

# Annual Disclosure Statement for the 12 months ended 31 March 2014

## Generate KiwiSaver Scheme

### Conservative Fund

#### What is the purpose of this statement?

This statement provides key information about the Generate KiwiSaver Scheme Conservative Fund. It tells you how the fund has performed and what fees it charged, and will help you to compare it with other funds. We prepared this statement in accordance with the KiwiSaver (Periodic Disclosure) Regulations 2013. This information is not audited and may be updated.

#### Description of the fund

The objective of the Conservative Fund is to provide a conservative investment return for members over the medium to long term through investment in a portfolio of actively managed cash, fixed interest, property and infrastructure assets.

Total value of the fund	\$1,676,830.18
Number of members in the fund	516
Date the fund started	16 April 2013

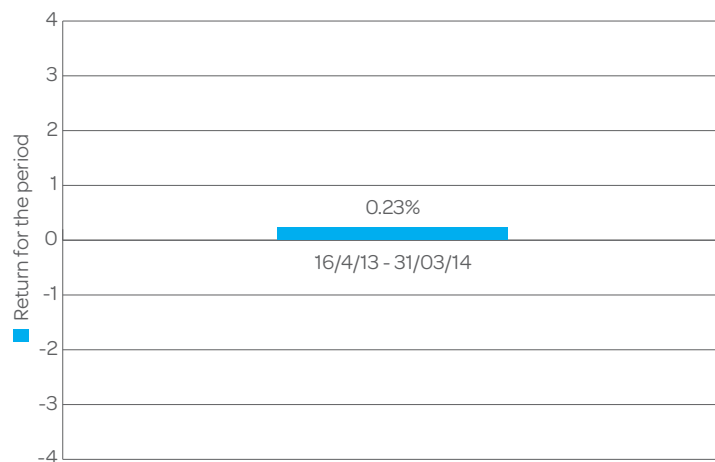
#### How has the fund performed?

	Past five Years	Past period (16 April 2013 to 31 March 2014)
Return <sup>1</sup> (after deductions for fund fees and tax <sup>2</sup> )	N/A	0.23%

The figure above represents the return from the Fund's inception on 16 April 2013 to 31 March 2014.

#### How has the fund performed in the past?

The fund has not been in existence for a full tax year. Therefore the graph shows only the return since the fund started.<sup>3</sup> It is important to note that this doesn't tell you how the fund will perform in the future.



### What fees were members charged?

The returns above are after deductions for fund fees.<sup>4</sup> Over the past year these were:

Total fund fees 1.27% of members' investments

Which are made up of:

Annual management fee 1.00%

Performance-based fees 0.00%

Other fees and costs 0.27%

Members were also charged membership fees<sup>5</sup> of \$36 over the year.

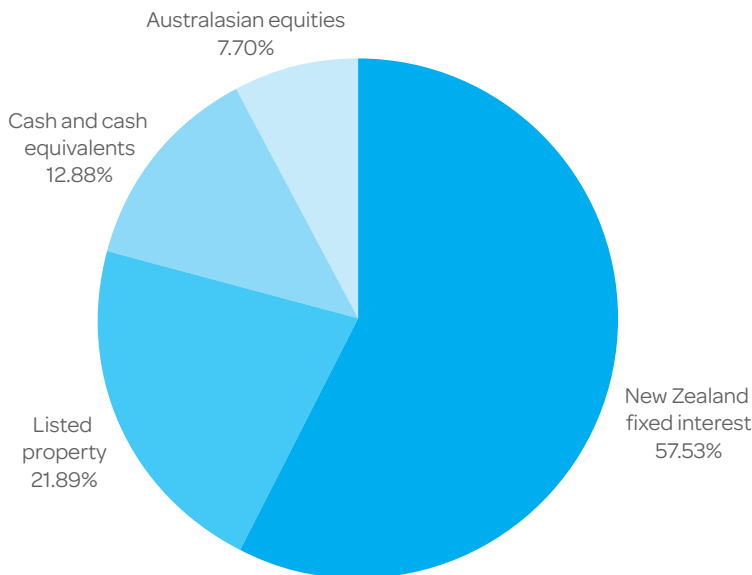
### Example of how this applies to a member

Sarah had \$10,000 in the fund at the start of the period commencing 16 April 2013 and didn't make any further contributions. At the end of the period, Sarah received a return after fund fees and tax were deducted of \$23 (that's 0.23% of her initial \$10,000). Sarah also paid \$36 in membership fees. This gives Sarah a total return of -\$13 for the period.<sup>6</sup>

### What does the fund invest in?

#### Actual investment mix

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.

