the minimum suggested timeframe. Cash and cash equivalents 5% 100% New Zealand fixed interest 0% 75% International fixed interest 0% 75% Australasian equities 34% 125% International equities 57% 200% Listed property 4% 50% Commodities 0% 125% Alternative Securities[3] 0% 50%	6	10 years+
Share Growth with Life Cycle[2]				
Share Growth with Life Cycle age 0-54		Cash and cash equivalents 5% 95% New Zealand fixed interest 3% 73% International fixed interest 3% 74% Australasian equities 33% 112% International equities 51% 115% Listed property 5% 48% Alternative Securities[3] 0% 50%	5	10 years+
Share Growth with Life Cycle at age 65	To allocate your investment across three Strategies according to your age.	Cash and cash equivalents 5% 83% New Zealand fixed interest 14% 67% International fixed interest 14% 73% Australasian equities 27% 79% International equities 32% 88% Listed property 9% 33% Alternative securities[3] 0% 50%	4	5 years+
Share Growth with Life Cycle at age 75		Cash and cash equivalents 5% 83% New Zealand fixed interest 17% 67% International fixed interest 18% 75% Australasian equities 24% 72% International equities 27% 81% Listed property 8% 33% Alternative Securities[3] 0% 50%	4	5 years+
Growth Plus with Life Cycle				
Growth Plus with Life Cycle age 0-54		Cash and cash equivalents 5% 95% New Zealand fixed interest 3% 73% International fixed interest 3% 74% Australasian equities 33% 95% International equities 51% 183% Listed property 5% 48% Commodities 0% 85% Alternative Securities[3] 0% 50%	6	10 years+
Growth Plus with Life Cycle at age 65	To allocate your investment across three Strategies according to your age.	Cash and cash equivalents 5% 83% New Zealand fixed interest 14% 67% International fixed interest 14% 73% Australasian equities 27% 72% International equities 32% 119% Listed property 8% 36% Commodities 0% 39% Alternative Securities[3] 0% 50%	5	5 years+
Growth Plus with Life Cycle at age 75		Cash and cash equivalents 5% 83% New Zealand fixed interest 17% 67% International fixed interest 18% 75% Australasian equities 24% 65% International equities 27% 105% Listed property 9% 33% Commodities 0% 31% Alternative Securities[3] 0% 50%	4	5 years+

NZ Funds' internal investment guidelines include estimates of the amount of leverage that may be used in each authorised asset class. Investors should be aware that NZ Funds' use of derivatives may result in the proportion invested in an authorised asset class exceeding the guidelines shown in the table above from time to time.

Where the upper percentage of a guideline range exceeds 100% this indicates that NZ Funds expects to use derivatives to create leverage to increase the exposure to an authorised asset class beyond 100%. Showing a target investment mix of 100% or less for an authorised asset class does not mean derivatives will not be used. The Cash Strategy does not use derivatives to create leverage.

1. Monthly updates of the actual investments held by each Strategy are available on the Performance page of our website at *www.nzfunds.co.nz*. 2. The Cash Strategy and Share Growth Strategy commenced operation on or about the date of this PDS. Accordingly, the risk indicator uses returns based on a market index over the five years to 30 September 2026 rather than the actual returns of the Cash Strategy, Share Growth Strategy and the Share Growth with Life Cycle option. As a result, the risk indicator may be a less reliable indicator of the potential future volatility of the Cash Strategy, Share Growth Strategy and the Share Growth with Life Cycle option.
3. Alternative securities are investments not usually accessed by retail investors, for example hedge funds.

4. What are the risks of investing?

Understanding the risk indicator

Managed funds in New Zealand must have a standard risk indicator. The risk indicator is designed to help investors understand the uncertainties both for loss and growth that may affect their investment.

You can compare funds using the risk indicator. The risk indicators for the funds offered under this PDS can be found on pages 4, 5, 10 and 11.



