



New Zealand Retirement Trust

AMP Income Generator Fund



Fund Update

for the quarter ended 31 December 2017

This fund update was first made publicly available on 13 February 2018

What is the purpose of this update?

This document gives you information about the AMP Income Generator Fund, including its target investment mix and what fees are 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 invests in a diversified mix of growth and defensive assets, with a focus on reliable income generation. The fund aims to provide a gross fixed monthly income in excess of bank deposit rates, along with a positive return on capital over the long term.

| | |
|---------------------------------|--------------|
| Total value of the fund | \$1,326,790 |
| Number of investors in the fund | 50 |
| The date the fund started | 28 July 2016 |

What are the risks of investing?

Risk indicator for the AMP Income Generator Fund¹:



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 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?

| | Past year ² |
|------------------------------------------------------------------------|------------------------|
| Annual return (after deductions for charges and tax) | 7.47% |
| Annual return (after deductions for charges but before tax) | 8.90% |
| Market index annual return (reflects no deduction for charges and tax) | 7.64% |

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 companiesoffice.govt.nz/disclose. Index disclaimers can be found on the AMP website at amp.co.nz/indexdisclaimers.

What fees are investors charged?

Investors in the AMP Income Generator Fund are charged fund charges³. Our estimate of the fund charges as at 31 December 2017 are:

| | % of net asset value |
|-----------------------------------------------------------------------------|------------------------------------------------------------------------------|
| Total fund charges (estimated) ⁴ | 1.12% |
| Which are made up of - | |
| Total management and administration charges (estimated) ⁴ | 1.12% |
| Including - | |
| Manager's basic fee (estimated) ⁵ | 0.78% |
| Other management and administration charges (estimated) ^{5,6} | 0.34% |
| Total performance-based fees | 0.00% |
| Other charges | Dollar amount per investor or description of how charge is calculated |
| Member fee ⁷ | \$107.52 |

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 (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.

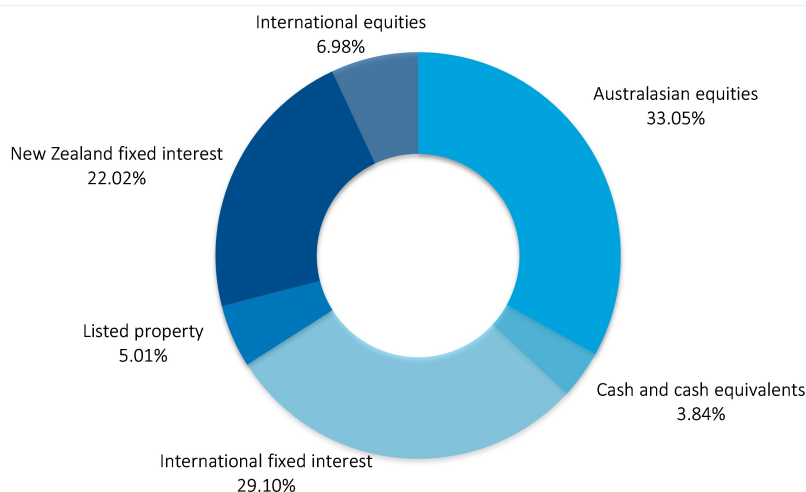
Example of how this applies to an investor

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 \$747.00 (that is 7.47% of his initial \$10,000). Craig also paid \$107.52 in other charges. This gives Craig a total return after tax of \$639.48 for the year.

What does the fund invest in?

Actual investment mix⁸

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



Target investment mix

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

| Asset Type | Allocation |
|------------------------------|------------|
| Cash and cash equivalents | 10.00% |
| New Zealand fixed interest | 25.00% |
| International fixed interest | 25.00% |
| Australasian equities | 30.00% |
| International equities | 5.00% |
| Listed property | 5.00% |
| Unlisted property | 0.00% |
| Commodities | 0.00% |
| Other | 0.00% |

