



# NZ Funds

# KiwiSaver Scheme

**About our Scheme**  
May 2023

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. A copy of the NZ Funds KiwiSaver Scheme Product Disclosure Statement is available on request or by visiting the NZ Funds website at [www.nzfunds.co.nz](http://www.nzfunds.co.nz).

**NZ Funds**

## About NZ Funds

# 35 years

Track record managing New Zealanders' wealth.

# 9.3 years

Average tenure of NZ Funds' wealth management clients.

# 30,000+

New Zealand individuals, families and trusts invest with us.

# 1,000+

Estimated number of individual securities that an average client's portfolio has exposure to.

# 2+ billion

We manage \$2.1 billion\* of investments for New Zealanders.

# 23,022

KiwiSaver Scheme members with total investments of \$762 million.

\*As at 31 May 2023.

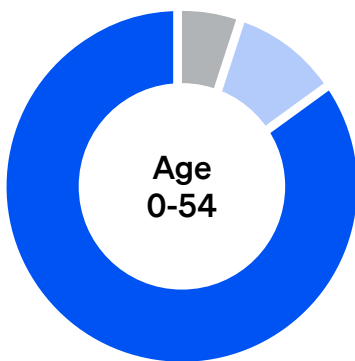
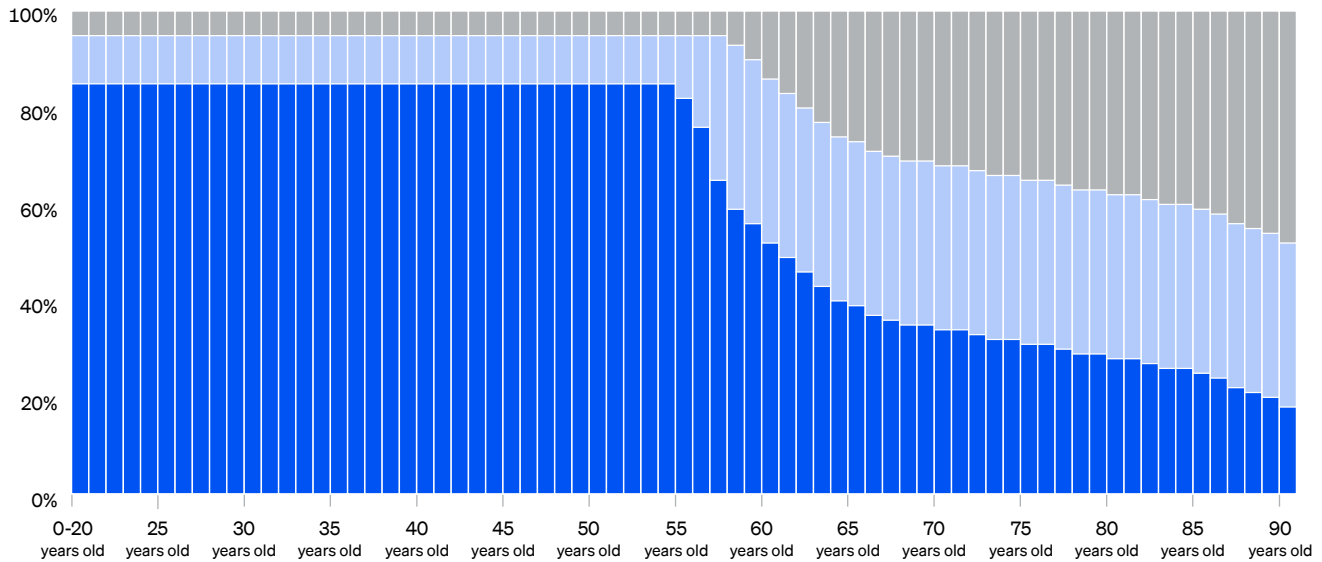
# NZ Funds offers three options within our KiwiSaver Scheme

