

BNZ KiwiSaver Scheme

First Home Buyer Fund

Quarterly Disclosure Statement for period ended 30 June 2016



What is the purpose of this statement?

This statement provides key information about the BNZ KiwiSaver Scheme First Home Buyer 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 First Home Buyer Fund may suit you if you have a short investment timeframe (like if you are saving for your first home through BNZ KiwiSaver) 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 First Home Buyer 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	\$18,506,153
Number of members in the fund	3,147
Date the fund started	17 September 2015

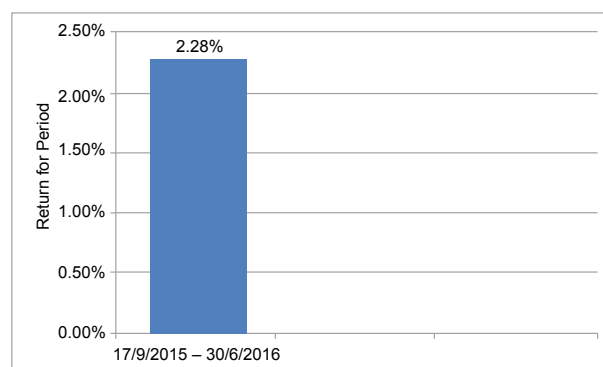
How has the fund performed?

Past Period (17 September 2015 to 30 June 2016)

Return (after deductions for fund fees and tax ¹)	2.28%
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How has the fund performed in the past?

The Fund has not been in existence for a full tax year. Therefore, the graph shows the return after fund fees and tax since the fund started². 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**³. These fees were last totalled up for the period 17 September 2015 to 31 March 2016, and were:

Total fund fees 17 September 2015 to 31 March 2016	0.25% of members' investments
<i>Which are made up of:</i>	
Annual management fee	0.25%
Performance-based fees	0.00%
Other fees and costs	0.00%

Members were also charged **membership fees**⁴ of **\$11.70** over the period of 17 September 2015 to 31 March 2016.

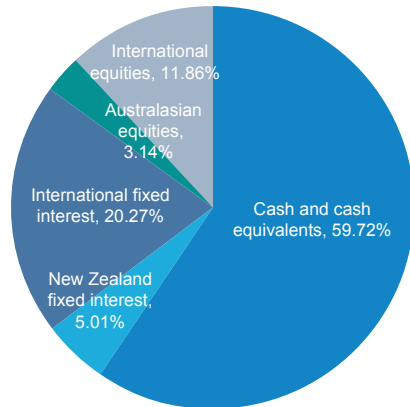
Example of how this applies to a member⁵

John had \$10,000 in the fund at the start of the period commencing 17 September 2015 and didn't make any further contributions. At the end of the period (17 September 2015 to 30 June 2016), John received a return after fund fees and tax were deducted of \$228.00 (that's 2.28% of his initial \$10,000). John also paid \$11.70 in membership fees. This gives John a total return of \$216.30 for the period.

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	60.00%
New Zealand fixed interest	5.00%
International fixed interest	20.00%
Australasian equities	3.00%
International equities	12.00%
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	Nikko AM Wholesale Cash Fund Two	58.11%	Fund	New Zealand	
2	Russell Global Bond Fund	20.27%	Fund	Australia	
3	Russell Global Opportunities Fund - NZD Hedged	11.86%	Fund	Australia	
4	Russell Investments NZ Fixed Interest Fund	5.01%	Fund	New Zealand	
5	Russell Investments NZ Shares Fund	3.14%	Fund	New Zealand	
6	Cash Deposit (BNZ Bank)	1.61%	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
Richard Morath	Director, BNZ Investment Services Limited	3 years, 0 months	Non-executive director, BNZ Life Insurance Limited (Current position)	12 years, 7 months
Shelley Ruha	Director, BNZ Investment Services Limited	4 years, 0 months	Head of BNZ Partners (Current position)	2 years, 0 months
Christopher Reid	Director, BNZ Investment Services Limited	4 years, 0 months	Chief General Counsel, BNZ (Current position)	7 years, 0 months
Jacqueline Farman	Director, BNZ Investment Services Limited	1 year, 6 months	Financial Controller, BNZ (Current position)	2 years, 3 months
Tony Arthur	Director, BNZ Investment Services Limited	0 years, 8 months	National Sales Director Retail and Marketing, BNZ (Current position)	3 years, 0 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 transactions⁶.

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

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. The date the fund started was 17 September 2015. This means that the **Return** is for the period 17 September 2015 to 30 June 2016. It does not represent a twelve month return.
3. **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). The fund started charging the **Annual management fee** on 17 September 2015. The basis for calculating fund fees for the purposes of this disclosure statement is materially different to how fund fees are charged in the fund. The funds actual annual management fee is 0.5% 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. **Membership fees** in the BNZ KiwiSaver Scheme are \$1.95 per member per month (\$23.40 per annum) and are charged proportionately where a member invests in more than one BNZ KiwiSaver Scheme fund. The first membership fee for members of the fund was charged on 2 October 2015.
5. The fund started on 17 September 2015. The return in this example is based on the **Return** calculated for the period 17 September 2015 to 30 June 2016 and the **membership fees** charged in the period 17 September 2015 to 31 March 2016.
6. The annual financial statements for the BNZ KiwiSaver Scheme containing the fund will be issued for the period ended 31 March 2016. These are expected to be publicly available around August 2016.

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 for and on behalf of BNZ Investment Services Limited



Sharon Mackay
Manager Wealth and Private Bank Wealth Strategy and Products

Date: 21 July 2016