

BNZ KiwiSaver Scheme

Cash Fund

Quarterly Disclosure Statement for 1 April 2013 - 31 March 2014



What is the purpose of this statement?

This statement provides key information about the BNZ KiwiSaver Scheme Cash 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 Cash Fund may suit you if you have a short term investment horizon or if you have a very cautious approach to investing.

The returns from the Cash Fund (before tax, fees and expenses) will be similar to the returns from bank deposits.

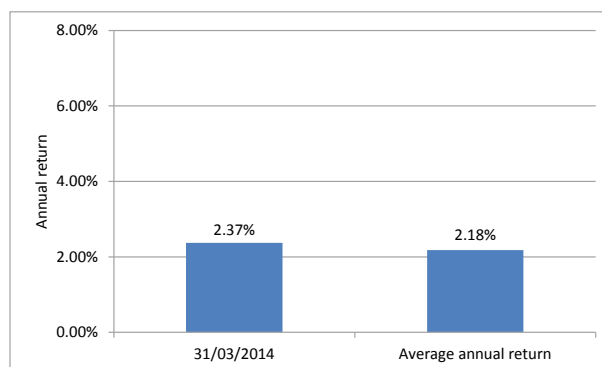
| | |
|-------------------------------|------------------|
| Total value of the fund | \$36,957,756 |
| Number of members in the fund | 9,204 |
| Date the fund started | 11 February 2013 |

How has the fund performed?

| | Past year |
|--|-----------|
| Annual return (after deductions for fund fees and tax ¹) | 2.37% |

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**². These fees were last totalled up for the four week period 2 March 2013 to 31 March 2013³ and were:

| Total fund fees ⁴ | 0.01% of members' investments |
|------------------------------|-------------------------------|
| <i>Which are made up of:</i> | |
| Annual management fee | 0.01% |
| Performance-based fees | 0.00% |
| Other fees and costs | 0.00% |

Members were also charged **membership fees**⁵ of \$4 over the two month period 11 February 2013 to 31 March 2013⁶.

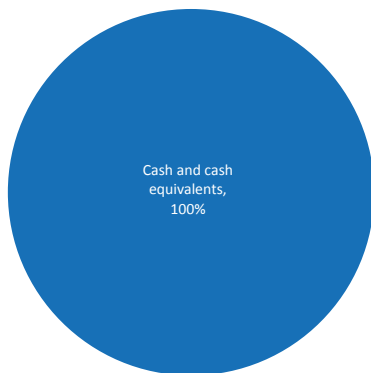
Example of how this applies to a member

John 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, John received a return after fund fees and tax were deducted of \$237 (that's 2.37% of his initial \$10,000). John also paid \$4 in membership fees. This gives John a total return of \$233 for the year⁷.

What does the fund invest in?

Actual investment mix

This shows the types of assets 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 | 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 | Percentage of fund net assets | Type | Country | Credit rating (if applicable) |
|---|---------------------------|-------------------------------|---------------------------|-------------|-------------------------------|
| 1 | BNZ Treasury call account | 98.83% | Cash and cash equivalents | New Zealand | AA- |
| 2 | Cash deposit (BNZ Bank) | 1.17% | Cash and cash equivalents | New Zealand | AA- |

The top 10 investments make up 100% 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 |
|----------------------|--|--------------------------|---|------------------------------------|
| Robert Moore | Research Analyst - Fixed Income Australasia, Russell Investments | 3 years, 3 months | Director – Strategic Risk Group, Westpac Institutional Bank | 1 year, 2 months |
| Jeff Hussey | Global Chief Investment Officer, Russell Investments | 6 months | Chief Investment Officer of Fixed Income, Russell Investments | 5 years, 0 months |
| Daniel Mussett | Head of Consulting - Australasia, Russell Investments | 3 years, 3 months | Senior Investment Consultant, Europe-Mercer | 2 years, 10 months |
| Noah Schiltknecht | Manager, Client Investment Strategies, Russell Investments | 11 months | Consultant, Russell Investments | 1 year, 9 months |
| Alister Van der Maas | Managing Director - New Zealand, Russell Investments | 2 years, 11 months | Head of Consulting - New Zealand, Russell Investments | 1 year, 7 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 BNZ KiwiSaver Scheme annual financial statements for more information about the scheme's related party transactions⁸.

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: bnz.co.nz/datafiles

Contact details

Tel: **0800 269 5494**

Website: bnz.co.nz/kiwisaver

Investment Statement: bnz.co.nz/investmentstatement

Revised Quarterly Disclosure Statement Notes

This is a revised disclosure statement. The following changes have been made.

- In the **“Description of the fund”** section, the number of members in the fund has been corrected. The previous member number was understated.
- In the **“What does the fund invest in?”** section, the percentage of fund net assets of the top two investments has been amended.

Notes

- 1 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.
- 2 **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).
- 3 The KiwiSaver (Periodic Disclosure) Regulations 2013 require us to disclose in this Quarterly Disclosure Statement the fund fees for the period ended 31 March 2013. The fund started charging the **annual management fee** on 2 March 2013. Fund fees for the period 1 April 2013 to 31 March 2014 will be disclosed in the Annual Disclosure Statement for the same period.
- 4 The basis for calculating **total fund fees** for the purposes of this disclosure statement is materially different to how **fund fees** are charged in the fund. The **fund fees** disclosed are based on the fees charged in the period 2 March 2013 to 31 March 2013 and the month end net asset values on 28 February 2013 and 31 March 2013. The fund's actual **annual management fee** is charged at 0.30% per annum of the average daily Gross Asset Value.
- 5 **Membership fees** are the fixed dollar charges for membership in the KiwiSaver scheme.
- 6 **Membership fees** in the BNZ KiwiSaver Scheme are \$2 per member per month and are charged proportionately where a member invests in more than one BNZ KiwiSaver Scheme fund. The KiwiSaver (Periodic Disclosure) Regulations 2013 require us to disclose in this Quarterly Disclosure Statement the **membership fees** actually charged for the period ended 31 March 2013. **Membership fees** for the period 1 April 2013 to 31 March 2014 will be disclosed in the Annual Disclosure Statement for the same period.
- 7 The fund started on 11 February 2013. The return in this example is based on the **annual return** calculated for the period 1 April 2013 to 31 March 2014 and the **membership fees** charged in the period 11 February 2013 to 31 March 2013.
- 8 The first annual financial statements for the BNZ KiwiSaver Scheme will be issued for the period ended 31 March 2014. These are expected to be publicly available by August 2014.

Manager's Certificate

This disclosure statement has been prepared for the purposes of the KiwiSaver (Periodic Disclosure) Regulations 2013 ("the Regulations") by BNZ Investment Services Limited, as Manager of the BNZ KiwiSaver Scheme.

To the best of BNZ Investment Services Limited's 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.

This 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 BNZ KiwiSaver Scheme.

Signed by BNZ Investment Services Limited



Renée Margaret Roberts
Director



Shelley Maree Ruha
Director

Date: 16 June 2014