

AMP KiwiSaver Scheme

Annual Report for the year ended 31 March 2018





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Welcome to your Annual Report

Making the most of your AMP KiwiSaver Scheme account

For most of us KiwiSaver is a long-term investment, so you don't need to check your account every day. Once a year or so though it's probably a good idea to have a closer look at your AMP KiwiSaver Scheme account and check you're making the most of your investment, especially if your circumstances have changed. We think there are four simple things that can make the biggest difference.

1. **Have a plan**, eg Do you know how much money you will need in retirement? AMP's new AMP KiwiSaver Scheme calculator on amp.co.nz is a great way to find out.
2. **Check your AMP KiwiSaver Scheme account details**, eg Are you paying the right tax? If you're not sure, it's easy enough to check with IRD or give us a call.
3. **Get your contributions sorted**, eg Is your employer contributing to your KiwiSaver account and are you on track to receive the full Government contribution, worth \$521.43 every year? This is one of the best ways to build your savings.
4. **Choose the right fund or funds**, eg Are you invested in the fund or funds that best suit your needs? It's easy and free to switch funds.

If you'd like more information or help with setting up your AMP KiwiSaver Scheme account, give us a call on **0800 267 5494**, talk to your Adviser, or visit amp.co.nz/kiwisaver. Your Adviser's disclosure statement is available from your Adviser on request and free of charge.

I'm also pleased to let you know that in the past 12 months we've launched some new tools to help you on your KiwiSaver journey, including the AMP KiwiSaver Scheme Calculator, Alex the Chatbot, AMP's Fund Selector, and KiwiSaver personalised videos. We've also made improvements to our online forms and annual statements and don't forget about our My AMP App, which is a great way to stay on top of your savings. You can visit amp.co.nz to give these tools a go. We've got more exciting developments underway and we'll let you know more soon.

Thank you for being a member of the AMP KiwiSaver Scheme.

Regards,



Blair Vernon

On behalf of the Manager

AMP Wealth Management New Zealand Limited

Market Overview

By the standards of recent years, the year ended 31 March 2018 was somewhat more uncertain in its final months, though overall it was a positive year for investors. Solid economic growth and supportive financial conditions helped drive strong growth in profits. At the same time, low inflation and benign central banks helped drive strong investment returns. However, robust global growth inevitably led to the US Federal Reserve continuing to normalise interest rates, which led to bouts of nervousness. After a strong beginning to 2018 for markets, February proved turbulent as a correction developed in US equities due to concerns over the higher level and future path of inflation and interest rates. However, March saw a consolidation and partial recovery in most global markets, while the NZ domestic equity market proved resilient through the period.

There were a number of political events that had the potential to be disruptive over the year, though none had any lasting impact on markets despite some new risks emerging for the future. These mainly relate to forces seeking to turn back globalisation in trade and mobility. While deflation fears have now faded, underlying inflation stayed below target, surprising on the downside in the US, Europe, Japan, Australia and here in New Zealand. Nevertheless, labour markets are very tight with unemployment down and employers struggling to find workers in some key economies. Such conditions lift future inflation pressure, ensuring central bank vigilance.

Global share markets continued to be buoyed by positive data and sentiment. As a result, global equities pushed higher supported by strong earnings, interest rate support and growing investor confidence. Emerging market shares were star performers due to leverage to global growth and rising commodity prices, with global investors still keen to finance emerging economies. Risks arising due to higher interest rates are nonetheless increasing and investors are more sensitive to them.

Bonds experienced mediocre returns as the strength in global bonds over recent years continued to diminish. While inflation surprised on the downside, ultra-low yields constrained the scope of total returns. The US Federal Reserve (the Fed) continued to gradually raise interest rates and started reversing quantitative easing, and China tapped the monetary brakes. Meanwhile, central banks in Europe and Japan remained in stimulus mode and overall global monetary policy stayed easy. Looking ahead, the gradual rise in bond yields and weakening fiscal discipline in the US and elsewhere is likely to see continuing low returns from bonds.

Domestically, the New Zealand economy remained solid. Slowing net migration and a residential construction sector working close to capacity was offset by continued growth in labour income, stronger business investment and fiscal stimulus. Annual average growth came in at 2.9% in calendar year 2017, though the first half of 2018 is expected to remain subdued from the impact of a hot dry summer on agricultural production and lower business confidence.