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 (volatility). 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 *portal.nzfunds.co.nz/RiskLaunch/*.

Note that even the lowest category does not mean a risk-free investment, and there are other risks (described under the heading 'Other specific 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. You can see the most recent risk indicator in the latest Quarterly Fund Update for each investment option.

The Cash Strategy and Share Growth Strategy commenced operation on or about the date of this PDS. Accordingly, their risk indicators use market index returns for the five years to 30 September 2026.

The risk indicators are calculated using historical or market index returns only. If the period of returns used in calculating the risk indicators reflected a time of unusually low or high volatility, the risk indicator may not reflect the future volatility of a Strategy.

We use an active investment approach in managing the Strategies. Our active investment approach seeks to anticipate future events and this leads to changes in our asset allocations. Changing our asset allocation may lead to material changes to expected future risk or expected returns.

General investment risks

Some of the things that may cause a Strategy's value to move up and down, which affect the risk indicator, are:

Market risk

Market risk is the risk of volatility or loss caused by a change in the value of investments held. Market risk arises from uncertainty about the future value of investments. Changes in value may be caused by factors specific to an investment, or as a result of factors affecting financial markets generally.

Illiquid security risk

The Strategies may hold illiquid securities. Illiquid securities are assets that cannot quickly be converted or exchanged for cash (or not without a significant loss in value). Illiquid securities generally carry a greater risk than liquid securities, particularly during times of market volatility. Investment illiquidity may make it difficult to value, acquire or dispose of assets.

Asset concentration risk

The Strategies can hold authorised asset classes and securities in any proportion or concentration, meaning that the Strategies may not always be diversified. For example, the Cash Strategy predominantly invests in bank bills issued by New Zealand trading banks, and from time to time a Strategy may be predominantly invested in a specific security, external manager, asset class, country or sector and may be particularly exposed to any adverse circumstances affecting them.

Currency risk

The unit prices of each Strategy are denominated in New Zealand dollars, but the Strategies may be exposed directly or indirectly to foreign currencies. There is a risk that returns may be adversely affected by foreign currency volatility.

Other specific risks

Other circumstances that can significantly increase the risk to returns for investors and that may not be reflected in the risk indicator include:

Life Cycle risk

There is a risk that the predefined age-based asset allocation used in the Life Cycle investment options may not be suitable for you as it does not take into account your personal financial circumstances.

Sophisticated instruments & techniques

In managing the Strategies, NZ Funds and its external managers are able to use certain sophisticated investment instruments and techniques (including hedge funds and derivatives) which are used by other managers who manage money in similar ways to us. This may result in the returns on your investment fluctuating more than in some other funds. The risk of sophisticated investments may be higher than the risk indicator for the relevant Strategy.

Higher risk investments

The Strategies are different from some other funds in that they can invest in a wide range of investments, including investments which may be, or which may have traditionally been, considered to be speculative (e.g. hedge funds, derivatives and cryptocurrencies). This may result in the returns on your investment fluctuating more than in other funds. The risk of those investments may be higher than the risk indicator for the relevant Strategy.

Active management risk

NZ Funds also uses an active investment management approach. Active management is subject to different risks (which may be considered higher risks) than non-active or passive management. As a result, our active investment management approach may cause the returns and capital stability of the Strategies to differ from the returns and capital stability of other managers and the underlying asset classes used or targeted.

Active-quant risk

NZ Funds' active-quant investment approach allocates funds based on a set of quantitative criteria and an assessment of liquidity to help determine the asset allocation of certain wholesale trusts that the Defensive Growth Strategy invests into. The Defensive Growth Strategy's returns may therefore be materially determined by this investment approach.

What we invest in can change rapidly & significantly
In implementing our active investment management approach we invest in a wide range of assets and emerging investments and change assets quickly. We can do this without notice to investors. The potential for rapid changes in the nature and extent of assets invested in and the potential for emerging investments may significantly increase losses in the Strategies. As part of our investment management process, we maintain internal investment guidelines which assist in the oversight of the Strategies. For more information on our internal investment guidelines, see the OMI document.