Top 10 investments⁸

| Name | Percentage of fund net assets | Asset Type | Country | Credit rating (if applicable) |
|-----------------------------------------------------------|-------------------------------|---------------------------|-------------|-------------------------------|
| 1 Spark New Zealand Ltd | 1.86% | Australasian equities | New Zealand | N/A |
| 2 Fletcher Building Ltd | 1.48% | Australasian equities | New Zealand | N/A |
| 3 Contact Energy Ltd | 1.44% | Australasian equities | New Zealand | N/A |
| 4 Auckland International Airport | 1.44% | Australasian equities | New Zealand | N/A |
| 5 Call Account (Westpac Banking Corporation Advance Acct) | 1.35% | Cash and cash equivalents | New Zealand | A-1+ |
| 6 a2 Milk Co Ltd | 1.17% | Australasian equities | New Zealand | N/A |
| 7 Meridian Energy Ltd | 0.99% | Australasian equities | New Zealand | N/A |
| 8 Fisher & Paykel Healthcare Cor | 0.88% | Australasian equities | New Zealand | N/A |
| 9 Metlifecare Ltd | 0.87% | Australasian equities | New Zealand | N/A |
| 10 Dunedin City Treasury Ltd bond maturing 15 Nov 19 | 0.82% | Cash and cash equivalents | New Zealand | AA |

The top 10 investments make up 12.30% of the fund.

Currency hedging

The Fund will (or will invest in underlying funds that will) fully hedge foreign currency exposure arising from International equities – Listed infrastructure, Listed property asset classes and International fixed interest. The fund will not hedge foreign currency exposure arising from Australian dollar equities.

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 | Other current position | Time in other current position |
|--------------------------|-----------------------------|--------------------------|---------------------------------------------------------|--------------------------------|
| Elaine Jennifer Campbell | Investment Committee Member | 2 years and 5 months | General Counsel, AMP Financial Services | 2 years and 8 months |
| Simon John Hoole | Investment Committee Member | 0 years and 11 months | Chief Financial Officer, AMP Financial Services | 4 years and 0 months |
| Therese Mary Singleton | Investment Committee Member | 2 years and 11 months | General Manager, Advice & Sales, AMP Financial Services | 1 year and 0 months |
| Blair Robert Vernon | Investment Committee Member | 6 years and 6 months | Managing Director, AMP Financial Services | 1 year and 0 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 companiesoffice.govt.nz/disclose. The information in this fund update forms part of each PDS for the New Zealand Retirement Trust.

Notes

- 1 As the fund started on the date above, actual returns for the last five years are not available. To calculate the risk indicator for the five year period up to the date of this fund update a combination of market index returns, underlying fund returns and actual returns have been used where relevant. We consider this to be the most accurate way to calculate returns and as a result of this calculation, the risk indicator may provide a less reliable indicator of the potential future volatility of the fund.
- 2 The returns include an estimated administration and service fee, which has been determined by using the average fee charged for the entire NZRT. Individual returns will depend on the administration and service fee applicable to the individual member. For more information relating to the administration fee applicable to you, please see the applicable PDS or the Member Booklet for your employer plan.
- 3 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. Please 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 (companiesoffice.govt.nz/disclose), with your Member Booklet (if you are a member of an employer plan), to work out your fees.
- 4 As the fund started on the date above, historic information for the most recent scheme year is not available. The total fund charges shown include our best estimates of the amount of costs and expenses that will be charged to the fund based on forecasts from both the manager and underlying fund managers.
- 5 The total fund charges include administration fees and service fees that while calculated by reference to investment balances are not allocated to specific funds. As the actual amount of the fees charged to the fund cannot be reported, estimates have been used. The estimate for the administration fee is 0.33% and the estimate for the service fee is 0.04%. The estimates represent the percentage of the fees deducted from the funds that have been in existence for the complete financial year over the average funds under management of those funds for the year.
- 6 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.
- 7 You may receive the benefit of reduced member fees. For details of any discounts, please speak with your adviser or see your Member Booklet (if you are an investor through an employer plan). 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.
- 8 The actual investment mix and top ten investments have been calculated excluding cash and cash equivalents held for operational purposes.

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Want to know more?

For more information about the Scheme, please visit 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.