

NZFUNDS

Portfolio Insights

June 2019

Product Disclosure Statement

New Zealand Funds Management Limited is the issuer of the NZ Funds Managed Portfolio Service, the NZ Funds KiwiSaver Scheme, and the NZ Funds Managed Superannuation Service.

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.

A copy of the NZ Funds Managed Portfolio Service Product Disclosure Statement, the NZ Funds KiwiSaver Scheme Product Disclosure Statement, and the NZ Funds Managed Superannuation Service Product Disclosure Statement is available on request or by visiting the NZ Funds 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.

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Performance summary

NZ Funds Managed Portfolio Service





Cumulative returns to 30 June 2019

Managed Portfolio Service		Actual Portfolio Returns								
Category	Portfolio		1 month	3 months	6 months	1 year	2 years	5 years	10 years	Since inception
 Cash	Core Cash Portfolio ²	Pre tax	0.10%	0.36%	0.79%	1.72%	3.60%	12.21%	26.94%	37.94%
		Post tax	0.07%	0.26%	0.57%	1.24%	2.58%	8.64%	18.67%	25.75%
 Income	Core Income Portfolio ³	Pre tax	0.55%	1.94%	3.95%	6.17%	10.02%	24.02%	60.49%	69.42%
		Post tax	0.40%	1.40%	2.83%	4.41%	7.13%	16.82%	40.52%	45.96%
	Global Income Portfolio ¹	Pre tax	1.69%	2.44%	6.36%	6.37%	4.89%	16.71%	47.70%	51.75%
		Post tax	1.22%	1.76%	4.55%	4.57%	3.53%	11.84%	32.23%	34.75%
 Inflation	Core Inflation Portfolio ⁴	Pre tax	2.42%	5.49%	16.25%	8.15%	18.70%	23.34%	56.77%	59.74%
		Post tax	2.18%	4.87%	14.46%	6.49%	16.37%	24.56%	69.17%	73.48%
	Property Inflation Portfolio ¹	Pre tax	1.97%	5.13%	14.31%	11.93%	17.62%	37.74%	78.06%	82.99%
		Post tax	1.73%	4.96%	13.60%	11.17%	16.66%	35.24%	68.78%	72.02%
	Equity Inflation Portfolio ⁴	Pre tax	4.04%	3.29%	14.17%	2.94%	12.73%	23.12%	54.00%	56.52%
		Post tax	2.92%	2.45%	10.75%	1.85%	11.18%	26.22%	93.06%	130.89%
 Growth	Core Growth Composite Strategy ⁶	Pre tax	6.74%	1.09%	10.93%	-2.12%	8.45%	15.07%	53.03%	164.10% ⁸
		Post tax	5.19%	0.21%	7.17%	-2.71%	7.89%	10.60%	44.11%	-
	Global Multi-Asset Growth Portfolio ⁹	Pre tax	5.17%	-0.52%	6.44%	-9.12%	9.78%	-29.92%	-	-34.11%
		Post tax	4.56%	-0.75%	6.56%	-9.44%	9.14%	-34.77%	-	-38.92%
	Global Equity Growth Composite Strategy ⁵	Pre tax	5.38%	3.17%	13.40%	1.76%	12.84%	44.95%	82.51%	269.01% ⁸
		Post tax	4.47%	3.04%	11.93%	1.55%	12.46%	37.78%	72.29%	-
	Dividend and Growth Composite Strategy ⁷	Pre tax	3.32%	6.52%	18.29%	8.71%	21.30%	80.10%	132.67%	854.07% ⁸
		Post tax	2.99%	5.98%	16.99%	7.12%	19.12%	72.12%	117.46%	-

IMPORTANT: Please refer to page 8 of this summary for the footnotes relating to this page.
Past performance is not necessarily an indication of future returns.

NZ Funds Managed Portfolio Service

Annualised returns to 30 June 2019

Managed Portfolio Service			Actual Portfolio Returns							
Category	Portfolio		1 month	3 months	6 months	1 year	2 years	5 years	10 years	Since inception
 Cash	Core Cash Portfolio ²	Pre tax	0.10%	0.36%	0.79%	1.72%	1.78%	2.33%	2.41%	2.88%
		Post tax	0.07%	0.26%	0.57%	1.24%	1.28%	1.67%	1.73%	2.04%
 Income	Core Income Portfolio ³	Pre tax	0.55%	1.94%	3.95%	6.17%	4.89%	4.40%	4.84%	4.94%
		Post tax	0.40%	1.40%	2.83%	4.41%	3.50%	3.16%	3.46%	3.52%
	Global Income Portfolio ¹	Pre tax	1.69%	2.44%	6.36%	6.37%	2.42%	3.14%	3.98%	3.99%
		Post tax	1.22%	1.76%	4.55%	4.57%	1.75%	2.26%	2.83%	2.84%
 Inflation	Core Inflation Portfolio ⁴	Pre tax	2.42%	5.49%	16.25%	8.15%	8.95%	4.28%	4.60%	4.49%
		Post tax	2.18%	4.87%	14.46%	6.49%	7.87%	4.49%	5.40%	5.30%
	Property Inflation Portfolio ¹	Pre tax	1.97%	5.13%	14.31%	11.93%	8.45%	6.61%	5.94%	5.83%
		Post tax	1.73%	4.96%	13.60%	11.17%	8.01%	6.22%	5.37%	5.22%
	Equity Inflation Portfolio ⁴	Pre tax	4.04%	3.29%	14.17%	2.94%	6.17%	4.25%	4.41%	4.29%
		Post tax	2.92%	2.45%	10.75%	1.85%	5.44%	4.77%	6.80%	8.16%
 Growth	Core Growth Composite Strategy ⁶	Pre tax	6.74%	1.09%	10.93%	-2.12%	4.14%	2.85%	4.35%	6.19%
		Post tax	5.19%	0.21%	7.17%	-2.71%	3.87%	2.04%	3.72%	-
	Global Multi-Asset Growth Portfolio ⁹	Pre tax	5.17%	-0.52%	6.44%	-9.12%	4.77%	-6.86%	-	-5.31%
		Post tax	4.56%	-0.75%	6.56%	-9.44%	4.47%	-8.19%	-	-6.24%
	Global Equity Growth Composite Strategy ⁵	Pre tax	5.38%	3.17%	13.40%	1.76%	6.22%	7.71%	6.20%	5.76%
		Post tax	4.47%	3.04%	11.93%	1.55%	6.05%	6.62%	5.59%	-
	Dividend and Growth Composite Strategy ⁷	Pre tax	3.32%	6.52%	18.29%	8.71%	10.13%	12.49%	8.81%	8.85%
		Post tax	2.99%	5.98%	16.99%	7.12%	9.14%	11.47%	8.08%	-

IMPORTANT: Please refer to page 8 for the footnotes relating to this page.
Past performance is not necessarily an indication of future returns.

NZ Funds Managed Portfolio Service – Notes

Returns

Pre tax returns are stated after Portfolio fees and expenses, but before any advisory fees or investor tax. Post tax returns are stated after Portfolio fees and expenses and investor tax at the highest Prescribed Investor Rate (PIR). From 1 October 2008 to 30 September 2010 the highest PIR was 30%. Since 1 October 2010 the highest PIR has been 28%. Past performance is not necessarily an indication of future returns.

Composite Strategies

The Composite Strategies have been developed to illustrate the long-term performance of the investment categories represented by the relevant Portfolios.

The Composite Strategies are not the historic returns of the Portfolios.

They illustrate the historical performance of the NZ Funds approach of managing assets of the type held within the respective NZ Funds Managed Portfolio Service Portfolio to which each Composite Strategy relates.

The Composite Strategies are tax-adjusted to remove, as much as possible, the impact of the different tax regimes that applied during the calculation period. The pre tax returns are also stated after Portfolio fees and expenses, but before any advisory fees or investor tax. The post tax returns are stated after Portfolio fees and expenses and investor tax at the highest Prescribed Investor Rate (PIR).

For more detail on the calculation of each of the Composite Strategies please contact NZ Funds.




The performance of the Composite Strategies is not an indication of future Portfolio returns.

Footnotes for pages 6 & 7

- 1 Inception date was 31 October 2008.
- 2 Inception date was 28 February 2008.
- 3 Inception date was 23 July 2008.
- 4 Performance is measured since the launch of the APS platform (now known as NZ Funds Managed Portfolio Service) on 31 October 2008. The post tax since inception returns for the Core Inflation Portfolio and the Equity Inflation Portfolio include the benefit of formation tax losses under the PIE rules. For more detail, please contact NZ Funds.
- 5 Composite strategy inception was 6 March 1996.
- 6 Composite strategy inception was 1 May 2003.
- 7 Composite strategy inception was 2 December 1992.
- 8 Pre tax equivalent gross return (for more detail, refer to the performance page for each Portfolio/Composite Strategy).
- 9 Inception date was 7 November 2011.

NZ Funds KiwiSaver Scheme




Cumulative returns to 30 June 2019

NZ Funds KiwiSaver Scheme		Returns						
Strategy		1 month	3 months	6 months	1 year	2 years	5 years	Since Inception
 Income	Pre tax	0.98%	2.18%	4.88%	6.37%	7.81%	21.25%	42.84%
	Post tax	0.70%	1.57%	3.49%	4.55%	5.57%	14.92%	29.19%
 Inflation	Pre tax	3.11%	4.56%	15.20%	6.36%	18.38%	24.94%	59.05%
	Post tax	2.43%	3.75%	12.49%	4.66%	15.50%	23.92%	51.30%
 Growth	Pre tax	5.30%	3.84%	14.55%	2.57%	19.76%	41.97%	91.38%
	Post tax	4.37%	3.14%	12.25%	1.38%	17.32%	32.71%	73.12%

Pre tax returns are stated after Strategy fees and expenses, but before any advisory fees or investor tax. Post tax returns are stated after Strategy fees and expenses and investor tax at the highest Prescribed Investor Rate (PIR) of 28%. Inception date of the Scheme was 31 October 2010. Past performance is not necessarily an indication of future returns.

NZ Funds KiwiSaver Scheme





Annualised returns to 30 June 2019

NZ Funds KiwiSaver Scheme		Returns						
Strategy		1 month	3 months	6 months	1 year	2 years	5 years	Since Inception
 Income	Pre tax	0.98%	2.18%	4.88%	6.37%	3.83%	3.93%	4.20%
	Post tax	0.70%	1.57%	3.49%	4.55%	2.75%	2.82%	3.00%
 Inflation	Pre tax	3.11%	4.56%	15.20%	6.36%	8.80%	4.55%	5.50%
	Post tax	2.43%	3.75%	12.49%	4.66%	7.47%	4.38%	4.89%
 Growth	Pre tax	5.30%	3.84%	14.55%	2.57%	9.44%	7.26%	7.78%
	Post tax	4.37%	3.14%	12.25%	1.38%	8.31%	5.82%	6.54%

Pre tax returns are stated after Strategy fees and expenses, but before any advisory fees or investor tax. Post tax returns are stated after Strategy fees and expenses and investor tax at the highest Prescribed Investor Rate (PIR) of 28%. Inception date of the Scheme was 31 October 2010. Past performance is not necessarily an indication of future returns.

NZ Funds Managed Superannuation Service





Cumulative returns to 30 June 2019

NZ Funds Managed Superannuation Service		Returns						
Strategy		1 month	3 months	6 months	1 year	2 years	5 years	Since Inception
 Income - British Pounds*	Pre tax	-1.45%	0.45%	3.94%	2.32%	-	-	10.46%
	Post tax	-1.03%	0.35%	2.96%	1.93%	-	-	7.99%
 Income	Pre tax	1.00%	2.18%	4.95%	6.43%	7.80%	-	9.74%
	Post tax	0.72%	1.57%	3.55%	4.59%	5.56%	-	6.94%
 Inflation	Pre tax	3.26%	4.72%	15.15%	6.37%	18.32%	-	15.33%
	Post tax	2.56%	3.88%	12.47%	4.69%	15.50%	-	13.23%
 Growth	Pre tax	5.24%	4.10%	14.94%	2.90%	19.88%	-	18.39%
	Post tax	4.35%	3.40%	12.60%	1.69%	17.48%	-	16.05%

* This Strategy was previously known as the ROPS GBP Income Strategy.

