

NZ Funds KiwiSaver Scheme Security Listings

22 July 2019



Product Disclosure Statement

New Zealand Funds Management Limited is the issuer of the NZ Funds KiwiSaver Scheme.

The Product Disclosure Statement and the Disclose Register contain important information to help you to understand how your money is managed and the risks associated with investing.

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

Even if you have invested with NZ Funds for many years, please take the time to read these documents regularly as the content is frequently updated.

Important Legal Information

Please note that these Security Listings have been provided for information purposes only. The content of this document is not intended as a substitute for specific professional advice on investments, financial planning or any other matter.



KiwiSaver Income Strategy

Complete Strategy as at 22 July 2019

STRATEGY / SECURITY	ESTIMATED YIELD ¹	CREDIT RATING	PORTFOLIO EXPOSURE %	PORTFOLIO EXPOSURE \$
CASH AND CASH EQUIVALENTS			9.5%	\$3,013,625
AUSTRALASIAN BONDS			55.1%	\$17,416,551
Vector 4.996% 14/03/2024	2.9%	BBB	5.8%	\$1,819,897
Insurance Australia Group 5.15% 15/06/2043	3.0%	BBB	4.6%	\$1,451,494
BlueScope Steel Finance USA 4.625% 25/05/2023	2.6%	BBB-	4.4%	\$1,383,720
Westpac Banking 4.695% 01/09/2026	2.8%	BBB	3.8%	\$1,201,041
WEL Networks 4.9% 02/08/2023	3.3%	NR	3.5%	\$1,101,305
NEXTDC 6% 09/06/2022	5.0%	NR	3.0%	\$956,548
Precinct Properties New Zealand 4.42% 27/11/2024	3.0%	NR	2.8%	\$896,104
Fletcher Building Industries 5.8% 15/03/2020	3.2%	NR	2.6%	\$828,791
Property for Industry 4.59% 28/11/2024	3.0%	NR	2.6%	\$826,208
Westpac floating perpetual	2.7%	BBB+	2.2%	\$703,314
Powerco 4.67% 15/11/2024	2.9%	BBB	2.2%	\$699,416
Infratil 5.5% 15/06/2024	3.3%	NR	2.2%	\$696,541
Woodside Finance 3.7% 15/09/2026	3.5%	BBB+	2.1%	\$675,839
NEXTDC 6.25% 09/06/2021	4.5%	NR	1.8%	\$555,310
Fletcher Building Industries 4.75% 15/03/2021	3.3%	NR	1.7%	\$530,454
Property for Industry 4.25% 01/10/2025	3.0%	NR	1.6%	\$520,003
Peet 6.75% 07/06/2024	4.9%	NR	1.6%	\$513,880
Trustpower 4.01% 15/12/2022	2.8%	NR	1.6%	\$504,783
Trustpower 3.97% 22/02/2029	3.0%	NR	1.1%	\$345,747
Insurance Australia Group floating 15/06/2045	3.6%	BBB	1.1%	\$344,220
Mercury NZ 3.6% 11/07/2049	3.2%	BB+	0.9%	\$292,956
ANZ floating perpetual	2.8%	BBB+	0.8%	\$248,545
Trustpower Ltd 3.35% 29Jul2026	3.1%	NR	0.4%	\$140,309
NEXTDC floating 09/06/2022	4.2%	NR	0.4%	\$134,637
Vector 3.45% 27/05/2025	3.0%	BBB	0.1%	\$32,965
New Zealand interest rate swaps exposure	n/a	n/a	0.0%	\$12,524

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KiwiSaver Income Strategy

Complete Strategy as at 22 July 2019 (continued)