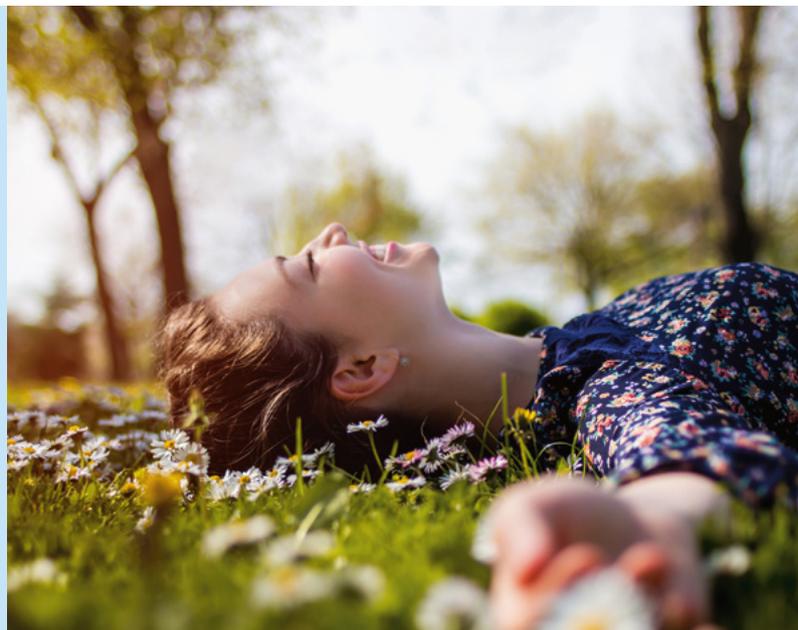
Continuing strong economic and earnings growth and moderate inflation should keep overall investment returns favourable over 2018. However, stirring US inflation pressure, the drip feed of Fed rate hikes and another possible increase in geopolitical risks are likely to constrain returns and increase volatility after the relative calm of the last 12 months.

* Source: AMP Capital Investors (New Zealand) Limited

We're investing in positive change.

An increasing number of Kiwis are wanting to invest their savings in a socially responsible way and that's why our customers are choosing our Responsible Investment Balanced Fund, which recognises broader environmental, social and ethical considerations. This helps give peace of mind as there's a real focus towards investing in companies that are leaders in their responsible approach.

[Learn more about responsible investing at amp.co.nz](https://amp.co.nz)



The year at a glance



\$5.0 billion
invested in the AMP
KiwiSaver Scheme.

Average AMP KiwiSaver
Scheme member balance

men
\$25,200
women
\$18,600



AMP now has
230,000
AMP KiwiSaver Scheme
members.



9,543
AMP customers
have downloaded the
MyAMP app enabling them
to top up their AMP KiwiSaver
Scheme account.



AMP KiwiSaver Scheme
members have received
\$66.1 million
in Member Tax Credits.

AMP has paid
3,507
AMP KiwiSaver Scheme
members more than
\$78.7 million
upon retirement.



We've helped
2,106 Kiwis
to purchase their
first home using their
AMP KiwiSaver
Scheme account.



Across the industry,
more than **\$49.6 billion** is
invested in KiwiSaver,
and funds under management
is growing at about
\$8 billion every year.



The average AMP
KiwiSaver Scheme
member balance is
\$22,000.
The industry average is
\$17,400.

KiwiSaver now has over
2.8 million
members across the industry.



Details of Scheme

Name of Scheme

AMP KiwiSaver Scheme (Scheme).

Type of Scheme

The AMP KiwiSaver Scheme is a registered KiwiSaver scheme as explained in the 'Status of the Scheme' below.

Manager

AMP Wealth Management New Zealand Limited (Manager).

Supervisor

The New Zealand Guardian Trust Company Limited (Supervisor).

Status of the Scheme



This Scheme is a registered KiwiSaver scheme with a Product Disclosure Statement (PDS) and Fund Update Booklet dated 25 May 2018 and is open for new member applications.

