



New Zealand Retirement Trust
Nikko AM Balanced Fund



Fund Update

for the quarter ended 31 December 2016

This fund update was first made publicly available on 23 June 2017

This is a replacement fund update. It replaces the 31 December 2016 AMP New Zealand Retirement Trust Nikko AM Balanced Fund fund update first made publicly available on 13 February 2017. The following changes have been made in the replacement fund update:

- the total fund charges, total management and administration charges and other management and administration charges; and
- additional notes have been added to footnote 5 to explain why certain underlying fund manager charges, which make up the other management and administration charges, have had to be estimated.

What is the purpose of this update?

This document tells you how the Nikko AM Balanced Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. AMP Wealth Management New Zealand 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 fund has a well-diversified portfolio that has an allocation to growth and income assets and aims to be widely diversified not only between asset classes, but also within asset classes and between domestic and global investments. The fund aims to achieve medium level returns with medium levels of volatility and investment risk.

Total value of the fund	\$149,154,328
Number of investors in the fund	4,562
The date the fund started	16 October 1997

What are the risks of investing?

Risk indicator for the Nikko AM Balanced Fund:



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://today.amp.co.nz/risk-profile-calculator>.

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.

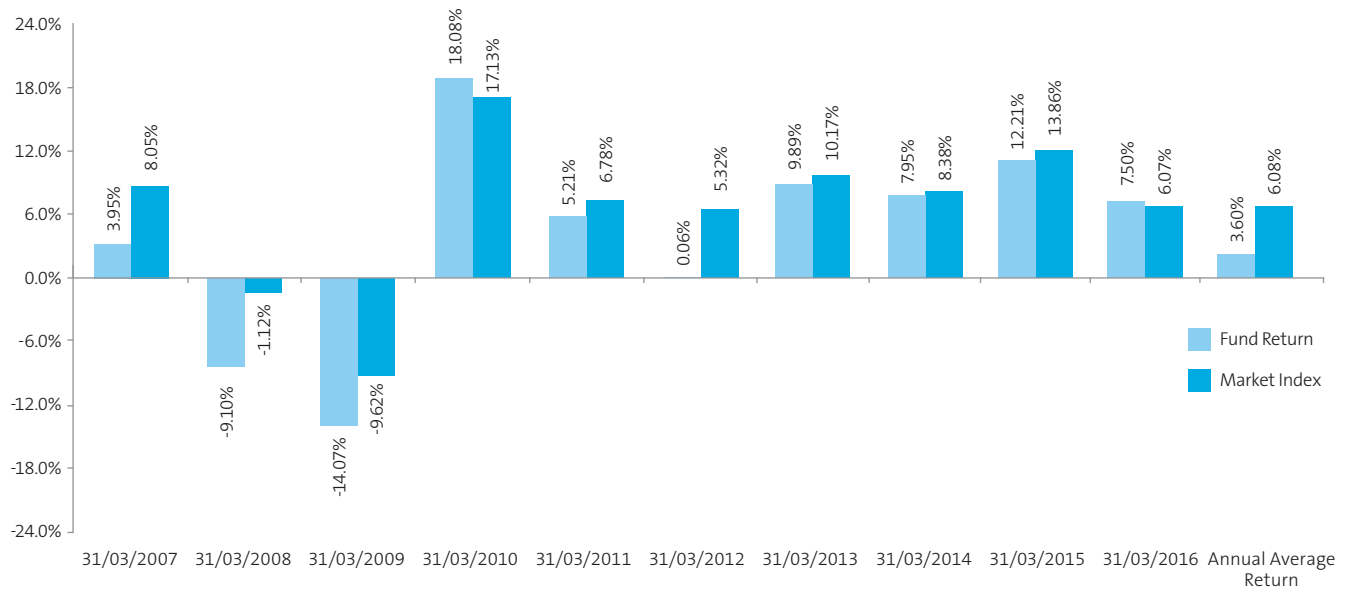
See the product disclosure statement (PDS) for more information about the risks associated with investing in this fund.

How has the fund performed?

	Average over past 5 years ¹	Past year ¹
Annual return (after deductions for charges and tax)	8.58%	2.72%
Annual return (after deductions for charges but before tax)	9.99%	3.74%
Market index annual return (reflects no deduction for charges and tax)	9.33%	6.52%

The market index annual return is based on a composite index, calculated using the target investment mix weightings of the underlying market indices that the fund invests into. Additional information about the market index is available on the offer register at www.companiesoffice.govt.nz/disclose.

