

NZFunds

Tariffs

Portfolio update

April 2025



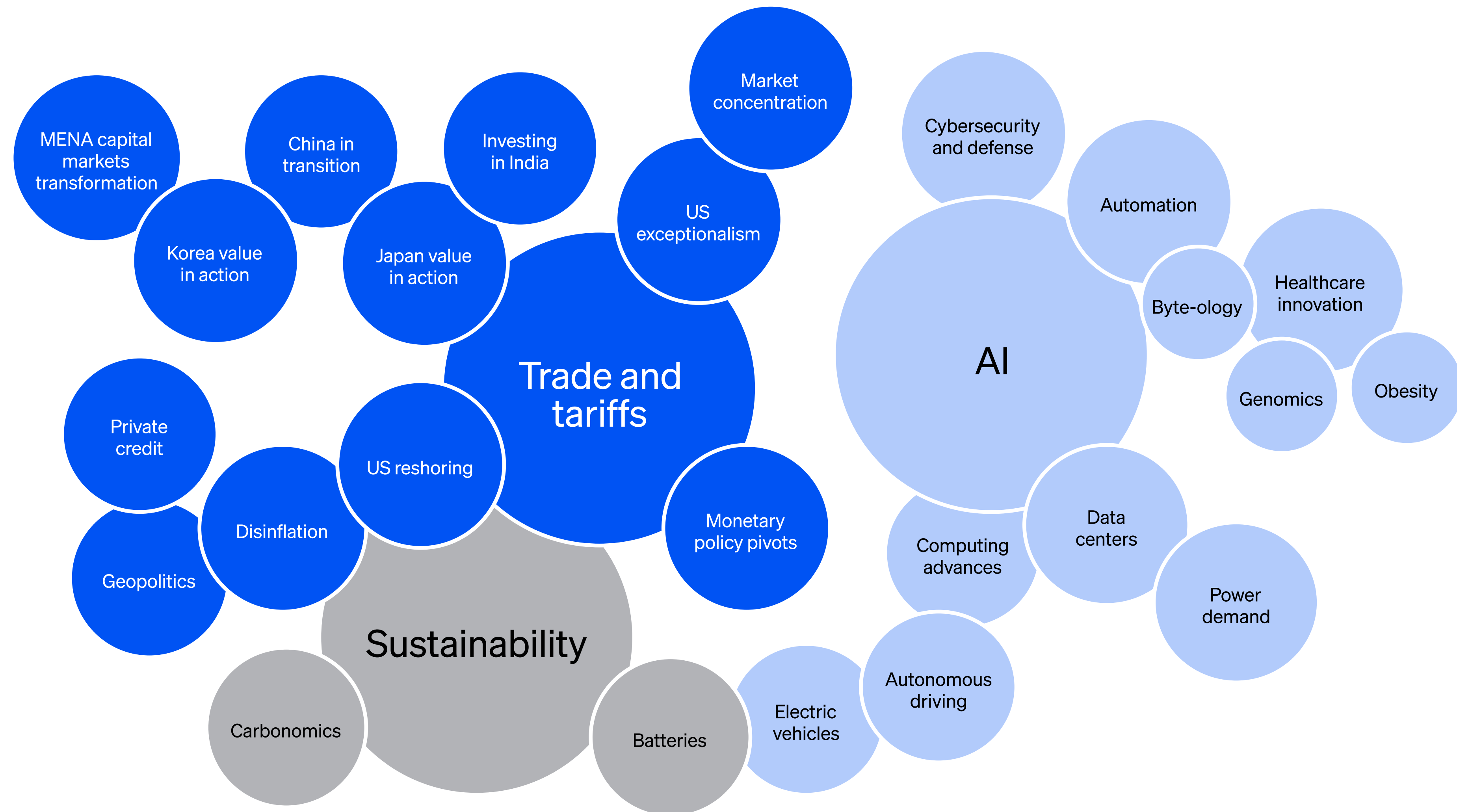
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Key themes driving investment markets in 2025