Fund Update

The Scheme's latest fund updates for the quarter ended 30 June 2018 for each of the funds were made publicly available on 27 July 2018. These are available at disclose-register.companiesoffice.govt.nz and at amp.co.nz/kiwisaver.

Financial Statements and Auditor's Report

The Scheme's latest financial statements and auditor's report were dated 3 July 2018 and lodged with the Registrar on 13 July 2018. For more information please refer to disclose-register.companiesoffice.govt.nz and amp.co.nz.

Information on contributions and Scheme participants

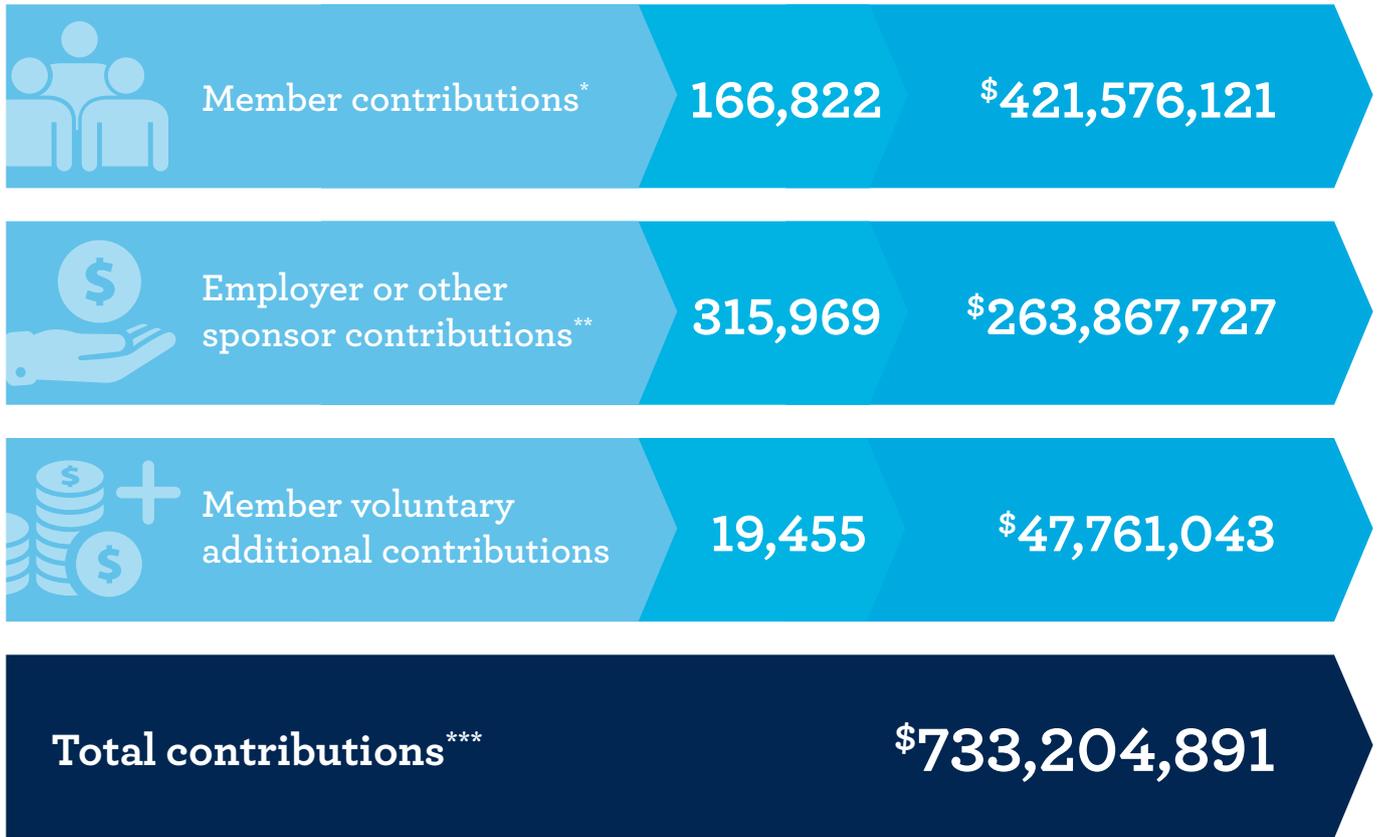
Membership

A summary of the changes in Members of the Scheme:

	Number of Members	Total amount (\$)
Number of contributing members as at 31 March 2017	139,922	
Number of non-contributing members as at 31 March 2017	96,901	
Total number of Scheme members as at 31 March 2017	236,823	4,565,795,756
New Scheme members during the Year by reason of:		
Transfers from other schemes	2,839	
Other new members	13,074	
Total new members during the Year	15,913	
Scheme members who ceased to be members during the Year by reason of:		
Retirement	1,935	
Death	290	
Transfers to other schemes	18,724	
Other reasons	969	
Total number who ceased to be members during the Year	21,918	
Total number of Scheme members as at 31 March 2018	230,818	5,059,640,912
Number of contributing members as at 31 March 2018	137,365	
Number of non-contributing members as at 31 March 2018	93,453	

Contributions

The Scheme received the following contributions during the Year:



*Member contributions includes contributions from members who transferred from other superannuation schemes of \$92,410,856 for 3,987 members.

**Employer or other sponsor contributions includes Crown contributions of \$66,094,556 for 154,613 members.

***Members may receive PIE tax rebates which have not been included in contributions.

AMP in the Community

We're proud of our efforts to support Kiwis and our communities more broadly. This year is the 20th anniversary of AMP Scholarships, through which we've provided scholarships to 344 New Zealanders to achieve their dreams and to give back to their communities. In March, AMP was the principal partner of the Key to Life Trust in delivering the I AM HOPE TOUR, a country-wide initiative led by mental health advocate Mike King to help combat the high rates of suicide, and in particular youth suicide, in New Zealand. We're also partnering with Move Over Cancer and Support Crew to help more Kiwis when they need it most.

For more information, visit amp.co.nz/amp/about-amp/community.



Changes relating to the Scheme

Here's a summary of changes we made to the Scheme:

Governing Document

There have been no material changes to the Scheme's trust deed during the year. The most recent trust deed is dated 12 April 2016.

Terms of the offer

On 19 May 2017, we updated the Fees & Other Charges Document to reflect changes in costs and expenses of the Nikko AM Conservative Fund, Nikko AM Balanced Fund and the Nikko AM Growth Fund. On 12 June 2017, the Fund Update Booklet was updated to reflect these changes. Copies of these disclosure documents can be obtained from the Scheme's offer register at disclose-register.companiesoffice.govt.nz.

On 4 September 2017, we updated the Product Disclosure Statement, Fund Update Booklet and Fees & Other Charges Document to reflect changes in the estimated fund charges. Copies of these disclosure documents can be obtained from the Scheme's offer register at disclose-register.companiesoffice.govt.nz.

On 8 February 2018, we updated the Product Disclosure Statement and the Fees & Other Charges Document to reflect changes in the estimated fund charges. On 10 February 2018, we updated the Fund Update Booklet to reflect new asset allocations for the Nikko AM Growth Fund. Copies of these disclosure documents can be obtained from the Scheme's offer register at disclose-register.companiesoffice.govt.nz.

Events since 31 March 2018

On 25 June 2018, Mercer (N.Z.) Limited replaced Fisher Funds Management Limited as the underlying fund manager of the Fisher Balanced Fund. At that time, the assets began to transition and the fund was renamed the Mercer Balanced Fund. We have updated our disclosure documents to reflect this change on 25 May 2018. The Statement of Investment Policy and Objectives (SIPO) was subsequently updated on 25 June 2018 to reflect this change.

Changes to the SIPO

The SIPO was updated on 1 May 2017 to reflect new asset allocations for the Nikko AM Conservative Fund, Nikko AM Balanced Fund and the Nikko AM Growth Fund.

The SIPO was updated on 8 February 2018 to reflect new asset allocations for the Nikko AM Growth Fund and to include reference to AMP Group publicly announcing that it was commencing a review of its "manage for value" businesses which includes AMP New Zealand. The SIPO was subsequently amended on 10 May 2018 and 27 July 2018 to provide further updates on this review.

A copy of the most recent SIPO can be obtained from the scheme register at disclose-register.companiesoffice.govt.nz or on the AMP website at amp.co.nz/kiwisaver.