Annual return graph



This shows the return after fund charges and tax for each of the last 10 years ending 31 March. The last bar shows the average annual return for the last 10 years, up to 31 December 2016¹.

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.

What fees are investors charged?

Investors in the Nikko AM Balanced Fund are charged fund charges². In the year to 30 June 2016 these were:

	% of net asset value
Total fund charges (estimated)	1.76%*
Which are made up of:	
Total management and administration charges (estimated)	1.76%
Including:	
Manager's basic fee (estimated) ³	0.88%
Other management and administration charges (estimated) ^{4,5}	0.88%
Total performance based fees	0.00%
Other charges	Dollar amount per investor or description of how charge is calculated
Member fee ⁶	\$107.52

*An understatement of the underlying fund manager's charges, which form part of the other management and administration charges, has been identified and corrected in this replacement fund update. This has resulted in the estimated total fund charges increasing from 1.53% to 1.76%.

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the 'fees and other charges' document on the entry relating to the offer of interests in the New Zealand Retirement Trust maintained on the offer register (www.companiesoffice.govt.nz/disclose) for more information about those fees.

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

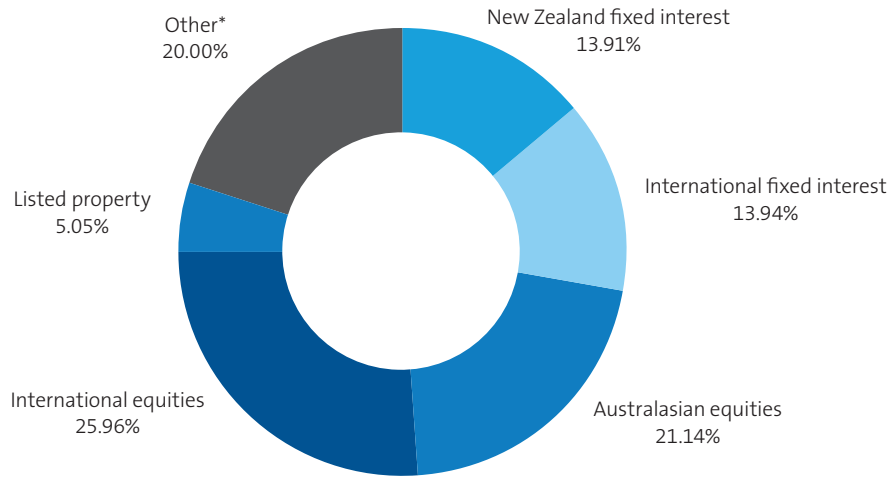
Example of how this applies to an investor

Craig 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, Craig received a return after fund charges were deducted of \$272.00 (that is 2.72% of his initial \$10,000). Craig also paid \$107.52 in other charges. This gives Craig a total return after tax of \$164.48 for the year.

What does the fund invest in?

Actual investment mix⁷

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



*Other consists of Fixed Interest Options (10.16%) and Alternative equity strategies (9.84%)

Target investment mix

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

Asset type	Allocation
Cash and cash equivalents	0.00%
New Zealand fixed interest	14.00%
International fixed interest	14.00%
Australasian equities	21.00%
International equities	26.00%
Listed property	5.00%
Unlisted property	0.00%
Commodities	0.00%
Other**	20.00%

**Other consists of Fixed Interest Options (10.00%) and Alternative equity strategies (10.00%)

Top 10 investments⁷

	Name	Percentage of fund net assets	Asset type	Country	Credit rating (if applicable)
1	Nikko AM Wholesale Balanced Fund	100.00%	Interest in a diversified fund	New Zealand	N/A
2	-	-	-	-	-
3	-	-	-	-	-
4	-	-	-	-	-
5	-	-	-	-	-
6	-	-	-	-	-
7	-	-	-	-	-
8	-	-	-	-	-
9	-	-	-	-	-
10	-	-	-	-	-

The top 10 investments make up 100.00% of the fund.

Currency hedging

The Fund will (or will invest in underlying funds that will) fully hedge foreign currency exposure arising from International fixed interest and Alternative assets back to New Zealand dollars. For all other asset classes hedging is at the discretion of the underlying fund manager and may change from time to time.

Key personnel

This shows the directors and employees who have the most influence on the investment decisions of the fund⁸.