STRATEGY / SECURITY	ESTIMATED YIELD ¹	CREDIT RATING	PORTFOLIO EXPOSURE %	PORTFOLIO EXPOSURE \$
INTERNATIONAL BONDS			35.7%	\$11,292,222
iShares iBoxx \$ Investment Grade Corporate Bond Fund	2.6%	n/a	4.6%	\$1,441,922
US Treasury 2.625% 15/02/2029	1.3%	AAA	3.9%	\$1,228,923
Icahn Enterprises 6.25% 15/05/2026	4.9%	BB+	3.8%	\$1,199,495
American Homes 4 Rent 4.9% 15/02/2029	2.9%	BBB-	3.4%	\$1,075,414
Constellation Brands 4.75% 01/12/2025	2.1%	BBB	2.7%	\$853,995
Southern Copper 7.50% 27/07/2035	3.9%	BBB+	2.6%	\$836,806
Microsoft 3.3% 06/02/2027	1.6%	AAA	2.3%	\$741,568
Bausch Health 6.125% 15/04/2025	4.9%	B-	2.2%	\$697,763
Country Garden Holdings 5.125% 17/01/2025	5.0%	BBB-	2.2%	\$680,425
HCA 4.125% 15/06/2029	3.0%	BBB-	2.0%	\$638,149
Italian Government Bond 3% 01/08/2029	3.5%	BBB-	1.9%	\$609,948
Netflix 5.375% 15/11/2029	4.0%	BB-	1.9%	\$585,542
Chevron 2.954% 16/05/2026	1.6%	AA	1.1%	\$357,263
Southern Copper 3.5% 08/11/2022	2.0%	BBB+	0.9%	\$283,486
Credit default swaps - Market value ²	n/a	n/a	0.2%	\$61,522
TOTAL ECONOMIC EXPOSURE³			100.4%	\$31,722,398
FOREIGN CURRENCY EXPOSURE			2.1%	\$661,820

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 \$2,755,768.

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.



KiwiSaver Inflation Strategy

Complete Strategy as at 22 July 2019

STRATEGY / SECURITY ¹	ESTIMATED YIELD ²	PORTFOLIO EXPOSURE %	PORTFOLIO EXPOSURE \$
CASH AND CASH EQUIVALENTS		7.1%	\$3,534,865
AUSTRALASIAN BONDS		0.0%	\$21,633
New Zealand inflation swaps exposure	n/a	0.0%	\$21,633
INTERNATIONAL BONDS		20.1%	\$10,039,979
Floating Rate and Perpetual Bond Strategy	2.6%	13.6%	\$6,784,682
US Treasury 2.875% 15/05/2049	1.8%	6.3%	\$3,158,682
Inflation swaps - Market value ³	n/a	0.2%	\$96,615
AUSTRALASIAN SHARES		33.4%	\$16,729,158
Dividend and Growth Strategy	3.2%	33.4%	\$16,729,158
INTERNATIONAL SHARES		39.6%	\$19,824,801
Equity index futures (long)	n/a	25.1%	\$12,537,417
MFS Global Research Focused Fund	0.1%	6.8%	\$3,379,303
LSV Global Concentrated Fund	0.7%	3.6%	\$1,793,366
Suvretta Offshore Fund	n/a	2.2%	\$1,091,995
Emerson Point Capital Partners LP	n/a	2.0%	\$1,022,719
ALTERNATIVE SECURITIES		0.2%	\$86,961
Universa Black Swan Protection Protocol	n/a	0.2%	\$86,961
TOTAL ECONOMIC EXPOSURE⁴		100.4%	\$50,237,397
FOREIGN CURRENCY EXPOSURE		3.5%	\$1,748,427

1. Where a strategy is shown, the asset class reflects the predominant assets in the strategy. The strategy may include other assets including cash.
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3. Inflation swaps notional value is currently \$4,433,981.
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.

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KiwiSaver Growth Strategy

Complete Strategy as at 22 July 2019

STRATEGY / SECURITY ¹	ESTIMATED YIELD ²	PORTFOLIO EXPOSURE %	PORTFOLIO EXPOSURE \$
CASH AND CASH EQUIVALENTS		10.9%	\$19,330,720
AUSTRALASIAN SHARES		28.3%	\$50,333,863
Dividend and Growth Strategy	3.2%	28.3%	\$50,333,863
INTERNATIONAL SHARES		73.1%	\$129,932,904
Equity index futures (long)	n/a	31.4%	\$55,902,249
MFS Global Research Focused Fund	0.1%	14.1%	\$25,013,133
Suvretta Offshore Fund	n/a	9.9%	\$17,575,594
LSV Global Concentrated Fund	0.7%	7.4%	\$13,095,074
Emerson Point Capital Partners LP	n/a	4.3%	\$7,594,429
Glade Brook Private Investor LLC	n/a	4.0%	\$7,134,636
Lyft	0.0%	2.0%	\$3,617,788
ALTERNATIVE SECURITIES		0.4%	\$661,150
Universa Black Swan Protection Protocol	n/a	0.4%	\$661,150
TOTAL ECONOMIC EXPOSURE³		112.6%	\$200,258,638
FOREIGN CURRENCY EXPOSURE		11.7%	\$20,888,276

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.

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