

Fund Update

For quarter ending 30 June 2019

This Fund Update was first made publicly available on 26 July 2019.

What is the purpose of this update?

This document tells you how the Cash Fund (Fund) has performed and what fees were charged. The document will help you to compare the Fund with other funds. BNZ Investment Services Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

Description of this Fund

The Cash Fund provides an exposure to New Zealand short-term cash securities (on-call bank deposits) and cash equivalent securities (bank term deposits, bonds, bills and floating-rate notes with maturities less than 365 days). It aims to achieve stable returns over the short term and provide a gross return in excess of its benchmark index.

Total value of the Fund	\$156,821,698.20
Date the Fund started	1 February 2017

What are the risks of investing?

Risk indicator¹ for the Cash Fund



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the Fund's assets goes up and down (volatility). A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at sorted.org.nz. Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for 30 June 2014 to 30 June 2019. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future Fund Updates.

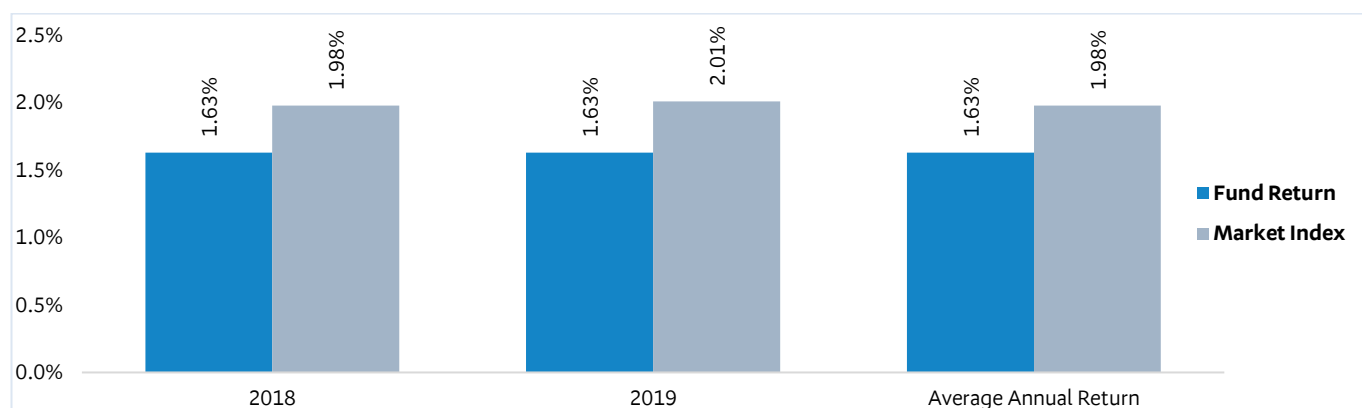
See the Private Wealth Series Product Disclosure Statement (PDS) for more information about the risks associated with investing in this Fund.

How has the Fund performed?

	Past year
Annual return (after deductions for charges and tax)	1.63%
Annual return (after deductions for charges but before tax)	2.23%
Market index annual return (reflects no deductions for charges and tax)	1.97%

The market index (benchmark) return is based on the S&P/NZX Bank Bills 90-Day Index. Additional information can be located in the 'Statement of Investment Policy and Objectives' document available on the Scheme's Disclose Register entry at companiesoffice.govt.nz/disclose

Annual return graph



The graph shows the return after Fund charges and tax for each year ending 31 March since the Fund started. The last bar shows the average annual return since the Fund started, up to 30 June 2019.

Important: This does not tell you how the Fund will perform in the future.

Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

Market index returns do not include Fund charges or deductions for tax.

Example of how this applies to an investor

John 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, John received a return after Fund charges were deducted of \$163.00 (that is 1.63% of his initial \$10,000). John also paid \$0.00 in other charges. This gives John a total return of \$163.00 for the year.

What fees are investors charged?

Investors in the Cash Fund are charged Fund charges. In the year to 31 March 2019 these were (excluding GST):

	% of net asset value
Total fund charges	0.35%
<i>Which are made up of:</i>	
Total management and administration charges	0.35%
<i>Including:</i>	
Manager's basic fee	0.29%
Other management and administration charges	0.06%
Total performance-based fees	0.00%

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). Investors are not currently charged individual actions fees.