NZ Funds Managed Superannuation Service

Annualised returns to 30 June 2019

NZ Funds Managed Superannuation Service		Returns						
Strategy		1 month	3 months	6 months	1 year	2 years	5 years	Since Inception
 Income - British Pounds*	Pre tax	-1.45%	0.45%	3.94%	2.32%	-	-	5.42%
	Post tax	-1.03%	0.35%	2.96%	1.93%	-	-	4.16%
 Income	Pre tax	1.00%	2.18%	4.95%	6.43%	3.83%	-	3.90%
	Post tax	0.72%	1.57%	3.55%	4.59%	2.74%	-	2.80%
 Inflation	Pre tax	3.26%	4.72%	15.15%	6.37%	8.77%	-	6.05%
	Post tax	2.56%	3.88%	12.47%	4.69%	7.47%	-	5.25%
 Growth	Pre tax	5.24%	4.10%	14.94%	2.90%	9.49%	-	7.20%
	Post tax	4.35%	3.40%	12.60%	1.69%	8.39%	-	6.32%

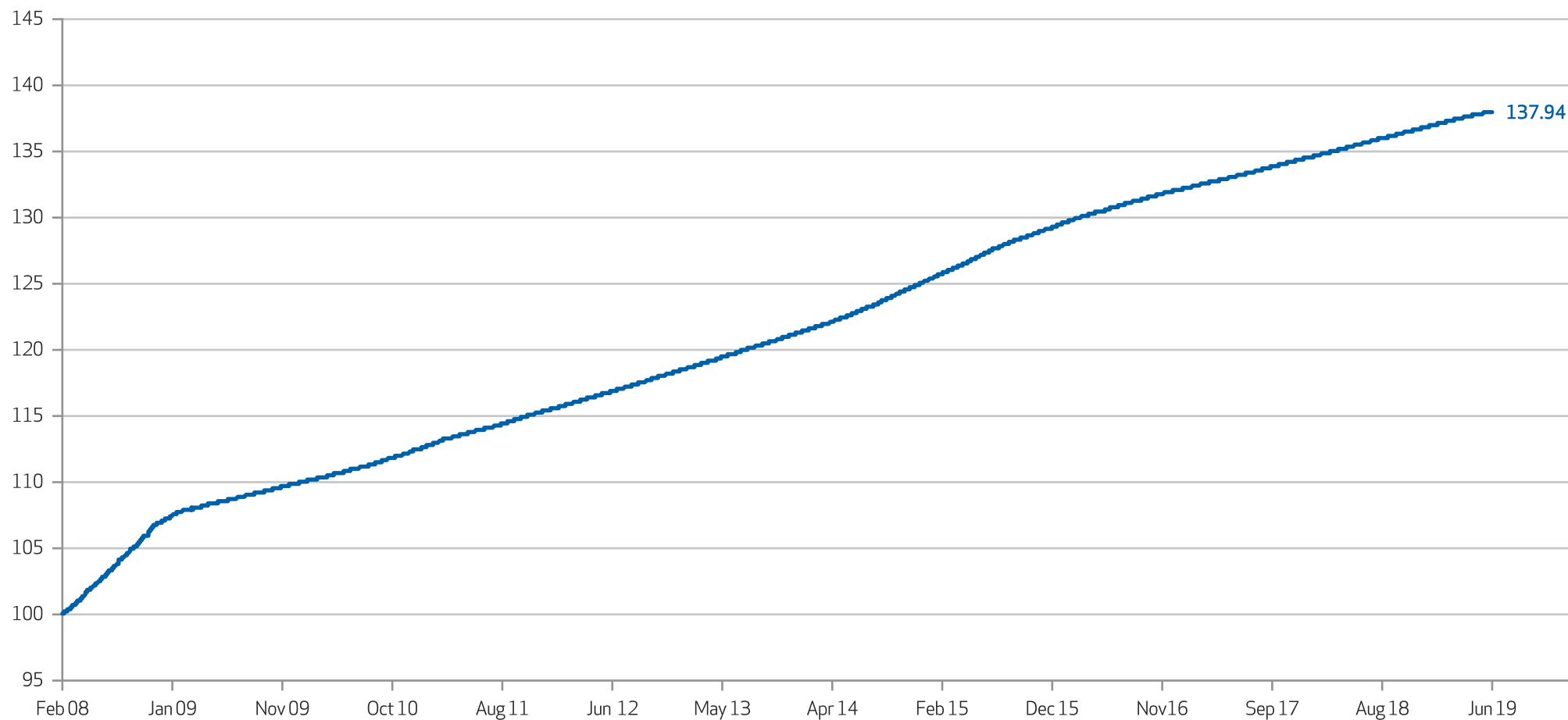
* This Strategy was previously known as the ROPS GBP Income Strategy.



NZ Funds Managed Portfolio Service

Core Cash Portfolio

Performance since inception (28 February 2008) to 30 June 2019



Portfolio returns*	1 month	3 months	6 months	1 year	2 years†	5 years‡	10 years‡	Since inception	Maximum decline 12 months ^x	Volatility 5 years [^]
Core Cash Portfolio	0.10%	0.36%	0.79%	1.72%	3.60%	12.21%	26.94%	37.94%	-0.01%	0.11%

Core Cash Portfolio

Complete Portfolio as at 20 June 2019

Strategy / Security	Estimated yield ¹	Credit rating	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS			100.0%	\$38,864,859
Bank deposits	2.0%	n/a	1.8%	\$715,608
Westpac 32 day term deposit	2.2%	A-1+	50.9%	\$19,797,463
Kiwibank bank bill 07/08/2019	1.6%	A-1	14.7%	\$5,725,523
BNZ bank bill 08/08/2019	1.6%	A-1+	9.1%	\$3,523,248
Kiwibank bank bill 29/07/2019	1.6%	A-1	5.7%	\$2,202,977
BNZ bank bill 31/07/2019	1.6%	A-1+	5.7%	\$2,202,787
BNZ bank bill 06/08/2019	1.6%	A-1+	5.7%	\$2,202,219
BNZ bank bill 21/08/2019	1.6%	A-1+	3.4%	\$1,320,487
Kiwibank bank bill 28/08/2019	1.6%	A-1	3.4%	\$1,320,097
Net receivables ²	n/a	n/a	-0.4%	-\$145,549
TOTAL ECONOMIC EXPOSURE³			100.0%	\$38,864,859

1. The yield is not the actual return of the portfolio, nor is it a projection or forecast. Details of the yield calculation are available on request from NZ Funds.

2. Net receivables include unrealised profit and loss and net receivables/payables.

3. Total economic exposure represents the total economic value of a Portfolio, which is the net asset value of the Portfolio adjusted for the effect of direct derivative positions taken by the Portfolio 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.

Core Cash Portfolio

Notes

Core Cash Portfolio

- * Returns are stated after Portfolio fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns.
- † Cumulative returns.

Maximum Decline and Volatility

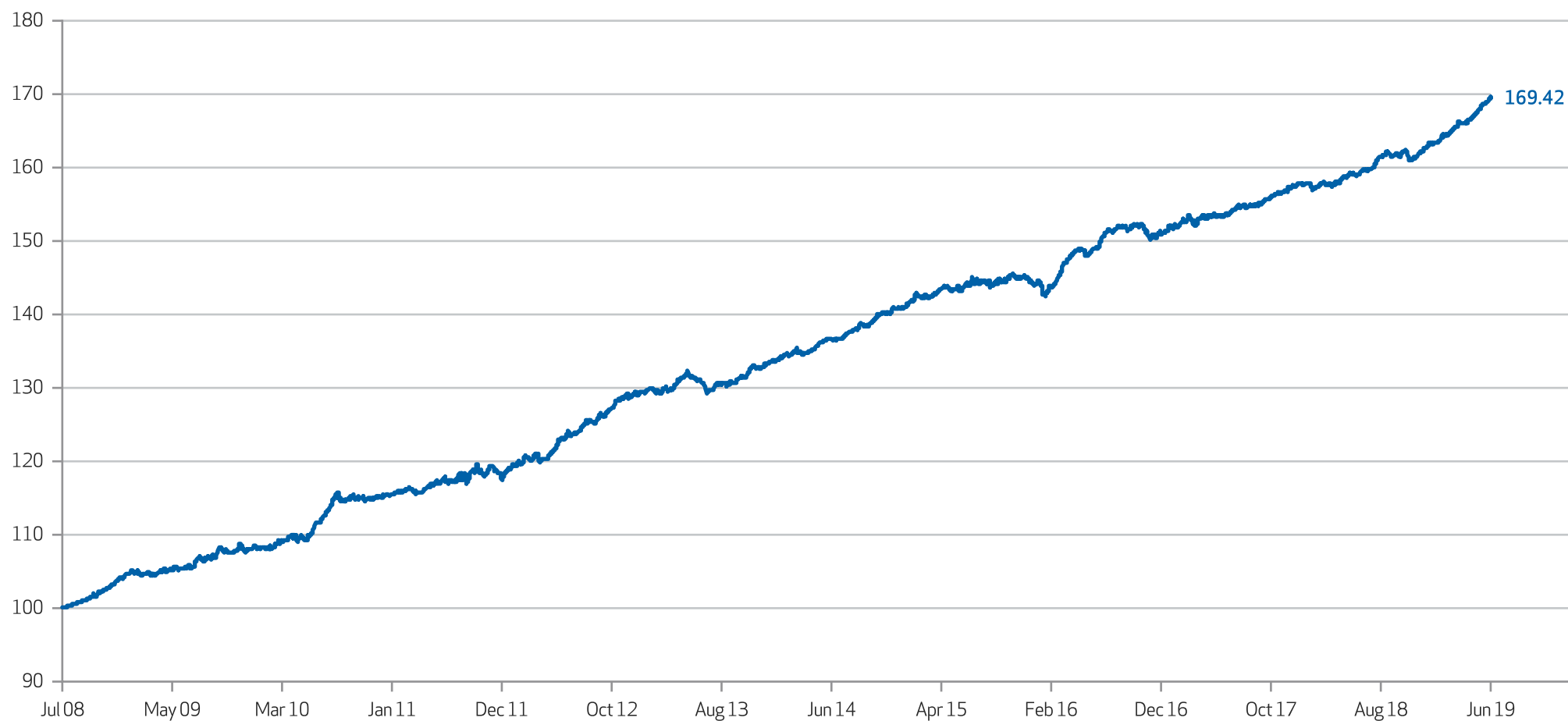
- x Returns should be looked at in conjunction with the level of risk associated with an investment. We use 'maximum decline' as a measure of risk. It represents the largest decline in value experienced during the previous 12 months.
- ^ This is the annualised standard deviation calculated from weekly returns of the Portfolio over the 5 years ending 30 June 2019. For more details on the Portfolio's Maximum Decline and Volatility please contact NZ Funds.

Note

Rounding may affect the subtotals and totals.

Core Income Portfolio

Performance since inception (23 July 2008) to 30 June 2019



Portfolio returns*	1 month	3 months	6 months	1 year	2 years [†]	5 years [†]	10 years [†]	Since inception	Maximum decline 12 months ^x	Volatility 5 years [^]
Core Income Portfolio	0.55%	1.94%	3.95%	6.17%	10.02%	24.02%	60.49%	69.42%	-0.99%	1.59%

Core Income Portfolio

Complete Portfolio as at 20 June 2019

Strategy / Security	Estimated yield ¹	Credit rating	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS			7.8%	\$9,700,604
AUSTRALASIAN BONDS			92.2%	\$114,339,925
Vector 4.996% 14/03/2024	3.0%	BBB	9.7%	\$11,996,318
Insurance Australia Group 5.15% 15/06/2043	3.4%	BBB	7.8%	\$9,715,161
BlueScope Steel Finance USA 4.625% 25/05/2023	2.6%	BBB-	7.6%	\$9,402,682
Westpac Banking 4.695% 01/09/2026	2.9%	BBB	6.4%	\$7,888,473
WEL Networks 4.9% 02/08/2023	3.4%	NR	5.8%	\$7,183,813
NEXTDC 6% 09/06/2022	5.4%	NR	5.2%	\$6,403,689
Precinct Properties New Zealand 4.42% 27/11/2024	3.0%	NR	4.8%	\$5,889,990
Fletcher Building Industries 5.8% 15/03/2020	3.5%	NR	4.4%	\$5,458,001
Property for Industry 4.59% 28/11/2024	3.2%	NR	4.4%	\$5,405,150
Westpac floating perpetual	2.8%	BBB+	3.9%	\$4,874,661
Infratil 5.5% 15/06/2024	3.6%	NR	3.9%	\$4,784,029
Powerco 4.67% 15/11/2024	3.0%	BBB	3.7%	\$4,611,286
Woodside Finance 3.7% 15/09/2026	2.6%	BBB+	3.7%	\$4,599,496

Core Income Portfolio

Complete Portfolio as at 20 June 2019 (continued)

Strategy / Security	Estimated yield ¹	Credit rating	Portfolio exposure %	Portfolio exposure \$
AUSTRALASIAN BONDS (CONTINUED)				
NEXTDC 6.25% 09/06/2021	3.9%	NR	3.0%	\$3,712,064
Fletcher Building Industries 4.75% 15/03/2021	3.4%	NR	2.8%	\$3,494,462
Property for Industry 4.25% 01/10/2025	3.2%	NR	2.8%	\$3,447,174
Peet 6.75% 07/06/2024	5.3%	NR	2.8%	\$3,414,131
Trustpower 4.01% 15/12/2022	2.8%	NR	2.7%	\$3,377,633
Insurance Australia Group floating 15/06/2045	3.7%	BBB	1.9%	\$2,293,356
Trustpower 3.97% 22/02/2029	3.5%	NR	1.8%	\$2,211,916
ANZ floating perpetual	2.8%	BBB+	1.4%	\$1,760,379
Vector 3.45% 27/05/2025	2.9%	BBB	0.6%	\$718,355
NEXTDC floating 09/06/2022	4.5%	NR	0.7%	\$890,093
Crown Subordinated Notes 23/04/2075	5.5%	NR	0.6%	\$713,011
New Zealand interest rate swaps exposure	n/a	n/a	0.1%	\$94,603
TOTAL ECONOMIC EXPOSURE²			100.1%	\$124,040,529
FOREIGN CURRENCY EXPOSURE			1.0%	\$1,248,727

1. The yield is not the actual return of the portfolio, nor is it a projection or forecast. Details of the yield calculation are available on request from NZ Funds.

