Gareth Morgan KiwiSaver Limited
Balanced Composite

GARETH MORGAN KIWISAVER SCHEME

Reporting Currency: NZD

Composite Creation Date: July 2010

Year End (31 Dec)	Gross Return (%)	Gross Benchmark (%)	Net Return (%)	Net Benchmark (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	Portfolios (# of)	Members in Balanced (# of)**	Total scheme members (# of)	Largest account ($)	Composite Assets ($M)	Firm Assets ($M)
2011	0.87%	0.59%	-1.23%	-1.91%	5.62%	8.09%	1	34,287	56,572	379,000	326.0	645.9
2010	5.37%	6.36%	2.81%	4.02%	5.64%	9.85%	1	31,034	51,768	376,000	243.2	484.5
2009	4.53%	8.87%	2.84%	6.80%			1	27,056	45,796	354,000	146.8	289.8
2008	0.74%	-12.87%	-3.29%	-15.54%			1	18,770	32,524	175,000	58.8	117.8
2007*	1.17%	-1.25%	-0.84%	-1.82%			1	9,341	16,411	49,000	9.9	20.1

**Year 2007 covers the period from 1 October 2007 (inception date) through 31 December 2007 (three months).*
***Members may have elected to have part of their accounts invested in more than one Investment Direction and so have assets in more than one composite, resulting in the sum of members across all composites being greater than the total number of scheme members.*

Compliance Statement

Gareth Morgan KiwiSaver Limited claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Gareth Morgan KiwiSaver Limited has been independently verified for the periods 1 October 2007 through 31 December 2011. The verification report is available upon request. Verification assesses whether (1) GMK has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) GMK's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

Definition of the Firm

Gareth Morgan KiwiSaver Limited (GMK) is the manager of the Gareth Morgan KiwiSaver Scheme, a registered KiwiSaver scheme under the KiwiSaver Act 2006.

Policies

Policies for valuing portfolios, calculating performance and preparing compliant presentations are available on request.

Composite Description

The Balanced composite includes all member assets that are under GMK's control and are mandated by members to be managed by GMK in the Balanced Investment Direction. A list of composite descriptions is available on request.

Balanced Benchmark

The balanced benchmarks are designed to measure a 'balanced' portfolio of world equities and fixed interest. Effective 01 January 2011, the Benchmark constitutes 22.5% ANZ New Zealand Gross Returns 90 day bank bill Index, 22.5% ANZ New Zealand Government Bond Daily Gross Return Govt Stock Index, 20% MSCI All Country World Index, 35% MSCI All Country World Index 100% Hedged to NZD Index.

From 1 October 2007 through to 31 December 2010, the Benchmark constitutes 20% ANZ New Zealand Gross Returns 90 day bank bills Index, 20% ANZ New Zealand Government Bond Daily Gross Return Govt Stock Index, 40% Gross MSCI The World Index, 20% Hedged Gross MSCI the World Index.

The 'MSCI All Country World Index 100% Hedged to NZD Index' is a custom index calculated by MSCI for GMK. The 'Gross MSCI the World Index' and 'Hedged Gross MSCI the World Index' are custom indices calculated by GMK based on the MSCI World Index in USD.

Fee and tax treatment on the Net Benchmark

- Management fees are deducted at 1%pa
- Transaction fees on Government Bonds are modelled at 0.02%pa
- Transaction fees on equities are modelled at 0.075%pa
- Tax on bonds and bank bills is modelled by multiplying the net monthly change by the top PIR
- Tax on equities is modelled by multiplying 5% by the top PIR

Returns

Gross Returns are presented gross of management fees and taxes but net of all trading expenses and externally charged investment management fees. Net Returns are presented after all fees, taxes and charges have been deducted. The Composite Returns value the foreign assets held in each Composite at London fix FX rates (4pm); the Benchmark Returns use the London close FX rates from the Bloomberg service (6pm). This two hour time difference between valuation points began in August 2010.

Externally managed assets for GMK include all investments made on behalf of members, in funds managed by selected specialist fund managers. These include actively managed funds, index funds and Exchange Traded Funds.

Ex-Post Standard Deviation

The three-year annualized standard deviation measures the variability of the net composite and net benchmark returns over the preceding 36-month period. The standard deviation is not presented for 2007 through 2009 as 36-months of performance data had not been accumulated.

Fee Schedule

GMK's fee is 1%pa of a member's account balance, subject to a $50pa minimum fee. There may be instances where different fees apply.