

Private Wealth Series Annual Report

For the year ended 31 March 2018

1. Details of scheme

- › The name of the scheme is BNZ Private Wealth Series ('Scheme').
- › The Scheme type is a Managed Investment Scheme under the Financial Markets Conduct Act 2013.
- › The Manager of the Scheme is BNZ Investment Services Limited.
- › The Supervisor of the Scheme is The New Zealand Guardian Trust Company Limited.
- › The latest Product Disclosure Statement (PDS) for the Scheme is dated 5 March 2018 and is open for applications.
- › The latest Fund Update for each of the Funds in the Scheme is available to 30 June 2018.
- › The latest Financial Statement and Auditors Report for the Scheme have been lodged with the Registrar and cover the financial year from 1 April 2017 to 31 March 2018. These were lodged on 17 July 2018.

2. Information on contributions and scheme participants

The Scheme had five Funds available during the year. The number of units on issue for each of the Funds is displayed below:

Fund	1 April 2017	31 March 2018
Cash Fund	66,068,086.50	96,047,316.31
NZ Fixed Interest Fund	436,557,106.32	210,425,882.22
International Fixed Interest Fund	233,378,471.11	782,869,041.48
Australasian Equity Fund	33,150,722.64	40,598,663.73
International Equity Fund	266,396,677.49	652,241,129.90

3. Changes relating to the scheme

Statement of investment Policy and Objectives (SIPO):

The SIPO for the Scheme was updated in September 2017 to reflect the introduction of active asset allocation with respect to the currency management of the Private Wealth Series (PWS) International Equity Fund.

The SIPO was also updated in March 2018 to reflect benchmark changes to the PWS NZ Fixed Interest Fund, and changes to the target investment mix for all Funds except the Cash Fund.

Related party transactions:

There have been no changes to the nature or scale of related party transactions. All related party transactions for the year to 31 March 2018 were on arms-length terms.

Investment manager changes:

Following our annual review process, there were manager changes to two of the Funds within the Scheme:

Harbour Asset Management (Harbour) was appointed as manager of the PWS NZ Fixed Interest Fund on 19 March 2018, replacing Nikko Asset Management (Nikko). AMP was retained to manage the Fund along with Harbour, with each managing approximately 50% of the Fund.

Mint Asset Management (Mint) was appointed as manager of the PWS Australasian Equity Fund, alongside Nikko. Both Mint and Nikko manage approximately 50% of the Fund. Prior to 19 March 2018, Nikko was the sole manager of the Fund.

Product Disclosure Statement (PDS):

A replacement Private Wealth Series PDS was issued on 5 March 2018.

4. Other information for particular types of managed funds

Unit prices for each of the Funds are displayed below:

Fund	1 April 2017	31 March 2018
Cash Fund	1.0019	1.0245
NZ Fixed Interest Fund	1.0069	1.0550
International Fixed Interest Fund	1.0051	1.0402
Australasian Equity Fund	1.0051	1.2350
International Equity Fund	1.0030	1.1229

5. Changes to persons involved in the scheme

The directors of the manager:

Tony Lawrence Arthur resigned as a director of the manager on 18 August 2017, and Xiaohui Zhang was appointed as a director of the manager on 16 February 2018.

Administration Manager:

Bank of New Zealand: Anthony Healy resigned as Managing Director and CEO on 1 January 2018 and Angela Mentis was appointed Managing Director and CEO.

6. How to find further information

Information about:

- › the governance of the Scheme (including the Governing Document and Statement of Investment Policy and Objectives),
- › the performance of the Scheme (including the financial statements (when prepared) and Fund Updates), and
- › key information an investor should be aware of before they invest in the Private Wealth Series (including the Product Disclosure Statement and various other material information),

are available on request and free of charge on the Disclose Register at disclose-register.companies.govt.nz (by clicking on 'Search offers' or 'Search schemes' and entering 'BNZ' in the 'issuer name or number' field).

Or you can contact us:

Phone: 0800 477 077

Email: bnz_investment_services@bnz.co.nz

Write to: BNZ Investment Team
Level 4
80 Queen Street
Private Bag 92208
Auckland 1142

7. Contact details and complaints

To make general enquiries about the Private Wealth Series, you can contact the Manager (BNZ Investment Services Limited) using these details:

Phone: 0800 477 077

Email: bnz_investment_services@bnz.co.nz

Write to: BNZ Investment Team
Private Bag 92208
Auckland 1142

The securities registrar may be contacted using the following details:

MMC Limited

Write to: MMC
PO Box 106 039
Auckland City
Auckland 111423

Phone: (09) 309 8926

Complaints

Complaints about your investment in the Private Wealth Series can be made to any BNZ representative at any store or agency of BNZ. If you are still not happy with any problem you have, you should refer your complaint to:

BNZ Resolve

Write to: BNZ Resolve
PO Box 995
Shortland Street
Auckland 1140

Phone: 0800 788 999

Any complaint which reaches this level will receive the personal attention of a member of the BNZ Resolve team. If after raising the matter with BNZ, you are still not satisfied, you can contact either the Supervisor or the Banking Ombudsman.

Supervisor

Write to: The New Zealand Guardian Trust Company Limited
PO Box 274,
Shortland Street,
Auckland 1140

Phone: (09) 909 5100


The Banking Ombudsman

BNZ Investment Services Limited is a member of an independent dispute resolution scheme operated by the Banking Ombudsman. Under the terms of the scheme, BNZ has three months to resolve your complaint. If you are not satisfied with BNZ's response you may refer the matter to the Banking Ombudsman at:

Write to: Banking Ombudsman
Freepost 218002,
PO Box 25327,
Featherston Street,
Wellington 6146

Phone: 0800 805 950

The Banking Ombudsman will not charge a fee to have your complaint investigated and/or resolve.



BNZ Investment Services Limited, a wholly owned subsidiary of BNZ, is the Issuer and Manager of the Private Wealth Series. Download a copy of the Private Wealth Series Product Disclosure Statement from bnz.co.nz/pws. Investments made in the Private Wealth Series do not represent deposits or other liabilities of BNZ or any other member of the National Australia Bank Limited group, and are subject to investment risk, including possible delays in repayment and loss of income and principal invested. None of BNZ, any other member of the National Australia Bank Limited group, the Supervisor, any director of any of them, the Crown or any other person guarantees (either fully or in part) the performance or returns of the Private Wealth Series or the repayment of capital.

None of the matters in this publication are personalised financial advice. We recommend that you seek financial advice specific to your personal situation and goals from an BNZ Adviser. BNZ Advisers' Disclosure Statements are available on request and free of charge.