



## What fees are investors charged?

Investors in the Income Strategy are charged fund charges. In the year to 31 March 2025 these were:

	% of net asset value
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**Total fund charges** 1.11%

Which are made up of:

**Total management and administration charges** 1.11%

Including:

Manager's basic fee 1.05%

Other management and administration charges 0.06%

**Total performance-based fees** 0.00%<sup>2</sup>

Other charges	\$ amount per investor
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Administration fee<sup>3</sup> \$29.76

Investors are not currently charged individual action fees (for example, withdrawing from or switching funds). See the PDS for the NZ Funds Wealth Builder for more information about fees.

Small differences in fees and charges can have a big impact on your investment over the long term.

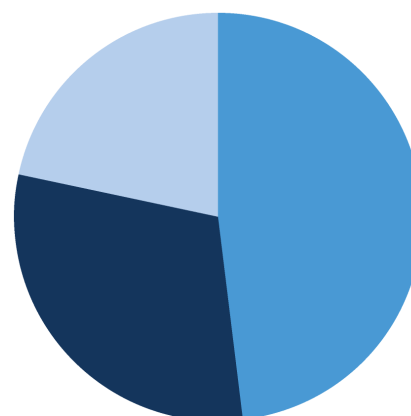
## Example of how this applies to an investor

Liam had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Liam received a return after fund charges were deducted of \$262 (that's 2.62% of his initial \$10,000). Liam also paid \$29.76 in other charges.<sup>3</sup> This gives Liam a total return after tax of \$232 for the year.

## What does the fund invest in?

This shows the types of assets that the fund invests in.

### Actual investment mix



Cash and cash equivalents	48.21%
New Zealand fixed interest	30.35%
International fixed interest	21.44%

### Target investment mix<sup>4</sup>

Cash and cash equivalents	8%
New Zealand fixed interest	45%
International fixed interest	47%
Australasian equities	0%
International equities	0%
Listed property	0%
Unlisted property	0%
Commodities	0%
Other	0%

## What does the fund invest in? (continued)

### Top 10 investments

	Name	Percentage of fund net assets	Type	Country	Credit Rating
1	Westpac Bank Bill 2.75% 12/01/2026	9.58%	Cash and cash equivalents	New Zealand	A-1+
2	Westpac Bank Bill 2.738% 19/01/2026	9.04%	Cash and cash equivalents	New Zealand	A-1+
3	Westpac Bank Bill 2.51% 30/03/2026	7.91%	Cash and cash equivalents	New Zealand	A-1+
4	ANZ Bank Ltd 2.999% 17/09/2031	5.72%	New Zealand fixed interest	New Zealand	A
5	BNZ Bank Bill 2.49% 18/03/2026	4.50%	Cash and cash equivalents	New Zealand	A-1+
6	Bank of New Zealand 5.872% 01/09/2028	4.28%	New Zealand fixed interest	New Zealand	AA-
7	Westpac Cash	3.50%	Cash and cash equivalents	New Zealand	A-1+
8	Kiwibank 4.93% Perpetual	2.63%	New Zealand fixed interest	New Zealand	Ba1
9	BNZ Bank Bill 2.435% 23/02/2026	2.46%	Cash and cash equivalents	New Zealand	A-1+
10	Westpac Bank Bill 2.501% 25/03/2026	2.37%	Cash and cash equivalents	New Zealand	A-1+

The top 10 investments make up 51.99% of the fund.<sup>5</sup>

NZ Funds actively manages the foreign currency exposure of the fund. Where the fund holds assets denominated in a foreign currency, NZ Funds has the choice of whether to hedge back to the NZ dollar or retain a foreign currency exposure. The fund may also take active foreign currency positions by holding non-NZD cash and/or foreign currency derivatives. As at 31 December 2025, the fund's foreign currency exposure was 0.55%.

## Key personnel

This shows the directors and employees who have the most impact on the investment decisions of the fund.

Name	Current position	Time in current position	Previous or other position	Time in previous or other position
John Cobb	Chair of the Investment Governance Committee and a Director	3 years 1 month	Chief Executive Officer, JBWere NZ	1 year 11 months
Michael Lang	Chief Executive and a Director	7 years 3 months	Chief Investment Officer, New Zealand Funds Management Limited	10 years 1 month
Mark Brooks	Chief Investment Officer and a Principal	1 year 10 months	Head of Income, New Zealand Funds Management Limited	16 years 3 months

## Further information

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You can also obtain this information, the PDS for the NZ Funds Wealth Builder, and some additional information from the offer register at [www.companiesoffice.govt.nz/disclose/](http://www.companiesoffice.govt.nz/disclose/).

## Notes

1. The bar graph shows fund returns after the deduction of fees and tax; however, the market index returns are shown before any fees or tax are deducted.
2. Total performance based fees are paid with respect to certain related underlying funds managed by NZ Funds and are payable where performance of the underlying funds exceeds the hurdle rate. Details of the underlying funds to which a performance fee applies can be found in the PDS, along with details of the hurdle rate and the percentage amount of the performance fee applying to each underlying fund.
3. For investors aged 18 or over, NZ Funds charged an administration fee of \$2.48 per month.
4. Targets indicate what is expected to apply over the course of an economic cycle and should be considered as general guidance only. NZ Funds is an active manager and may use investment strategies that differ materially from the targets.
5. The top 10 investments have been compiled using a balance sheet approach. This differs from the approach used in compiling the actual and target investment mixes, which include the impact of derivatives.

**Manager**

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