2. Total economic exposure represents the total economic value of a Portfolio, which is the net asset value of the Portfolio adjusted for the effect of direct derivative positions taken by the Portfolio 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.

Core Income Portfolio

Notes

Core Income Portfolio

- * Returns are stated after Portfolio fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns.
- † Cumulative returns.

Maximum Decline and Volatility

- x Returns should be looked at in conjunction with the level of risk associated with an investment. We use 'maximum decline' as a measure of risk. It represents the largest decline in value experienced during the previous 12 months.
- ^ This is the annualised standard deviation calculated from weekly returns of the Portfolio over the 5 years ending 30 June 2019. For more details on the Portfolio's Maximum Decline and Volatility please contact NZ Funds.

Note

Rounding may affect the subtotals and totals.

Global Income Portfolio

Performance since inception (31 October 2008) to 30 June 2019



Portfolio returns*	1 month	3 months	6 months	1 year	2 years [†]	5 years [†]	10 years [†]	Since inception	Maximum decline 12 months ^x	Volatility 5 years [^]
Global Income Portfolio	1.69%	2.44%	6.36%	6.37%	4.89%	16.71%	47.70%	51.75%	-1.89%	2.24%

Global Income Portfolio

Complete Portfolio as at 20 June 2019

Strategy / Security	Estimated yield ¹	Credit rating	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS			8.6%	\$9,922,106
INTERNATIONAL BONDS			93.7%	\$108,219,227
Microsoft 3.3% 06/02/2027	1.6%	AAA	12.5%	\$14,404,263
US Treasury 2.625% 15/02/2029	1.2%	AAA	10.4%	\$11,987,286
American Homes 4 Rent 4.9% 15/02/2029	3.1%	BBB-	9.0%	\$10,371,394
Constellation Brands 4.75% 01/12/2025	2.2%	BBB	7.1%	\$8,247,875
Southern Copper 7.50% 27/07/2035	4.0%	BBB+	7.0%	\$8,043,006
Chevron 2.954% 16/05/2026	1.7%	AA	6.0%	\$6,916,495
Bausch Health 6.125% 15/04/2025	4.8%	B-	5.8%	\$6,749,465
Country Garden Holdings 5.125% 17/01/2025	5.4%	BBB-	5.7%	\$6,624,431
HCA 4.125% 15/06/2029	3.0%	BBB-	5.4%	\$6,209,638
Icahn Enterprises 5.875% 01/02/2022	1.4%	BB+	5.3%	\$6,151,387
Bausch Health 4.5% 15/05/2023	1.1%	B-	5.0%	\$5,727,319
Netflix 5.375% 15/11/2029	3.9%	BB-	4.9%	\$5,671,698
Icahn Enterprises 6.25% 15/05/2026	4.8%	BB+	4.8%	\$5,538,761
Southern Copper 3.5% 08/11/2022	2.1%	BBB+	2.4%	\$2,746,356
First Quantum Minerals 7% 15/02/2021	4.2%	B	1.3%	\$1,498,933
Credit default swaps - Market value ²	n/a	n/a	1.1%	\$1,282,596
United States bond futures	n/a	n/a	0.0%	\$48,325
TOTAL ECONOMIC EXPOSURE³			102.3%	\$118,141,333
FOREIGN CURRENCY EXPOSURE			3.0%	\$3,467,797

1. The yield is not the actual return of the portfolio, nor is it a projection or forecast. Details of the yield calculation are available on request from NZ Funds.

2. Credit default swaps notional value is currently \$60,511,188.

3. Total economic exposure represents the total economic value of a Portfolio, which is the net asset value of the Portfolio adjusted for the effect of direct derivative positions taken by the Portfolio 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.

Global Income Portfolio

Notes

Global Income Portfolio

- * Returns are stated after Portfolio fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns.
- † Cumulative returns.

Maximum Decline and Volatility

- x Returns should be looked at in conjunction with the level of risk associated with an investment. We use 'maximum decline' as a measure of risk. It represents the largest decline in value experienced during the previous 12 months.
- ^ This is the annualised standard deviation calculated from weekly returns of the Portfolio over the 5 years ending 30 June 2019. For more details on the Portfolio's Maximum Decline and Volatility please contact NZ Funds.

Note

Rounding may affect the subtotals and totals.

Core Inflation Portfolio

Performance since inception (31 October 2008) to 30 June 2019



Portfolio returns*	1 month	3 months	6 months	1 year	2 years [†]	5 years [†]	10 years [†]	Since inception	Maximum decline 12 months ^x	Volatility 5 years [^]
Core Inflation Portfolio	2.42%	5.49%	16.25%	8.15%	18.70%	23.34%	56.77%	59.74%	-10.11%	8.21%

Core Inflation Portfolio

Complete Portfolio as at 20 June 2019

Strategy / Security ¹	Estimated yield ²	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS		5.8%	\$6,017,453
INTERNATIONAL BONDS		25.0%	\$25,743,680
Floating Rate and Perpetual Bond Strategy	3.2%	20.3%	\$20,929,798
US Treasury 2.875% 15/05/2049	1.7%	4.7%	\$4,813,882
AUSTRALASIAN SHARES		69.2%	\$71,265,960
Dividend and Growth Strategy	3.4%	69.2%	\$71,265,960
TOTAL ECONOMIC EXPOSURE³		100.0%	\$103,027,094
FOREIGN CURRENCY EXPOSURE		2.5%	\$2,617,279

1. Where a strategy is shown, the asset class reflects the predominant assets in the strategy. The strategy may include other assets including cash.

2. The yield calculation represents an estimate of the yield on the Portfolio, calculated using the most recent information provided by the external investment managers involved in managing the Portfolio, 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 Portfolio summary. The yield is not the actual return on the Portfolio, nor is it a projection or forecast. The Portfolio's return could be less than the Portfolio's yield. Details of the yield calculation are available on request from NZ Funds.

3. Total economic exposure represents the total economic value of a Portfolio, which is the net asset value of the Portfolio adjusted for the effect of direct derivative positions taken by the Portfolio 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.

Core Inflation Portfolio

Notes

Core Inflation Portfolio

- * Returns are stated after Portfolio fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns.
- † Cumulative returns.

Maximum Decline and Volatility

- x Returns should be looked at in conjunction with the level of risk associated with an investment. We use 'maximum decline' as a measure of risk. It represents the largest decline in value experienced during the previous 12 months.
- ^ This is the annualised standard deviation calculated from weekly returns of the Portfolio over the 5 years ending 30 June 2019. For more details on the Portfolio's Maximum Decline and Volatility please contact NZ Funds.

Note

Rounding may affect the subtotals and totals.

Property Inflation Portfolio

Performance since inception (31 October 2008) to 30 June 2019



Portfolio returns*	1 month	3 months	6 months	1 year	2 years [†]	5 years [†]	10 years [†]	Since inception	Maximum decline 12 months ^x	Volatility 5 years [^]
Property Inflation Portfolio	1.97%	5.13%	14.31%	11.93%	17.62%	37.74%	78.06%	82.99%	-5.73%	6.29%

Property Inflation Portfolio

Complete Portfolio as at 20 June 2019

Strategy / Security ¹	Estimated yield ²	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS		5.4%	\$4,755,703
INTERNATIONAL BONDS		27.8%	\$24,694,286
Floating Rate and Perpetual Bond Strategy	3.2%	22.6%	\$20,076,633
US Treasury 2.875% 15/05/2049	1.7%	5.2%	\$4,617,653
AUSTRALASIAN SHARES		34.5%	\$30,630,135
Goodman Property Trust	3.8%	5.8%	\$5,141,079
Precinct Properties New Zealand	4.0%	5.3%	\$4,726,389
Kiwi Property Group Ltd	5.0%	5.2%	\$4,654,766
Argosy Property	4.7%	3.9%	\$3,431,651
Property For Industry	5.2%	3.8%	\$3,363,076
Vital Healthcare Property Trust	4.3%	3.0%	\$2,652,572
Stride Property Group	5.5%	2.9%	\$2,561,120
Goodman Group	2.4%	1.8%	\$1,555,705
Investore Property	5.3%	1.5%	\$1,336,960
Fletcher Building	7.0%	1.4%	\$1,206,818

Property Inflation Portfolio

Complete Portfolio as at 20 June 2019 (continued)

Strategy / Security ¹	Estimated yield ²	Portfolio exposure %	Portfolio exposure \$
INTERNATIONAL SHARES		31.9%	\$28,356,762
Simon Property Group	4.4%	5.3%	\$4,724,623
Prologis	1.9%	5.3%	\$4,704,029
Public Storage	2.6%	3.8%	\$3,388,949
Welltower	3.4%	3.4%	\$2,979,633
Avalonbay Communities Inc	2.2%	3.1%	\$2,711,217
Equity Residential	2.2%	2.9%	\$2,603,044
Deutsche Annington Immobilien	5.8%	2.8%	\$2,520,620
Link	2.5%	2.7%	\$2,400,027
Digital Realty Trust	2.9%	2.6%	\$2,324,621
ALTERNATIVE SECURITIES		0.4%	\$391,061
Universa Black Swan Protection Protocol	n/a	0.4%	\$391,061
TOTAL ECONOMIC EXPOSURE³		100.0%	\$88,827,947
FOREIGN CURRENCY EXPOSURE		10.3%	\$9,175,581

1. Where a strategy is shown, the asset class reflects the predominant assets in the strategy. The strategy may include other assets including cash.

2. The yield calculation represents an estimate of the yield on the Portfolio, calculated using the most recent information provided by the external investment managers involved in managing the Portfolio, 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 Portfolio summary. The yield is not the actual return on the Portfolio, nor is it a projection or forecast. The Portfolio's return could be less than the Portfolio's yield. Details of the yield calculation are available on request from NZ Funds.

3. Total economic exposure represents the total economic value of a Portfolio, which is the net asset value of the Portfolio adjusted for the effect of direct derivative positions taken by the Portfolio 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.

Property Inflation Portfolio

Notes

Property Inflation Portfolio

- * Returns are stated after Portfolio fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns.
- † Cumulative returns.

Maximum Decline and Volatility

- x Returns should be looked at in conjunction with the level of risk associated with an investment. We use 'maximum decline' as a measure of risk. It represents the largest decline in value experienced during the previous 12 months.
- ^ This is the annualised standard deviation calculated from weekly returns of the Portfolio over the 5 years ending 30 June 2019. For more details on the Portfolio's Maximum Decline and Volatility please contact NZ Funds.

Note

Rounding may affect the subtotals and totals.

Equity Inflation Portfolio

Performance since inception (31 October 2008) to 30 June 2019



Portfolio returns*	1 month	3 months	6 months	1 year	2 years [†]	5 years [†]	10 years [†]	Since inception	Maximum decline 12 months ^x	Volatility 5 years [^]
Equity Inflation Portfolio	4.04%	3.29%	14.17%	2.94%	12.73%	23.12%	54.00%	56.52%	-14.28%	8.40%

Equity Inflation Portfolio

Complete Portfolio as at 20 June 2019

Strategy / Security ¹	Estimated yield ²	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS		3.8%	\$3,167,523
AUSTRALASIAN BONDS		0.2%	\$172,544
New Zealand interest rate swaps exposure	n/a	0.2%	\$172,544
INTERNATIONAL BONDS		28.9%	\$24,140,259
Floating Rate and Perpetual Bond Strategy	3.2%	22.8%	\$19,108,071
US Treasury 2.875% 15/05/2049	1.7%	5.3%	\$4,394,882
Inflation swaps - Market value ³	n/a	0.8%	\$637,307
INTERNATIONAL SHARES		68.4%	\$57,223,486
Equity index futures (long)	n/a	53.9%	\$45,058,241
MFS Global Research Focused Fund	0.3%	7.6%	\$6,376,952
Emerson Point Capital Partners LP	n/a	3.5%	\$2,968,259
Suvretta Offshore Fund	n/a	3.4%	\$2,820,035
ALTERNATIVE SECURITIES		0.5%	\$394,697
Universa Black Swan Protection Protocol	n/a	0.5%	\$394,697
TOTAL ECONOMIC EXPOSURE⁴		101.7%	\$85,098,510
FOREIGN CURRENCY EXPOSURE		9.8%	\$8,156,821

1. Where a strategy is shown, the asset class reflects the predominant assets in the strategy. The strategy may include other assets including cash.

