



AMP KiwiSaver Scheme



Nikko AM Conservative Fund

Fund Update

for the quarter ended 30 September 2016

This fund update was first made publicly available on 31 October 2016

What is the purpose of this update?

This document gives you information about the Nikko AM Conservative 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

The fund aims to minimise the risk of investment loss while optimising investment returns and to preserve the capital value of investing funds over the long term in real terms.

| | |
|---------------------------------|--------------|
| Total value of the fund | \$392,894 |
| Number of investors in the fund | 8 |
| The date the fund started | 28 July 2016 |

What are the risks of investing?

Risk indicator for the Nikko AM Conservative Fund¹:



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?

| | 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) | 9.34% |

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 www.companiesoffice.govt.nz/disclose.

What fees are investors charged?

Investors in the Nikko AM Conservative Fund are charged fund charges. Our estimate of the fund charges as at 30 September 2016 are:

| | % of net asset value |
|---|--|
| Total fund charges (estimated) ² | 1.26% |
| Which are made up of - | |
| Total management and administration charges (estimated) ² | 1.26% |
| Including - | |
| Manager's basic fee | 0.98% |
| Other management and administration charges | 0.28% |
| Total performance-based fees | 0.00% |
| Other charges | Dollar amount per investor or description of how charge is calculated |
| Member fee ³ | \$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 (www.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.

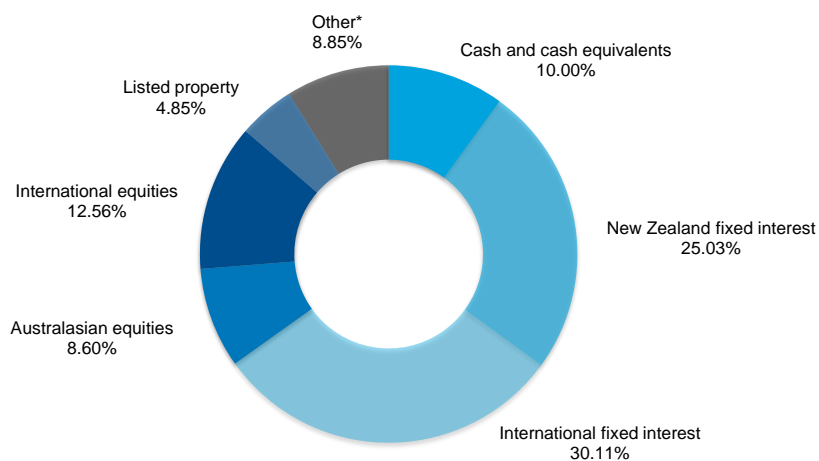
Example of how this applies to an investor

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 \$934.00 (that is 9.34% of his initial \$10,000). Craig also paid \$23.40 in other charges. This gives Craig a total return after tax of \$910.60 for the year.⁴

What does the fund invest in?

Actual investment mix⁵

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



*Other consists of fixed interest options (5.04%) and alternative equity strategies (3.81%)

Target investment mix

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

| Asset Type | Allocation |
|------------------------------|------------|
| Cash and cash equivalents | 10.00% |
| New Zealand fixed interest | 25.00% |
| International fixed interest | 30.00% |
| Australasian equities | 7.50% |
| International equities | 12.50% |
| Listed property | 5.00% |
| Unlisted property | 0.00% |
| Commodities | 0.00% |
| Other** | 10.00% |

**Other consists of fixed interest options (5.00%) and alternative equity strategies (5.00%)

Top 10 investments⁵

| Name | Percentage of fund net assets | Asset Type | Country | Credit rating (if applicable) |
|--|-------------------------------|--------------------------------|-------------|-------------------------------|
| 1 Nikko AM Wholesale Conservative 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 fund⁶.

| Name | Current position | Time in current position | Other current position | Time in other current position |
|--------------------------|--|--------------------------|--|--------------------------------|
| Elaine Jennifer Campbell | Investment Committee Member | 1 year and 2 months | General Counsel, AMP Financial Services | 1 year and 5 months |
| Sean Henaghan | Investment Committee Member | 0 years and 8 months | Chief Investment Officer, Multi Asset Group, AMP Capital | 2 years and 9 months |
| Anthony George Regan | Investment Committee Member, Chairperson | 9 years and 1 month | Managing Director, AMP Financial Services | 9 years and 1 month |
| Therese Mary Singleton | Investment Committee Member | 1 year and 8 months | General Manager, Insurance and Investments, AMP Financial Services | 1 year and 9 months |
| Blair Robert Vernon | Investment Committee Member | 5 years and 3 months | Director of Advice & Sales, AMP Financial Services | 3 years and 3 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 www.companiesoffice.govt.nz/disclose.

Notes

- 1 As the fund started on 28 July 2016, the risk indicator is calculated based on actual underlying fund returns up to 31 July 2016 and then actual fund returns up to the date of this fund update to provide a 5 year history of returns. We consider this is the most reasonable methodology available. As a result of those fund returns being used, the risk indicator may provide a less reliable indicator of the potential future volatility of the fund.
- 2 As the fund started on 28 July 2016, historical fee 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 include fees for audit, printing and distribution, regulatory compliance, IT costs, administration manager charges, performance fees charged by unrelated underlying funds and other professional service fees. These fees have been determined using estimates provided by the underlying fund managers, our experience with the Scheme and a presumption that total fund charges will increase over the Scheme's next accounting period to 31 March 2017 as a result of increased regulatory costs and administration manager charges.
- 3 Note 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 As the fund started on 28 July 2016, this calculation is based on the market index return for the period.
- 5 The top ten investments and actual investment mix have been calculated excluding cash and cash equivalents held for operational purposes.
- 6 These individuals are members of the AMP Financial Services Investment Committee. The other members are Grant David Hassell (Managing Director, AMP Capital New Zealand) and Jeffery Darren Ruscoe (Chief Customer Officer, AMP Financial Services). 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.

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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.