PRIVATE WEALTH SERIES
Cash Fund

Bank of New Zealand

Fund Update

For quarter ending 31 December 2019

This Fund Update was first made publicly available on 24 January 2020.

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 terms 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	$143,868,990.50
Date the Fund started	2 March 2017

What are the risks of investing?

Risk indicator[1] 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 31 December 2014 to 31 December 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.

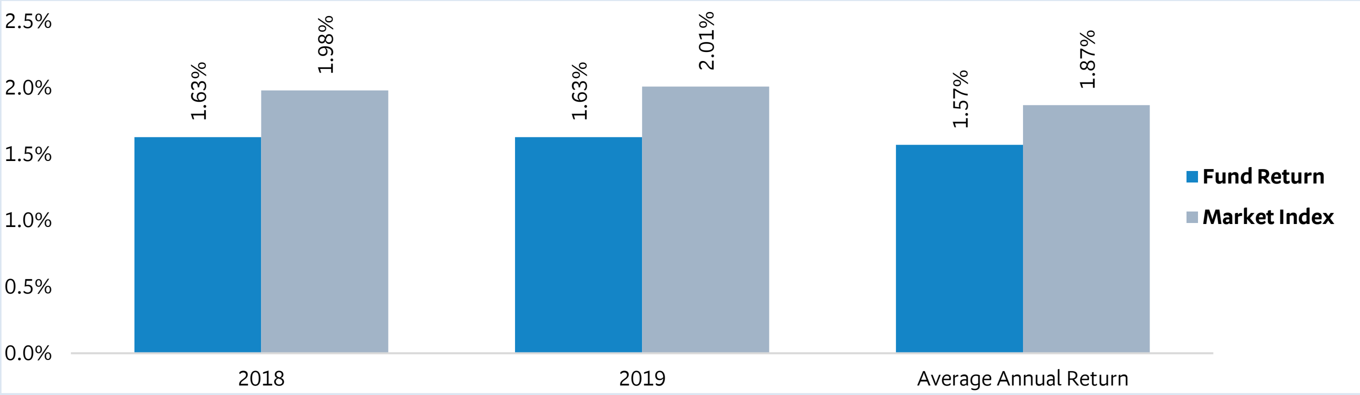
See the Private Wealth Series Product Disclosure Statement (PDS) for more information about the risks associated with investing in this Fund.

How has the Fund performed?

	Past year
Annual return (after deductions for charges and tax)	1.45%
Annual return (after deductions for charges but before tax)	1.99%
Market index annual return (reflects no deductions for charges and tax)	1.66%

The market index (benchmark) return is based on the Bloomberg NZBond Bank Bill 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 31 December 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.

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%**
Which are made up of:	
Total management and administration charges	**0.35%**
Including:	
Manager's basic fee	0.29%
Other management and administration charges	0.06%
Total performance-based fees	**0.00%**

*The total fund charges for the Fund were reduced to 0.27%pa on 21 August 2019

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.

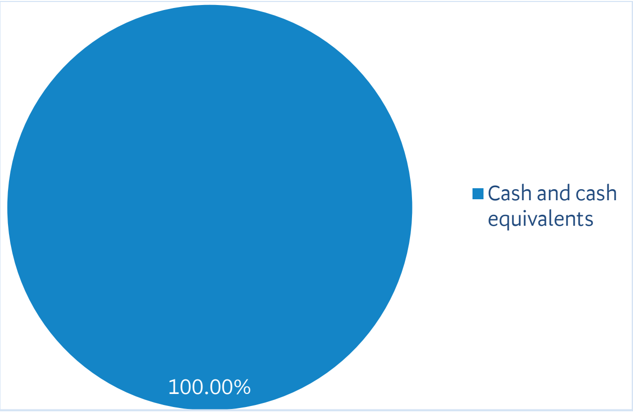
Example of how this applies to an investor

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 $145.00 (that is 1.45% of his initial $10,000). John also paid $0.00 in other charges. This gives John a total return of $145.00 for the year.

