

NZ Funds KiwiSaver Scheme Security Listings

20 November 2018



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 20 November 2018

| STRATEGY / SECURITY | ESTIMATED YIELD ¹ | CREDIT RATING | PORTFOLIO EXPOSURE % | PORTFOLIO EXPOSURE \$ |
|---|---------------------------------|------------------|-------------------------|--------------------------|
| CASH AND CASH EQUIVALENTS | | | 20.0% | \$6,796,639 |
| AUSTRALASIAN BONDS | | | 56.1% | \$19,059,159 |
| Vector 4.996% 14/03/2024 | 4.1% | BBB | 5.7% | \$1,922,457 |
| Insurance Australia Group 5.15% 15/06/2043 | 4.3% | BBB | 4.7% | \$1,603,002 |
| BlueScope Steel Finance USA 4.625% 25/05/2023 | 4.2% | BBB- | 4.3% | \$1,460,789 |
| Westpac Banking 4.695% 01/09/2026 | 4.0% | BBB | 3.8% | \$1,304,274 |
| WEL Networks 4.9% 02/08/2023 | 4.4% | NR | 3.4% | \$1,153,720 |
| Crown Subordinated Notes 23/04/2075 | 5.9% | NR | 3.3% | \$1,125,442 |
| Precinct Properties New Zealand 4.42% 27/11/2024 | 4.2% | NR | 2.8% | \$948,425 |
| NEXTDC 6% 09/06/2022 | 6.0% | NR | 2.7% | \$923,076 |
| Fletcher Building Industries 5.8% 15/03/2020 | 4.5% | NR | 2.6% | \$874,367 |
| Property for Industry 4.59% 28/11/2024 | 4.2% | NR | 2.6% | \$867,185 |
| Infratil 5.5% 15/06/2024 | 4.7% | NR | 2.3% | \$786,002 |
| Arcor Finance USA 3.625% 28/04/2026 | 4.0% | BBB | 2.3% | \$771,800 |
| Powerco 4.67% 15/11/2024 | 4.3% | BBB | 2.2% | \$733,229 |
| Meridian Energy 4.88% 20/03/2024 | 3.8% | BBB+ | 2.1% | \$700,189 |
| Qantas Airways 4.75% 12/10/2026 | 4.5% | BBB- | 2.0% | \$694,253 |
| Woodside Finance 3.7% 15/09/2026 | 4.0% | BBB+ | 2.0% | \$679,164 |
| NEXTDC 6.25% 09/06/2021 | 6.1% | NR | 1.9% | \$629,504 |
| Fletcher Building Industries 4.75% 15/03/2021 | 4.4% | NR | 1.7% | \$572,774 |
| Trustpower 4.01% 15/12/2022 | 3.9% | NR | 1.6% | \$548,546 |
| Property for Industry 4.25% 01/10/2025 | 4.3% | NR | 1.6% | \$538,545 |
| Nufarm Australia Ltd / Nufarm Americas 5.75% 30/04/2026 | 6.3% | BB- | 0.6% | \$192,029 |
| New Zealand interest rate swaps exposure | n/a | n/a | 0.1% | \$30,385 |

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KiwiSaver Income Strategy

Complete Strategy as at 20 November 2018 (continued)

| STRATEGY / SECURITY | ESTIMATED YIELD ¹ | CREDIT RATING | PORTFOLIO EXPOSURE % | PORTFOLIO EXPOSURE \$ |
|--|---------------------------------|------------------|-------------------------|--------------------------|
| INTERNATIONAL BONDS | | | 24.7% | \$8,384,669 |
| HCA 4.75% 01/05/2023 | 4.1% | BBB- | 3.9% | \$1,338,569 |
| Icahn Enterprises 5.875% 01/02/2022 | 5.2% | BB+ | 3.7% | \$1,266,457 |
| NRG Energy 6.625% 15/01/2027 | 5.6% | BB | 2.8% | \$934,054 |
| Devon Energy 5.85% 15/12/2025 | 4.3% | BBB | 2.7% | \$905,422 |
| Constellation Brands 4.75% 01/12/2025 | 3.8% | BBB | 2.5% | \$858,371 |
| Southern Copper 7.50% 27/07/2035 | 5.1% | BBB+ | 2.4% | \$808,514 |
| First Quantum Minerals 7% 15/02/2021 | 7.6% | B | 1.8% | \$619,444 |
| Bausch Health 5.5% 01/11/2025 | 5.5% | BB- | 1.8% | \$617,181 |
| Bausch Health 4.5% 15/05/2023 | 7.4% | B- | 1.8% | \$612,569 |
| Southern Copper 3.5% 08/11/2022 | 3.4% | BBB+ | 0.9% | \$291,857 |
| Credit default swaps - Market value ² | n/a | n/a | 0.4% | \$132,231 |
| TOTAL ECONOMIC EXPOSURE³ | | | 100.9% | \$34,240,467 |
| FOREIGN CURRENCY EXPOSURE | | | 3.5% | \$1,202,042 |