1 Balanced	2 Self Select	3 Life Cycle
	Likelihood of higher balance at retirement 	
The Balanced Fund is a simple option with zero management fee available for everyone but great for someone starting out on their wealth journey	Who's it for? Self Select allows you to customise your asset allocation to suit your needs	Our proprietary Life Cycle software adjusts your asset allocation automatically as you age
 Fixed	Asset allocation*  Manual	 Automated
Passive Passively managed with no downside mitigation	Active or passive management? Active Access to three actively managed strategies with downside mitigation	Active Allocation into three actively managed strategies with downside mitigation and automated asset allocation
	All our funds are responsibly invested! 	
 Access our call centre	What if I need advice?  Personal financial adviser	 Personal financial adviser
 0%	Management fees**  1.12-1.65%	 1.39-1.60%

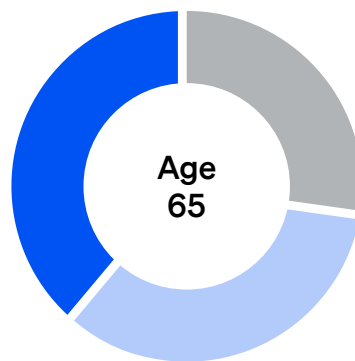
\*Likelihood of a higher balance at retirement in Self Select will be highly impacted by Members' Strategy allocations over time. The Balanced Fund and the Strategies have different risk profiles. See the NZ Funds KiwiSaver Scheme Product Disclosure Statement for more information on risk, or talk to your financial adviser. \*\*Estimated annual fund charges as disclosed in this PDS.

# Life Cycle automated asset allocation

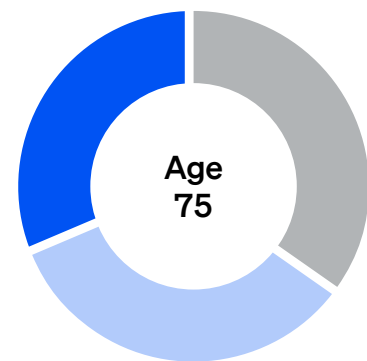
Our Life Cycle asset allocation automatically matches your assets to your age, so you achieve a higher estimated balance.



**Age  
0-54**



**Age  
65**



**Age  
75**

**Income Strategy**

To generate income by investing in a range of income producing assets and other assets in a way that seeks to mitigate the downside through active management.

**Inflation Strategy**

To mitigate the impact of inflation on your investment over the medium and/or long term with active management.