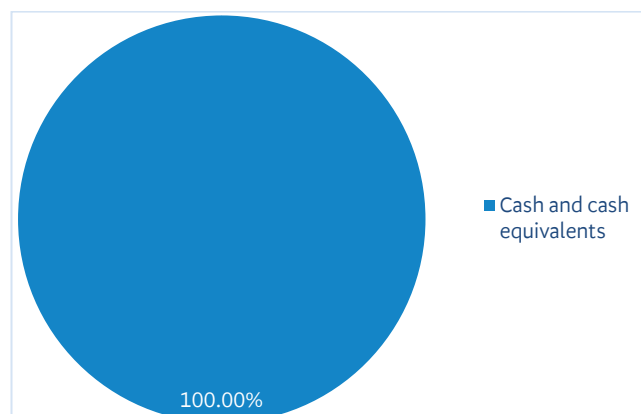
See the Private Wealth Series PDS for more information about these fees. This can be accessed from the Disclose Register at companiesoffice.govt.nz/disclose

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

What does the Fund invest in?

This shows the types of assets the Fund invests in.

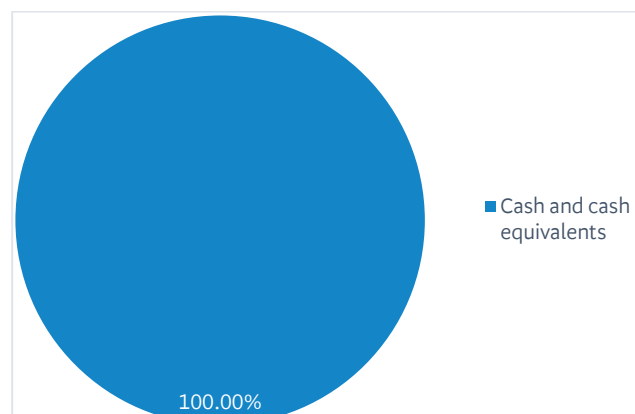
Actual investment mix*



* The percentage of cash and cash equivalents in this graph may differ to those stated in the Top 10 investments table as they can include operating and fund accruals.

This shows the mix of assets the Fund generally intends to invest in.

Target investment mix



Top 10 investments

	Name	% of fund net assets	Type	Country	Credit rating (if applicable)
1	Nikko AM Wholesale NZ Cash Fund Two	99.55%	Cash and cash equivalents	New Zealand	
2	NZD NZD Cash Deposit (BNZ)	0.66%	Cash and cash equivalents	New Zealand	AA-

The top 10 investments make up 100.21% of the net asset value of the Fund².

Key personnel

This shows the directors and employees who have the most influence on the investment decisions of the Fund.

Name	Current position	Time in current position	Previous or other position	Time in previous position
Richard Morath	Director, BNZ Investment Services Limited	6 years, 0 months	Non-Executive Director, BNZ Life Insurance Limited (current position)	15 years, 7 months
Xiaohui Zang	Director, BNZ Investment Services Limited	1 year, 4 months	Financial Controller, BNZ (current position)	2 years, 0 months
Richard Ansell	Director, BNZ Investment Services Limited	0 years, 4 months	Chair, BNZ Investment Review Committee (current position)	0 years, 4 months
Hayley Cassidy [New]	Director, BNZ Investment Services Limited	0 years, 2 months	Chief General Counsel, BNZ (current position)	0 years, 3 months

Further information

You can also obtain this information, the PDS for the Private Wealth Series, and some additional information from the offer register at companiesoffice.govt.nz/disclose.

Contact details

If you have any question about this Fund or the Private Wealth Series, please contact your BNZ Private Banker or Wealth Specialist. Alternatively, call us on 0800 477 077 or visit our website at bnz.co.nz/private-banking.

Notes

1. As the Fund has not been in existence for 5 years, a combination of actual returns and market index returns have been used to calculate the Fund's risk indicator. The risk indicator, therefore, may provide a less reliable indicator of the potential future volatility of the Fund.
2. Net asset value of a fund is calculated using the value of the fund's assets less liabilities. This can lead to the situation where the value of the top 10 assets stated as a percentage of the net asset value of a fund is greater than 100%.