

## Quarterly Disclosure Statement for 1 October 2012 - 30 September 2013 Gareth Morgan KiwiSaver Scheme Balanced Fund

### What is the purpose of this statement?

This statement provides key information about the Gareth Morgan KiwiSaver Scheme 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 global shares.

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

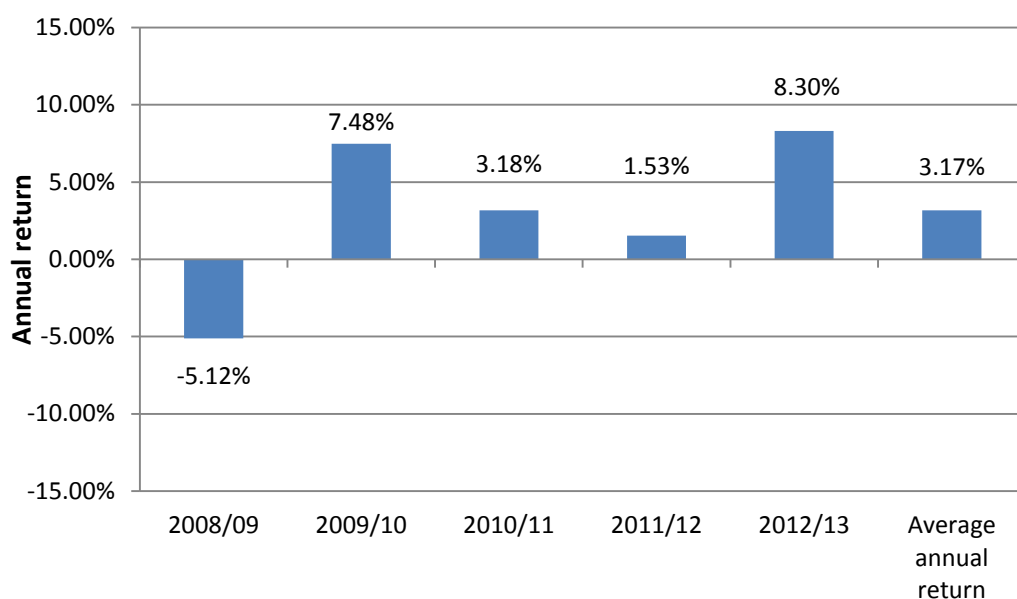
Total value of the fund	\$542,029,237.40
Number of members in the fund	39,786
Date the fund started	1/10/2007

### How has the fund performed?

	Past year
<b>Annual return</b> <i>(after deductions for fund fees and tax<sup>1</sup>)</i>	13.34%

### 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 2013 and were:

<b>Total fund fees</b>	<b>1.16 % of members' investments</b>
<i>Which are made up of:</i>	
Annual management fee	1.05%
Performance-based fees	0.00%
Other fees and costs	0.11%

Members were also charged **membership fees**<sup>3</sup> of **\$0** over the year to 31 March 2013.

*The annual management fee is referred to as the "annual member fee" in the Gareth Morgan KiwiSaver Scheme investment statement and prospectus. The annual member fee each member pays is subject to a minimum fee of \$50 per annum. Therefore, the actual member fee charged as a percentage of the member account balance for some members may be higher than that stated in the Gareth Morgan KiwiSaver Scheme investment statement and prospectus.*