What does the Fund invest in?

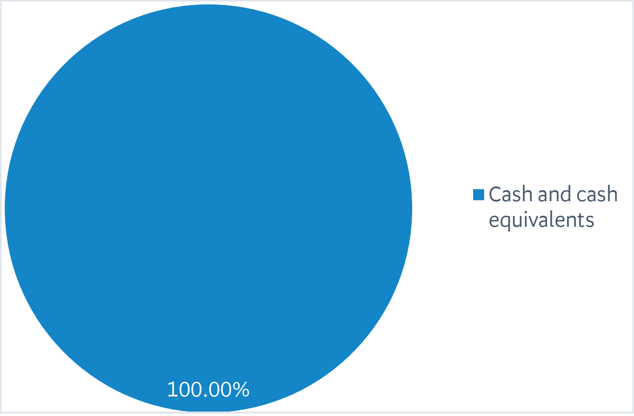
This shows the types of assets the Fund invests in.

Actual investment mix[2]



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

Target investment mix



Top 10 investments[3]

	Name	% of fund net assets	Type	Country	Credit rating (if applicable)
1	NIKKO AM WHOLESALE NZ CASH FUND TWO	11.45%	Cash and cash equivalents	NEW ZEALAND	
2	WESTPAC COMPOUND ACCOUNT NZD	7.70%	Cash and cash equivalents	NEW ZEALAND	AA-
3	ANZ BANK NEW ZEALAND LTD 110520 4.48 CB	6.39%	New Zealand fixed interest	NEW ZEALAND	AA-
4	BANK OF NEW ZEALAND 180620 4.426 CB	5.79%	New Zealand fixed interest	NEW ZEALAND	AA-
5	IRD DEPOSIT NZTTC 2.15% 19/12/2019 21/01/2020	4.71%	Cash and cash equivalents	NEW ZEALAND	AA+
6	ASB BANK LTD 270220 FRN	4.28%	New Zealand fixed interest	NEW ZEALAND	AA-
7	ASBBNK TERM DEPOSIT 2.35% 20/09/2019 17/09/2020	4.15%	Cash and cash equivalents	NEW ZEALAND	AA-
8	AUCKLAND COUNCIL 240920 4.017 GB	4.02%	New Zealand fixed interest	NEW ZEALAND	AA
9	RABOBANK NEDERLAND NEW ZEALAND BRANCH 100620 4.592 CB	3.28%	New Zealand fixed interest	NEW ZEALAND	A+
10	ASB BANK LTD 250220 4.4225 CB	3.24%	New Zealand fixed interest	NEW ZEALAND	AA-

The top 10 investments make up 55.01% of the net asset value of the Fund.

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, 6 months	Non-Executive Director, BNZ Life Insurance Limited (current position)	16 years, 1 months
Richard Ansell	Director, BNZ Investment Services Limited	0 years, 10 months	Chair, BNZ Investment Review Committee	0 years, 10 months
Hayley Cassidy	Director, BNZ Investment Services Limited	0 years, 8 months	Chief General Counsel, BNZ (current position)	0 years, 9 months
Christine Yates [new]	Director, BNZ Investment Services Limited	0 years, 2 months	Chief Customer Officer, Private Wealth and Insurances, BNZ (current Position)	0 years, 10 months
Paul Richardson [new]	Director, BNZ Investment Services Limited	0 years, 1 month	Chief Investment Officer/Executive Director	4 years, 8 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. The calculation of cash and cash equivalents within the actual investment mix allocation may include investor flows not yet unitised, liquidity cash and fund accruals. This may result in a higher allocation to cash and cash equivalents than is shown in the target investment mix.
3. Investor flows not yet unitised, unsettled trades, currency hedging gains (or losses) and any operating accruals are excluded from the Top 10 investments.