

ASB KiwiSaver Scheme Conservative Fund

Quarterly Disclosure Statement for 1 July 2015 to 30 June 2016.



What is the purpose of this statement?

This statement provides key information about the ASB 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 Conservative Fund aims to provide investors with conservative returns over the medium to long-term, using an index-tracking investment management style for assets other than cash. It invests in a high proportion of diversified income assets (cash and fixed interest) and a low proportion of diversified growth assets (equities).

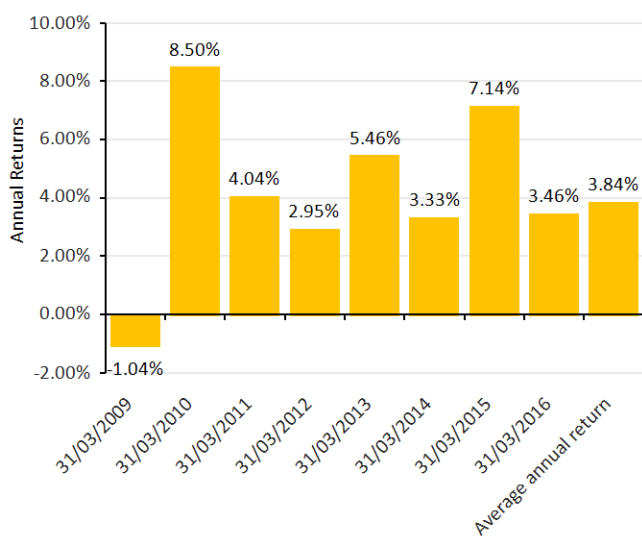
Total value of the fund	\$3,125,480,811
Number of members in the fund	284,185
Date the fund started	02/10/2007

How has the fund performed?

	Past Year
Annual Return (after deductions for fund fees and tax¹)	3.82%

How has the fund performed in the past?

This shows the return after fund fees and tax¹ for each tax year since the fund started and the average annual return since the fund started. It's 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**². These fees were last totalled up for the year to 31 March 2016 and were:

Total fund fees	0.39% of members' investments
Which are made up of:	
Annual management fee	0.39%
Performance-based fees	0.00%
Other fees and costs	0.00%

Members were also charged **membership fees**³ of \$30.00 over the year to 31 March 2016.

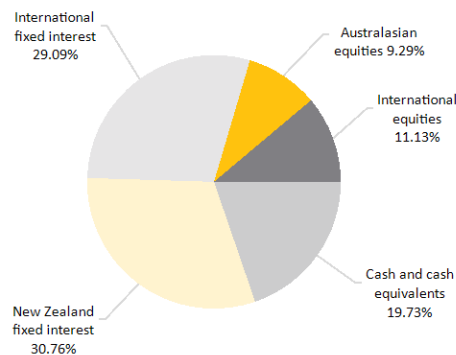
Example of how this applies to a member

Jason had \$10,000 in the fund at the start of the year and didn't make any further contributions. At the end of the year, Jason received a return after fund fees and tax¹ were deducted of \$382.00 (that's 3.82% of his initial \$10,000). Jason also paid \$30.00 in membership fees. This gives Jason a total return of \$352.00 for the year.

What does the fund invest in?

Actual investment mix

This shows the types of assets that the fund invests in⁴.



Target investment mix

This shows the mix of assets that the fund generally intends to invest in⁵.

Cash and cash equivalents	20.00%
New Zealand fixed interest	30.00%
International fixed interest	30.00%
Australasian equities	9.00%
International equities	11.00%
Listed property	0.00%
Unlisted property	0.00%
Other	0.00%

Top 10 Investments

Name	Percentage of fund net assets	Type	Country	Credit rating (if applicable)
1 Westpac Money Market Deposit Account NZD	8.46%	Cash and cash equivalents	New Zealand	
2 Vanguard International Shares Index Fund (Hedged) NZD	5.41%	Fund	Australia	
3 Vanguard International Shares Index Fund	5.08%	Fund	Australia	
4 Certificate of Deposit RCD ASB Bank 09/09/2016	2.46%	Cash and cash equivalents	New Zealand	A-1+
5 New Zealand Government 6 15/05/2021	2.40%	New Zealand fixed interest	New Zealand	AA+
6 Certificate of Deposit RCD ASB Bank 19/08/2016	2.30%	Cash and cash equivalents	New Zealand	A-1+
7 New Zealand Government 5 15/03/2019	2.17%	New Zealand fixed interest	New Zealand	AA+
8 New Zealand Government 6 15/12/2017	2.12%	New Zealand fixed interest	New Zealand	AA+
9 New Zealand Government 5.5 15/04/2023	1.92%	New Zealand fixed interest	New Zealand	AA+
10 ASB Bank Account NZD	1.82%	Cash and cash equivalents	New Zealand	

The top 10 investments make up 34.14% of the fund.