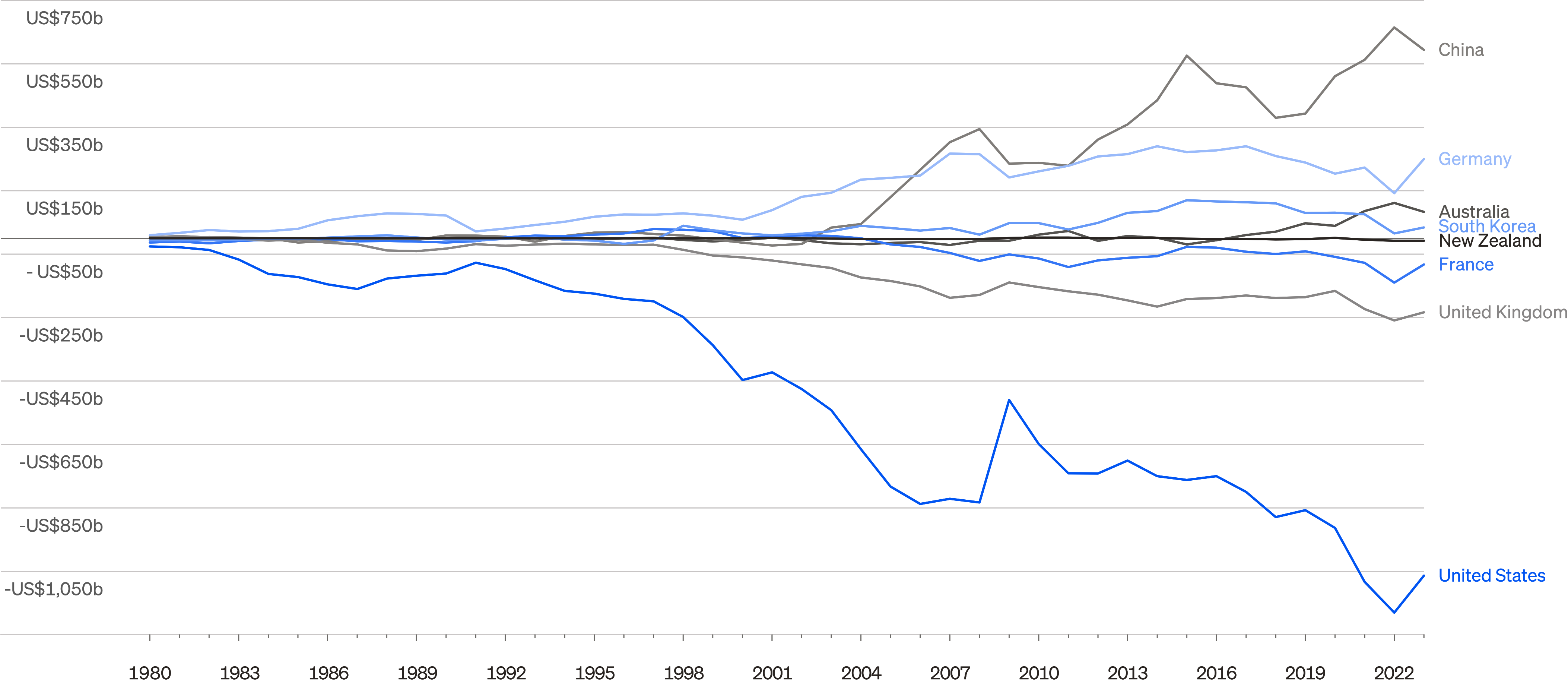


‘Liberation Day’ initial announcement

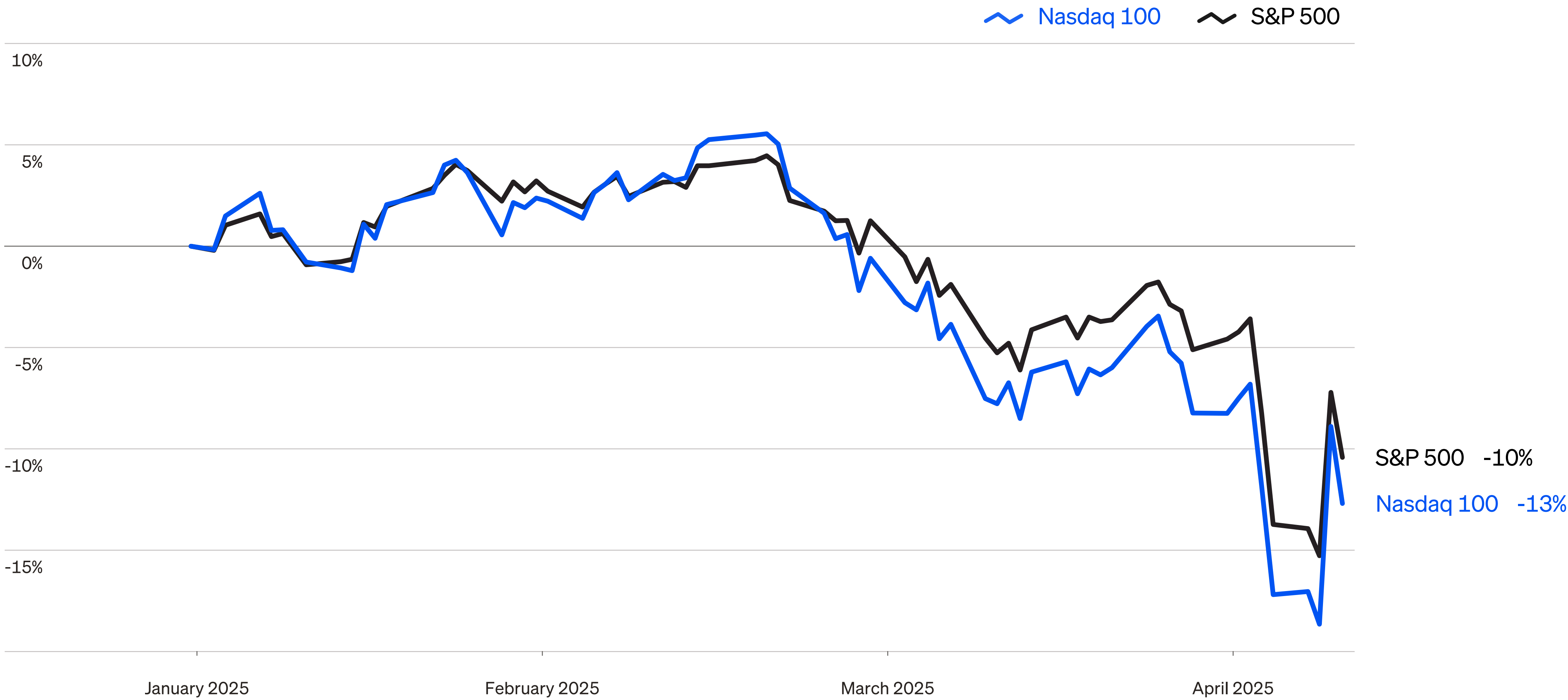
Country	Tariffs charged to USA*	USA Discounted Reciprocal Tariffs**	Retaliation announced
China	67%	34%	✓
South Africa	60%	30%	?
India	52%	26%	?
Japan	46%	24%	?
European Union	39%	20%	?
New Zealand	20%	10%	?
United Kingdom	10%	10%	?
Australia	10%	10%	?
Brazil	10%	10%	?

* including Currency Management and Trade Barriers
** subsequently changed on 10 April 2025 to 145% for China and reduced to 10% for all other countries.

Net trade in goods 1980-2023



United States market reaction (YTD)



Source: NZ Funds, Bloomberg, to close 10 April 2025.

United States market flat 12 months



Source: NZ Funds, Bloomberg, to close 10 April 2025.

United States market over five years



Source: NZ Funds, Bloomberg, to close 10 April 2025.

What are the 'worries' driving markets lower?

High inflation

Slower growth

US recession

What are the 'unknowns'?