Name	Current position	Time in other current position	Other current position	Time in other current position
Elaine Jennifer Campbell	Investment Committee Member	1 years and 5 months	General Counsel, AMP Financial Services	1 year and 8 month
Sean Henaghan	Investment Committee Member	0 years and 11 months	Chief Investment Officer, Multi Asset Group, AMP Capital	3 years and 0 months
Anthony George Regan	Investment Committee Member, Chairperson	9 years and 4 months	Managing Director, AMP Financial Services	9 years and 4 months
Thérèse Mary Singleton	Investment Committee Member	1 year and 11 months	General Manager, Insurance and Investments, AMP Financial Services	2 year and 0 months
Blair Robert Vernon	Investment Committee Member	5 years and 6 months	Director of Retail Financial Services, AMP Financial Services	0 years and 1 months

Further information

You can also obtain this information, the PDSs for the New Zealand Retirement Trust, and some additional information from the offer register at www.companiesoffice.govt.nz/disclose. The information in this fund update forms part of each PDS for the New Zealand Retirement Trust.

Notes

- ¹ The returns include an estimated administration fee (formerly trustee and administration fee), which has been determined by using the average fee charged for the entire NZRT Scheme. Individual returns will depend on the administration fee applicable to the individual member. For more information relating to the administration fee applicable to you, refer to the applicable PDS or the Member Booklet for your employer plan.
- ² The management and administration charges are made up of the Manager's basic fee (comprising the investment management fee and administration fee) and the other management and administration charges (service fee and costs and expenses). The amounts stated in this fund update are the actual amounts charged to the fund (or estimated to be charged to the fund – see estimate notes below). However, the fees payable by any member will depend on the section of the Scheme they are a member of (including whether they are a member of the Scheme through an employer plan), and whether any reduction of the fee amounts has been agreed. You should read the 'fees and other charges' document on the entry relating to the offer of interests in the New Zealand Retirement Trust maintained on the offer register (www.companiesoffice.govt.nz/disclose), with your Member Booklet (if you are a member of an employer plan), to work out your fees.
- ³ The total fund charges include administration fees that while calculated by reference to investment balances are not allocated to specific funds. As the actual amount of the fee charged to the fund cannot be reported, an estimate has been used. The estimate is 0.33% and represents the percentage of the fee deducted from the Scheme for the year over the average funds under management for the Scheme for the year.
- ⁴ The total fund charges include service fees that while calculated by reference to investment balances are not allocated to specific funds. As the actual amount of the fee charged to the fund cannot be reported, an estimate has been used. The estimate is 0.04% and represents the percentage of the fee deducted from the Scheme for the year over the average funds under management for the Scheme for the year.
- ⁵ The other management and administration charges include estimates of underlying fund charges provided by underlying fund managers. The balance dates of the underlying fund(s) do not align with the balance date of the fund. To estimate the charges, AMP includes the underlying fund charges as at the relevant underlying fund(s) balance date, adjusted (where required) to reflect any material changes advised to AMP by the relevant underlying manager as having occurred during the intervening period. Furthermore, the other management and administration charges include charges by underlying fund managers who are not subject to New Zealand law and are unable to provide us with actual figures. In these circumstances, AMP is not able to verify that these charges have been calculated in accordance with the requirements of New Zealand law. Therefore, an estimate has been prepared on the basis of the information provided, after AMP has made reasonable endeavours to obtain all relevant information for the purposes of preparing the fund update. Estimates include actual underlying funds costs and expenses provided to AMP for the period to 31 March 2016 apart from a component which is based on estimated costs and expenses provided by an underlying fund manager for the year ending 31 December 2015. This is then applied to the average investment in the fund for the 12 month period ending 31 March 2016.
- ⁶ If you are a member of the NZRT through an employer plan, you may receive the benefit of reduced member fees – check your Member Booklet for details of any discounts. Members of the NZRT Personal Superannuation Section are not currently charged member fees. Therefore the impact of these fees on you could be less than that set out in the example.
- ⁷ The top ten investments and actual investment mix have been calculated excluding cash and cash equivalents held for operational purposes.
- ⁸ These individuals are members of the AMP Financial Services Investment Committee. The other members are Grant David Hassell (Managing Director, AMP Capital New Zealand) and Jeffery Darren Ruscoe (Chief Customer Officer, AMP Financial Services). This Committee makes investment decisions in relation to the fund on behalf of the Manager. Members do not participate in any decisions where a conflict of interest arises.

Phone 0800 800 267
Email workplaceadmin@amp.co.nz
Web amp.co.nz
Follow us on   

Want to know more?

For more information about the Scheme, please visit www.amp.co.nz/NZRT, contact us on 0800 800 267 or talk to your Adviser today. A disclosure statement is available from your Adviser on request and free of charge.