2. The yield calculation represents an estimate of the yield on the Portfolio, calculated using the most recent information provided by the external investment managers involved in managing the Portfolio, 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 Portfolio summary. The yield is not the actual return on the Portfolio, nor is it a projection or forecast. The Portfolio's return could be less than the Portfolio's yield. Details of the yield calculation are available on request from NZ Funds.

3. Inflation swaps notional value is currently \$25,946,663.

4. Total economic exposure represents the total economic value of a Portfolio, which is the net asset value of the Portfolio adjusted for the effect of direct derivative positions taken by the Portfolio 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.

Equity Inflation Portfolio

Notes

Equity Inflation Portfolio

- * Returns are stated after Portfolio fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns.
- † Cumulative returns.

Maximum Decline and Volatility

- x Returns should be looked at in conjunction with the level of risk associated with an investment. We use 'maximum decline' as a measure of risk. It represents the largest decline in value experienced during the previous 12 months.
- ^ This is the annualised standard deviation calculated from weekly returns of the Portfolio over the 5 years ending 30 June 2019. For more details on the Portfolio's Maximum Decline and Volatility please contact NZ Funds.

Note

Rounding may affect the subtotals and totals.

Core Growth Portfolio

Performance since inception (31 October 2008) to 30 June 2019 for Core Growth Portfolio



Portfolio returns*	1 month	3 months	6 months	1 year	2 years [†]	5 years [†]	10 years [†]	Since inception	Maximum decline 12 months ^x	Volatility 5 years [^]
Core Growth Portfolio	6.74%	1.09%	10.93%	-2.12%	8.45%	15.07%	53.03%	47.20%	-17.19%	13.37%

Core Growth Portfolio

Tax-adjusted performance to 30 June 2019 for Core Growth Composite Strategy**



Composite strategy returns**	1 month	3 months	6 months	1 year	2 years ⁺	5 years ⁺	10 years ⁺	Since inception	Maximum decline 12 months ^x	Volatility 5 years [^]
Core Growth Composite Strategy	6.74%	1.09%	10.93%	-2.12%	8.45%	15.07%	53.03%	164.10%	-17.19%	13.37%

Core Growth Portfolio

Complete Portfolio as at 20 June 2019

Strategy / Security ¹	Estimated yield ²	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS		8.0%	\$6,897,352
INTERNATIONAL SHARES		109.6%	\$94,986,521
Equity index futures (long)	n/a	83.2%	\$72,070,425
Emerson Point Capital Partners LP	n/a	9.6%	\$8,311,632
Glade Brook Private Investor LLC	n/a	7.9%	\$6,858,916
Suvretta Offshore Fund	n/a	6.1%	\$5,328,313
Lyft	0.0%	2.8%	\$2,417,236
ALTERNATIVE SECURITIES		0.3%	\$279,048
Universa Black Swan Protection Protocol	n/a	0.3%	\$279,048
TOTAL ECONOMIC EXPOSURE³		117.9%	\$102,162,922
FOREIGN CURRENCY EXPOSURE		19.3%	\$16,690,373

1. Where a strategy is shown, the asset class reflects the predominant assets in the strategy. The strategy may include other assets including cash.

2. The yield calculation represents an estimate of the yield on the Portfolio, calculated using the most recent information provided by the external investment managers involved in managing the Portfolio, 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 Portfolio summary. The yield is not the actual return on the Portfolio, nor is it a projection or forecast. The Portfolio's return could be less than the Portfolio's yield. Details of the yield calculation are available on request from NZ Funds.

3. Total economic exposure represents the total economic value of a Portfolio, which is the net asset value of the Portfolio adjusted for the effect of direct derivative positions taken by the Portfolio 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.

Core Growth Portfolio

Notes

Core Growth Portfolio

- * Returns are stated after Portfolio fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns.
- † Cumulative returns.

Maximum Decline and Volatility

- x Returns should be looked at in conjunction with the level of risk associated with an investment. We use 'maximum decline' as a measure of risk. It represents the largest decline in value experienced during the previous 12 months.
- ^ This is the annualised standard deviation calculated from weekly returns of the Portfolio over the 5 years ending 30 June 2019. For more details on the Portfolio's Maximum Decline and Volatility please contact NZ Funds.

Note

Rounding may affect the subtotals and totals.

Composite Strategy

- ** The Composite Strategy is used to illustrate the long-term performance of the investment approach used in managing the Core Growth Portfolio.

The Composite Strategy does not represent the historic returns of the Core Growth Portfolio.

It illustrates the historical performance of the NZ Funds approach of managing assets of the type held within the Core Growth Portfolio.

The Composite Strategy is tax-adjusted to remove, as much as possible, the impact of the different tax regimes that applied during the calculation period. Returns are stated after Portfolio fees and expenses, but before any advisory fees or investor tax.

For more detail on the calculation of the Core Growth Composite Strategy please contact NZ Funds.

The performance of the Core Growth Composite Strategy is not an indication of the future returns of the Core Growth Portfolio.

Global Multi-Asset Growth Portfolio

Performance since inception (7 November 2011) to 30 June 2019



Portfolio returns*	1 month	3 months	6 months	1 year	2 years ⁺	5 years ⁺	Since inception	Maximum decline 12 months ^x	Volatility 5 years [^]
Global Multi-Asset Growth Portfolio	5.17%	-0.52%	6.44%	-9.12%	9.78%	-29.92%	-34.11%	-17.57%	17.06%

Global Multi-Asset Growth Portfolio

Complete Portfolio as at 20 June 2019

Strategy / Security ¹	Estimated yield ²	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS		21.1%	\$5,835,042
INTERNATIONAL SHARES		78.3%	\$21,679,233
Global Metal & Mining Index Strategy	4.9%	23.0%	\$6,377,616
Equity index futures (long)	n/a	20.4%	\$5,640,883
Global Oil Index Strategy	5.5%	17.9%	\$4,967,797
Global Agriculture Index Strategy	3.7%	16.9%	\$4,692,938
ALTERNATIVE SECURITIES		0.7%	\$186,169
Universa Black Swan Protection Protocol	n/a	0.7%	\$186,169
TOTAL ECONOMIC EXPOSURE³		100.0%	\$27,700,444
FOREIGN CURRENCY EXPOSURE		12.5%	\$3,457,843

1. Where a strategy is shown, the asset class reflects the predominant assets in the strategy. The strategy may include other assets including cash.

2. The yield calculation represents an estimate of the yield on the Portfolio, calculated using the most recent information provided by the external investment managers involved in managing the Portfolio, 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 Portfolio summary. The yield is not the actual return on the Portfolio, nor is it a projection or forecast. The Portfolio's return could be less than the Portfolio's yield. Details of the yield calculation are available on request from NZ Funds.

3. Total economic exposure represents the total economic value of a Portfolio, which is the net asset value of the Portfolio adjusted for the effect of direct derivative positions taken by the Portfolio 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.

Global Multi-Asset Growth Portfolio

Notes

Global Multi-Asset Growth Portfolio

- * Returns are stated after Portfolio fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns.
- † Cumulative returns.

Maximum Decline and Volatility

- x Returns should be looked at in conjunction with the level of risk associated with an investment. We use 'maximum decline' as a measure of risk. It represents the largest decline in value experienced during the previous 12 months.
- ^ This is the annualised standard deviation calculated from weekly returns of the Portfolio over the 5 years ending 30 June 2019. For more details on the Portfolio's Maximum Decline and Volatility please contact NZ Funds.

Note

Rounding may affect the subtotals and totals.

Global Equity Growth Portfolio

Performance since inception (31 October 2008) to 30 June 2019 for Global Equity Growth Portfolio



Portfolio returns*	1 month	3 months	6 months	1 year	2 years [†]	5 years [†]	10 years [†]	Since inception	Maximum decline 12 months ^x	Volatility 5 years [^]
Global Equity Growth Portfolio	5.38%	3.17%	13.40%	1.76%	12.84%	44.95%	82.51%	70.41%	-15.89%	11.14%

Global Equity Growth Portfolio

Tax-adjusted performance to 30 June 2019 for Global Equity Growth Composite Strategy**



Composite strategy returns**	1 month	3 months	6 months	1 year	2 years [†]	5 years [†]	10 years [†]	Since inception	Maximum decline 12 months ^x	Volatility 5 years [^]
Global Equity Growth Composite Strategy	5.38%	3.17%	13.40%	1.76%	12.84%	44.95%	82.51%	269.01%	-15.89%	11.14%

Global Equity Growth Portfolio

Complete Portfolio as at 20 June 2019

Strategy / Security ¹	Estimated yield ²	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS		1.0%	\$750,775
INTERNATIONAL SHARES		100.8%	\$75,644,169
LSV Global Concentrated Fund	0.6%	42.2%	\$31,692,474
MFS Global Research Focused Fund	0.3%	30.0%	\$22,495,028
Equity index futures (long)	n/a	18.7%	\$14,035,556
Suvretta Offshore Fund	n/a	6.3%	\$4,733,849
Emerson Point Capital Partners LP	n/a	3.6%	\$2,687,263
ALTERNATIVE SECURITIES		0.6%	\$457,246
Universa Black Swan Protection Protocol	n/a	0.6%	\$457,246
TOTAL ECONOMIC EXPOSURE³		102.4%	\$76,852,190
FOREIGN CURRENCY EXPOSURE		11.0%	\$8,252,996

1. Where a strategy is shown, the asset class reflects the predominant assets in the strategy. The strategy may include other assets including cash.

2. The yield calculation represents an estimate of the yield on the Portfolio, calculated using the most recent information provided by the external investment managers involved in managing the Portfolio, 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 Portfolio summary. The yield is not the actual return on the Portfolio, nor is it a projection or forecast. The Portfolio's return could be less than the Portfolio's yield. Details of the yield calculation are available on request from NZ Funds.

3. Total economic exposure represents the total economic value of a Portfolio, which is the net asset value of the Portfolio adjusted for the effect of direct derivative positions taken by the Portfolio 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.

Global Equity Growth Portfolio

Notes

Global Equity Growth Portfolio

- * Returns are stated after Portfolio fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns.
- † Cumulative returns.

Maximum Decline and Volatility

- x Returns should be looked at in conjunction with the level of risk associated with an investment. We use 'maximum decline' as a measure of risk. It represents the largest decline in value experienced during the previous 12 months.
- ^ This is the annualised standard deviation calculated from weekly returns of the Portfolio over the 5 years ending 30 June 2019. For more details on the Portfolio's Maximum Decline and Volatility please contact NZ Funds.

Note

Rounding may affect the subtotals and totals.

Composite Strategy

- ** The Composite Strategy is used to illustrate the long-term performance of the investment approach used in managing the Global Equity Growth Portfolio.

The Composite Strategy does not represent the historic returns of the Global Equity Growth Portfolio.

It illustrates the historical performance of the NZ Funds approach of managing assets of the type held within the Global Equity Growth Portfolio.

The Composite Strategy is tax-adjusted to remove, as much as possible, the impact of the different tax regimes that applied during the calculation period. Returns are stated after Portfolio fees and expenses, but before any advisory fees or investor tax.

For more detail on the calculation of the Global Equity Growth Composite Strategy please contact NZ Funds.

The performance of the Global Equity Growth Composite Strategy is not an indication of the future returns of the Global Equity Growth Portfolio.

