

# Fund Update



for the quarter ended 30 September 2016

## Kiwi Wealth KiwiSaver Scheme - Cash Fund

This fund update was first made publicly available on 31 October 2016

### What is the purpose of this update?

This document tells you how the Kiwi Wealth KiwiSaver Scheme Cash 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.

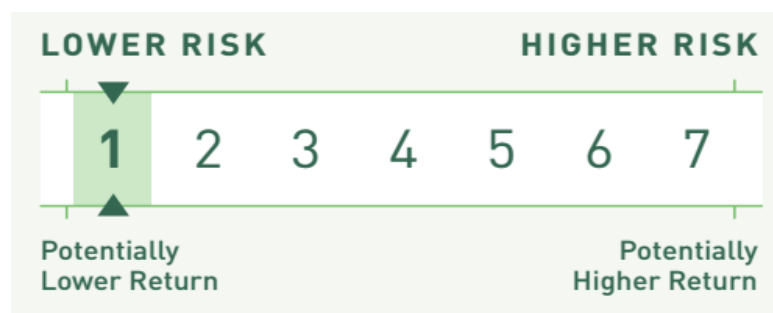
### Description of this fund

The Cash Fund is invested 100% in cash assets. Its objective is to exceed the returns you would receive from investing 100% of your funds in New Zealand cash through the active selection of cash assets.

Total value of the fund	\$101,181,881
Number of members in the fund	13,638
The date the fund started	12/9/2012

### What are the risks of investing?

Risk indicator for the Cash 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.

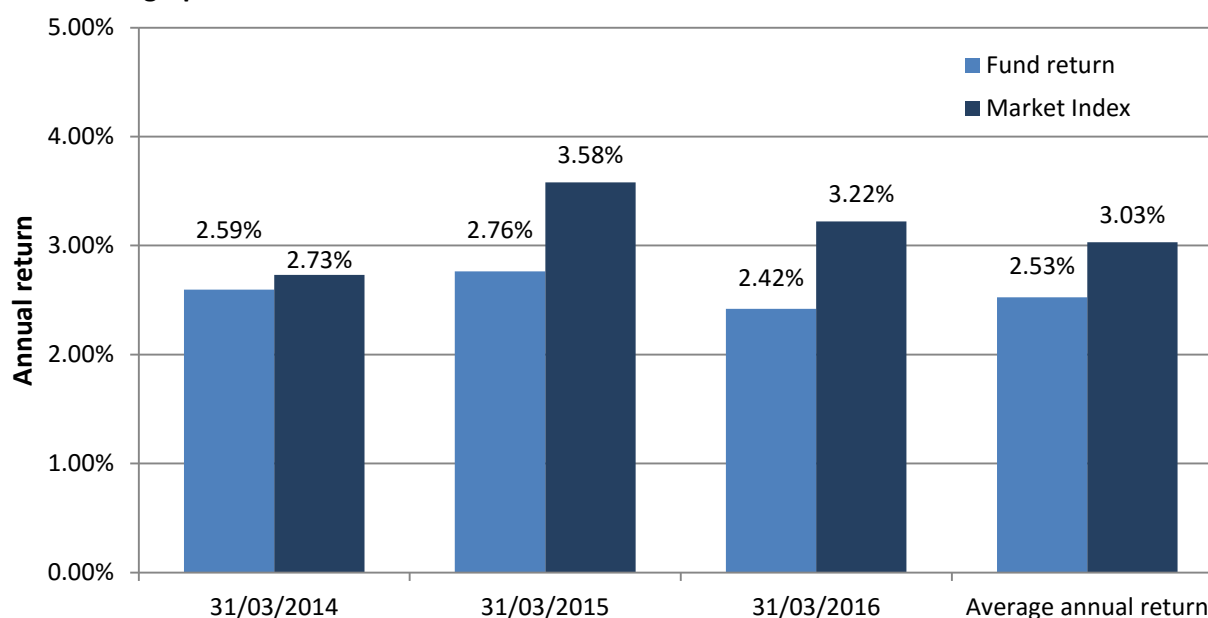
See the product disclosure statement (PDS) for more information about the risks associated with investing in this fund.