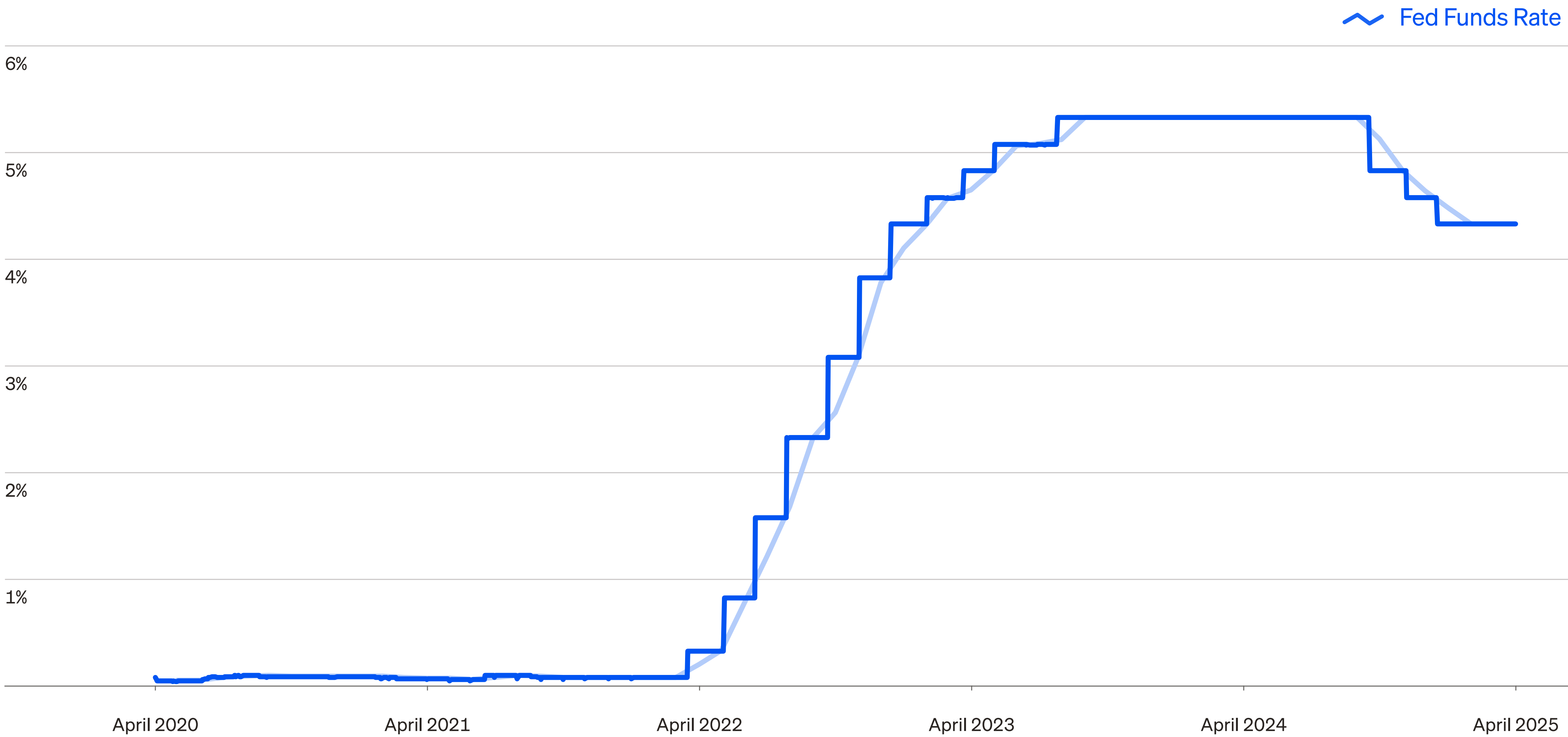
What the Fed will do?

What 'deals' will be done?

What will other countries do?

Fed is cautious but has room to move

Especially later this year



Source: NZ Funds, Bloomberg, to close 10 April 2025.

