

## Quarterly Disclosure Statement for 1 April 2014 – 31 March 2015 Kiwi Wealth KiwiSaver Scheme Balanced Fund

### What is the purpose of this statement?

This statement provides key information about the Kiwi Wealth KiwiSaver Scheme (called the Gareth Morgan KiwiSaver Scheme before 1 April 2014) Balanced Fund. It tells you how the fund has performed and what fees it charged, and will help you to compare it with other funds. We prepared this statement in accordance with the KiwiSaver (Periodic Disclosure) Regulations 2013. This information is not audited and may be updated.

### Description of the fund

The Balanced Fund has up to 70% in shares, with the balance in cash and fixed interest assets. The objective is to exceed the returns you would receive from investing 45% of your money in New Zealand fixed interest assets and 55% in shares.

*The Balanced Fund is referred to as the "Balanced Investment Portfolio" in the Kiwi Wealth KiwiSaver Scheme investment statement and prospectus.*

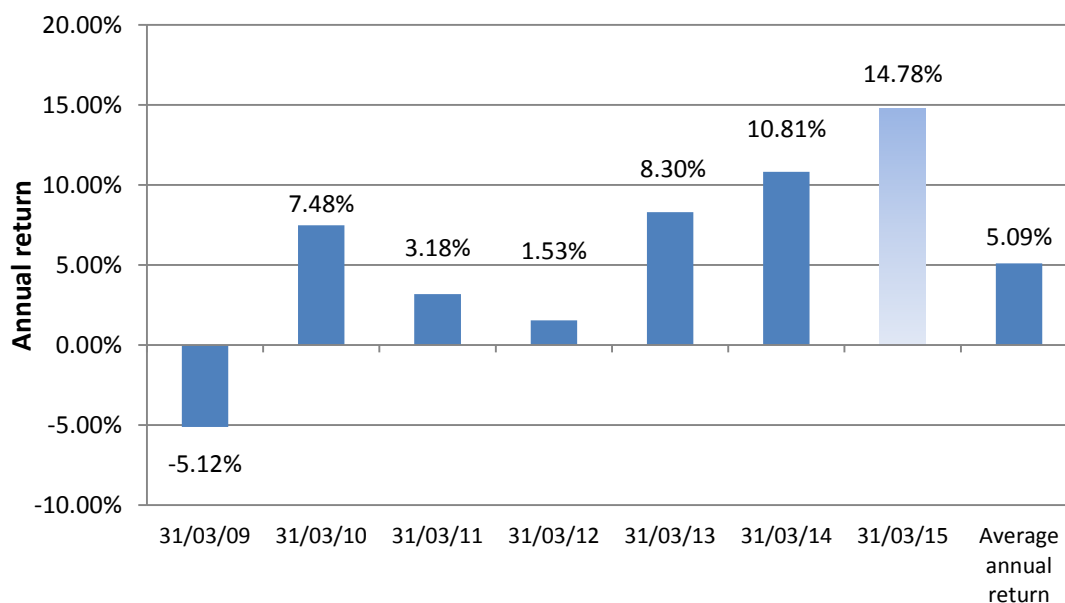
|                               |               |
|-------------------------------|---------------|
| Total value of the fund       | \$943,147,245 |
| Number of members in the fund | 65,220        |
| Date the fund started         | 1/10/2007     |

### How has the fund performed?

|   | Past year |
|---|-----------|
| <b>Annual return</b><br><i>(after deductions for fund fees and tax<sup>1</sup>)</i> | 14.78%    |

### How has the fund performed in the past?

This shows the return after fund fees and tax for each tax year since the fund started and the average annual return since the fund started. It's important to note that this doesn't tell you how the fund will perform in the future.



## What fees were members charged?

The returns above are after deductions for **fund fees**<sup>2</sup>. These fees were last totalled up for the year to 31 March 2014 and were:

| Total fund fees                   | 1.11 % of members' investments |
|-----------------------------------|--------------------------------|
| <i>Which are made up of:</i>      |                                |
| Annual management fee             | 1.05%                          |
| Performance-based fees            | 0.00%                          |
| Other fees and costs <sup>3</sup> | 0.06%                          |

Members were also charged **membership fees**<sup>4</sup> of **\$0** over the year to 31 March 2014.