Potentially extensive use of leverage via derivatives
In managing the Strategies, NZ Funds may use derivatives to create leverage (except the Cash Strategy where derivatives are not used to obtain leverage) to seek to both increase returns (by taking active positions) and reduce risk (by taking hedge positions). There is no limit on our use of derivatives or the amount of leverage their use may create. The use of derivatives and the leverage their use may create can increase or decrease the risk of a Strategy materially and is an essential aspect of our active investment approach.

Security risk
A Strategy's returns may fluctuate as a result of changes in the value of securities that it invests in. The value of a security may be affected by many factors, including the performance of the relevant security, market sector, asset class or country.

Execution risk
Execution risk is the risk that NZ Funds is unable to buy or sell an investment in a timely and efficient manner, and on terms, including price and quantity, that NZ Funds deems reasonable or intended. If NZ Funds is unable to do this the Strategies may be adversely affected.

External manager risk
NZ Funds may use external managers in the management of the Strategies. There are a number of risks associated with investing with these managers. These include wide mandates, redemption restrictions, and the risk that a manager may underperform or generate a loss. We have a due diligence process for appointing external managers and managers are monitored and reviewed.

Securities lending risk
Securities lending risk is the risk that the borrower of securities is unable to meet, or refuses to honour, its obligations to return the borrowed securities, and that where collateral has been provided, the collateral is insufficient to cover the cost of repurchasing those securities, or those securities are unavailable for purchase.

Key person risk
The Strategies may be dependent on the services of one or more key persons, either inside or outside NZ Funds, and may be adversely affected by the departure or poor performance of one or more of those individuals.

For more information on the risks of investing in the Strategies, see the OMI document, which is available on the offer register at *disclose-register.companiesoffice.govt.nz*.

5. What are the fees?

You will be charged fees for investing in the Strategies. Fees are deducted from your investment and will reduce your returns. If NZ Funds invests in other funds, those funds may also charge fees. The fees you pay will be charged in two ways:

- Regular charges (for example, annual fund charges). Small differences in these fees can have a big impact on your investment over the long term.
- One-off fees. NZ Funds does not charge any establishment, application, contribution, termination, withdrawal, switch or transfer fees.

Name		Estimated annual fund charges [1,2] Total invested < $1 million	Estimated annual fund charges after fee rebate [1,2,3] Total invested ≥ $1 million
Cash Strategy		0.20%	0.20%
Income Strategy		1.12%	1.12%
Defensive Growth Strategy		1.35%	1.25%
Share Growth Strategy		1.35%	1.25%
Growth Plus Strategy		1.65%	1.25%
Share Growth with Life Cycle	age 0-54	1.34%	1.24%
	at age 65	1.29%	1.21%
	at age 75	1.27%	1.20%
Growth Plus with Life Cycle	age 0-54	1.59%	1.24%
	at age 65	1.40%	1.21%
	at age 75	1.36%	1.20%

There is an administration fee of $29.76 a year.

If you are under 18, NZ Funds rebates the administration fee.

Annual fund charges

Annual fund charges are made up of a management fee, estimated performance fees, and other fund charges incurred by the Strategies. These fees and charges are deducted directly or indirectly from each Strategy and are reflected in the unit price of that Strategy.

The estimated annual fund charges for each investment option represent the total estimated amount of all of the fees. For more details on the basis of estimation, see the OMI document.

NZ Funds charges each Strategy an annual management fee. The management fee is fixed as a percentage of the Strategy's gross asset value, calculated daily and paid monthly.

Other fund charges are estimates of what third parties charge for services provided to the Strategies and related wholesale trusts in which they invest. They include the Supervisor's fee, professional fees and expenses and fees charged by external specialist investment managers (external managers).