**Growth Strategy**

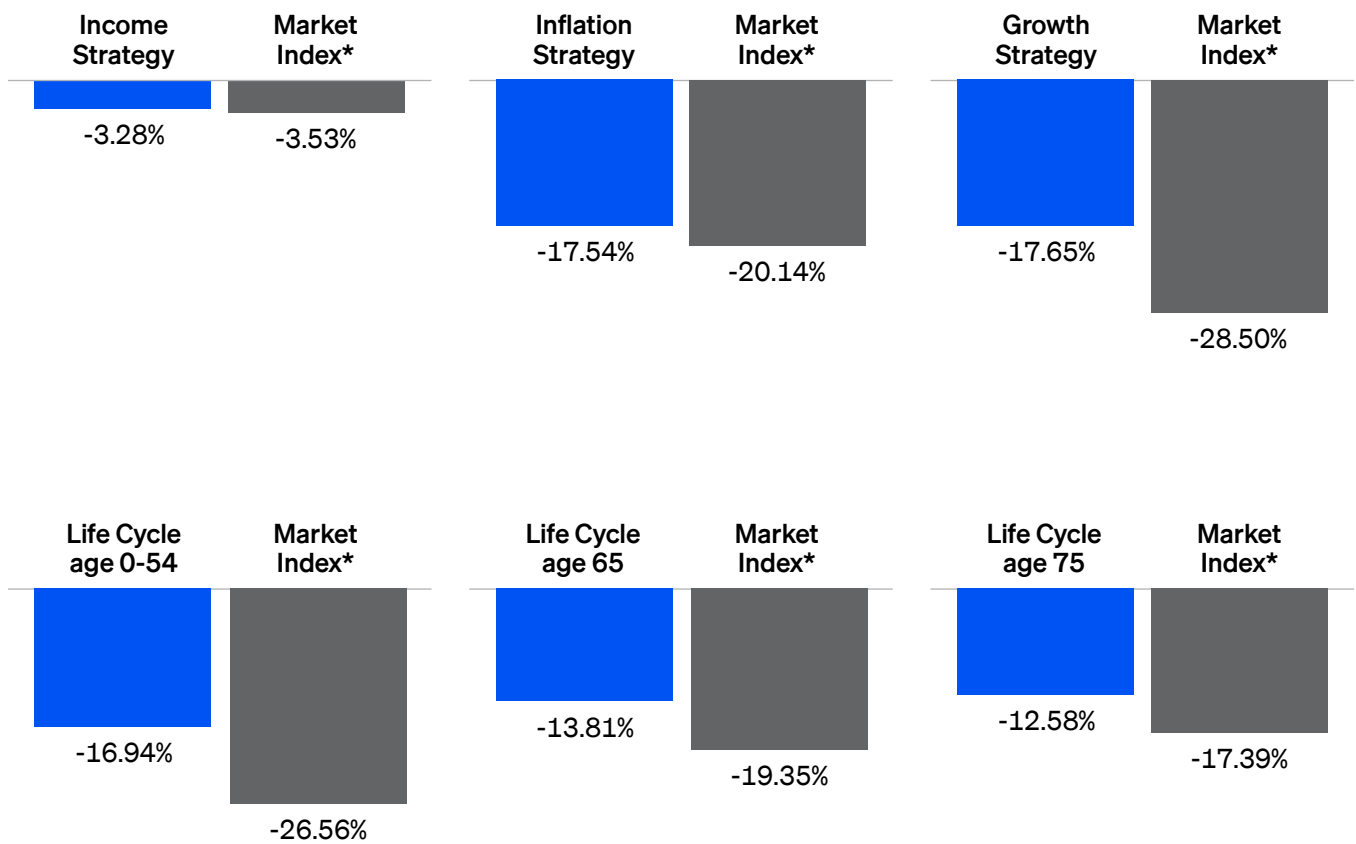
To grow your investment over the long term through active management.

# We're experts at downside mitigation

In our actively managed options (Life Cycle and Self Select) we seek to mitigate the downside in a falling market and capture the upside in a rising market.

## COVID-19 Sell-Off

01 January 2020 to 23 March 2020 – Current market low point.



Not available in the Balanced Fund

\*For more information see Fund Updates at [www.nzfunds.co.nz](http://www.nzfunds.co.nz). Please note that past performance is no indication of future returns.

# We manage money responsibly

We work with global experts ISS ESG, to screen your investments. We are also a member of the Responsible Investment Association Australasia and a signatory of Principles for Responsible Investment.

## Responsible investment exclusions



Tobacco



Alcohol



Gambling



Armaments



Fossil fuels



Civilian firearms



Adult material



Corruption



Human rights abuses



Labour rights violations



Environmental destruction



Controversial weapons

NZ Funds' responsible investment policy does not apply exclusions to derivatives as we believe they are not tied to any source or method of production, nor in our view do they provide funding to underlying excluded activities.

# Current implementation overview

As at 22 May 2023

Investment Offering*	Amount Invested	Responsible Investment Policy
KiwiSaver	\$757,933,844	✓
Superannuation	\$139,549,123	✓
Wealth Builder	\$48,261,784	✓
Income Generator	\$26,204,470	✓
Active Series	\$1,134,078,555	✓

Asset type	Status	% Amount Invested
Direct/Indirect Securities	Follows all exemptions	76.49%
Equity Index Futures <sup>1</sup>	No direct funding	16.99%
Commodity Derivatives <sup>1</sup>	No direct funding	0.43%
<b>Subtotal</b>		<b>93.91%</b>
Contact Energy <sup>2</sup>	Exemption granted	2.47%
Amazon <sup>2</sup>	Exemption granted	0.36%
External Investment Managers	Policy communicated	3.26%
<b>Total Investments</b>		<b>100.00%</b>

## Policy application information

1. Derivatives of all kinds, including futures and options, are specifically considered by NZ Funds' Responsible Investment Policy. The Policy does not apply exclusions to derivatives as we believe they are not tied to any source or method of production, nor in our view do they provide funding to underlying excluded activities.