Dividend and Growth Portfolio

Performance since inception (31 October 2008) to 30 June 2019 for Dividend and Growth Portfolio



Portfolio returns*	1 month	3 months	6 months	1 year	2 years [†]	5 years [†]	10 years [†]	Since inception	Maximum decline 12 months ^x	Volatility 5 years [^]
Dividend and Growth Portfolio	3.32%	6.52%	18.29%	8.71%	21.30%	80.10%	132.67%	130.17%	-12.60%	9.36%

Dividend and Growth Portfolio

Tax-adjusted performance to 30 June 2019 for Dividend and Growth Composite Strategy**



Composite strategy returns**	1 month	3 months	6 months	1 year	2 years ⁺	5 years ⁺	10 years ⁺	Since inception	Maximum decline 12 months ^x	Volatility 5 years [^]
Dividend and Growth Composite Strategy	3.32%	6.52%	18.29%	8.71%	21.30%	80.10%	132.67%	854.07%	-12.60%	9.36%

Dividend and Growth Portfolio

Complete Portfolio as at 20 June 2019

Strategy / Security	Estimated yield ¹	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS		5.7%	\$6,928,522
AUSTRALASIAN SHARES		94.3%	\$115,193,213
Australian futures index exposure	n/a	30.0%	\$36,613,056
Meridian Energy	5.3%	7.3%	\$8,906,026
Contact Energy	6.9%	6.7%	\$8,232,044
Spark New Zealand	8.5%	6.2%	\$7,600,855
Tower	3.6%	5.0%	\$6,065,314
a2 Milk	0.7%	4.7%	\$5,698,681
Auckland International Airport	3.5%	4.0%	\$4,869,825
Fletcher Building	7.0%	3.9%	\$4,810,335
Fisher & Paykel Healthcare	2.9%	3.4%	\$4,104,919
Mainfreight	2.6%	2.7%	\$3,268,739
Metlifecare	2.9%	2.5%	\$3,021,854
Infratil	5.3%	2.3%	\$2,805,455
Sky City Entertainment	6.4%	2.1%	\$2,542,560
Chorus	5.6%	2.1%	\$2,513,033
Z Energy	12.4%	2.0%	\$2,400,203
Kiwi Property Group Ltd	5.0%	1.8%	\$2,241,089

Dividend and Growth Portfolio

Complete Portfolio as at 20 June 2019 (continued)

Strategy / Security	Estimated yield ¹	Portfolio exposure %	Portfolio exposure \$
AUSTRALASIAN SHARES (CONTINUED)			
Ebos	3.7%	1.8%	\$2,189,564
Goodman Property Trust	3.8%	1.6%	\$1,919,390
Port of Tauranga	3.2%	1.6%	\$1,893,170
Precinct Properties New Zealand	4.0%	1.5%	\$1,811,657
Air New Zealand	11.6%	1.2%	\$1,407,132
Sanford	4.7%	0.2%	\$278,310
TOTAL ECONOMIC EXPOSURE²		100.0%	\$122,121,735
FOREIGN CURRENCY EXPOSURE		1.0%	\$1,168,187

1. The yield calculation represents an estimate of the yield on the Portfolio, calculated using forecast dividends (Source: Bloomberg), NZ Funds' estimate of imputation credits where appropriate, and hedged back to New Zealand dollars where appropriate. The yield is not the actual return on the Portfolio, nor is it a projection or forecast. The Portfolio's return could be less than the Portfolio's yield. Details of the yield calculation are available on request from NZ Funds.

2. Total economic exposure represents the total economic value of a Portfolio, which is the net asset value of the Portfolio adjusted for the effect of direct derivative positions taken by the Portfolio 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.

Dividend and Growth Portfolio

Notes

Dividend and Growth Portfolio

- * Returns are stated after Portfolio fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns.
- † Cumulative returns.

Maximum Decline and Volatility

- x Returns should be looked at in conjunction with the level of risk associated with an investment. We use 'maximum decline' as a measure of risk. It represents the largest decline in value experienced during the previous 12 months.
- ^ This is the annualised standard deviation calculated from weekly returns of the Portfolio over the 5 years ending 30 June 2019. For more details on the Portfolio's Maximum Decline and Volatility please contact NZ Funds.

Note

Rounding may affect the subtotals and totals.

Composite Strategy

- ** The Composite Strategy is used to illustrate the long-term performance of the investment approach used in managing the Dividend and Growth Portfolio.

The Composite Strategy does not represent the historic returns of the Dividend and Growth Portfolio.

It illustrates the historical performance of the NZ Funds approach of managing assets of the type held within the Dividend and Growth Portfolio.

The Composite Strategy is tax-adjusted to remove, as much as possible, the impact of the different tax regimes that applied during the calculation period. Returns are stated after Portfolio fees and expenses, but before any advisory fees or investor tax.

For more detail on the calculation of the Dividend and Growth Composite Strategy please contact NZ Funds.

The performance of the Dividend and Growth Composite Strategy is not an indication of the future returns of the Dividend and Growth Portfolio.

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NZ Funds KiwiSaver Scheme

NZ Funds KiwiSaver Scheme Income Strategy

Performance since inception (31 October 2010) to 30 June 2019



Strategy returns*	1 month	3 months	6 months	1 year	2 years [†]	5 years [†]	Since inception	Maximum decline 12 months ^x	Volatility 5 years [^]
Income Strategy	0.98%	2.18%	4.88%	6.37%	7.81%	21.25%	42.84%	-0.64%	1.87%

NZ Funds KiwiSaver Scheme Income Strategy

Complete Strategy as at 20 June 2019

Strategy / Security	Estimated yield ¹	Credit rating	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS			11.6%	\$3,641,395
AUSTRALASIAN BONDS			53.9%	\$16,920,631
Vector 4.996% 14/03/2024	3.0%	BBB	5.7%	\$1,775,279
Insurance Australia Group 5.15% 15/06/2043	3.4%	BBB	4.6%	\$1,437,701
BlueScope Steel Finance USA 4.625% 25/05/2023	2.6%	BBB-	4.4%	\$1,391,459
Westpac Banking 4.695% 01/09/2026	2.9%	BBB	3.7%	\$1,167,378
WEL Networks 4.9% 02/08/2023	3.4%	NR	3.4%	\$1,063,099
NEXTDC 6% 09/06/2022	5.4%	NR	3.0%	\$947,652
Precinct Properties New Zealand 4.42% 27/11/2024	3.0%	NR	2.8%	\$871,632
Fletcher Building Industries 5.8% 15/03/2020	3.5%	NR	2.6%	\$807,704
Property for Industry 4.59% 28/11/2024	3.2%	NR	2.5%	\$799,883
Westpac floating perpetual	2.8%	BBB+	2.3%	\$721,378
Infratil 5.5% 15/06/2024	3.6%	NR	2.3%	\$707,966
Powerco 4.67% 15/11/2024	3.0%	BBB	2.2%	\$682,403
Woodside Finance 3.7% 15/09/2026	2.6%	BBB+	2.2%	\$680,658
NEXTDC 6.25% 09/06/2021	3.9%	NR	1.7%	\$549,331
Fletcher Building Industries 4.75% 15/03/2021	3.4%	NR	1.6%	\$517,129
Property for Industry 4.25% 01/10/2025	3.2%	NR	1.6%	\$510,131
Peet 6.75% 07/06/2024	5.3%	NR	1.6%	\$505,241
Trustpower 4.01% 15/12/2022	2.8%	NR	1.6%	\$499,840
Insurance Australia Group floating 15/06/2045	3.7%	BBB	1.1%	\$339,383
Trustpower 3.97% 22/02/2029	3.5%	NR	1.0%	\$327,331
ANZ floating perpetual	2.8%	BBB+	0.8%	\$260,510
NEXTDC floating 09/06/2022	4.5%	NR	0.4%	\$131,721
Vector 3.45% 27/05/2025	2.9%	BBB	0.3%	\$106,306
Crown Subordinated Notes 23/04/2075	5.5%	NR	0.3%	\$105,515
New Zealand interest rate swaps exposure	n/a	n/a	0.0%	\$14,000

NZ Funds KiwiSaver Scheme Income Strategy

Complete Strategy as at 20 June 2019 (continued)

Strategy / Security	Estimated yield ¹	Credit rating	Strategy exposure %	Strategy exposure \$
INTERNATIONAL BONDS			35.4%	\$11,124,390
Microsoft 3.3% 06/02/2027	1.6%	AAA	4.7%	\$1,480,685
US Treasury 2.625% 15/02/2029	1.2%	AAA	3.9%	\$1,232,232
American Homes 4 Rent 4.9% 15/02/2029	3.1%	BBB-	3.4%	\$1,066,127
Constellation Brands 4.75% 01/12/2025	2.2%	BBB	2.7%	\$847,840
Southern Copper 7.50% 27/07/2035	4.0%	BBB+	2.6%	\$826,780
Chevron 2.954% 16/05/2026	1.7%	AA	2.3%	\$710,981
Bausch Health 6.125% 15/04/2025	4.8%	B-	2.2%	\$693,811
Country Garden Holdings 5.125% 17/01/2025	5.4%	BBB-	2.2%	\$680,958
HCA 4.125% 15/06/2029	3.0%	BBB-	2.0%	\$638,319
Icahn Enterprises 5.875% 01/02/2022	1.4%	BB+	2.0%	\$632,331
Bausch Health 4.5% 15/05/2023	1.1%	B-	1.9%	\$588,739
Netflix 5.375% 15/11/2029	3.9%	BB-	1.9%	\$583,022
Icahn Enterprises 6.25% 15/05/2026	4.8%	BB+	1.8%	\$569,357
Southern Copper 3.5% 08/11/2022	2.1%	BBB+	0.9%	\$282,312
First Quantum Minerals 7% 15/02/2021	4.2%	B	0.5%	\$154,083
Credit default swaps - Market value ²	n/a	n/a	0.4%	\$131,844
United States bond/futures	n/a	n/a	0.0%	\$4,968
TOTAL ECONOMIC EXPOSURE³			100.9%	\$31,686,415
FOREIGN CURRENCY EXPOSURE			1.7%	\$541,265

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 \$6,220,244.

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.

NZ Funds KiwiSaver Scheme Income Strategy

Notes

NZ Funds KiwiSaver Scheme Income Strategy

- * Returns are stated after Strategy fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns.
- † Cumulative returns.

Maximum Decline and Volatility

- x Returns should be looked at in conjunction with the level of risk associated with an investment. We use 'maximum decline' as a measure of risk. It represents the largest decline in value experienced during the previous 12 months.
- ^ This is the annualised standard deviation calculated from weekly returns of the Strategy over the 5 years ending 30 June 2019. For more details on the Strategy's Maximum Decline and Volatility please contact NZ Funds.

Note

Rounding may affect the subtotals and totals.

NZ Funds KiwiSaver Scheme Inflation Strategy

Performance since inception (31 October 2010) to 30 June 2019



Strategy returns*	1 month	3 months	6 months	1 year	2 years [†]	5 years [†]	Since inception	Maximum decline 12 months ^x	Volatility 5 years [^]
Inflation Strategy	3.11%	4.56%	15.20%	6.36%	18.38%	24.94%	59.05%	-11.17%	8.24%

NZ Funds KiwiSaver Scheme Inflation Strategy

Complete Strategy as at 20 June 2019

Strategy / Security ¹	Estimated yield ²	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS		13.1%	\$6,489,444
AUSTRALASIAN BONDS		0.1%	\$25,798
New Zealand interest rate swaps exposure	n/a	0.1%	\$25,798
INTERNATIONAL BONDS		23.6%	\$11,698,379
Floating Rate and Perpetual Bond Strategy	3.2%	19.0%	\$9,433,398
US Treasury 2.875% 15/05/2049	1.7%	4.4%	\$2,169,694
Inflation swaps - Market value ³	n/a	0.2%	\$95,287
AUSTRALASIAN SHARES		30.6%	\$15,180,588
Dividend and Growth Strategy	3.4%	30.6%	\$15,180,588
INTERNATIONAL SHARES		32.8%	\$16,267,414
Equity index futures (long)	n/a	24.9%	\$12,337,333
MFS Global Research Focused Fund	0.3%	3.7%	\$1,836,875
Suvretta Offshore Fund	n/a	2.2%	\$1,069,668
Emerson Point Capital Partners LP	n/a	2.1%	\$1,023,537

NZ Funds KiwiSaver Scheme Inflation Strategy

Complete Strategy as at 20 June 2019 (continued)

Strategy / Security ¹	Estimated yield ²	Portfolio exposure %	Portfolio exposure \$
ALTERNATIVE SECURITIES		0.2%	\$98,366
Universa Black Swan Protection Protocol	n/a	0.2%	\$98,366
TOTAL ECONOMIC EXPOSURE⁴		100.4%	\$49,759,989
FOREIGN CURRENCY EXPOSURE		5.3%	\$2,613,920

1. Where a strategy is shown, the asset class reflects the predominant assets in the strategy. The strategy may include other assets including cash.

2. 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.

3. Inflation swaps notional value is currently \$3,879,403.

4. 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.

NZ Funds KiwiSaver Scheme Inflation Strategy

Notes

NZ Funds KiwiSaver Scheme Inflation Strategy

- * Returns are stated after Strategy fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns.
- † Cumulative returns.

Maximum Decline and Volatility

- x Returns should be looked at in conjunction with the level of risk associated with an investment. We use 'maximum decline' as a measure of risk. It represents the largest decline in value experienced during the previous 12 months.
- ^ This is the annualised standard deviation calculated from weekly returns of the Strategy over the 5 years ending 30 June 2019. For more details on the Strategy's Maximum Decline and Volatility please contact NZ Funds.

Note

Rounding may affect the subtotals and totals.

