

AMP KiwiSaver Scheme - Changes to valuation methods

On 2 August 2013, members of the former AMP Wealth KiwiSaver Scheme were transferred to the AMP KiwiSaver Scheme. Investments for transferring members were made in the following funds in the AMP KiwiSaver Scheme – AMP Default Fund, AMP Conservative Fund, AMP Balanced Fund, AMP Growth Fund and Cash Fund (“AMP KiwiSaver Scheme Funds”).

Both schemes held the same underlying assets but those assets were valued on a different basis for unit pricing purposes. The former AMP Wealth KiwiSaver Scheme valued its underlying assets using a base price methodology and the AMP KiwiSaver Scheme values its underlying assets using a buy price methodology.

To align the valuation basis of both schemes to facilitate the transfer, there was a temporary change in the valuation of the underlying assets of the AMP KiwiSaver Scheme Funds from buy price to base price effective 2 August 2013. The effect of this was that there was a reduction in the AMP KiwiSaver Scheme Funds’ net asset value (and therefore the value of members’ accounts) for this one valuation day.

Following the completion of the transfer, the buy price valuation basis was restored for the AMP KiwiSaver Scheme from the next valuation day (5 August 2013). The effect of this was that there was an increase in the AMP KiwiSaver Scheme Funds’ net asset value (and therefore the value of members’ accounts), back to the previous valuation basis.

The change in valuation basis was temporary only. Where necessary, compensation was paid to ensure the temporary change did not have any adverse impact on the AMP KiwiSaver Scheme Funds and on members who transacted on 2 August 2013.