## How has the fund performed?

	Past year
<b>Annual return</b> <i>(after deductions for charges and tax)</i>	2.09%
<b>Annual return</b> <i>(after deductions for charges but before tax)</i>	2.91%
Market index annual return <i>(reflects no deduction for charges and tax)</i>	2.69%

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 30 September 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 Cash Fund are charged fund charges. In the year to 31 March 2016 these were:

	<b>% of net asset value</b>
<b>Total fund charges</b>	<b>0.78%</b>
<i>Which are made up of -</i>	
<b>Total management and administration charges</b>	<b>0.78%</b>
Including -	
Manager's basic fee	0.78%
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 0.45% 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 \$11,111, the 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.

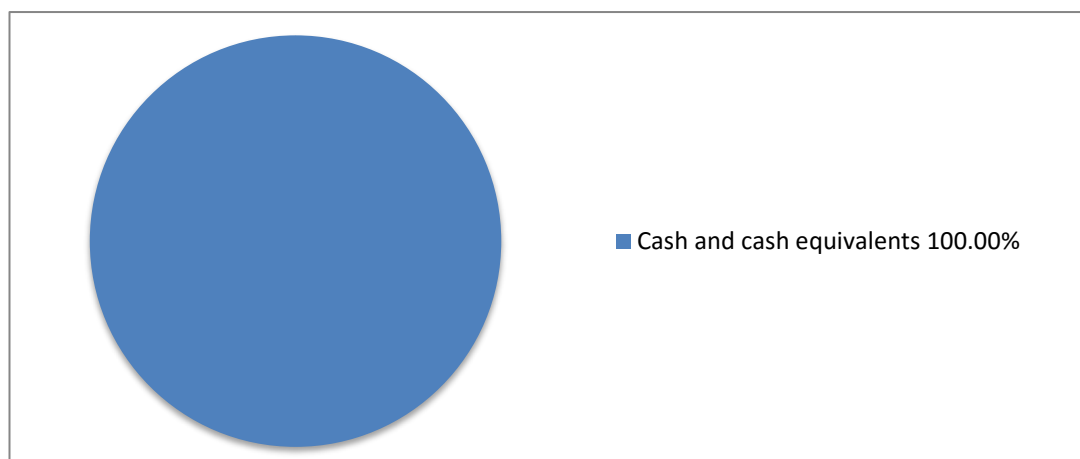
### Example of how this applies to an investor

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 \$209 (that is 2.09% of her initial \$10,000). Alice also paid \$0.00 in other charges. This gives Alice a total return after tax of \$209 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	100.00%
New Zealand fixed interest	0.00%
International fixed interest	0.00%
Australasian equities	0.00%
International equities	0.00%
Listed property	0.00%
Unlisted property	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-	9.87%
2	BNZ Bank Term Deposit due 6/03/2017	New Zealand	Cash and cash equivalents	AA-	3.89%
3	ASB Term Deposit due 15/03/2017	New Zealand	Cash and cash equivalents	AA-	3.76%
4	ASB Term Deposit due 15/02/2017	New Zealand	Cash and cash equivalents	AA-	3.68%
5	Westpac Term Deposit due 5/10/2016	New Zealand	Cash and cash equivalents	AA-	3.51%
6	BNZ Bank Term Deposit due 11/01/2017	New Zealand	Cash and cash equivalents	AA-	3.15%
7	Westpac Term Deposit due 30/01/2017	New Zealand	Cash and cash equivalents	AA-	3.15%
8	ANZ Unsubordinated FRN due 01/12/2017	New Zealand	Cash and cash equivalents	AA-	3.05%
9	ASB Term Deposit due 20/02/2017	New Zealand	Cash and cash equivalents	AA-	3.01%
10	UDC Finance Term Deposit due 27/03/2017	New Zealand	Cash and cash equivalents	AA-	3.01%

The top 10 investments make up 40.08% 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	3 years and 11 months	Head of Investment Strategy - Suncorp Investment Management	5 years
Diana Gordon	Portfolio Manager, Fixed Interest - Gareth Morgan Investments Limited Partnership	4 years and 1 month	Senior High Yield Portfolio Manager, - Goldman Sachs Asset Management, New York	10 years and 10 months
Greg Hayton	Fixed Interest Analyst - Gareth Morgan Investments Limited Partnership	6 years and 11 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 31 July 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.