Last time deals emerged

Less tariff for more soybean purchase

US tax cuts promised in 2nd half

Discussions with 50 countries underway

NZ Funds is not the United States

Chinese shares are cheap

>PBOC likely to stimulate

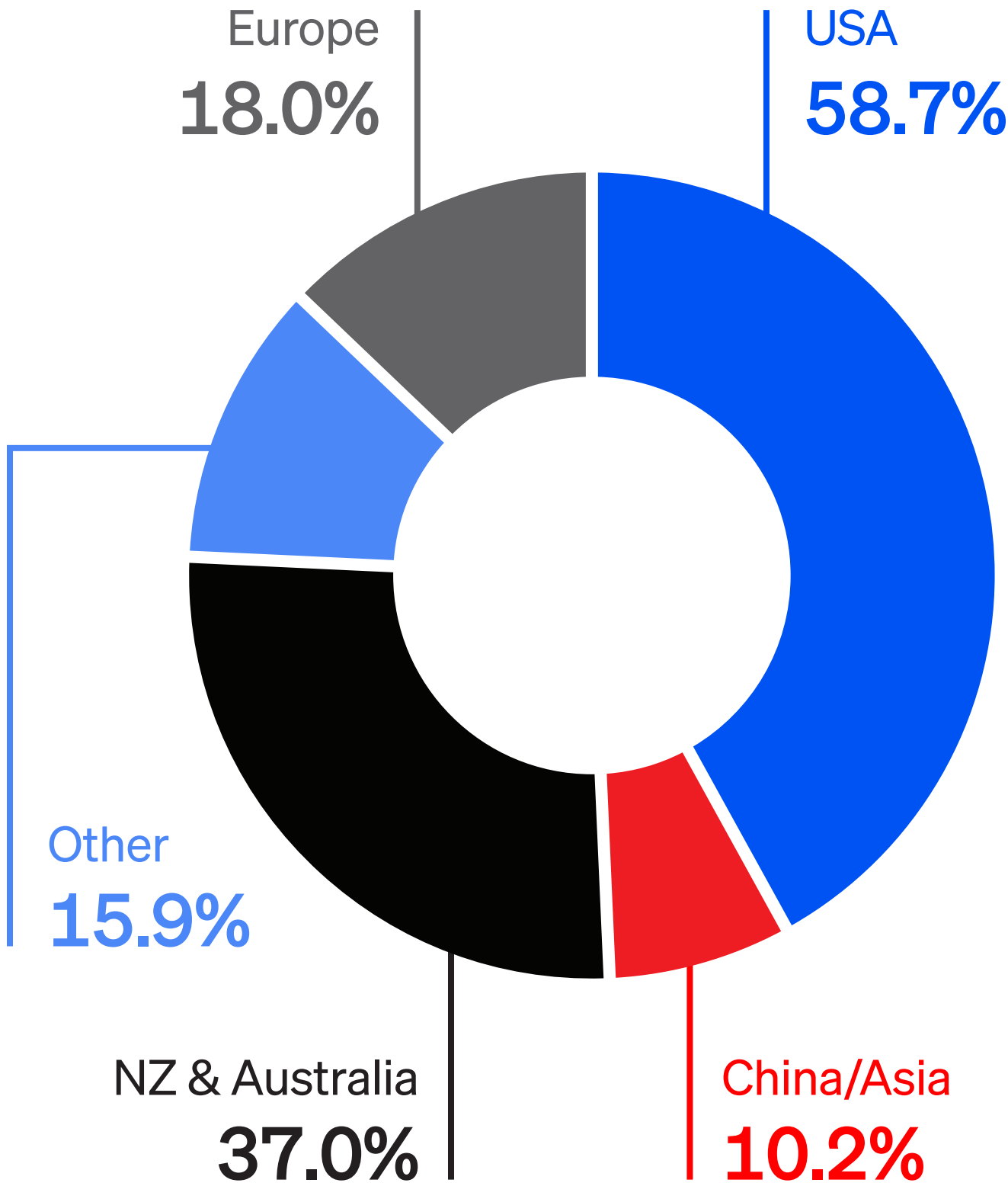
European shares cheap

>Likely to trade more with non-US

NZ Funds KiwiSaver Scheme Growth Strategy | Proxy for Growth Strategies

Growth Strategy*	Weight
Direct Shares	
Fisher	31.3%
NZ & Australia	37.0%
Futures	
USA	40.0%
Emerging Markets	2.4%
Europe	5.5%
Japan	1.4%
UK	0.8%
China	6.5%
Gold	7.0%
Copper	4.8%
Bitcoin	4.1%
Currency	20.0%
Bonds	12.7%
Downside Mitigation/Universa	-24.0%
US Options	10.2%

