

# Fund Update



for the quarter ended 31 December 2016

## Kiwi Wealth KiwiSaver Scheme - CashPlus Fund

This fund update was first made publicly available on 13 February 2017

### What is the purpose of this update?

This document tells you how the Kiwi Wealth KiwiSaver Scheme CashPlus Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. Kiwi Wealth Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

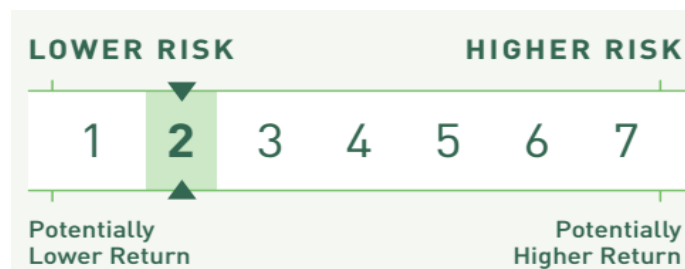
### Description of this fund

The CashPlus Fund is invested up to 60% in fixed interest assets, and the remainder in cash assets. Its objective is to exceed the returns you would receive from investing 75% of your funds in New Zealand cash and 25% in New Zealand fixed interest assets through active asset allocation and active selection of cash and fixed interest assets.

Total value of the fund	\$76,653,578
Number of members in the fund	9,236
The date the fund started	1/06/2012

### What are the risks of investing?

Risk indicator for the CashPlus Fund:<sup>1</sup>



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. 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 <http://www.gmi.co.nz/kiwisaver/risk-profile>.

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 the past 5 years. 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.

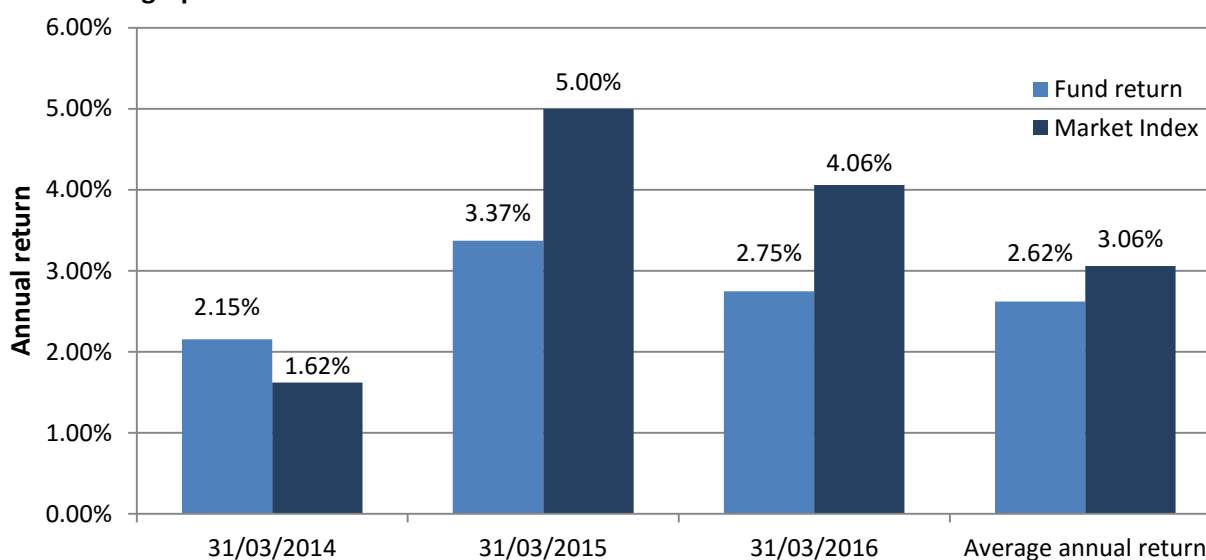
See the product disclosure statement (PDS) for more information about the risks associated with investing in this fund.

## How has the fund performed?

	Past year
<b>Annual return</b> <i>(after deductions for charges and tax)</i>	2.21%
<b>Annual return</b> <i>(after deductions for charges but before tax)</i>	2.77%
Market index annual return <i>(reflects no deduction for charges and tax)</i>	2.75%

The market index return is the strategic asset allocation weighted benchmark index return, where the benchmark indices are defined in the Statement of Investment Policy and Objectives. Additional information about the market index is available on the Disclose offer register at <http://www.business.govt.nz/disclose>.

### Annual return graph



This 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 2016.

**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.

Note that market indices reflect no deduction for charges and tax.

### What fees are investors charged?

Investors in the CashPlus Fund are charged fund charges. In the year to 31 March 2016 these were:

	% of net asset value
<b>Total fund charges</b>	<b>0.84%</b>
<i>Which are made up of -</i>	
<b>Total management and administration charges</b>	<b>0.84%</b>
Including -	
Manager's basic fee	0.84%
Other management and administration charges	0.00%
<b>Total performance-based fees</b>	<b>0.00%</b>
	<b>Dollar amount per investor</b>
<b>Other charges</b>	<b>\$0.00</b>

The fund's actual manager's basic fee is charged at 0.70% per annum. The manager's basic fee each member pays is subject to a minimum fee of \$50 per annum. Therefore for members with an account balance of less than \$7,143, the actual manager's basic fee charged as a percentage of the member account balance may be higher than that stated in the Kiwi Wealth KiwiSaver Scheme PDS.

