



AMP KiwiSaver Scheme

## AMP New Zealand Fixed Interest Fund



# Fund Update

for the quarter ended 30 June 2017

This fund update was first made publicly available on 28 July 2017

### What is the purpose of this update?

This document gives you information about the AMP New Zealand Fixed Interest 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

This is a single sector fund that aims to provide investors with regular income and medium term capital stability by investing into New Zealand fixed interest securities of varying maturities.

Total value of the fund	\$289,425
Number of investors in the fund	29
The date the fund started	28 July 2016

### What are the risks of investing?

Risk indicator for the AMP New Zealand Fixed Interest 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.

#### Specific risk

In addition to the general investment risks, you should be aware this fund is concentrated in a particular asset class and not diversified across multiple asset classes. At any given point, market conditions that cause one asset class to perform well may cause another asset class to perform poorly. This could result in negative or lower than expected returns compared to a fund which is diversified across multiple asset classes.

### How has the fund performed?

	Past year
Annual return (after deductions for charges and tax)	Not applicable
Annual return (after deductions for charges but before tax)	Not applicable
Market index annual return (reflects no deduction for charges and tax)	0.21%

The market index annual return is based on the Bloomberg NZBond Govt 0+ Yr Index. 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 AMP New Zealand Fixed Interest Fund are charged fund charges. Our estimate of the fund charges as at 30 June 2017 are:

	% of net asset value
<b>Total fund charges</b> (estimated) <sup>2, 3</sup>	0.85%
Which are made up of -	
<b>Total management and administration charges</b> (estimated) <sup>2, 3</sup>	0.85%
Including -	
Manager's basic fee	0.73%
Other management and administration charges	0.12%
<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>2</sup>	\$23.40

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 AMP KiwiSaver Scheme 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.

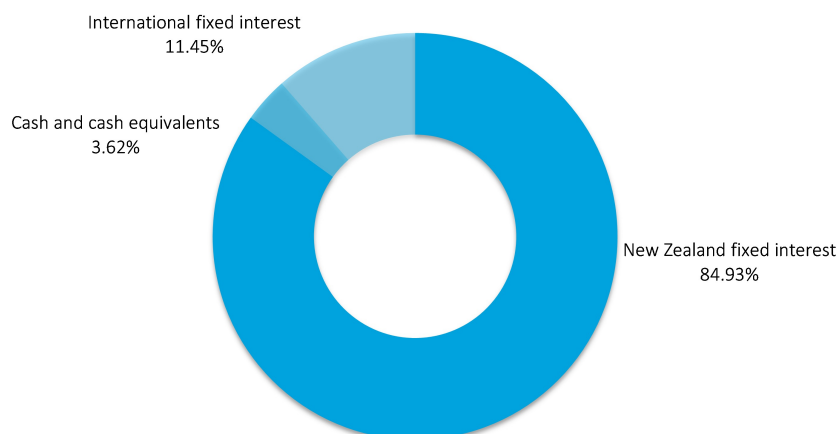
## Example of how this applies to an investor

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 \$21.00 (that is 0.21% of his initial \$10,000). Craig also paid \$23.40 in other charges. This gives Craig a total loss after tax of \$2.40 for the year.<sup>4</sup>

## What does the fund invest in?

### Actual investment mix<sup>5</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	0.00%
New Zealand fixed interest	100.00%
International fixed interest	0.00%
Australasian equities	0.00%
International equities	0.00%
Listed property	0.00%
Unlisted property	0.00%
Commodities	0.00%
Other	0.00%

## Top 10 investments<sup>5</sup>

Name	Percentage of fund net assets	Asset Type	Country	Credit rating (if applicable)
1 New Zealand Government bond maturing 15 Apr 23	12.54%	New Zealand fixed interest	New Zealand	AA+
2 New Zealand Government bond maturing 15 Apr 27	10.29%	New Zealand fixed interest	New Zealand	AA+
3 New Zealand Government bond maturing 15 May 21	7.39%	New Zealand fixed interest	New Zealand	AA+
4 New Zealand Government bond maturing 14 Apr 33	5.12%	New Zealand fixed interest	New Zealand	AA+
5 ASB Bank Ltd bond maturing 08 Mar 19	2.35%	New Zealand fixed interest	New Zealand	AA-
6 New Zealand Government bond maturing 20 Sep 25	2.19%	New Zealand fixed interest	New Zealand	AA+
7 Powerco Ltd bond maturing 25 Feb 20	2.10%	New Zealand fixed interest	New Zealand	BBB
8 New Zealand Government bond maturing 20 Sep 35	2.02%	New Zealand fixed interest	New Zealand	AA+
9 ANZ Bank New Zealand Ltd bond maturing 05 Sep 19	1.98%	New Zealand fixed interest	New Zealand	AA-
10 Call Account (Westpac Banking Corporation Advance Acct)	1.85%	Cash and cash equivalents	New Zealand	A-1+

The top 10 investments make up 47.83% of the fund.

## Currency hedging

The Fund will (or will invest in underlying funds that will) hedge foreign currency exposure back to New Zealand dollars.

## Key personnel

Name	Current position	Time in current position	Other current position	Time in other current position
Elaine Jennifer Campbell	Investment Committee Member	1 year and 11 months	General Counsel, AMP Financial Services	2 years and 2 months
Simon John Hoole	Investment Committee Member	0 years and 5 months	Chief Financial Officer, AMP Financial Services	3 years and 6 months
Therese Mary Singleton	Investment Committee Member	2 years and 5 months	General Manager, Advice & Sales, AMP Financial Services	0 years and 6 months
Blair Robert Vernon	Investment Committee Member	6 years and 0 months	Managing Director, AMP Financial Services	0 years and 6 months

## Further information

You can also obtain this information, the PDS for the AMP KiwiSaver Scheme, 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 the PDS for the AMP KiwiSaver Scheme.

## 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 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 Different administration or member fees may apply to some members. Any different fees will be set out in the Member Booklet or supplement, if applicable, which you can request from your Adviser.
- 3 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. 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 fees have been determined using estimates provided by the underlying fund managers and our experience with the Scheme.
- 4 As the fund started on the date above, this calculation is based on the market index return for the past year and treats all investment returns as taxable.
- 5 The top ten investments and actual investment mix have been calculated excluding cash and cash equivalents held for operational purposes.

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