* as at 11 April 2025

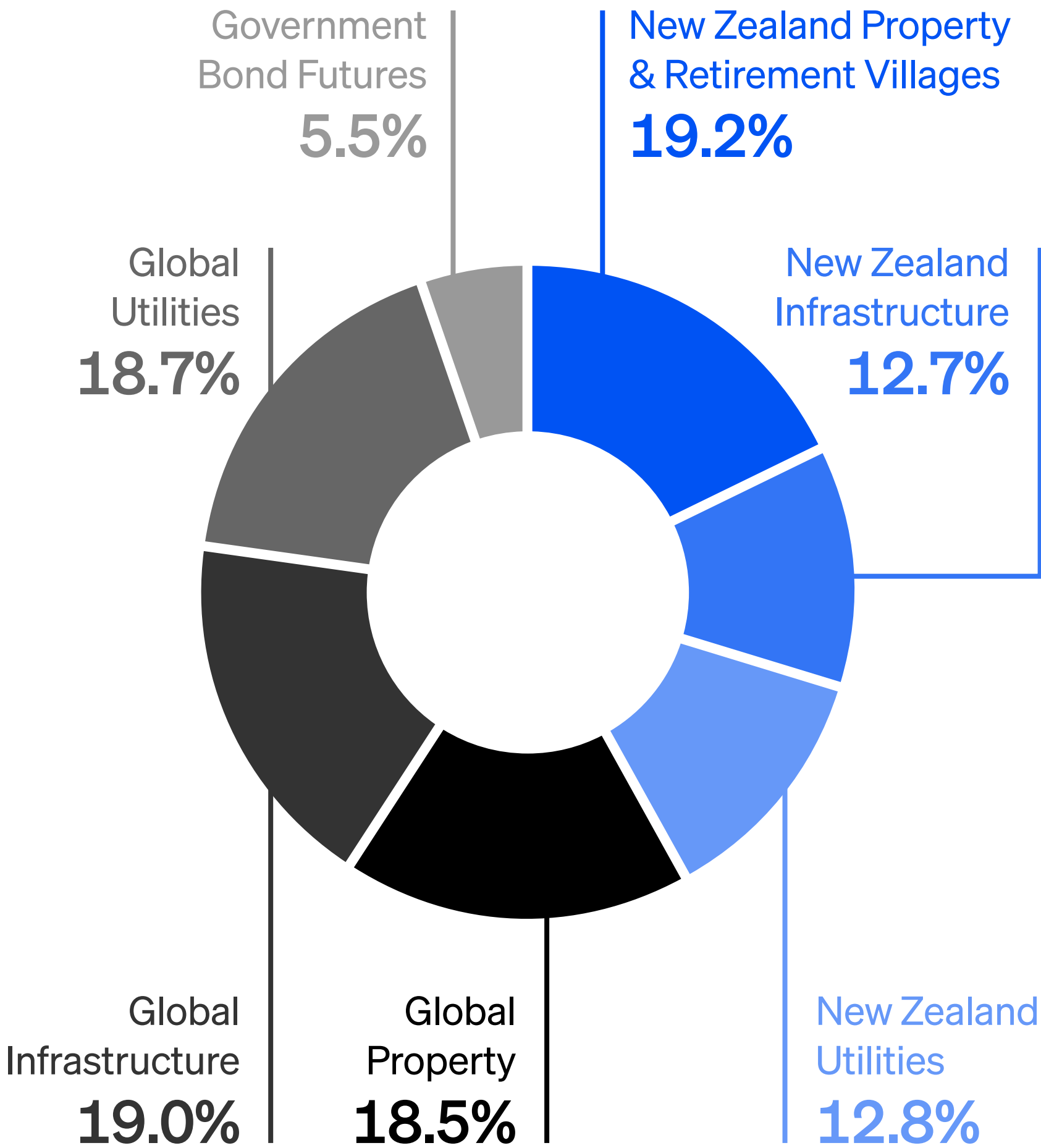


Source: NZ Funds calculations, Bloomberg. Please also note that past performance is not necessarily an indication of future returns. NZ Funds is an active investment manager. Accordingly, any securities or indices discussed in this report may or may not be held by the Portfolios and Strategies at any given point in time.

NZ Funds KiwiSaver Scheme Inflation Strategy | Proxy for Inflation Strategies

Inflation Strategy*	Weight
New Zealand Property & Retirement Villages	19.2%
New Zealand Infrastructure	12.8%
New Zealand Utilities	12.7%
Global Property	18.5%
Global Infrastructure	18.7%
Global Utilities	19.0%
Other	
Government Bond Futures	5.5%

* as at 11 April 2025



Source: NZ Funds calculations, Bloomberg. Please also note that past performance is not necessarily an indication of future returns. NZ Funds is an active investment manager. Accordingly, any securities or indices discussed in this report may or may not be held by the Portfolios and Strategies at any given point in time.

Conclusions

Expect a challenging six to nine months

Maintain regular contributions at discount prices

Tranche lump-sum clients in (get averages)

Diversified growth beats term deposits over time

Deeper declines bring greater rebound potential