*The annual management fee is referred to as the "annual member fee" in the Kiwi Wealth KiwiSaver Scheme investment statement and prospectus. The fund's actual annual management fee is charged at 1.00% per annum. The annual member fee each member pays is subject to a minimum fee of \$50 per annum. Therefore for members with an account balance of less than \$5,000, the actual member fee charged as a percentage of the member account balance may be higher than that stated in the Kiwi Wealth KiwiSaver Scheme investment statement and prospectus.*

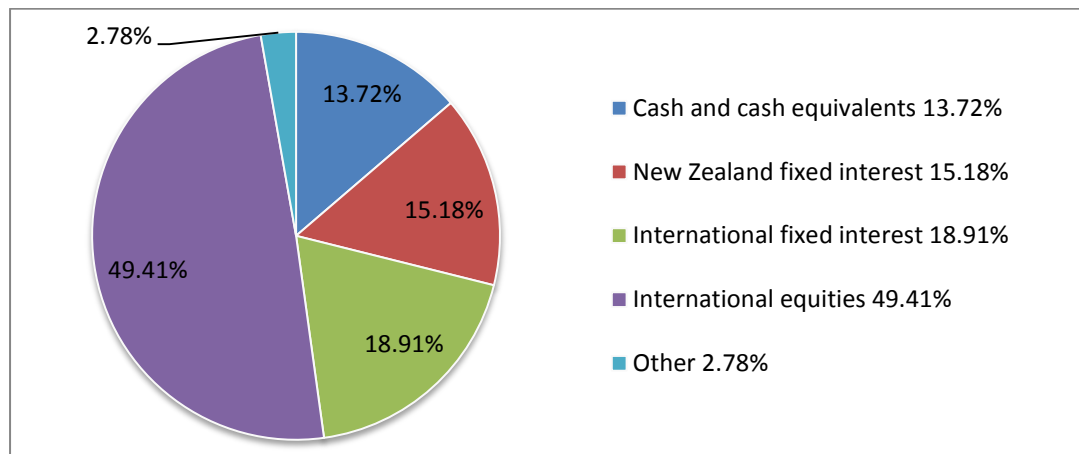
### Example of how this applies to a member

Alice had \$10,000 in the fund at the start of the year and didn't make any further contributions. At the end of the year, Alice received a return after fund fees and tax were deducted of \$1,478 (that's 14.78% of her initial \$10,000). Alice also paid \$0.00 in membership fees. This gives Alice a total return of \$1,478 for the year.

## What does the fund invest in?

### Actual investment mix

This shows the types of assets that the fund invests in.<sup>5</sup>



### Target investment mix

This shows the mix of assets that the fund generally intends to invest in.<sup>6</sup>

|                              |        |
|------------------------------|--------|
| Cash and cash equivalents    | 22.50% |
| New Zealand fixed interest   | 22.50% |
| International fixed interest | 0.00%  |
| Australasian equities        | 0.00%  |
| International equities       | 55.00% |
| Listed property              | 0.00%  |
| Unlisted property            | 0.00%  |
| Other                        | 0.00%  |

## Top 10 investments

|    | Name                               | Percentage of fund net assets | Type                         | Country       | Credit rating (if applicable) |
|----|------------------------------------|-------------------------------|------------------------------|---------------|-------------------------------|
| 1  | Westpac NZD Account                | 6.03%                         | Cash and cash equivalents    | New Zealand   |                               |
| 2  | GMO Systematic Global Macro Trust  | 2.78%                         | Fund                         | Australia     |                               |
| 3  | Guggenheim S&P 500 Pure Value ETF  | 1.79%                         | Fund                         | United States |                               |
| 4  | Rentenbank Bond due 12/3/2019      | 1.53%                         | International fixed interest | Germany       | AAA                           |
| 5  | Rentenbank Bond due 30/1/2020      | 1.43%                         | International fixed interest | Germany       | AAA                           |
| 6  | Guggenheim S&P 500 Pure Growth ETF | 1.28%                         | Fund                         | United States |                               |
| 7  | Platinum Asia Fund                 | 1.28%                         | Fund                         | Australia     |                               |
| 8  | Aberdeen Asian Opportunities Fund  | 1.26%                         | Fund                         | Australia     |                               |
| 9  | The Kroger Co                      | 1.23%                         | International equities       | United States |                               |
| 10 | PIMCO Global Bond Fund             | 1.23%                         | Fund                         | Ireland       |                               |