NZ Funds KiwiSaver Scheme Growth Strategy

Performance since inception (31 October 2010) to 30 June 2019



Strategy returns*	1 month	3 months	6 months	1 year	2 years ⁺	5 years ⁺	Since inception	Maximum decline 12 months ^x	Volatility 5 years [^]
Growth Strategy	5.30%	3.84%	14.55%	2.57%	19.76%	41.97%	91.38%	-16.06%	12.17%

NZ Funds KiwiSaver Scheme Growth Strategy

Complete Strategy as at 20 June 2019

Strategy / Security ¹	Estimated yield ²	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS		4.5%	\$7,782,411
AUSTRALASIAN SHARES		28.5%	\$49,729,941
Dividend and Growth Strategy	3.4%	28.5%	\$49,729,941
INTERNATIONAL SHARES		69.1%	\$120,422,556
Equity index futures (long)	n/a	19.7%	\$34,290,869
MFS Global Research Focused Fund	0.3%	14.6%	\$25,475,607
LSV Global Concentrated Fund	0.6%	12.8%	\$22,279,217
Suvretta Offshore Fund	n/a	11.3%	\$19,646,922
Glade Brook Private Investor LLC	n/a	4.4%	\$7,623,581
Emerson Point Capital Partners LP	n/a	4.4%	\$7,600,503
Lyft	0.0%	2.0%	\$3,505,857
ALTERNATIVE SECURITIES		0.4%	\$747,856
Universa Black Swan Protection Protocol	n/a	0.4%	\$747,856
TOTAL ECONOMIC EXPOSURE³		102.5%	\$178,682,763
FOREIGN CURRENCY EXPOSURE		14.2%	\$24,781,739

1. Where a strategy is shown, the asset class reflects the predominant assets in the strategy. The strategy may include other assets including cash.

2. 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.

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.

NZ Funds KiwiSaver Scheme Growth Strategy

Notes

NZ Funds KiwiSaver Scheme Growth Strategy

- * Returns are stated after Strategy fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns.
- † Cumulative returns.

Maximum Decline and Volatility

- x Returns should be looked at in conjunction with the level of risk associated with an investment. We use 'maximum decline' as a measure of risk. It represents the largest decline in value experienced during the previous 12 months.
- ^ This is the annualised standard deviation calculated from weekly returns of the Strategy over the 5 years ending 30 June 2019. For more details on the Strategy's Maximum Decline and Volatility please contact NZ Funds.

Note

Rounding may affect the subtotals and totals.



NZ Funds Managed Superannuation Service

NZ Funds Managed Superannuation Service Income Strategy - British Pounds

Performance since inception (11 August 2017) to 30 June 2019

This Strategy was previously known as the ROPS GBP Income Strategy.



Strategy returns*	1 month	3 months	6 months	1 year	2 years	5 years	Since inception	Maximum decline 12 months ^x	Volatility 5 years [^]
Income Strategy - British Pounds	-1.45%	0.45%	3.94%	2.32%	n/a	n/a	10.46%	-10.62%	10.77%

NZ Funds Managed Superannuation Service Income Strategy - British Pounds

Complete Strategy as at 20 June 2019

This Strategy was previously known as the ROPS GBP Income Strategy.

Strategy / Security	Estimated yield ¹	Credit rating	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS			9.0%	\$295,356
AUSTRALASIAN BONDS			54.7%	\$1,801,815
Vector 4.996% 14/03/2024	3.0%	BBB	5.7%	\$189,043
Insurance Australia Group 5.15% 15/06/2043	3.4%	BBB	4.6%	\$153,095
BlueScope Steel Finance USA 4.625% 25/05/2023	2.6%	BBB-	4.5%	\$148,171
Westpac Banking 4.695% 01/09/2026	2.9%	BBB	3.8%	\$124,310
WEL Networks 4.9% 02/08/2023	3.4%	NR	3.4%	\$113,205
NEXTDC 6% 09/06/2022	5.4%	NR	3.1%	\$100,912
Precinct Properties New Zealand 4.42% 27/11/2024	3.0%	NR	2.8%	\$92,817
Fletcher Building Industries 5.8% 15/03/2020	3.5%	NR	2.6%	\$86,009
Property for Industry 4.59% 28/11/2024	3.2%	NR	2.6%	\$85,177
Westpac floating perpetual	2.8%	BBB+	2.3%	\$76,817
Infratil 5.5% 15/06/2024	3.6%	NR	2.3%	\$75,389
Powerco 4.67% 15/11/2024	3.0%	BBB	2.2%	\$72,667
Woodside Finance 3.7% 15/09/2026	2.6%	BBB+	2.2%	\$72,481
NEXTDC 6.25% 09/06/2021	3.9%	NR	1.8%	\$58,496
Fletcher Building Industries 4.75% 15/03/2021	3.4%	NR	1.7%	\$55,067
Property for Industry 4.25% 01/10/2025	3.2%	NR	1.6%	\$54,322
Peet 6.75% 07/06/2024	5.3%	NR	1.6%	\$53,801
Trustpower 4.01% 15/12/2022	2.8%	NR	1.6%	\$53,226
Insurance Australia Group floating 15/06/2045	3.7%	BBB	1.1%	\$36,140
Trustpower 3.97% 22/02/2029	3.5%	NR	1.1%	\$34,856
ANZ floating perpetual	2.8%	BBB+	0.8%	\$27,741
NEXTDC floating 09/06/2022	4.5%	NR	0.4%	\$14,026
Vector 3.45% 27/05/2025	2.9%	BBB	0.3%	\$11,320
Crown Subordinated Notes 23/04/2075	5.5%	NR	0.3%	\$11,236
New Zealand interest rate swaps exposure	n/a	n/a	0.0%	\$1,491

NZ Funds Managed Superannuation Service Income Strategy - British Pounds

Complete Strategy as at 20 June 2019 (continued)

This Strategy was previously known as the ROPS GBP Income Strategy.

Strategy / Security	Estimated yield ¹	Credit rating	Strategy exposure %	Strategy exposure \$
INTERNATIONAL BONDS			37.2%	\$1,226,446
Microsoft 3.3% 06/02/2027	1.6%	AAA	5.0%	\$163,243
US Treasury 2.625% 15/02/2029	1.2%	AAA	4.1%	\$135,852
American Homes 4 Rent 4.9% 15/02/2029	3.1%	BBB-	3.6%	\$117,539
Constellation Brands 4.75% 01/12/2025	2.2%	BBB	2.8%	\$93,473
Southern Copper 7.50% 27/07/2035	4.0%	BBB+	2.8%	\$91,151
Chevron 2.954% 16/05/2026	1.7%	AA	2.4%	\$78,384
Bausch Health 6.125% 15/04/2025	4.8%	B-	2.3%	\$76,492
Country Garden Holdings 5.125% 17/01/2025	5.4%	BBB-	2.3%	\$75,075
HCA 4.125% 15/06/2029	3.0%	BBB-	2.1%	\$70,374
Icahn Enterprises 5.875% 01/02/2022	1.4%	BB+	2.1%	\$69,714
Bausch Health 4.5% 15/05/2023	1.1%	B-	2.0%	\$64,908
Netflix 5.375% 15/11/2029	3.9%	BB-	2.0%	\$64,277
Icahn Enterprises 6.25% 15/05/2026	4.8%	BB+	1.9%	\$62,771
Southern Copper 3.5% 08/11/2022	2.1%	BBB+	0.9%	\$31,124
First Quantum Minerals 7% 15/02/2021	4.2%	B	0.5%	\$16,987
Credit default swaps - Market value ²	n/a	n/a	0.4%	\$14,536
United States bond futures	n/a	n/a	0.0%	\$548
TOTAL ECONOMIC EXPOSURE³			100.9%	\$3,323,617
GBP CURRENCY EXPOSURE			99.8%	\$3,286,952
OTHER FOREIGN CURRENCY EXPOSURE			1.8%	\$58,888

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 \$685,771.

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.

NZ Funds Managed Superannuation Service Income Strategy - British Pounds

This Strategy was previously known as the ROPS GBP Income Strategy.

Notes

NZ Funds ROPS Income Strategy - British Pounds

- * Returns are stated after Strategy fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns.

Maximum Decline and Volatility

- x Returns should be looked at in conjunction with the level of risk associated with an investment. We use 'maximum decline' as a measure of risk. It represents the largest decline in value experienced during the previous 12 months.
- ^ This is the annualised standard deviation calculated using weekly returns of the Strategy and market index data over the 5 years ending 30 June 2019. Market index data is used for calculating the volatility prior to the inception date. For more details on the market index data, see the SIPO for the NZ Funds Managed Superannuation Service. For more details on the Strategy's Maximum Decline and Volatility please contact NZ Funds.

Note

Rounding may affect the subtotals and totals.

NZ Funds Managed Superannuation Service Income Strategy

Performance since inception (25 January 2017) to 30 June 2019



Strategy returns*	1 month	3 months	6 months	1 year	2 years	5 years	Since inception	Maximum decline 12 months ^x	Volatility 5 years [^]
Income Strategy	1.00%	2.18%	4.95%	6.43%	7.80%	n/a	9.74%	-0.63%	2.02%

NZ Funds Managed Superannuation Service Income Strategy

Complete Strategy as at 20 June 2019

Strategy / Security	Estimated yield ¹	Credit rating	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS			10.0%	\$439,692
AUSTRALASIAN BONDS			54.1%	\$2,380,113
Vector 4.996% 14/03/2024	3.0%	BBB	5.7%	\$249,717
Insurance Australia Group 5.15% 15/06/2043	3.4%	BBB	4.6%	\$202,232
BlueScope Steel Finance USA 4.625% 25/05/2023	2.6%	BBB-	4.5%	\$195,727
Westpac Banking 4.695% 01/09/2026	2.9%	BBB	3.7%	\$164,207
WEL Networks 4.9% 02/08/2023	3.4%	NR	3.4%	\$149,539
NEXTDC 6% 09/06/2022	5.4%	NR	3.0%	\$133,300
Precinct Properties New Zealand 4.42% 27/11/2024	3.0%	NR	2.8%	\$122,607
Fletcher Building Industries 5.8% 15/03/2020	3.5%	NR	2.6%	\$113,614
Property for Industry 4.59% 28/11/2024	3.2%	NR	2.6%	\$112,514
Westpac floating perpetual	2.8%	BBB+	2.3%	\$101,472
Infratil 5.5% 15/06/2024	3.6%	NR	2.3%	\$99,585
Powerco 4.67% 15/11/2024	3.0%	BBB	2.2%	\$95,989
Woodside Finance 3.7% 15/09/2026	2.6%	BBB+	2.2%	\$95,744
NEXTDC 6.25% 09/06/2021	3.9%	NR	1.8%	\$77,271
Fletcher Building Industries 4.75% 15/03/2021	3.4%	NR	1.7%	\$72,741
Property for Industry 4.25% 01/10/2025	3.2%	NR	1.6%	\$71,757
Peet 6.75% 07/06/2024	5.3%	NR	1.6%	\$71,069
Trustpower 4.01% 15/12/2022	2.8%	NR	1.6%	\$70,309
Insurance Australia Group floating 15/06/2045	3.7%	BBB	1.1%	\$47,739
Trustpower 3.97% 22/02/2029	3.5%	NR	1.0%	\$46,043
ANZ floating perpetual	2.8%	BBB+	0.8%	\$36,644
NEXTDC floating 09/06/2022	4.5%	NR	0.4%	\$18,528
Vector 3.45% 27/05/2025	2.9%	BBB	0.3%	\$14,953
Crown Subordinated Notes 23/04/2075	5.5%	NR	0.3%	\$14,842
New Zealand interest rate swaps exposure	n/a	n/a	0.0%	\$1,969

NZ Funds Managed Superannuation Service Income Strategy

Complete Strategy as at 20 June 2019 (continued)

Strategy / Security	Estimated yield ¹	Credit rating	Strategy exposure %	Strategy exposure \$
INTERNATIONAL BONDS			36.8%	\$1,618,732
Microsoft 3.3% 06/02/2027	1.6%	AAA	4.9%	\$215,457
US Treasury 2.625% 15/02/2029	1.2%	AAA	4.1%	\$179,305
American Homes 4 Rent 4.9% 15/02/2029	3.1%	BBB-	3.5%	\$155,134
Constellation Brands 4.75% 01/12/2025	2.2%	BBB	2.8%	\$123,371
Southern Copper 7.50% 27/07/2035	4.0%	BBB+	2.7%	\$120,306
Chevron 2.954% 16/05/2026	1.7%	AA	2.4%	\$103,456
Bausch Health 6.125% 15/04/2025	4.8%	B-	2.3%	\$100,958
Country Garden Holdings 5.125% 17/01/2025	5.4%	BBB-	2.3%	\$99,088
HCA 4.125% 15/06/2029	3.0%	BBB-	2.1%	\$92,883
Icahn Enterprises 5.875% 01/02/2022	1.4%	BB+	2.1%	\$92,012
Bausch Health 4.5% 15/05/2023	1.1%	B-	1.9%	\$85,669
Netflix 5.375% 15/11/2029	3.9%	BB-	1.9%	\$84,837
Icahn Enterprises 6.25% 15/05/2026	4.8%	BB+	1.9%	\$82,848
Southern Copper 3.5% 08/11/2022	2.1%	BBB+	0.9%	\$41,080
First Quantum Minerals 7% 15/02/2021	4.2%	B	0.5%	\$22,421
Credit default swaps - Market value ²	n/a	n/a	0.4%	\$19,185
United States bond futures	n/a	n/a	0.0%	\$723
TOTAL ECONOMIC EXPOSURE³			100.9%	\$4,438,537
FOREIGN CURRENCY EXPOSURE			1.8%	\$77,865

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 \$905,119.

