

# BNZ KiwiSaver Scheme

## Conservative Fund

Quarterly Disclosure Statement for 1 July 2013 - 30 June 2014

### What is the purpose of this statement?

This statement provides key information about the BNZ KiwiSaver Scheme Conservative 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 Conservative Fund may suit you if you have a short to medium investment timeframe, and you are prepared to accept a small amount of investment risk to achieve returns which may be higher than returns from bank deposits (before tax, fees and expenses) over that timeframe.

The Conservative Fund will invest principally in cash and fixed income investments, with a small exposure to growth assets including New Zealand and international shares.

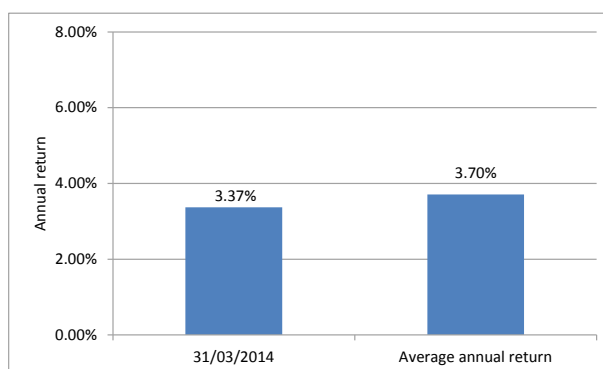
Total value of the fund	\$87,447,568
Number of members in the fund	17,912
Date the fund started	11 February 2013

### How has the fund performed?

	Past year
<b>Annual return</b> (after deductions for fund fees and tax <sup>1</sup> )	6.36%

### 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 2014 and were:

Total fund fees <sup>3</sup>	0.65% of members' investments
<i>Which are made up of:</i>	
Annual management fee	0.65%
Performance-based fees	0.00%
Other fees and costs	0.00%

Members were also charged **membership fees**<sup>4</sup> of \$24 over the year to 31 March 2014<sup>5</sup>.

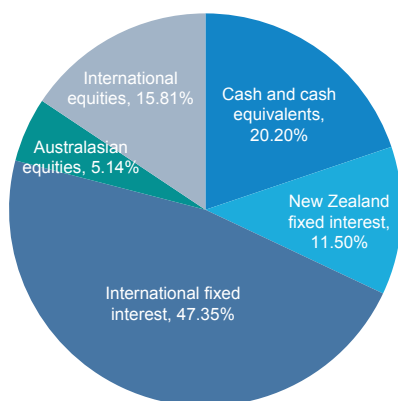
#### Example of how this applies to a member

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 \$10,636 (that's 6.36% of his initial \$10,000). John also paid \$24 in membership fees. This gives John a total return of \$10,612 for the year.

## 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	20.00%
New Zealand fixed interest	12.50%
International fixed interest	47.50%
Australasian equities	5.00%
International equities	15.00%
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	19.07%	Cash and cash equivalents	New Zealand	AA-
2	New Zealand Government Bond 15/12/2017 6.00%	2.16%	New Zealand fixed interest	New Zealand	AA+
3	New Zealand Government Bond 15/03/2019 5.00%	2.16%	New Zealand fixed interest	New Zealand	AA+
4	New Zealand Government Bond 15/04/2020 3.00%	1.25%	New Zealand fixed interest	New Zealand	AA+
5	Cash Deposit (BNZ Bank)	1.13%	Cash and cash equivalents	New Zealand	AA-
6	Fannie Mae Discount Note	0.89%	International fixed interest	United States	AA+
7	US Dollar Cash Deposit (State Street Bank & Trust Company)	0.81%	Cash and cash equivalents	Australia	AA-
8	New Zealand Dollar Cash Deposit (State Street Bank & Trust Company)	0.77%	Cash and cash equivalents	Australia	AA-
9	New Zealand Government Bond 15/05/2021 6.00%	0.75%	New Zealand fixed interest	New Zealand	AA+
10	US Treasury Bill	0.69%	International fixed interest	United States	AA+

The top 10 investments make up 29.68% 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
Albert Jalso	Global Bond Portfolio Manager, Russell Investments	2 years, 11 months	Global Bond Portfolio Manager, Russell Investments	1 year, 10 months
Phil Hoffman	Global Equity Portfolio Manager, Russell Investments	10 years, 1 month	Head of Global Equity Research, Russell Investments	3 years, 9 months
Jeff Hussey	Global Chief Investment Officer, Russell Investments	9 months	Chief Investment Officer of Fixed Income, Russell Investments	5 years, 0 months
Robert Moore	Research Analyst - Fixed Income Australasia, Russell Investments	3 years, 6 months	Director - Strategic Risk Group, Westpac Institutional Bank	1 year, 2 months
James McSkimming	Head of Equity Research Australia/New Zealand, Russell Investments	4 years, 1 month	Research Analyst, Russell Investments	6 years, 5 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 transactions<sup>6</sup>.

### 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](https://bnz.co.nz/datafiles)

## Contact details

Tel: **0800 269 5494**

Website: [bnz.co.nz/kiwisaver](https://bnz.co.nz/kiwisaver)

Investment Statement: [bnz.co.nz/investmentstatement](https://bnz.co.nz/investmentstatement)

## 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. As required by the KiwiSaver (Periodic Disclosure) Regulations 2013, the **fund fees** shown in this statement are based on the average month end net asset value of the fund. This is different to how the fund's **annual management fee** is charged. From 1 July 2014, the fund's **annual management fee** will reduce from 0.70% to 0.58% per annum of the average daily gross asset value of the fund.
4. **Membership fees** are the fixed dollar charges for membership in the KiwiSaver scheme.
5. **Membership fees** in the BNZ KiwiSaver Scheme are \$2 per member per month and are charged proportionately across funds where a member invests in more than one BNZ KiwiSaver Scheme fund. From 1 July 2014, the **membership fees** for the BNZ KiwiSaver Scheme will reduce from \$2.00 to \$1.95 per member per month.
6. 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.

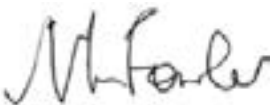
## Manager's Certificate

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



Nicolette Lisa Fowler  
Director



Shelley Maree Ruha  
Director

Date: 21 July 2014