



New Zealand Retirement Trust

ASB Moderate Fund



# Fund Update

for the quarter ended 31 March 2017

This fund update was first made publicly available on 3 May 2017

## What is the purpose of this update?

This document gives you information about the ASB Moderate 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.

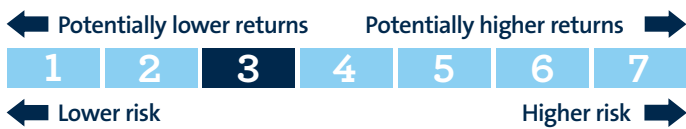
## Description of this fund

The fund invests in a relatively high proportion of diversified income assets and a lower proportion of diversified growth assets. It uses an index tracking investment management style for assets other than cash.

|                                 |              |
|---------------------------------|--------------|
| Total value of the fund         | \$920,360    |
| Number of investors in the fund | 30           |
| The date the fund started       | 28 July 2016 |

## What are the risks of investing?

Risk indicator for the ASB Moderate Fund<sup>1</sup>:



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](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?

|  | Past year      |
|--|----------------|
| Annual return<br>(after deductions for charges and tax)                | Not applicable |
| Annual return<br>(after deductions for charges but before tax)         | Not applicable |
| Market index annual return (reflects no deduction for charges and tax) | 7.54%          |

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](http://companiesoffice.govt.nz/disclose). Index disclaimers can be found on the AMP website at [amp.co.nz/indexdisclaimers](http://amp.co.nz/indexdisclaimers).

## What fees are investors charged?

Investors in the ASB Moderate Fund are charged fund charges<sup>2</sup>. Our estimate of the fund charges as at 31 March 2017 are:

|   | % of net asset value   |
|---|--|
| <b>Total fund charges (estimated)<sup>3</sup></b>                       | 0.94%  |
| Which are made up of -  |  |
| <b>Total management and administration charges (estimated)</b>          | 0.94%  |
| Including -   |  |
| Manager's basic fee (estimated) <sup>4</sup>                            | 0.73%  |
| Other management and administration charges (estimated) <sup>5, 6</sup> | 0.21%  |
| <b>Total performance-based fees</b>                                     | 0.00%  |
| <b>Other charges</b>  | <b>Dollar amount per investor or description of how charge is calculated</b> |
| Member fee <sup>7</sup>   | \$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](http://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.

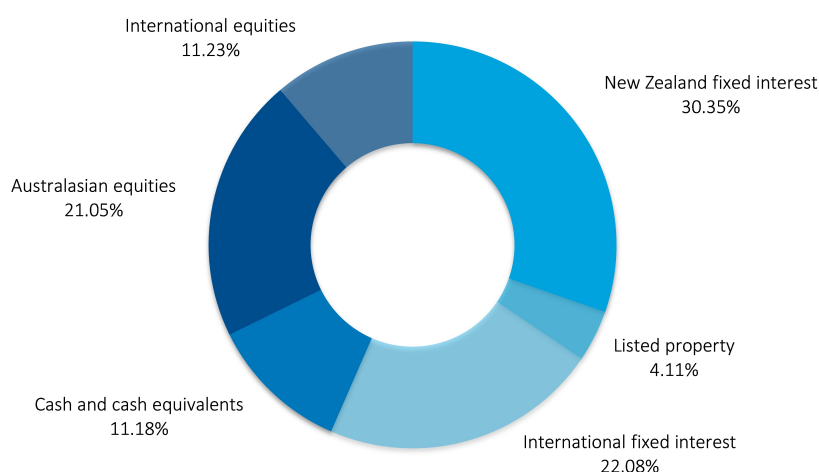
## Example of how this applies to an investor

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 \$754.00 (that is 7.54% of his initial \$10,000). Craig also paid \$107.52 in other charges. This gives Craig a total return after tax of \$646.48 for the year.<sup>8</sup>

## What does the fund invest in?

### Actual investment mix<sup>9</sup>

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   | 20.00%     |
| International fixed interest | 30.00%     |
| Australasian equities        | 17.00%     |
| International equities       | 23.00%     |
| Listed property              | 0.00%      |
| Unlisted property            | 0.00%      |
| Commodities                  | 0.00%      |
| Other                        | 0.00%      |

## Top 10 investments<sup>9</sup>

| Name  | Percentage of fund net assets | Asset Type                     | Country     | Credit rating (if applicable) |
|---|-------------------------------|--------------------------------|-------------|-------------------------------|
| 1 ASB Superannuation Master Trust-ASB Moderate 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 back to New Zealand dollars; hedge foreign currency exposure arising from Australian equities, International equities (excluding emerging markets) and Listed property with a range of 50% - 100%; and not hedge foreign currency exposure arising from International equities of emerging markets.

## Key personnel

This shows the directors and employees who have the most influence on the investment decisions of the fund<sup>10</sup>.

| Name                     | Current position            | Time in current position | Other current position                                  | Time in other current position |
|--------------------------|-----------------------------|--------------------------|---|--------------------------------|
| Elaine Jennifer Campbell | Investment Committee Member | 1 year and 8 months      | General Counsel, AMP Financial Services                 | 1 year and 11 months           |
| Simon John Hoole         | Investment Committee Member | 0 years and 2 months     | Chief Financial Officer, AMP Financial Services         | 3 years and 3 months           |
| Therese Mary Singleton   | Investment Committee Member | 2 years and 2 months     | General Manager, Advice & Sales, AMP Financial Services | 0 years and 3 months           |
| Blair Robert Vernon      | Investment Committee Member | 5 years and 9 months     | Managing Director, AMP Financial Services               | 0 years and 3 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](http://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 noted above, actual returns for the last five years are not available. To calculate the risk indicator up to the date of this fund update a combination of market index returns and actual returns have been used. Market index returns have been used up until 31 July 2016 and actual returns up to the date of this fund update to make five years of history of returns. We consider this is the most reasonable method available. As a result of this method being used, the risk indicator may provide a less reliable indicator of the potential future volatility of the fund.
- 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 ([companiesoffice.govt.nz/disclose](http://companiesoffice.govt.nz/disclose)), with your Member Booklet (if you are a member of an employer plan), to work out your fees.
- 3 As the fund started on the date noted above, historical fee 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. These have been estimated as a percentage of the fund's net asset value and include both expenses expected to be incurred by the fund and fees (and costs) expected to be charged by the managers of the underlying funds in which the fund invests. These include fees for audit, printing and distribution, regulatory compliance, IT costs, administration manager charges, performance fees charged by unrelated underlying funds and other professional service fees. These fees have been determined using estimates provided by the underlying fund managers and our experience with the Scheme.
- 4 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.
- 5 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.
- 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 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.
- 8 As the fund started on the date noted above, this calculation is based on the market index return for the past year and treats all investment returns as taxable.
- 9 The top ten investments and actual investment mix have been calculated excluding cash and cash equivalents held for operational purposes.
- 10 Simon John Hoole has not been named as a key person in the previous fund update for the fund as he was appointed on 2 February 2017.

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