2. Securities held where an exemption has been granted:

### Contact Energy

Contact Energy was granted an exemption from exclusion on 14 July 2020. The security would ordinarily be excluded under 5. xii of NZ Funds' Responsible Investment Policy; however, an exemption was granted because of Contact Energy's industry-leading commitment and strategy to decarbonise New Zealand's energy sector.

### Amazon

Amazon was granted an exemption from exclusion on 15 May 2022. The security would ordinarily be excluded under 5. iii of NZ Funds' Responsible Investment Policy; however, an exemption was granted to give time for NZ Funds' external managers, on behalf of NZ Funds, to engage with Amazon on the relevant global norms.

\* New Zealand Funds Management Limited is the issuer of the NZ Funds Active Income Series, NZ Funds Active Inflation Series, NZ Funds Active Growth Series (together the NZ Funds Active Series), NZ Funds KiwiSaver Scheme, NZ Funds Managed Superannuation Service, NZ Funds Wealth Builder and NZ Funds Income Generator. 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. The Product Disclosure Statements for the NZ Funds Active Series, NZ Funds KiwiSaver Scheme, NZ Funds Managed Superannuation Service, NZ Funds Wealth Builder, and NZ Funds Income Generator are available on request or by visiting the NZ Funds website at [www.nzfunds.co.nz](http://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.

# Our fees are fair and transparent

We believe you get what you pay for and that New Zealanders will be better off over time working with a team of experts.

**0.00%**  
P.A.

## Balanced Fund

Total estimated annual fund charges

**1.60%**<sup>\*</sup>  
P.A.

## Life Cycle – age 0-54

Total estimated annual fund charges

**1.12%**  
P.A.

## Income Strategy

Total estimated annual fund charges

**1.43%**<sup>\*</sup>  
P.A.

## Life Cycle – age 65

Total estimated annual fund charges

**1.42%**<sup>\*</sup>  
P.A.

## Inflation Strategy

Total estimated annual fund charges

**1.39%**<sup>\*</sup>  
P.A.

## Life Cycle – age 75

Total estimated annual fund charges

**1.65%**<sup>\*</sup>  
P.A.

## Growth Strategy

Total estimated annual fund charges

\*Additional performance fees may be charged on a portion of the assets of the strategy, where the performance exceeds the hurdle rate and high water mark. See the Product Disclosure Statement for more details.

Fees are forward-looking estimates as set out in the Product Disclosure Statement (PDS). They include forward-looking performance fee estimates. Actual fees and performance may vary significantly. The latest actual fee charged is set out in our quarterly Fund Updates. In addition, a \$36 p.a. administration fee is charged by an external administration manager and is disclosed in our offer documents. We do not charge entry, exit or account closure fees. For more information, please see the latest PDS for the NZ Funds KiwiSaver Scheme, which is available on request and at [www.nzfunds.co.nz](http://www.nzfunds.co.nz).

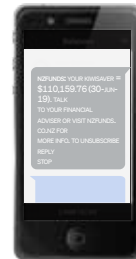


# Top-rated KiwiSaver service

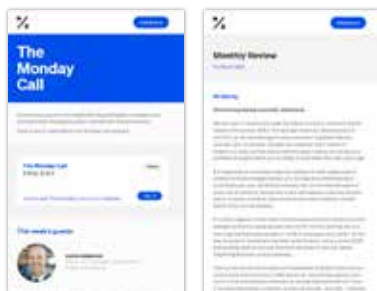
Highest ranking KiwiSaver scheme as rated by Sorted for KiwiSaver Services and Client Communications from 2018 to date.\*



Online balance via the NZ Funds app



Elect to get your balance texted to you each month



Regular emails



Receive annual investment reports



Receive monthly Portfolio Insights



Use our award-winning technology to model your financial future

\*As rated by the Sorted website, 31 May 2023.