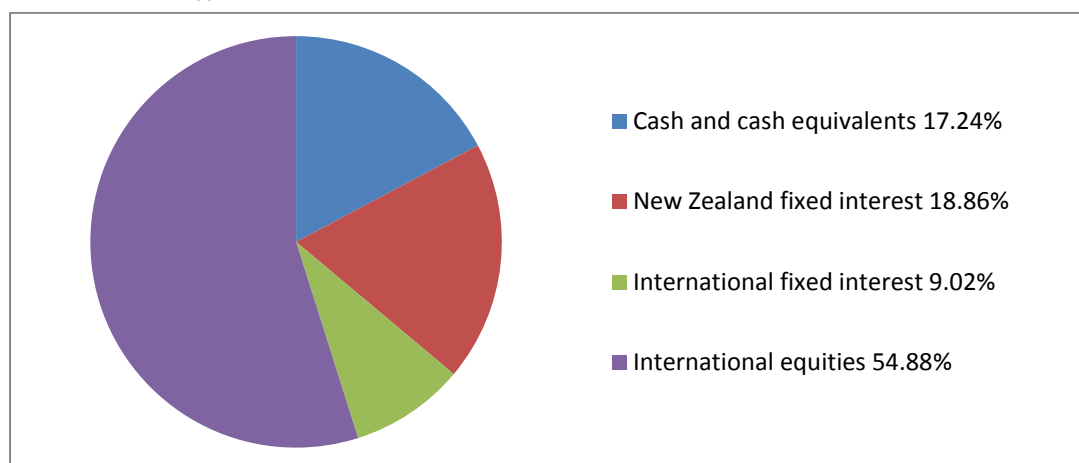
### Example of how this applies to a member

Ryan 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, Ryan received a return after fund fees and tax were deducted of \$1,333.95 (that's 13.34% of his initial \$10,000). Ryan also paid \$0.00 in membership fees. This gives Ryan a total return of \$1,333.95 for the year.

### What does the fund invest in?

#### Actual investment mix

This shows the types of assets that the fund invests in.



#### Target investment mix

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

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	Blackrock Wholesale Indexed International Equity Fund	7.99%	Fund	Australia	
2	Westpac NZD Account	5.84%	Cash and cash equivalents	New Zealand	
3	iShares MSCI World Minimum Volatility ETF	2.78%	Fund	United States	
4	iShares FTSE 100 ETF	2.27%	Fund	United Kingdom	
5	PIMCO Global Bond Fund	1.92%	Fund	Ireland	
6	Baring Europe Select Trust	1.32%	Fund	United Kingdom	
7	iShares S&P SmallCap 600 Index ETF	1.32%	Fund	United States	
8	Apple Inc.	1.28%	International equities	United States	
9	Genesis Power Limited Bond due 15/9/2016	1.25%	New Zealand fixed interest	New Zealand	BBB+
10	Google Inc	1.24%	International equities	United States	

The top 10 investments make up 27.21% 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	11 months	Head of Investment Strategy - Suncorp Investment Management	5 years
Susan Easton	Head of Investment Strategy - Gareth Morgan Investments Limited Partnership	3 years, 9 months	Investment Strategist - Gareth Morgan Investments Limited Partnership	3 years, 6 months
Nathan Field	Portfolio Manager, Equities - Gareth Morgan Investments Limited Partnership	3 years, 4 months	Senior Equity Analyst - ABN Amro, Sydney	4 years, 6 months
Diana Gordon	Portfolio Manager, Fixed Interest - Gareth Morgan Investments Limited Partnership	1 year, 1 month	Credit Portfolio Manager/Senior Trader - Merrill Lynch	1 year
John Carran	Senior Economist - Gareth Morgan Investments Limited Partnership	2 years, 1 month	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 Gareth Morgan 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.gmk.co.nz/trade-policies](http://www.gmk.co.nz/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.gmk.co.nz/periodic-disclosure-statements](http://www.gmk.co.nz/periodic-disclosure-statements).

### 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> Membership fees are the fixed dollar charges for membership in the KiwiSaver scheme.

### Manager's certificate

This disclosure statement has been prepared 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 Gareth Morgan KiwiSaver Scheme.



Brian Joseph Roche  
Director  
Gareth Morgan KiwiSaver Limited

18/10/13  
Date



Paul Robert Brock  
Director  
Gareth Morgan KiwiSaver Limited

18 October 2013  
Date

Gareth Morgan KiwiSaver Limited  
Level 10 109 Featherston Street PO Box 10068 Wellington 6143  
Tel: 0800 427 384 Email: [questions@gmk.co.nz](mailto:questions@gmk.co.nz)

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