



New Zealand Retirement Trust
Fisher Balanced Fund



Fund Update

for the quarter ended 31 March 2018

This fund update was first made publicly available on 1 May 2018

This is a replacement fund update. It replaces the 31 March 2018 New Zealand Retirement Trust Fisher Balanced Fund fund update first made publicly available on 1 May 2018. In this replacement fund update, the target investment mix, top 10 investments and currency hedging policy have been updated to show the material changes (in gold boxes) that will occur from 25 June 2018. From 25 June 2018 Mercer (N.Z.) Limited will replace Fisher Funds Management Limited as the underlying Fund Manager. At this time the assets will begin to transition to Mercer and the Fund will be renamed the Mercer Balanced Fund.

What is the purpose of this update?

This document tells you how the Fisher 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.

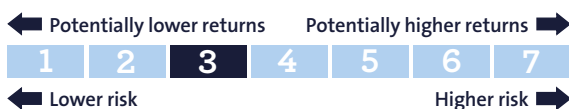
Description of this fund

The fund has a well-diversified portfolio that has a higher allocation to growth assets and a lower allocation to income assets. The fund aims to achieve returns in between those of stable, income producing assets and higher growth but more volatile assets.

Total value of the fund	\$159,980,007
Number of investors in the fund	4,688
The date the fund started	27 January 2004

What are the risks of investing?

Risk indicator for the Fisher 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 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.

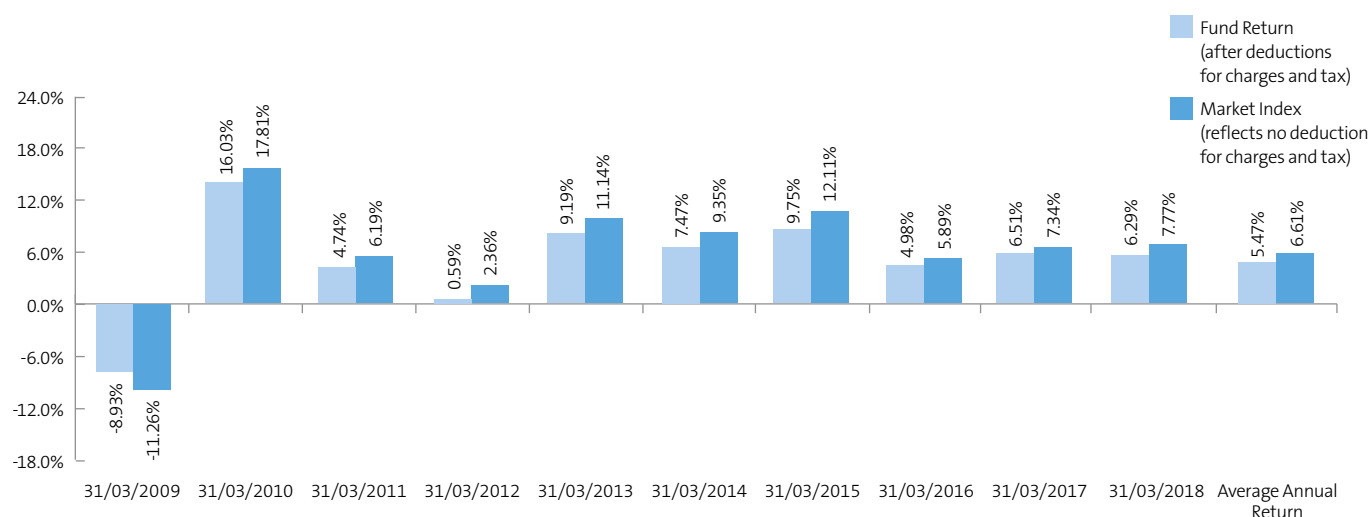
See the product disclosure statement (PDS) for more information about the risks associated with investing in this fund.

How has the fund performed?

	Average over past 5 years ¹	Past year ¹
Annual return (after deductions for charges and tax)	6.99%	6.29%
Annual return (after deductions for charges but before tax)	8.07%	7.41%
Market index annual return (reflects no deduction for charges and tax)	8.47%	7.77%

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

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 March 2018¹.

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 Fisher Balanced Fund are charged fund charges². In the year to 30 June 2017 these were:

	% of net asset value
Total fund charges (estimated)	1.25%
Which are made up of:	
Total management and administration charges (estimated)	1.25%
Including:	
Manager's basic fee (estimated) ³	0.93%
Other management and administration charges (estimated) ^{3,4}	0.32%
Total performance-based fees	0.00%
Other charges	Dollar amount per investor or description of how charge is calculated
Member fee ⁵	\$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 (disclose-register.companiesoffice.govt.nz) for more information about those fees.