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the Kiwi Wealth KiwiSaver Scheme PDS for more information about those fees. We do not charge any individual action fees.

Small differences in fees and charges can have a big impact on your investment over the long term.

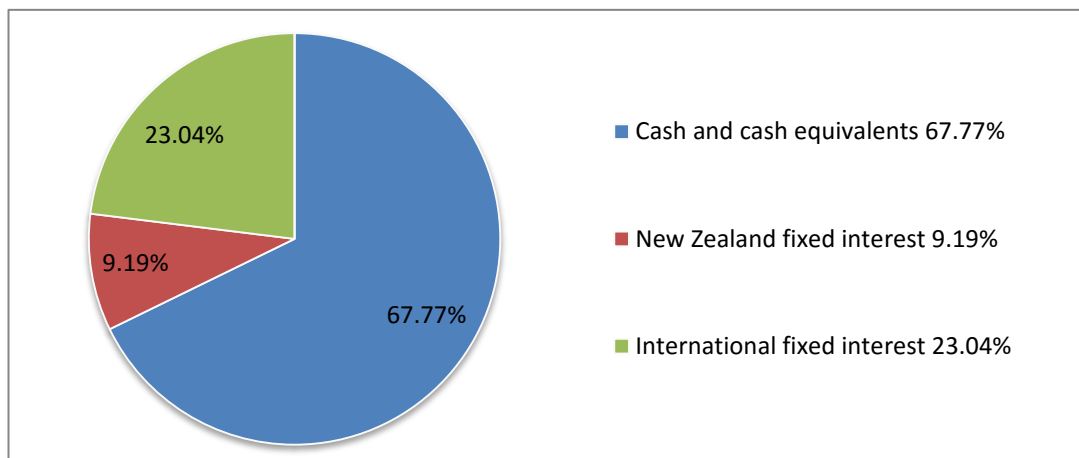
### Example of how this applies to an investor

Alice 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, Alice received a return after fund charges were deducted of \$221 (that is 2.21% of her initial \$10,000). Alice also paid \$0.00 in other charges. This gives Alice a total return after tax of \$221 for the year.

### What does the fund invest in?

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

#### Actual investment mix



### Target investment mix

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

Cash and cash equivalents	75.00%
New Zealand fixed interest	25.00%
International fixed interest	0.00%
Australasian equities	0.00%
International equities	0.00%
Listed property	0.00%
Unlisted property	0.00%
Commodities	0.00%
Other	0.00%

### Top 10 investments

	Name	Country	Type	Credit rating (if applicable)	Percentage of fund net assets
1	Westpac NZD Account	New Zealand	Cash and cash equivalents	AA-	8.33%
2	ASB Bank Term Deposit due 6/06/2017	New Zealand	Cash and cash equivalents	AA-	4.15%
3	BNZ Term Deposit due 15/05/2017	New Zealand	Cash and cash equivalents	AA-	3.74%
4	Kiwibank Term Deposit due 18/04/2017	New Zealand	Cash and cash equivalents	A+	3.09%
5	Westpac Term Deposit due 12/06/2017	New Zealand	Cash and cash equivalents	AA-	2.12%
6	BNZ Term Deposit due 9/01/2017	New Zealand	Cash and cash equivalents	AA-	2.00%
7	BNZ Term Deposit due 11/01/2017	New Zealand	Cash and cash equivalents	AA-	1.83%
8	UDC Finance Term Deposit due 17/01/2017	New Zealand	Cash and cash equivalents	AA-	1.80%
9	ANZ Unsubordinated FRN 18/11/2019	New Zealand	Cash and cash equivalents	AA-	1.75%
10	ASB Bank Term Deposit due 7/06/2017	New Zealand	Cash and cash equivalents	AA-	1.71%

The top 10 investments make up 30.52% of the fund.

### Currency hedging

Currency hedging can apply to some of the asset classes this fund invests in. The level of currency hedging for foreign assets is managed between 0% and 100% with a target of 100% and may change over time depending on the Manager's view of the relative strength (or weakness) of the New Zealand dollar. Additional information about the hedging policy can be found in the Statement of Investment Policy and Objectives which is available on the Disclose offer register at [www.business.govt.nz/disclose/](http://www.business.govt.nz/disclose/).

## Key personnel

This shows the 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	4 years and 2 months	Head of Investment Strategy - Suncorp Investment Management	5 years
Diana Gordon	Portfolio Manager, Fixed Interest - Gareth Morgan Investments Limited Partnership	4 years and 4 months	Senior High Yield Portfolio Manager, - Goldman Sachs Asset Management, New York	10 years and 10 months
Greg Hayton	Fixed Interest Trader - Gareth Morgan Investments Limited Partnership	7 years and 2 months	Portfolio Administrator - Gareth Morgan Investments Limited Partnership	1 year and 6 months

## Further information

You can also obtain this information, the PDS for the Kiwi Wealth KiwiSaver Scheme and some additional information from the offer register at <http://www.business.govt.nz/disclose>.

## Notes

1. Market index returns as well as the fund's actual returns have been used to fill in the risk indicator, as this fund has not yet been in operation for five years. Market index returns have been used from 31 March 2011 until 30 April 2012 and actual returns after that. As a result of those returns being used, the risk indicator may provide a less reliable indicator of the potential future volatility of the fund.

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The Product Disclosure 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

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