# KiwiSaver client performance

Calendar year returns (before tax) to 31 May 2023

Strategy	2023 YTD	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	Since inception (p.a.) <sup>2</sup>	Max. decline 12 mths	Volatility 5 years
Income Strategy Before fees*	(1.14%)	13.15%	(4.50%)	3.34%	8.55%	2.01%	5.56%	7.15%	2.53%	5.51%	3.92%	4.70%	(7.76%)	6.82%
Income Strategy After fees*	(1.59%)	11.89%	(5.64%)	2.18%	7.32%	0.84%	4.37%	5.94%	1.44%	4.52%	2.76%	3.55%		
Inflation Strategy Before fees*	(0.69%)	(0.40%)	(5.86%)	17.21%	21.67%	(4.50%)	9.74%	3.35%	2.36%	12.81%	7.04%	5.81%	(15.27%)	12.05%
Inflation Strategy After fees*	(1.22%)	(1.65%)	(7.21%)	15.63%	20.06%	(5.77%)	8.29%	1.98%	1.08%	11.57%	5.69%	4.44%		
Growth Strategy Before fees*	0.99%	(9.70%)	(1.50%)	35.85%	18.57%	(6.87%)	18.69%	(1.49%)	8.63%	13.17%	29.73%	8.23%	(22.94%)	17.99%
Growth Strategy After fees*	0.33%	(11.13%)	(3.07%)	33.76%	16.82%	(8.25%)	16.96%	(2.93%)	7.13%	11.79%	27.91%	6.68%		
40 year old client <sup>1</sup>	2023 YTD	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	Since inception (p.a.) <sup>2</sup>	Max. decline 12 mths	Volatility 5 years
Client performance Before fees*	0.74%	(7.60%)	(1.88%)	32.27%	18.38%	(6.17%)	17.11%	(0.55%)	7.76%	12.79%	25.90%	7.90%	(20.95%)	16.36%
Client performance After fees*	0.10%	(9.02%)	(3.41%)	30.29%	16.67%	(7.54%)	15.43%	(1.97%)	6.30%	11.45%	24.17%	6.39%		
65 year old client <sup>1</sup>	2023 YTD	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	Since inception (p.a.) <sup>2</sup>	Max. decline 12 mths	Volatility 5 years
Client performance Before fees*	(0.12%)	(0.34%)	(3.30%)	20.55%	16.88%	(3.62%)	10.00%	3.75%	3.60%	10.71%	9.68%	6.20%	(14.46%)	11.27%
Client performance After fees*	(0.68%)	(1.68%)	(4.68%)	18.91%	15.33%	(4.92%)	8.58%	2.41%	2.34%	9.53%	8.32%	4.84%		
75 year old client <sup>1</sup>	2023 YTD	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	Since inception (p.a.) <sup>2</sup>	Max. decline 12 mths	Volatility 5 years
Client performance Before fees*	(0.28%)	1.48%	(3.53%)	17.96%	16.07%	(2.91%)	9.48%	4.04%	3.21%	10.67%	8.41%	6.01%	(13.14%)	10.18%
Client performance After fees*	(0.82%)	0.15%	(4.88%)	16.40%	14.55%	(4.19%)	8.08%	2.71%	1.96%	9.49%	7.07%	4.68%		

\* Fees include all investment management fees.

1 40 year old Client strategy weights: Income 5%, Inflation 10%, Growth 85%.

65 year old Client strategy weights from 1 January 2018: Income 27%, Inflation 34%, Growth 39%.

65 year old Client strategy weights to 31 December 2017: Income 30%, Inflation 53%, Growth 17%.

75 year old Client strategy weights from 1 January 2018: Income 35%, Inflation 34%, Growth 31%.