Where NZ Funds employs third-party investment experts to help manage a Strategy's investments, other fund charges also include the estimated management and performance fees charged by those investment experts.

1. As a percentage of the net asset value of each Strategy. 2. The estimated annual fund charges include estimated performance fees of between 0.00% and 0.03% of the net asset value of each Strategy. Actual performance fees received by NZ Funds are set out in the OMI document. 3. A fee rebate will apply where the total amount you have invested in the Strategies and other managed funds offered by NZ Funds is $1 million or more.

Transaction costs incurred in buying and selling the Strategies' assets are paid directly or indirectly by the Strategies and are reflected in their unit price. They are not included in annual fund charges and are not rebated.

Performance fee

NZ Funds may charge a performance fee in certain wholesale trusts that the Strategies invest in. All performance fees are based on a hurdle rate of return. The hurdle rate is the minimum return the wholesale trust must achieve before a performance fee is charged.

A performance fee is only charged (accrued) if the returns of the wholesale trust (before tax, but not including imputation credits) exceed the performance of the relevant specific market index (hurdle rate) set out in the table below. When we calculate the performance fee, we include a notional management fee which has the effect of increasing the level of return the wholesale trust must achieve before a performance fee is charged.

All performance fees are calculated and accrued daily and, subject to the high-water mark being exceeded (see below), are payable on or after 31 March each year. There is no maximum limit on any performance fee.

The table below sets out the wholesale trusts where a performance fee may be charged and the criteria that needs to be met for a performance fee to be charged.

A performance fee is accrued if the wholesale trust's return exceeds the hurdle rate but is only paid for a performance year if the wholesale trust's unit price exceeds the high-water mark (being the unit price the last time the performance fee was paid or in the case of the first performance fee the unit price on the date that the performance fee came into effect).

Out-performance of the relevant market index, whether the market index return is positive or negative, will result in a performance fee being accrued even though the unit price may be below the last high-water mark.

If the high-water mark is not exceeded at 31 March, any accrued performance fee is carried forward and will be paid when the high-water mark is exceeded. The high-water mark ensures that any accrued performance fee is not paid to NZ Funds until the unit price is above the last high-water mark.

NZ Funds may change the rate and basis of calculation of a performance fee at any time by giving one month's notice to investors. For more information on the performance fee, including an example of how it is calculated, see the OMI document.

Other charges

Administration fee

There is an administration fee of $29.76 a year which covers the costs of administering your account. This is deducted from your account monthly. If you are under 18 NZ Funds rebates this fee.

Financial advice fees

With your agreement, your financial advice provider may charge a fee for initial and/or ongoing financial advice and/or service. If charged and if you agree, this will be deducted from your investment and paid to your financial advice provider.

Where you have selected a financial adviser employed by NZ Funds, we may charge a fee for financial advisory services in the same way as set out above.

Fee rebates

$1 million or more

A fee rebate will apply in respect of the Growth Plus Strategy where the total amount you have invested in the Strategies and other managed funds offered by NZ Funds is $1 million or more. The fee rebate is calculated daily based on the balance of your investment and paid monthly. The fee rebate is illustrated in the table on page 13.

Additional rebates

In addition, we may, in our discretion and from our own funds, pay or rebate some or all fees and expenses, and we may offer an investor or a group of investors a different fee rebate from that set out in this section at our discretion.

For more information on fees and fee rebates, see the OMI document.