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
1 Jonathan Beale	Investment Committee member	1 year, 11 months	General Manager Wealth, ASB Bank (current position)	2 years
2 Adam Boyd	Investment Committee member	New (less than 1 month)	Executive GM Wealth & Insurance, ASB Bank (current position)	New (less than 1 month)
3 Graeme Edwards	Investment Committee member	4 years, 6 months	General Counsel, ASB Bank (current position)	9 years
4 John Smith	Investment Committee member	5 years	Head of Managed Funds, ASB Bank (current position)	4 years
5 Gavin Walker	Investment Committee Chairman	1 year, 11 months	Chairman, ASB Bank (current position)	4 years, 10 months

Further Information:

Information about conflicts of interest

There have not been any material changes to the nature, or increases in the scale of, the fund's related-party transactions compared with the last quarter. See the ASB KiwiSaver Scheme's annual financial statements for more information about the scheme's related-party transactions. All related-party transactions that occurred during the past three months were on arm's-length terms.

Changes to valuation methods

There have not been changes to the fund's valuation methods in the past three months.

Electronic disclosure of this information

Most of the information contained in this statement, including some additional information, is available in a spreadsheet at [asb.co.nz](https://www.asb.co.nz)

Notes

1. 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.
2. Fund fees are fees charged as a percentage of a member's interest in the fund (i.e. as a percentage of their KiwiSaver account balance). As required by the KiwiSaver (Periodic Disclosure) Regulations 2013, the fund fees shown in this statement are calculated as a percentage of the average net asset value of the fund for the year to 31 March 2016. This differs from the method used to calculate and pay the fund's investment management fee. For more information on the fund's investment management fee, see the ASB KiwiSaver Scheme investment statement.
3. Membership fees are the fixed dollar charges for membership in the KiwiSaver scheme. If you invest in more than one fund, the membership fee is charged proportionately across the ASB KiwiSaver Scheme funds you invest in according to your interest in each fund. ASB Group Investments Limited may waive or reduce the membership fee for any member or group of members. For more information on membership fees, refer to the information on administration fees in the ASB KiwiSaver Scheme investment statement.
4. Cash held for liquidity purposes is included within the asset class to which it relates and not separately identified.
An asset class may have exposure to securities that can also be categorised as a different asset type, as explained below. At 30 June 2016:
 - no New Zealand fixed interest securities are included in the International Fixed Interest asset class;
 - listed property securities comprise approximately 9.17% of the Australasian Equities asset class;
 - listed property securities comprise approximately 3.31% of the International Equities asset class and Australasian equity securities comprise approximately 0.07% of the International Equities asset class.
5. The target investment mix does not take account of cash held for liquidity purposes.
Each asset class (other than cash) aims to closely track the return of a market index or combination of indices.
 - The International Fixed Interest asset class may have exposure to any New Zealand fixed interest securities that are included in a market index for the International Fixed Interest asset class. At 30 June 2016, no New Zealand fixed interest securities are included in a market index for the International Fixed Interest asset class.
 - The Australasian Equities asset class may have exposure to any listed property securities that are included in a market index for the Australasian Equities asset class. At 30 June 2016, listed property securities comprise approximately 9.73% of the market indices for the Australasian Equities asset class.
 - The International Equities asset class may have exposure to any listed property securities and Australasian equity securities that are included in a market index for the International Equities asset class. At 30 June 2016:
 - listed property securities comprise approximately 3.50% of the market index for the International Equities asset class;
 - Australasian equity securities comprise approximately 0.07% of the market index for the International Equities asset class.

For more information, see the ASB KiwiSaver Scheme investment statement. Interests in the Scheme are issued by ASB Group Investments Limited, a wholly owned subsidiary of ASB Bank Limited. Neither ASB Bank Limited nor any other person guarantees the interests in the Scheme.

Manager's Certificate

(Pursuant to regulation 41 of the KiwiSaver (Periodic Disclosure) Regulations 2013 ("Regulations"))

This certificate is given in respect of the attached Quarterly disclosure statement relating to the ASB KiwiSaver Scheme Conservative Fund for the period 1 July 2015 to 30 June 2016 ("Disclosure Statement").

ASB Group Investments Limited certifies that:

- a) the Disclosure Statement has been prepared for the purposes of the Regulations;
- b) to the best of ASB Group Investments 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; and
- c) 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 KiwiSaver scheme.

This certificate is dated Thursday, 21 July 2016.

SIGNED by ASB Group Investments Limited:



Signature of authorised signatory

John Smith

Name of authorised signatory