75 year old Client strategy weights to 31 December 2017: Income 30%, Inflation 59%, Growth 11%.

2 The inception date of NZ Funds KiwiSaver is 1 November 2010.

Please note that past performance is no indication of future returns.

# KiwiSaver client performance

Rolling year returns (before tax) to 31 May 2023

Strategy	1 month	3 months	6 months	12 months	2 years (p.a.)	3 years (p.a.)	5 years (p.a.)	10 years (p.a.)	Since inception (p.a.) <sup>2</sup>	Max. decline 12 mths	Volatility 5 years
Income Strategy Before fees*	(0.83%)	(3.36%)	(3.06%)	0.38%	0.50%	3.76%	4.16%	4.28%	4.70%	(7.76%)	6.82%
Income Strategy After fees*	(0.93%)	(3.63%)	(3.59%)	(0.71%)	(0.65%)	2.57%	2.98%	3.13%	3.55%		
Inflation Strategy Before fees*	(1.59%)	(0.10%)	(2.76%)	(7.61%)	(9.66%)	5.29%	4.47%	5.50%	5.81%	(15.27%)	12.05%
Inflation Strategy After fees*	(1.71%)	(0.43%)	(3.37%)	(8.75%)	(10.86%)	3.88%	3.08%	4.13%	4.44%		
Growth Strategy Before fees*	(0.26%)	1.22%	(5.17%)	(9.08%)	(15.63%)	9.47%	5.65%	8.36%	8.23%	(22.94%)	17.99%
Growth Strategy After fees*	(0.40%)	0.82%	(5.91%)	(10.51%)	(16.97%)	7.73%	4.02%	6.77%	6.68%		
40 year old client <sup>1</sup>	1 month	3 months	6 months	12 months	2 years (p.a.)	3 years (p.a.)	5 years (p.a.)	10 years (p.a.)	Since inception (p.a.) <sup>2</sup>	Max. decline 12 mths	Volatility 5 years
Client performance Before fees*	(0.42%)	0.86%	(4.80%)	(8.38%)	(14.16%)	8.94%	5.59%	7.96%	7.90%	(20.95%)	16.36%
Client performance After fees*	(0.56%)	0.48%	(5.52%)	(9.77%)	(15.49%)	7.26%	4.01%	6.41%	6.39%		
65 year old client <sup>1</sup>	1 month	3 months	6 months	12 months	2 years (p.a.)	3 years (p.a.)	5 years (p.a.)	10 years (p.a.)	Since inception (p.a.) <sup>2</sup>	Max. decline 12 mths	Volatility 5 years
Client performance Before fees*	(0.86%)	(0.46%)	(3.73%)	(5.87%)	(9.12%)	6.92%	5.18%	5.99%	6.20%	(14.46%)	11.27%
Client performance After fees*	(0.98%)	(0.80%)	(4.37%)	(7.12%)	(10.37%)	5.44%	3.75%	4.61%	4.84%		
75 year old client <sup>1</sup>	1 month	3 months	6 months	12 months	2 years (p.a.)	3 years (p.a.)	5 years (p.a.)	10 years (p.a.)	Since inception (p.a.) <sup>2</sup>	Max. decline 12 mths	Volatility 5 years
Client performance Before fees*	(0.90%)	(0.82%)	(3.55%)	(5.11%)	(7.83%)	6.47%	5.07%	5.77%	6.01%	(13.14%)	10.18%
Client performance After fees*	(1.02%)	(1.15%)	(4.18%)	(6.34%)	(9.07%)	5.03%	3.67%	4.42%	4.68%		

\* Fees include all investment management fees.

1 40 year old Client strategy weights: Income 5%, Inflation 10%, Growth 85%.

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Management Limited**

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

T. 09 377 2277  
E. [info@nzfunds.co.nz](mailto:info@nzfunds.co.nz)  
W. [www.nzfunds.co.nz](http://www.nzfunds.co.nz)

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Wellington  
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Dunedin  
Invercargill**