Investing Strategy	Wholesale Trust	What is performance assessed against?	Specific market indices used as performance benchmark (hurdle rate)[1]	Performance fee amount
Income Strategy	Private Core Income Portfolio	New Zealand bonds	S&P /NZX Investment Grade Corporate Bond Total Return Index	10% of the wholesale trust's returns above the hurdle rate.
	Private Global Income Trust	International bonds	Bloomberg Global Aggregate Corporate - 1-3 Years Total Return Index Hedged USD	
Defensive Growth Strategy	Private Global Property Trust	International listed property	FTSE EPRA NAREIT Developed Index Hedged in NZD Net Total Return	15% of the wholesale trust's returns above the hurdle rate.
	New Zealand Investment Trust 9	New Zealand listed property	S&P/NZX Real Estate Select Index Gross	
	New Zealand Investment Trust 16	New Zealand listed utility shares	S&P/NZX All Utilities Sector Gross	
	New Zealand Investment Trust 20	New Zealand listed industrial shares	S&P/NZX All Industrials Sector Gross	
	New Zealand Investment Trust 23	International listed utility shares	S&P World Utilities Weighted & Screened Index	
	New Zealand Investment Trust 24	International listed infrastructure shares	STOXX Global Broad Infrastructure Net Total Return Index USD	
Growth Plus Strategy	Private Dividend Yield Trust	New Zealand and Australian shares	70% S&P/NZX 50 Portfolio Index Gross 30% S&P/ASX 200 Total Return Index	
	Private Global Macro Trust	International shares	MSCI All Countries World Index ex Fossil Fuels Net Total Return Local Index	
	New Zealand Investment Trust 3	Bitcoin and United States Shares	50% S&P 500 Net Total Return Index 50% S&P CME Bitcoin Futures Daily Roll Index	

1. As the hurdle rate is based on the performance of the relevant wholesale trust, you may pay a performance fee even if the Strategy's overall performance is below the market index as reported in the Quarterly Fund Updates.

Example of how fees apply to an investor

Sarah invests $10,000 in the Growth Plus Strategy. She is not charged an establishment, application or contribution fee. This means the starting value of her investment is $10,000.

She is charged management and administration fees (comprising a management fee and estimated other fund charges) which work out to about $163 (1.63% of $10,000). These fees might be more or less if her account balance has increased or decreased over the year.

Sarah may also be indirectly charged a performance fee if the Private Dividend Yield Trust, Private Global Macro Trust, and New Zealand Investment Trust 3 (wholesale trusts in which the Growth Plus Strategy is invested), earned more than their target. Over the next year, Sarah pays other charges of $29.76.

Estimated total fees for the first year:
Fund charges $165*.
Other charges $29.76.
* Includes an estimated performance fee of $2.00.

See the latest Quarterly Fund Update for an example of the actual returns and fees investors were charged over the past year. This example applies only to the Growth Plus Strategy. If you are considering investing in other investment options in the Scheme, this example may not be representative of the actual fees you may be charged.

Additional information

Goods & Services Tax (GST)
Fees do not include GST or other similar tax. This means that if any GST, or other similar tax, is payable on any fee, that tax will be an additional cost.

Securities lending revenue
The net proceeds from securities lending and other specific revenue generating activities will be shared equally between NZ Funds and the relevant Strategy.

Onboarding & service payments
NZ Funds may pay an external financial advice provider an onboarding and ongoing service payment in recognition of the effort and costs associated with providing services to you.

These payments are made out of the revenue earned by NZ Funds for managing the Strategies and are not directly deducted from the Strategies.

Commission sharing
We have a commission sharing policy that sets out our approach to commission sharing arrangements with certain brokers in order to extract better value from the brokerage Strategies currently pay. Commission sharing arrangements enable us to undertake or obtain research that assists our investment decision-making process.

Commission sharing arrangements cannot be used for management or corporate related expenses or for research which will solely benefit a Strategy that did not contribute to the brokerage generating the commission sharing amounts.

The fees can be changed
Under the terms of the Trust Deed, existing fees may be changed or new fees may be introduced. For more information, see the OMI document.

NZ Funds must publish a Quarterly Fund Update for each Strategy showing the fees actually charged during the most recent year. Quarterly Fund Updates, including past updates, are available at *www.nzfunds.co.nz*.

6. What taxes will you pay?

Each Strategy is a PIE. The amount of tax you pay is based on your PIR. To determine your PIR, go to *www.ird.govt.nz/roles/portfolio-investment-entities/using-prescribed-investor-rates*. If you are unsure of your PIR, we recommend you seek professional advice or contact Inland Revenue.