1. 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.

2. Credit default swaps notional value is currently \$6,746,048.

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.



KiwiSaver Inflation Strategy

Complete Strategy as at 20 November 2018

| STRATEGY / SECURITY ¹ | ESTIMATED YIELD ² | PORTFOLIO EXPOSURE % | PORTFOLIO EXPOSURE \$ |
|--|------------------------------|----------------------|-----------------------|
| CASH AND CASH EQUIVALENTS | | 12.4% | \$5,923,143 |
| INTERNATIONAL BONDS | | 21.3% | \$10,191,318 |
| Floating Rate and Perpetual Bond Strategy | 6.6% | 20.8% | \$9,964,347 |
| Credit default swaps - Market value ³ | n/a | 0.3% | \$145,663 |
| Inflation swaps - Market value ⁴ | n/a | 0.1% | \$58,630 |
| United States bond futures (short) | n/a | 0.0% | \$22,677 |
| AUSTRALASIAN SHARES | | 35.5% | \$16,986,166 |
| Dividend and Growth Strategy | 5.6% | 35.5% | \$16,986,166 |
| INTERNATIONAL SHARES | | 31.8% | \$15,238,396 |
| Equity index futures (long) | n/a | 22.6% | \$10,809,920 |
| Global Banking & Finance Index Strategy | 1.7% | 6.0% | \$2,890,540 |
| Impala Resource Fund | n/a | 3.2% | \$1,537,937 |
| ALTERNATIVE SECURITIES | | 0.4% | \$202,050 |
| Universa Black Swan Protection Protocol | n/a | 0.4% | \$202,050 |
| TOTAL ECONOMIC EXPOSURE⁴ | | 101.3% | \$48,541,072 |
| FOREIGN CURRENCY EXPOSURE | | 6.2% | \$2,970,070 |

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. Credit default swaps notional value is currently \$11,779,285.

4. Inflation swaps notional value is currently \$6,202,341.

5. 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.



KiwiSaver Growth Strategy

Complete Strategy as at 20 November 2018

| STRATEGY / SECURITY ¹ | ESTIMATED YIELD ² | PORTFOLIO EXPOSURE % | PORTFOLIO EXPOSURE \$ |
|--|------------------------------|----------------------|-----------------------|
| CASH AND CASH EQUIVALENTS | | 1.0% | \$1,594,207 |
| INTERNATIONAL BONDS | | 1.0% | \$1,570,007 |
| Credit default swaps - Market value ³ | n/a | 1.0% | \$1,570,007 |
| AUSTRALASIAN SHARES | | 30.5% | \$48,633,156 |
| Dividend and Growth Strategy | 5.6% | 30.5% | \$48,633,156 |
| INTERNATIONAL SHARES | | 78.9% | \$125,849,762 |
| Equity index futures (long) | n/a | 41.6% | \$66,322,164 |
| LSV Global Concentrated Fund | 0.8% | 18.4% | \$29,342,177 |
| Suvretta Offshore Fund | n/a | 13.7% | \$21,790,898 |
| Impala Resource Fund | n/a | 5.3% | \$8,394,523 |
| ALTERNATIVE SECURITIES | | 4.8% | \$7,688,895 |
| ISAM Systematic Fund | n/a | 3.9% | \$6,237,913 |
| Universa Black Swan Protection Protocol | n/a | 0.9% | \$1,450,982 |
| TOTAL ECONOMIC EXPOSURE⁴ | | 116.3% | \$185,336,027 |
| FOREIGN CURRENCY EXPOSURE | | 34.4% | \$54,795,236 |

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. Credit default swaps notional value is currently \$126,960,892.
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.

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