



AMP KiwiSaver Scheme
Nikko AM Balanced Fund



Fund Update

for the quarter ended 31 March 2016

This fund update was first made publicly available on 23 June 2017

This is a replacement fund update. It replaces the 31 March 2016 AMP KiwiSaver Scheme Nikko AM Balanced Fund fund update first made publicly available on 28 April 2016. The following changes have been made in the replacement fund update:
 - the total fund charges and total management and administration charges have been updated; and
 - additional notes have been added to footnote 1 explaining why certain underlying fund manager charges, which make up the other management and administration charges, have had to be estimated.

What is the purpose of this update?

This document tells you how the Nikko AM 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 an allocation to growth and income assets and aims to be widely diversified not only between asset classes, but also within asset classes and between domestic and global investments. The fund aims to achieve medium level returns with medium levels of volatility and investment risk.

Total value of the fund	\$29,460,721
Number of investors in the fund	1,181
The date the fund started	1 October 2007

What are the risks of investing?

Risk indicator for the Nikko AM 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 <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.

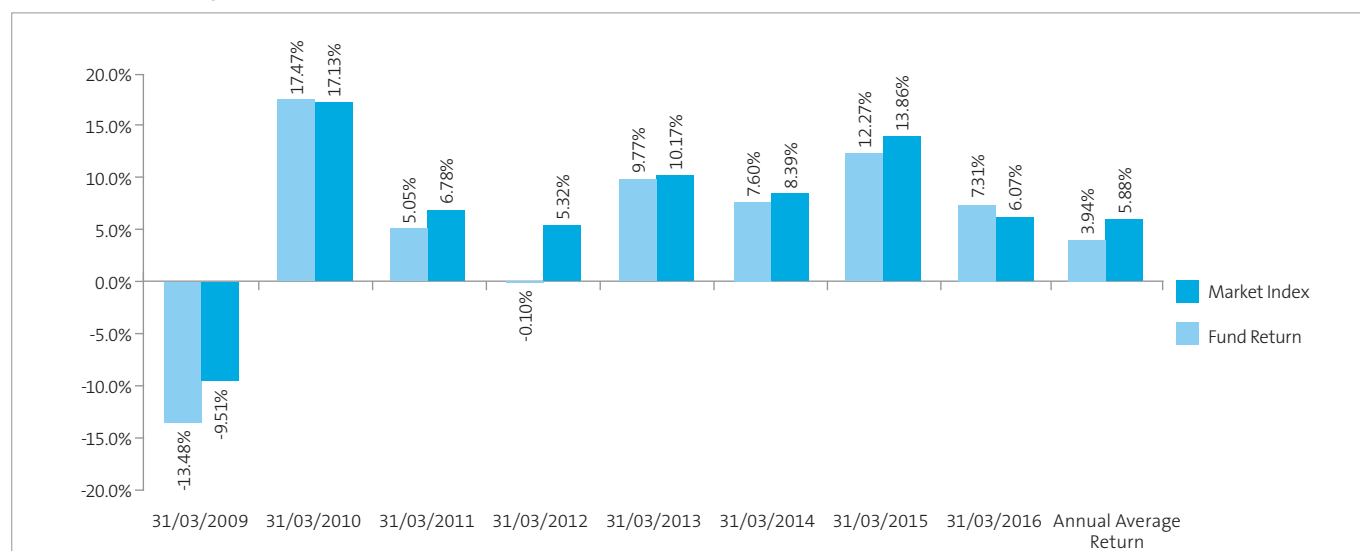
This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for the past 5 years. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates. See the product disclosure statement (PDS) for more information about the risks associated with investing in this fund.

How has the fund performed?

	Average over past 5 years	Past year
Annual return (after deductions for charges and tax)	7.29%	7.31%
Annual return (after deductions for charges but before tax)	8.70%	8.53%
Market index annual return (reflects no deduction for charges and tax)	8.72%	6.07%

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 <http://www.business.govt.nz/disclose>.

Annual Return Graph



This shows the return after fund charges and tax for each year ending 31 March since the fund started. The last bar shows the average annual return since the fund started, up to 31 March 2016.

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 Nikko AM Balanced Fund are charged fund charges. In the year to 31 March 2015 these were:

	% of net asset value
Total fund charges (estimated)¹	1.55% ^{*2}
Which are made up of:	
Total management and administration charges (estimated)¹	1.55%
Including:	
Manager's basic fee ²	-
Other management and administration charges ²	-
Total performance based fees	0.00%

Other charges	Dollar amount per investor or description of how charge is calculated
Member fee ³	\$26.40

¹Based on increased underlying fund fees, regulatory costs and administration expenses, the Manager estimates that the Total fund charges for the next scheme year will be 1.74% of the net asset value.

²An understatement of the underlying fund manager's charges has been identified and corrected in this replacement fund update. This has resulted in the estimated total fund charges increasing from 1.33% to 1.55%.

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 (<http://www.business.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.