Related party transactions

All related party transactions are conducted on arms-length terms. There have been no material changes to any of the Scheme's related party transactions during the year.

Other information for particular types of managed funds

Withdrawals

During the Year, the following withdrawals were made from the Scheme:

Withdrawals	Total number of Members
Withdrawals during the Year by reasons of:	
Qualifying date	3,507
Australian complying superannuation fund	25
Release under other enactments	8
First home withdrawal*	2,106
Death	290
Significant financial hardship	993
Serious illness	183
Permanent emigration	198
Meeting tax liability on foreign superannuation	2
Transfers of members' accumulations out of the Scheme into other superannuation schemes	18,787
Late opt out and invalid enrolment withdrawals	548
Total Withdrawals	26,647

*Includes second chance home withdrawals.

Unit Prices

	Unit Price as at 31 March 2017	Unit Price as at 31 March 2018
AMP Default Fund	1.57250	1.6362
AMP Conservative Fund	1.66780	1.7340
AMP Moderate Fund	1.60190	1.6797
AMP Moderate Balanced Fund	1.56540	1.6511
AMP Balanced Fund	1.57840	1.6762
AMP Growth Fund	1.48390	1.5954
AMP Aggressive Fund	1.43990	1.5567
AMP Responsible Investment Balanced Fund	1.03820	1.1003
AMP Global Multi-Asset Fund	1.04580	1.0890
AMP Income Generator Fund	1.01640	1.0578
AMP Cash Fund	1.46590	1.4962
AMP New Zealand Fixed Interest Fund	0.99120	1.0363
AMP International Fixed Interest Fund	0.99180	1.0056
AMP Australasian Shares Fund	1.06110	1.1385
AMP International Shares Fund	1.11710	1.2301
AMP Passive International Shares Fund	1.11460	1.2174

Unit Prices – continued

	Unit Price as at 31 March 2017	Unit Price as at 31 March 2018
AMP Property Fund	0.94190	0.9838
ANZ Conservative Fund	1.00660	1.0456
ANZ Balanced Growth Fund	1.89080	2.0293
ANZ Growth Fund	1.04840	1.1346
ASB Moderate Fund	1.02100	1.0787
ASB Balanced Fund	1.03830	1.1200
ASB Growth Fund	1.06030	1.1575
Fisher Balanced Fund	1.70180	1.8293
Nikko AM Conservative Fund	1.00610	1.0739
Nikko AM Balanced Fund	1.67420	1.8565
Nikko AM Growth Fund	1.03350	1.1646

Manager's Statement

AMP Wealth Management New Zealand Limited as manager of the Scheme confirms that:

- a) All the benefits required to be paid from the Scheme in accordance with the terms of the governing document and the KiwiSaver scheme rules have been paid.
- b) The market value of the Scheme property at 31 March 2018 equalled or exceeded the total value of benefits that would have been payable had all members of the Scheme ceased to be members at that date and had provision been made for the continued payment of all benefits being paid to members and other beneficiaries as at 31 March 2018.

Changes to persons involved in the Scheme

There have been no changes to persons involved in the Scheme during the scheme year.

Directors of the Manager

The directors of the Manager as at 31 March 2018 were:



Blair Robert Vernon

Blair joined AMP in 2009 and became Managing Director in January 2017. Blair was previously AMP's Director of Retail Financial Services, responsible for sales, customer service, marketing and supporting AMP's extensive Adviser business networks including Spicers and AdviceFirst. He has also held roles with AMP as Director of Advice & Sales and General Manager Marketing and Distribution. Blair has over 25 years' experience across the Financial Services sector in New Zealand and Australia.



Thérèse Mary Singleton

Thérèse has over 20 years' experience in the financial services industry both overseas and in New Zealand. She is qualified as a lawyer in Ireland, England and New Zealand and has been with AMP NZ since 2003. During that time, she has acted as the General Counsel for the business for 7 years, and the General Manager of Investments and Insurance for 2 years. She has held her current position of General Manager Advice and Sales for almost 2 years. She is a current member of the NZ Government appointed Code Working Group and a director of all AMP Financial Services NZ Companies.