It is your responsibility to tell NZ Funds your PIR when you invest or if your PIR changes. If you do not tell NZ Funds, a default rate may be applied.

If the rate applied to your PIE income is lower than the correct PIR you will be required to pay any tax shortfall as part of the income tax year-end process. If the rate applied to your PIE income is higher than your PIR, any tax over-withheld will be used to reduce any income tax liability you may have for the tax year and any remaining amount may be refunded to you.

For more information on tax, see the OMI document.

7. Who is involved?

NZ Funds
NZ Funds is the manager of the Strategies. NZ Funds makes decisions about what assets the Strategies invest in and may appoint external managers. NZ Funds is also responsible for the design and implementation of the Life Cycles. Our contact details are:

Attention: Client Services
New Zealand Funds Management Limited

Level 16, 21 Queen Street
Private Bag 92163
Auckland 1142

T. 09 377 2277 or 0800 377 2277
E. info@nzfunds.co.nz
W. www.nzfunds.co.nz

Who else is involved?

Title	Name	Role
Supervisor & Custodian	The New Zealand Guardian Trust Company Limited	Supervisor and Custodian of the Strategies under the Financial Markets Conduct Act 2013, responsible for supervising NZ Funds as manager of the Strategies, and holding Scheme property on trust for the Scheme.

8. How to complain

NZ Funds
If you have any concerns about your investment please contact NZ Funds. Our contact details are:

Attention: Client Services
New Zealand Funds Management Limited

Level 16, 21 Queen Street
Private Bag 92163
Auckland 1142

T. 09 377 2277 or 0800 377 2277
E. info@nzfunds.co.nz
W. www.nzfunds.co.nz

Guardian Trust
Complaints can also be made to the Supervisor. The Supervisor's contact details are:

Attention: NZ Funds Relationship Manager
The New Zealand Guardian Trust Company Limited

Level 6, 191 Queen Street
PO Box 274
Auckland 1140

T. 0800 300 299
E. ct-auckland@nzgt.co.nz
W. www.guardiantrust.co.nz

Dispute resolution
NZ Funds and the Supervisor are both members of an approved dispute resolution scheme run by Financial Services Complaints Limited - A Financial Ombudsman Service (FSCL).

If your complaint has not been resolved to your satisfaction, you can contact FSCL. FSCL will not charge you a fee to investigate or resolve a complaint.

Attention: New Zealand Funds Management Limited

Financial Services Complaints Limited - A Financial Ombudsman Service

PO Box 5967
Wellington 6140

T. 04 472 3725 or 0800 347 257
E. complaints@fscl.org.nz
W. www.fscl.org.nz

9. Where you can find more information

More information about the Scheme and the Strategies, such as financial statements, annual reports, Quarterly Fund Updates (when available for the Cash Strategy and the Share Growth Strategy), the OMI document, the Trust Deed and the SIPO, is available on the offer register and the scheme register at *disclose-register.companiesoffice.govt.nz*.

A copy of information on the offer register and the scheme register is available on request from the Registrar of Financial Service Providers.

Quarterly Fund Updates and other information relating to the Strategies (including the OMI document and the SIPO) are also available on our website.

You may also request a copy of this information from NZ Funds free of charge. Our contact details are set out in section 7 of this PDS 'Who is involved?'.

10. How to apply

You can invest in Wealth Builder by completing an application form available at *www.nzfunds.co.nz*, or by contacting NZ Funds or your financial advice provider. You must not allow an AI agent, bot or other automated service to complete or submit this form on your behalf.

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New Zealand Funds Management Limited

Level 16, 21 Queen Street
Private Bag 92163, Auckland 1142
New Zealand

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W. www.nzfunds.co.nz

Sydney
Auckland
Tauranga
Wellington
Christchurch
Timaru
Dunedin