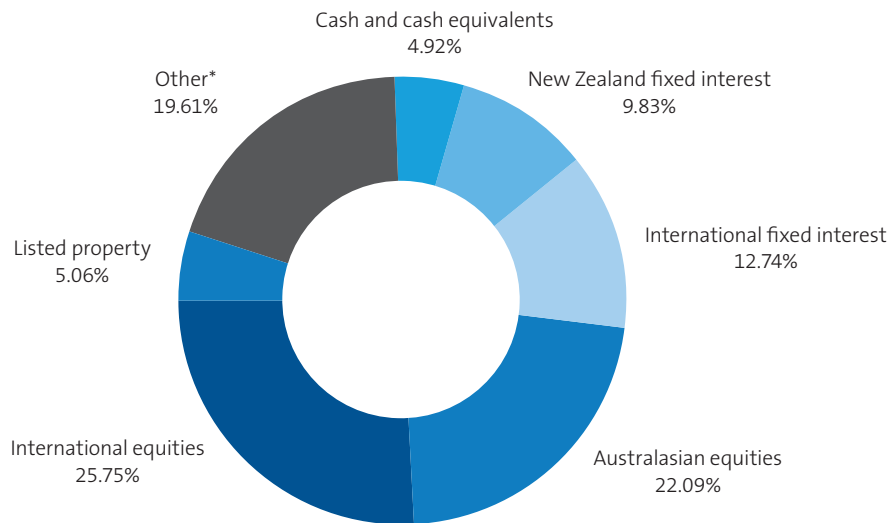
Example of how this applies to an investor

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 \$730.64 (that is 7.31% of his initial \$10,000). Craig also paid \$26.40 in other charges. This gives Craig a total return after tax of \$704.24 for the year.

What does the fund invest in?

Actual investment mix⁴

This shows the types of assets that the fund invests in.



**Other* consists of Alternative equity strategies (9.70%) and Fixed Interest Options (9.91%).

Target investment mix

This shows the mix of assets that the fund generally intends to invest in.

Asset type	Allocation
Cash and cash equivalents	5.00%
New Zealand fixed interest	10.00%
International fixed interest	13.00%
Australasian equities	21.00%
International equities	26.00%
Listed property	5.00%
Unlisted property	0.00%
Commodities	0.00%
Other**	20.00%

Other consists of Alternative equity strategies (10.00%) and Fixed Interest Options (10.00%).

Top 10 investments

	Name	Percentage of fund net assets ⁴	Asset type	Country	Credit rating (if applicable)
1	Nikko AM Wholesale 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.

Key personnel

This shows the directors and employees who have the most influence on the investment decisions of the fund⁵.

Name	Current position	Time in other current position	Other current position	Time in other current position
Elaine Jennifer Campbell	Investment Committee Member	0 years and 7 months	General Counsel, AMP Financial Services	0 years and 10 months
Sean Henaghan	Investment Committee Member	0 years and 1 month	Chief Investment Officer, Multi Asset Group, AMP Capital	2 years and 2 months
Anthony George Regan	Investment Committee Member, Chairperson	8 years and 6 months	Managing Director, AMP Financial Services	8 years and 6 months
Thérèse Mary Singleton	Investment Committee Member	1 year and 1 month	General Manager, Insurance and Investments, AMP Financial Services	1 year and 3 months
Blair Robert Vernon	Investment Committee Member	4 years and 9 months	Director of Advice & Sales, AMP Financial Services	2 years and 9 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 <http://www.business.govt.nz/disclose>.

Notes

- ¹ 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 calculated, an estimate has been used. The estimate has been made by allocating the total of this fee for the funds other than the AMP Default Fund, equal to the proportion of the average net assets of the fund for the year to 31 March 2015 to the total average net assets of the funds other than the AMP Default Fund for the year to 31 March 2015. The total fund charges include charges by underlying fund managers who are not subject to New Zealand law and are unable to provide us with actual figures. In these circumstances, AMP Wealth Management New Zealand Limited (AMP) is not able to verify that these charges have been calculated in accordance with the requirements of New Zealand law. Therefore, an estimate has been prepared on the basis of the information provided, after AMP has made reasonable endeavours to obtain all relevant information for the purposes of preparing the fund update. Estimates include actual underlying funds costs and expenses provided to AMP for the period to 31 March 2015 apart from a component which is based on estimated costs and expenses provided by an underlying fund manager for the year ending 31 December 2014. This is then applied to the average investment in the fund for the 12 month period ending 31 March 2015.
- ² At the time of producing this fund update, the Financial Markets Authority was in the process of providing guidance as to the correct methodology for calculating the "manager's basic fee" component of the fee disclosure. Given the uncertainty as to the method of calculation, the Financial Markets Authority has agreed that until the Manager is in a position to calculate that component in accordance with its guidance, only the "total management and administrative charges" need be disclosed.
- ³ Member fees are the fixed dollar charges for membership in the KiwiSaver scheme. On 1 July 2014, the member fee was reduced from \$2.95 per member per month (\$35.40 annually) to \$1.95 per member per month, resulting in an annual fee for the year ending 31 March 2015 of \$26.40. Note also that the amount of the member fee could be less if you are in an employer plan and the impact of these fees on you could be less than that set out in the example – check your Member Booklet for details.
- ⁴ The top ten investments and actual investment mix have been calculated excluding cash and cash equivalents held for operational purposes.
- ⁵ These individuals are members of the AMP Financial Services Investment Committee. The other members are Jeffery Darren Ruscoe (Chief Customer Officer, AMP Financial Services) and Christopher James White (Managing Director, Spicers). This Committee makes investment decisions in relation to the fund on behalf of the Manager. Members do not participate in any decisions where a conflict of interest arises. Sean Henaghan is not a director or an employee of the Manager.

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Want to know more?

For more information about the Scheme, please visit amp.co.nz/kiwisaver, contact us on 0800 AMP KIWI (0800 267 5494) or talk to your Adviser today. A disclosure statement is available from your Adviser on request and free of charge.