Simon John Hoole

Simon has more than 20 years of experience in financial services. He joined AMP in 1998 as Finance Planning Manager in Australia and subsequently took over the role of AFS Financial Controller and then Group Finance Director in 2008, before moving to New Zealand and becoming Chief Financial Officer in 2014.

Before joining AMP, Simon started his accounting career with Deloitte Haskins & Sells in the UK, before moving to Australia in 1986. Still with Deloitte, Simon spent two years in Papua New Guinea before joining MLC in 1991. In 1995 he became Financial Controller of MLC Lifetime Limited.

Simon is responsible for AMP's actuarial and finance teams and the claims administration team.



Elaine Jennifer Campbell

Elaine has over 20 years of legal experience and has extensive experience within the finance sector. She joined AMP in 2015 as General Counsel, where she is responsible for the legal team, company secretarial function and the regulatory and compliance teams.

Elaine commenced her career as a solicitor for Kensington Swan before gaining experience in both the UK and USA. She has held senior positions at Russell McVeagh and was on the NZX Limited executive team. Immediately prior to joining AMP Elaine was the Director of Compliance for the Financial Markets Authority.

Key Personnel of the Manager

The key personnel of the Manager as at 31 March 2018 are its directors.

The key personnel of the Manager are also key personnel of AMP Services (NZ) Limited who is the Administration Manager of the Scheme. The other key personnel of the Administration Manager of the Scheme are:

- Jeff Ruscoe, General Manager, Product and Marketing
- Chris Robb, Chief Information Officer
- Helen McDowall, General Manager, Customer Service

Directors of the Supervisor

The directors of the Supervisor as at 31 March 2018 were James Earl Douglas and Robin Albert Flannagan. There were no changes to the directors of the Supervisor during the Year.

How to find further information

The Government maintains a register called Disclose. This register is split into a scheme register and an offer register.

The scheme register contains information relating to information such as the Scheme's trust deed, SIPO and financial statements.

The offer register contains the current fund updates for the Scheme. You can access either of these registers at

disclose-register.companiesoffice.govt.nz and search by entering 'AMP Wealth' into the Manager/Issuer search function.

Any of the above information is available on request, by contacting us at our address listed on page 14. There is no charge for requesting this information.

Contact details and complaints

We are happy to help with any queries you may have, for enquiries please contact the Manager of the Scheme. If you have a complaint you require help with please contact the Customer Response Manager, both can be contacted at:

 AMP Wealth Management New Zealand Limited
PO Box 55
Shortland Street
Auckland 1140

 0800 267 5494
+64 4 439 5858 (International)

 kiwisaver@amp.co.nz or customerresponse@amp.co.nz

If we are unable to resolve your complaint, you can also contact the Supervisor at:

 The Manager, Corporate Trusts
The New Zealand Guardian Trust Company Limited
PO Box 3845
Wellington 6140

 0800 878 782
+64 4 901 5406 (International)

You can also contact the approved independent dispute resolution schemes for the Manager and the Supervisor respectively, at:

 Insurance & Financial Services Ombudsman Scheme
PO Box 10-845
Wellington 6143

 0800 888 202

 info@ifso.nz

 Financial Services Complaints Limited
PO Box 5967
Wellington 6145

 0800 347 257

 info@fscl.org.nz or complaints@fscl.org.nz

*Neither of the above schemes will charge a fee to any complainant to investigate or resolve a complaint.
AMP Services (NZ) Limited, as securities registrar, can also be contacted at the Manager's address above.*



Want to know more?

Phone 0800 267 5494
Email kiwisaver@amp.co.nz
Web amp.co.nz
Follow us on



For more information about the Scheme, please see the Scheme's Product Disclosure Statement and Fund Update Booklet at amp.co.nz/kiwisaver, contact us on **0800 AMP KIWI** (0800 267 5494) or talk to your Adviser today.

Your Adviser's disclosure statement is available from your Adviser on request and free of charge.

¹The CANSTAR 5 Star Rating was awarded in September 2017 for the AMP Default Fund within the AMP KiwiSaver Scheme. Go to canstar.co.nz/star-rating-reports/kiwisaver for more details.

²SuperRatings does not issue, sell, guarantee or underwrite this product. Go to superratings.com.au for details of its rating criteria.