The top 10 investments make up 19.84% 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 or other position |
|---------------|---|--------------------------|---|------------------------------------|
| Simon O'Grady | Chief Investment Officer - Gareth Morgan Investments Limited Partnership          | 2 years, 5 months        | Head of Investment Strategy - Suncorp Investment Management                     | 5 years                            |
| Susan Easton  | Head of Investment Strategy - Gareth Morgan Investments Limited Partnership       | 5 years, 3 months        | Investment Strategist - Gareth Morgan Investments Limited Partnership           | 3 years, 6 months                  |
| Nathan Field  | Portfolio Manager, Equities - Gareth Morgan Investments Limited Partnership       | 4 years, 10 months       | Senior Equity Analyst - ABN Amro, Sydney  | 4 years, 6 months                  |
| Diana Gordon  | Portfolio Manager, Fixed Interest - Gareth Morgan Investments Limited Partnership | 2 years, 7 months        | Senior High Yield Portfolio Manager, - Goldman Sachs Asset Management, New York | 10 years, 10 months                |
| John Carran   | Senior Economist - Gareth Morgan Investments Limited Partnership                  | 3 years, 7 months        | Senior Economist - Infometrics Ltd  | 2 years, 9 months                  |

## Further information

### Information about conflicts of interest

There have not been changes to the nature, or increases in the scale of, the fund's related-party transactions compared with the last quarter. See the Kiwi Wealth KiwiSaver Scheme annual financial statements for more information about the scheme's related-party transactions.

### Changes to trade allocation, execution and proxy voting policies

There have not been changes to the fund's trade allocation, execution and proxy voting policies in the past three months. See [www.gmi.co.nz/kiwisaver/trade-policies](http://www.gmi.co.nz/kiwisaver/trade-policies) for more information about these policies.

### Changes to valuation methods

There have not been changes to the fund's valuation methods in the past three months.

### Electronic disclosure of this information

Most of the information contained in this statement, including some additional information, is available in a spreadsheet at [www.kiwiwealth.co.nz](http://www.kiwiwealth.co.nz).

## Notes

<sup>1</sup> Returns in this statement are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax rate may be lower.

<sup>2</sup> Fund fees are fees charged as a percentage of a member's interest in the fund (i.e. as a percentage of their KiwiSaver account balance).

<sup>3</sup> An estimate has been used to calculate the underlying fund fees which are included in 'Other fees and costs'. Underlying fund fees have been estimated using end of month holdings and the total expense ratio (TER) stated in the underlying funds' disclosure statements.

<sup>4</sup> Membership fees are the fixed dollar charges for membership in the KiwiSaver scheme.

<sup>5</sup> Other is comprised of alternative investments: investments that fall outside the main asset classes and can include absolute return funds and commodity investments.

<sup>6</sup> The target investment mix is the asset allocation mix of our chosen benchmark for the fund. The actual investment mix will at times differ to the target investment mix because we have an active investment management style.

## Manager's certificate

This disclosure statement has been prepared by Kiwi Wealth Limited (formerly called Gareth Morgan KiwiSaver Limited), the manager of the Kiwi Wealth KiwiSaver Scheme, for the purposes of the KiwiSaver (Periodic Disclosure) Regulations 2013; and

- to the best of our knowledge after making reasonable inquiry, all information required by the regulations has been disclosed in accordance with the regulations and the information presented is accurate; and
- the disclosure statement does not contain any matter that is likely to deceive or mislead with regard to any particular that would be material to an offer of an interest in the Kiwi Wealth KiwiSaver Scheme.

On behalf of the manager, Kiwi Wealth Limited



Ian Burns, Chief Executive  
23 April 2015

Kiwi Wealth Limited  
Level 10 109 Featherston Street PO Box 10068 Wellington 6143  
Tel: 0800 427 384 Email: [questions@kiwiwealth.co.nz](mailto:questions@kiwiwealth.co.nz)

The investment statement for the Kiwi Wealth KiwiSaver Scheme is available on our website at [www.kiwiwealth.co.nz](http://www.kiwiwealth.co.nz) or by calling 0800 427 384