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

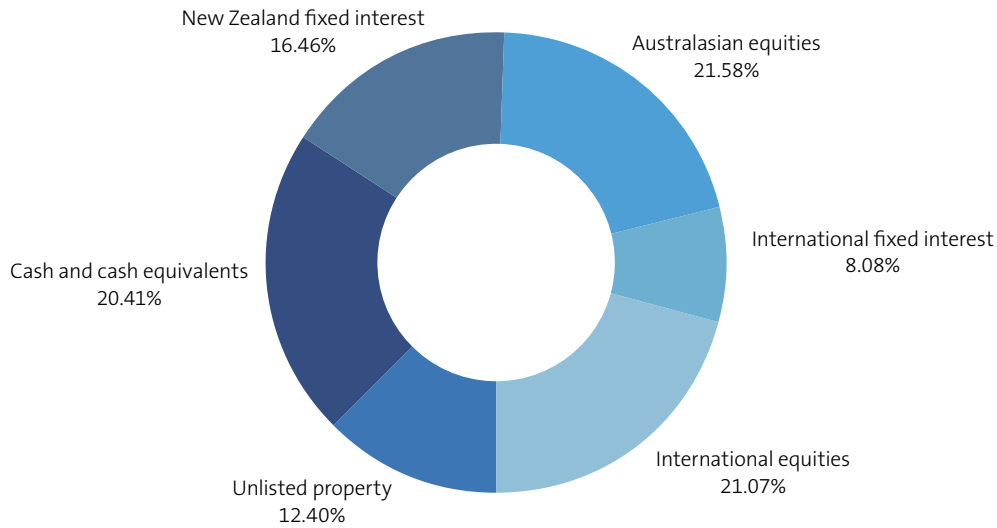
Example of how this applies to an investor

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 \$629.00 (that is 6.29% of his initial \$10,000). Craig also paid \$107.52 in other charges. This gives Craig a total return after tax of \$521.48 for the year..

What does the fund invest in?

Actual investment mix⁶

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	Current allocation
Cash and cash equivalents	16.00%
New Zealand fixed interest	12.00%
International fixed interest	15.00%
Australasian equities	23.50%
International equities	23.50%
Listed property	0.00%
Unlisted property	10.00%
Commodities	0.00%
Other	0.00%

From 25 June 2018 the assets will begin to transition to the following target investment mix:

Asset type	Allocation from 25 June 2018
Cash and cash equivalents	10.00%
New Zealand fixed interest	10.00%
International fixed interest	25.00%
Australasian equities	10.00%
International equities	28.50%
Listed property	3.00%
Unlisted property	3.00%
Commodities	1.50%
Other*	9.00%

*Other includes listed and unlisted infrastructure assets and alternatives

Top 10 investments⁶

Name	Percentage of fund net assets	Asset Type	Country	Credit rating (if applicable)
1 Fisher Institutional 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.

Top 10 investments⁶ continued

From 25 June 2018 the assets will be transitioned to Mercer Balanced Portfolio. Once the transition is complete the fund will invest 100% into the Mercer Balanced Portfolio.

Name	Percentage of fund net assets	Asset Type	Country	Credit rating (if applicable)
1 Mercer Balanced Portfolio	100.00%	Interest in a diversified fund	New Zealand	N/A
2 –	–	–	–	–
3 –	–	–	–	–
4 –	–	–	–	–
5 –	–	–	–	–
6 –	–	–	–	–
7 –	–	–	–	–
8 –	–	–	–	–
9 –	–	–	–	–
10 –	–	–	–	–

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 with a permitted range of 90% to 110%;
- hedge the foreign currency exposure arising from Australian equities portion of the Australasian equities with a benchmark of 70% hedged back to New Zealand dollars and a permitted range of 0% to 110%; and
- hedge the foreign currency exposure arising from International equities with a benchmark of 50% hedged back to New Zealand dollars and a permitted range of 0% to 110%. Proxy hedging (i.e. using the currency of a country as a proxy for the currency of another country) is also permitted.

Once the transition of the assets are completed, the Fund's hedging policy will be as follows:

All foreign assets are fully hedged with the exception of the Overseas Shares sector. This sector has a benchmark hedging ratio of 50%, though this can vary depending on the view of Mercer (N.Z.) Limited's Dynamic Asset Allocation team.

Key personnel

Name	Current position	Time in current position	Other current position	Time in other current position
Elaine Jennifer Campbell	Investment Committee Member	2 years and 8 months	General Counsel, AMP Financial Services	2 years and 11 months
Simon John Hoole	Investment Committee Member	1 year and 2 months	Chief Financial Officer, AMP Financial Services	4 years and 3 months
Thérèse Mary Singleton	Investment Committee Member	3 years and 2 months	General Manager, Advice & Sales, AMP Financial Services	1 year and 3 months
Blair Robert Vernon	Investment Committee Member	6 years and 9 months	Managing Director, AMP Financial Services	1 year 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 disclose-register.companiesoffice.govt.nz. 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 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 and service fee applicable to you, please see 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. 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 (disclose-register.companiesoffice.govt.nz), 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 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.
- 4 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.
- 5 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.
- 6 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.