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.

NZ Funds Managed Superannuation Service Income Strategy

Notes

NZ Funds Managed Superannuation Service Income Strategy

- * Returns are stated after Strategy fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns.

Maximum Decline and Volatility

- x Returns should be looked at in conjunction with the level of risk associated with an investment. We use 'maximum decline' as a measure of risk. It represents the largest decline in value experienced during the previous 12 months.
- ^ This is the annualised standard deviation calculated using weekly returns of the Strategy and market index data over the 5 years ending 30 June 2019. Market index data is used for calculating the volatility prior to the inception date. For more details on the market index data, see the SIPO for the NZ Funds Managed Superannuation Service. For more details on the Strategy's Maximum Decline and Volatility please contact NZ Funds.

Note

Rounding may affect the subtotals and totals.

NZ Funds Managed Superannuation Service Inflation Strategy

Performance since inception (25 January 2017) to 30 June 2019



Strategy returns*	1 month	3 months	6 months	1 year	2 years	5 years	Since inception	Maximum decline 12 months ^x	Volatility 5 years [^]
Inflation Strategy	3.26%	4.72%	15.15%	6.37%	18.32%	n/a	15.33%	-11.11%	7.66%

NZ Funds Managed Superannuation Service Inflation Strategy

Complete Strategy as at 20 June 2019

Strategy / Security ¹	Estimated yield ²	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS		2.9%	\$190,578
AUSTRALASIAN BONDS		0.1%	\$3,588
New Zealand interest rate swaps exposure	n/a	0.1%	\$3,588
INTERNATIONAL BONDS		24.6%	\$1,622,361
Floating Rate and Perpetual Bond Strategy	3.2%	19.9%	\$1,308,217
US Treasury 2.875% 15/05/2049	1.7%	4.6%	\$300,892
Inflation swaps - Market value ³	n/a	0.2%	\$13,253
AUSTRALASIAN SHARES		32.8%	\$2,158,218
Dividend and Growth Strategy	3.4%	32.8%	\$2,158,218
INTERNATIONAL SHARES		39.9%	\$2,629,245
Equity index futures (long)	n/a	31.4%	\$2,067,012
LSV Global Concentrated Fund	0.6%	3.9%	\$254,658
Suvretta Offshore Fund	n/a	2.2%	\$145,864
Emerson Point Capital Partners LP	n/a	1.9%	\$122,824
MFS Global Research Focused Fund	0.3%	0.6%	\$38,888

NZ Funds Managed Superannuation Service Inflation Strategy

Complete Strategy as at 20 June 2019

Strategy / Security ¹	Estimated yield ²	Portfolio exposure %	Portfolio exposure \$
ALTERNATIVE SECURITIES		0.2%	\$14,660
Universa Black Swan Protection Protocol	n/a	0.2%	\$14,660
TOTAL ECONOMIC EXPOSURE⁴		100.5%	\$6,618,651
FOREIGN CURRENCY EXPOSURE		7.2%	\$475,430

1. Where a strategy is shown, the asset class reflects the predominant assets in the strategy. The strategy may include other assets including cash.

2. 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.

3. Inflation swaps notional value is currently \$539,555.

4. 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.

NZ Funds Managed Superannuation Service Inflation Strategy

Notes

NZ Funds Managed Superannuation Service Inflation Strategy

- * Returns are stated after Strategy fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns.

Maximum Decline and Volatility

- x Returns should be looked at in conjunction with the level of risk associated with an investment. We use 'maximum decline' as a measure of risk. It represents the largest decline in value experienced during the previous 12 months.
- ^ This is the annualised standard deviation calculated using weekly returns of the Strategy and market index data over the 5 years ending 30 June 2019. Market index data is used for calculating the volatility prior to the inception date. For more details on the market index data, see the SIPO for the NZ Funds Managed Superannuation Service. For more details on the Strategy's Maximum Decline and Volatility please contact NZ Funds.

Note

Rounding may affect the subtotals and totals.

NZ Funds Managed Superannuation Service Growth Strategy

Performance since inception (25 January 2017) to 30 June 2019



Strategy returns*	1 month	3 months	6 months	1 year	2 years	5 years	Since inception	Maximum decline 12 months ^x	Volatility 5 years [^]
Growth Strategy	5.24%	4.10%	14.94%	2.90%	19.88%	n/a	18.39%	-16.04%	10.98%

NZ Funds Managed Superannuation Service Growth Strategy

Complete Strategy as at 20 June 2019

Strategy / Security ¹	Estimated yield ²	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS		1.0%	\$185,854
AUSTRALASIAN SHARES		27.8%	\$5,167,598
Dividend and Growth Strategy	3.4%	27.8%	\$5,167,598
INTERNATIONAL SHARES		75.3%	\$14,004,008
Equity index futures (long)	n/a	28.0%	\$5,210,512
LSV Global Concentrated Fund	0.6%	15.6%	\$2,907,127
Suvretta Offshore Fund	n/a	12.2%	\$2,272,864
MFS Global Research Focused Fund	0.3%	9.9%	\$1,839,420
Glade Brook Private Investor LLC	n/a	4.0%	\$751,462
Emerson Point Capital Partners LP	n/a	3.9%	\$728,820
Lyft	0.0%	1.6%	\$293,802
ALTERNATIVE SECURITIES		0.4%	\$79,150
Universa Black Swan Protection Protocol	n/a	0.4%	\$79,150
TOTAL ECONOMIC EXPOSURE³		104.6%	\$19,436,611
FOREIGN CURRENCY EXPOSURE		22.7%	\$4,226,253

1. Where a strategy is shown, the asset class reflects the predominant assets in the strategy. The strategy may include other assets including cash.

2. 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.

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.

NZ Funds Managed Superannuation Service Growth Strategy

Notes

NZ Funds Managed Superannuation Service Growth Strategy

- * Returns are stated after Strategy fees and expenses, but before any advisory fees or investor tax. Past performance is not necessarily an indication of future returns.

Maximum Decline and Volatility

- x Returns should be looked at in conjunction with the level of risk associated with an investment. We use 'maximum decline' as a measure of risk. It represents the largest decline in value experienced during the previous 12 months.
- ^ This is the annualised standard deviation calculated using weekly returns of the Strategy and market index data over the 5 years ending 30 June 2019. Market index data is used for calculating the volatility prior to the inception date. For more details on the market index data, see the SIPO for the NZ Funds Managed Superannuation Service. For more details on the Strategy's Maximum Decline and Volatility please contact NZ Funds.

Note

Rounding may affect the subtotals and totals.



Manager portfolios

Floating Rate and Perpetual Bond Strategy

Complete Portfolio as at 20 June 2019

Strategy / Security	Estimated yield ¹	Portfolio exposure %	Portfolio exposure \$
REAL ESTATE DEVELOPMENT		6.4%	\$4,478,633
China Evergrande Group 8.75% 28/06/2025	10.3%	4.0%	\$2,803,496
Modern Land China 15.5% 02/07/2020	9.1%	2.4%	\$1,675,137
COPPER		15.4%	\$10,715,431
First Quantum Minerals 6.875% 01/03/2026	7.8%	15.4%	\$10,715,431
CASINOS & GAMING		1.0%	\$675,555
Crown Subordinated Notes 23/04/2075	5.5%	1.0%	\$675,555
PHARMACEUTICALS		15.0%	\$10,464,670
Bausch Health 4.5% 15/05/2023	5.5%	15.0%	\$10,464,670
DIVERSIFIED BANKS		18.3%	\$12,723,017
National Australia Bank Income Securities perpetual	6.5%	18.3%	\$12,723,017
THRIFTS & MORTGAGE FINANCE		19.0%	\$13,189,318
Federal National Mortgage Association 8.25%	0.0%	19.0%	\$13,189,318
OFFICE REIT'S		20.6%	\$14,302,822
Precinct Properties New Zealand 4.8% 27/09/2021	n/a	20.6%	\$14,302,822
SPECIALISED REIT'S		4.3%	\$2,998,453
Public Storage 5.2%	4.5%	4.3%	\$2,998,453
TOTAL NZ FUNDS EXPOSURE		100.0%	\$69,547,900

1. The yield is not the actual return on the portfolio, nor is it a projection or forecast. Details of the yield calculation are available on request from NZ Funds. The yield includes foreign currency hedging points where appropriate.
Note: Rounding may affect any subtotals and totals.

Global Agriculture Index Strategy

Complete Portfolio as at 20 June 2019

Strategy / Security	Estimated yield ¹	Portfolio exposure %	Portfolio exposure \$
FERTILIZERS & AGRICULTURAL CHEMICALS		33.1%	\$1,555,669
Yara International	5.1%	13.6%	\$637,954
FMC	1.2%	12.5%	\$585,700
Quimica Y Minera	3.5%	7.1%	\$332,015
SPECIALTY CHEMICALS		1.0%	\$47,334
Livent	0.0%	1.0%	\$47,334
CONSTRUCTION & FARM MACHINERY & HEAVY TRUCKS		33.1%	\$1,553,000
Deere & Co	1.3%	12.2%	\$571,407
Kubota	3.8%	11.0%	\$515,772
CNH Industrial	4.3%	9.9%	\$465,820
AGRICULTURAL PRODUCTS		19.2%	\$901,324
Archer-Daniels-Midland	2.5%	10.7%	\$503,577
Bunge	3.0%	8.5%	\$397,747
PACKAGED FOODS & MEATS		13.5%	\$635,611
Marine Harvest	7.8%	13.5%	\$635,611
TOTAL NZ FUNDS EXPOSURE		100.0%	\$4,692,938

1. The yield is not the actual return on the portfolio, nor is it a projection or forecast. Details of the yield calculation are available on request from NZ Funds. The yield includes foreign currency hedging points where appropriate.
Note: Rounding may affect any subtotals and totals.

Global Metals and Mining Strategy

Complete Portfolio as at 20 June 2019

Strategy / Security	Estimated yield ¹	Portfolio exposure %	Portfolio exposure \$
ALUMINUM		2.3%	\$145,872
Alcoa	0.0%	2.3%	\$145,872
DIVERSIFIED METALS & MINING		61.9%	\$3,950,927
Rio Tinto PLC ADR ²	5.0%	35.2%	\$2,246,054
Glencore	7.2%	16.7%	\$1,064,045
Teck Resources	0.0%	3.9%	\$249,582
Grupo Mexico SAB de CV	5.2%	3.2%	\$204,600
Sumitomo Metal Mining	4.6%	2.9%	\$186,647
COPPER		4.8%	\$303,427
Freeport-McMoRan	2.4%	4.8%	\$303,427
STEEL		31.0%	\$1,977,390
Fortescue Metals Group	9.5%	6.8%	\$434,410
Nucor	2.1%	4.8%	\$306,497
Nippon Steel	5.4%	4.2%	\$264,929
ArcelorMittal	4.5%	3.9%	\$245,650
China Steel	2.6%	3.1%	\$198,842
Steel Dynamics	2.4%	2.9%	\$183,641
JFE Holdings	6.3%	2.8%	\$175,789
Reliance Steel & Aluminum	1.7%	2.6%	\$167,632
TOTAL NZ FUNDS EXPOSURE		100.0%	\$6,377,616

1. The yield is not the actual return on the portfolio, nor is it a projection or forecast. Details of the yield calculation are available on request from NZ Funds. The yield includes foreign currency hedging points where appropriate.
2. The Rio Tinto PLC ADR is shown as an exposure to Australasian shares, as economically this holding provides a return equivalent to that of a Rio Tinto share which is an Australian share for asset classification purposes.
Note: Rounding may affect any subtotals and totals.