Cash and cash equivalents	5%
New Zealand fixed interest	65%
International fixed interest	0%
Australasian equities	15%
International equities	0%
Listed property	15%
Unlisted property	0%
Other	0%

#### Top 10 investments

Name	Percentage of fund net assets	Type	Country	Credit rating (if applicable)
ANZ on call bank account	8.65%	Cash and cash equivalents	New Zealand	
Vector 7.8% 15 Oct 2014 Bonds	8.36%	New Zealand fixed interest	New Zealand	BBB
BNZ 28 Mar 2018 FRN's	7.89%	New Zealand fixed interest	New Zealand	AA-/Aa3
GMT Bond Issuer 7.75% 19 Jun 2015 Bonds	6.42%	New Zealand fixed interest	New Zealand	BBB+
TrustPower 15 Dec 2014 7.6% Bonds	5.85%	New Zealand fixed interest	New Zealand	Unrated
ASB 2 Aug 2018 FRN's	4.86%	New Zealand fixed interest	New Zealand	AA-/Aa3/AA-
The Warehouse Group 7.37% 15 Jun 2015 Bonds	4.74%	New Zealand fixed interest	New Zealand	Unrated
Westpac Term Deposits	4.23%	Cash and cash equivalents	New Zealand	
ANZ 26 Aug 2020 FRN's	3.94%	New Zealand fixed interest	New Zealand	AA-/Aa3/AA-
Wellington International Airport 1 Aug 2017 FRN's	3.48%	New Zealand fixed interest	New Zealand	BBB+

The top 10 investments make up 58.42% of the fund. For a full list see:  
<http://www.generatekiwisaver.co.nz/media/5456/kss10074-001-adsmar2014-generate-conservative-fund.csv>

#### Key personnel

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

Name	Current position	Time in current position	Previous or other position	Time in previous or other position
Sam Goldwater	Portfolio Manager/Investment Committee Member/Executive Director	12 months	Led the investment management of a sizeable portfolio of family assets (previous)	7 years
Henry Tongue	Chief Executive Officer/Investment Committee Member	12 months	Senior Portfolio Manager - Huljich Wealth Management (previous)	4 years
Warren Couillault	Chairman of the Investment Committee/Director	12 months	CEO of Richmond Investment Management (current)	3 years
Peter Brook	Investment Committee Member/Director	12 months	Board Member of Trust Investments Management (current)	9 years
Jonty Edgar	Investment Committee Member	12 months	Managing Director Religare Capital Markets (current)	6 years

#### Further information

##### Electronic disclosure of this information

Most of the information contained in this statement, including some additional information, is available in spreadsheet at:  
<http://www.generatekiwisaver.co.nz/media/5456/kss10074-001-adsmar2014-generate-conservative-fund.csv>

See the Generate KiwiSaver Scheme's Investment Statement for more information which is available at:  
<http://www.generatekiwisaver.co.nz/media/5449/generate-investment-statement-21-08-14.pdf>

#### Notes

1. The date the fund started was 16 April 2013. The return shown is for the period 16 April 2013 to 31 March 2014. It does not represent a full year return.
2. Returns in this statement are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax rate may be lower.
3. The date the fund started was 16 April 2013. This means that the return shown is for the period 16 April 2013 to 31 March 2014. It does not represent a full year return.
4. **Fund fees** are charged as a percentage of a member's interest in the fund (i.e. as a percentage of their KiwiSaver account balance).
5. **Membership fees** are the fixed dollar charges for membership in the Generate KiwiSaver scheme.
6. The Generate KiwiSaver Scheme started on 16 April 2013. The return in this example is based on the returns calculated for the period 16 April 2013 to 31 March 2014.

## Generate KiwiSaver Scheme Conservative Fund

Annual Disclosure Statement

Under the KiwiSaver (Periodic Disclosure) Regulations 2013

### Manager's Certificate

Year End Date: 31 March 2014

The **attached** disclosure statement has been prepared for the purposes of the KiwiSaver (Periodic Disclosure) Regulations 2013 (the Regulations).

To the best of Generate Investment Management Limited's knowledge, after making reasonable inquiry, all information required by the Regulations has been disclosed in accordance with the Regulations and the information presented is accurate.

The disclosure statement does not contain any matter that is likely to deceive or mislead with regard to any particular that would be material to an offer of an interest in the Generate KiwiSaver Scheme.

**Generate Investment Management Limited**



Sam Goldwater  
Executive Director

Date: 23 June 2014