Global Oil Index Strategy

Complete Portfolio as at 20 June 2019

Strategy / Security	Estimated yield ¹	Portfolio exposure %	Portfolio exposure \$
INTEGRATED OIL & GAS		68.4%	\$3,396,810
BP	6.8%	11.1%	\$550,912
Exxon Mobil	3.9%	10.9%	\$543,786
Total	7.5%	10.3%	\$511,189
Eni	8.1%	9.8%	\$486,271
Statoil	7.5%	9.1%	\$451,867
Petrochina	4.2%	9.0%	\$444,804
Occidental Petroleum	5.5%	8.2%	\$407,980
OIL & GAS EXPLORATION & PRODUCTION		22.7%	\$1,126,116
CNOOC	4.6%	13.3%	\$658,649
EOG Resources	0.4%	9.4%	\$467,466
OIL & GAS REFINING & MARKETING		9.0%	\$444,871
JX Holdings	6.4%	9.0%	\$444,871
TOTAL NZ FUNDS EXPOSURE		100.0%	\$4,967,797

1. The yield is not the actual return on the portfolio, nor is it a projection or forecast. Details of the yield calculation are available on request from NZ Funds. The yield includes foreign currency hedging points where appropriate.
Note: Rounding may affect any subtotals and totals.

LSV Global Concentrated ACWI Strategy

Indicative Top 10 as at 20 June 2019

Strategy / Security ¹	Estimated yield ²	Portfolio exposure %	Portfolio exposure \$
INTERNATIONAL SHARES		19.6%	\$14,791,903
Pfizer	2.8%	2.4%	\$1,780,647
Verizon Communications	3.5%	2.2%	\$1,678,866
Cisco Systems	2.0%	2.2%	\$1,644,124
Amgen	2.5%	2.0%	\$1,481,271
Total	7.7%	1.9%	\$1,448,827
Cummins	2.3%	1.9%	\$1,425,998
KLA-Tencor	1.9%	1.9%	\$1,422,907
Nippon Telegraph & Telephone	5.9%	1.8%	\$1,342,713
Tyson Foods	1.8%	1.7%	\$1,286,970
China Telecom Corp	2.5%	1.7%	\$1,279,581
TOTAL EXPOSURE TOP 10 (EXCL. CASH AND CASH EQUIVALENTS)		19.6%	\$14,791,903
TOTAL NZ FUNDS EXPOSURE		100.0%	\$58,789,427

1. This is the most recent information received from the manager dated 31 March 2019. Actual holdings as at 20 June 2019 may vary from those shown in the table.

2. The yield is not the actual return on the portfolio, nor is it a projection or forecast. Details of the yield calculation are available on request from NZ Funds. The yield includes foreign currency hedging points where appropriate.

Note: Rounding may affect any subtotals and totals.

MFS Global Research Focused Fund

Top 10 as at 20 June 2019

Strategy / Security ¹	Estimated yield ²	Portfolio exposure %	Portfolio exposure \$
INTERNATIONAL SHARES		n/a	n/a
Alphabet Inc	0.0%	n/a	n/a
Amazon.com	0.0%	n/a	n/a
CMS Energy	2.0%	n/a	n/a
Fiserv	0.0%	n/a	n/a
Global Payments	0.0%	n/a	n/a
LVMH Moet Hennessy Louis Vuitton	4.0%	n/a	n/a
Medtronic	1.5%	n/a	n/a
Mondelez International	1.3%	n/a	n/a
Roper Technologies	0.0%	n/a	n/a
Salesforce.com	0.0%	n/a	n/a
TOTAL EXPOSURE TOP 10 (EXCL. CASH AND CASH EQUIVALENTS)		n/a	n/a
TOTAL NZ FUNDS EXPOSURE		n/a	n/a

1. Securities shown in the table are the top 10 highest exposure of the fund sorted in alphabetical order
2. The yield is not the actual return on the portfolio, nor is it a projection or forecast. Details of the yield calculation are available on request from NZ Funds. The yield includes foreign currency hedging points where appropriate. Note: Rounding may affect any subtotals and totals.
Note: Rounding may affect any subtotals and totals.

NZ Funds Management Dividend and Growth Strategy

Complete Portfolio as at 20 June 2019

Strategy / Security	Estimated yield ¹	Portfolio exposure %	Portfolio exposure \$
CASH AND CASH EQUIVALENTS		5.0%	\$13,591,148
AUSTRALASIAN SHARES		95.0%	\$258,709,062
Australian futures index exposure	n/a	30.2%	\$82,228,191
Meridian Energy	5.3%	7.3%	\$20,001,784
Contact Energy	6.9%	6.8%	\$18,488,107
Spark New Zealand	8.5%	6.3%	\$17,070,537
Tower	3.6%	5.0%	\$13,621,911
a2 Milk	0.7%	4.7%	\$12,798,500
Auckland International Airport	3.5%	4.0%	\$10,936,997
Fletcher Building	7.0%	4.0%	\$10,803,391
Fisher & Paykel Healthcare	2.9%	3.4%	\$9,219,118
Mainfreight	2.6%	2.7%	\$7,341,165
Metlifecare	2.9%	2.5%	\$6,786,694
Infratil	5.3%	2.3%	\$6,300,690
Sky City Entertainment	6.4%	2.1%	\$5,710,261
Chorus	5.6%	2.1%	\$5,643,947
Z Energy	12.4%	2.0%	\$5,390,546
Kiwi Property Group Ltd	5.0%	1.8%	\$5,033,196

NZ Funds Management Dividend and Growth Strategy

Complete Portfolio as at 20 June 2019 (continued)

Strategy / Security	Estimated yield ¹	Portfolio exposure %	Portfolio exposure \$
AUSTRALASIAN SHARES (CONTINUED)			
Ebos	3.7%	1.8%	\$4,917,478
Goodman Property Trust	3.8%	1.6%	\$4,310,702
Port of Tauranga	3.2%	1.6%	\$4,251,815
Precinct Properties New Zealand	4.0%	1.5%	\$4,068,748
Air New Zealand	11.6%	1.2%	\$3,160,236
Sanford	4.7%	0.2%	\$625,049
TOTAL NZ FUNDS EXPOSURE		100.0%	\$272,300,210
FOREIGN CURRENCY EXPOSURE		1.0%	\$2,623,596

1. The yield calculation represents an estimate of the yield on the Portfolio, calculated using forecast dividends (Source: Bloomberg), NZ Funds' estimate of imputation credits where appropriate, and hedged back to New Zealand dollars where appropriate. The yield is not the actual return on the Portfolio, nor is it a projection or forecast. The Portfolio's return could be less than the Portfolio's yield. Details of the yield calculation are available on request from NZ Funds.

Note: Rounding may affect any subtotals and totals.

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Appendices

Glossary

Credit default swap

An agreement with a counterparty, usually a bank, where the counterparty indemnifies the holder against the possible default of an entity or the holder indemnifies the counterparty against the possible default of an entity. Buying protection via a credit default swap is akin to buying insurance against the default of the entity. The price of the credit default swap will change as the probability of default changes.

Credit spread

Credit spread is a measure of a security's credit quality. The lower the credit spread, the lower the probability that the security will default. Credit spread measures the distance (measured in percentage points or basis points (one basis point equals 0.01%)) the yield on a fixed interest security trades above a benchmark bond yield (such as a government bond of the same maturity). For example, if the government bond yield is 3.5% and a security trades on a yield of 4.5%, its credit spread is 1% or 100 basis points.

Credit spread duration

Credit spread duration measures a security's sensitivity to a change in its credit spread. A security's credit spread will change if the probability of the security defaulting changes. For example, if a security has a credit spread duration of three years, then a one percentage point rise in its credit spread will approximately equate to a 3% fall in the security's price.

Estimated yield

This is calculated using a forecast of next year's dividend or interest payment. This forecast is then divided by the current price to determine an estimated yield.

Exchange Traded Fund (ETF)

An ETF is a managed fund which holds either shares, bonds and/or commodity futures. An ETF is either actively managed by a manager or passively managed to a specific index. An ETF is then traded on a stock exchange so holders will buy and sell the fund by transacting on the stock exchange. This means the price of the ETF may be different from the underlying Net Asset Value (NAV) of the fund. For example an ETF may trade at a discount to its NAV.

Fundamental analysis/research

Analysis based on fundamental factors. In analysing a company, for example, its sales, earnings, return on equity and profit margin are used to obtain a valuation of the company and potential for future growth.

Futures contract

A derivative contract to buy or sell a given security at a specified price, on a specified future date. Futures create an obligation to buy or sell at maturity.

Hedging

Hedging a security will reduce that security's sensitivity to the asset class that has been hedged. For example, hedging the currency exposure of a security reduces its sensitivity to currency movements. Hedging a security's interest rate exposure reduces its sensitivity to interest rates. Hedging is usually implemented through derivative contracts such as foreign exchange forwards.

Glossary

Interest rate duration

Interest rate duration measures a security's sensitivity to changes in interest rates. The higher the number, the greater the security's sensitivity to interest rates. For example if a fixed interest security has a duration of four years, then a one percentage point rise in interest rates will approximately equate to a 4% fall in the security's price.

Interest rate swap

An agreement with a counterparty, usually a bank, to exchange a floating rate cashflow with a fixed rate cashflow for a specified term, or vice versa. For example, in a falling interest rate environment a holder may wish to convert their floating rate investment into a fixed rate investment. This can be done through an interest rate swap. The term of an interest rate swap can be five years or more.

Investment grade

Bonds which have a credit rating of Baa3 (Moody's) or BBB- (S&P) or higher. Generally associated with lower credit risk.

Long position

A position taken by investors who seek to profit from the rising price of an asset. When using derivatives to take a long position, the investor agrees to buy an asset at the current market price at a future date. An investor may also buy the asset immediately. In both cases, the investor only makes a profit if the price of the asset rises. If the price of the asset falls, the investor makes a loss.

Market capitalisation

The size of a publicly listed company. It is calculated by multiplying the number of outstanding shares by the market price per share.

Payout ratio

The percentage of a company's earnings paid as dividends to shareholders. It is calculated by dividing the dividend per share by the earnings per share.

Price/Book

The Price/Book ratio is used to compare the market's valuation of a company to the value of the company as indicated in its financial statements. It is calculated by dividing the market price per share by the book value per share.

Price/Earnings

The Price/Earnings ratio is a valuation ratio. It shows how much investors are willing to pay per dollar of earnings. It is calculated by dividing the market price per share by the earnings per share.

Short position

An investment made to profit from a fall in the price of a security. It is an agreement to sell a security at the current market price. A profit is made only if the price of the security drops. If the price of the security rises, a loss is made.

Total economic exposure

This metric is a total of the different economic exposures held by the Portfolio. These economic exposures comprise those held by way of physical securities; derivative contracts such as futures; and exposures through leverage.

Weighted average

When calculating a weighted average, the proportion of each security within the portfolio is factored into the calculation. A security with a higher (lower) weight in the portfolio will contribute more (less) to the average.

Glossary

Yield

The income return on an investment relative to its purchase price. This refers to the interest or dividends received from a security and is usually expressed annually as a percentage based on the investment's cost, its current market value or its face value.

Yield to maturity

The annualised total return, expressed as a percentage, that a bond is expected to provide to the investor if held to maturity.

External Managers

As at 30 June 2019

MANAGER		NZ FUNDS MANAGED PORTFOLIO SERVICE										NZ FUNDS KIWISAVER SCHEME			NZ FUNDS MANAGED SUPERANNUATION SERVICE			
		CORE CASH PORTFOLIO	CORE INCOME PORTFOLIO	GLOBAL INCOME PORTFOLIO	CORE INFLATION PORTFOLIO	PROPERTY INFLATION PORTFOLIO	EQUITY INFLATION PORTFOLIO	CORE GROWTH PORTFOLIO	GLOBAL MULTI-ASSET GROWTH PORTFOLIO	GLOBAL EQUITY GROWTH PORTFOLIO	DIVIDEND AND GROWTH PORTFOLIO	INCOME STRATEGY	INFLATION STRATEGY	GROWTH STRATEGY	INCOME STRATEGY - BRITISH POUNDS	INCOME STRATEGY	INFLATION STRATEGY	GROWTH STRATEGY
EMERSON POINT	ALTERNATIVE SECURITIES						✓	✓					✓	✓			✓	✓
LSV	GLOBAL SHARES - ACTIVE						✓			✓			✓	✓			✓	✓
MFS	GLOBAL SHARES - ACTIVE						✓			✓			✓	✓			✓	✓
SUVRETTA CAPITAL	ALTERNATIVE SECURITIES						✓	✓					✓	✓			✓	✓
UNIVERSA	ALTERNATIVE SECURITIES					✓	✓	✓	✓	✓			✓	✓			✓	✓

Important Legal Information

Please note that these Portfolio Insights 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.

For further information or to request a copy of the NZ Funds Managed Portfolio Service Product Disclosure Statement, NZ Funds KiwiSaver Scheme Product Disclosure Statement, or the the NZ Funds Managed Superannuation Service Product Disclosure Statement, please contact New Zealand Funds Management Limited or visit our website at www.nzfunds.co.nz.