

Fisher Funds TWO KiwiSaver Scheme Cash Enhanced Fund

Quarterly disclosure statement for 1 April 2015 to 31 March 2016

What is the purpose of this statement?

This statement provides key information about the Fisher Funds TWO KiwiSaver Scheme Cash Enhanced 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

A diversified fund that invests primarily in income assets (cash and fixed interest), with a limited exposure to growth assets (property and trans Tasman and international shares) and, at our discretion, alternative assets and/or derivatives. The objective of the fund is to provide capital protection while generating a modest level of income and capital growth over the long term.

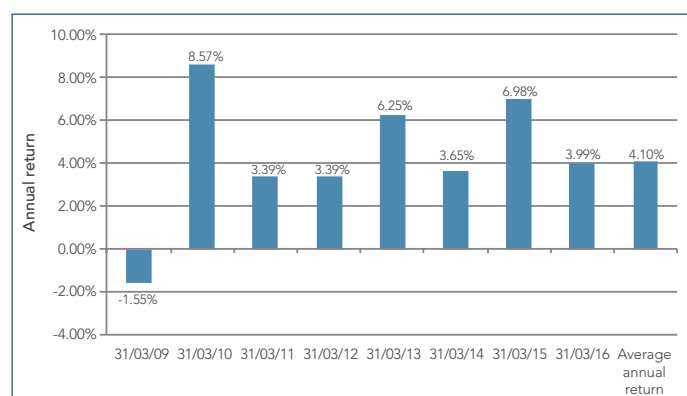
Total value of the fund	\$643,099,752
Number of members in the fund	64,173
Date the fund started	1/10/2007

How has the fund performed?

	Past year
Annual return (after deduction for fund fees and tax ¹)	3.99%

How has the fund performed in the past?

This shows the return after fund fees and tax 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 shown are after deductions for **fund fees**². These fees were last totalled up for the year to 31/03/2015 and were:

Total fund fees	0.56% of members' investments
Which are made up of:	
Annual management fee	0.54%*
Performance-based fees	0.00%
Other fees and costs	0.02%

Members were also charged **membership fees**³ of \$28.32 over the year to 31/03/2015.

Further details of the fees charged can be found in the [Investment Statement](#).

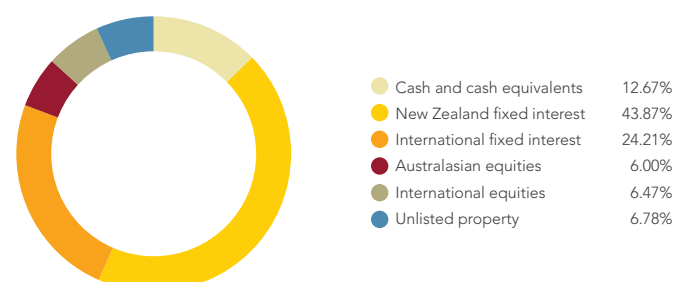
Example of how this applies to a member

Jenny 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, Jenny received a return after fund fees and tax were deducted of \$399 (that's 3.99% of her initial \$10,000). Jenny also paid \$28.32 in membership fees. This gives Jenny a total return of \$370.68 for the year.

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	31.00%
New Zealand fixed interest	19.00%
International fixed interest	29.00%
Australasian equities	6.00%
International equities	8.00%
Listed property	0.00%
Unlisted property	7.00%
Other	0.00%

Top 10 Investments

Name	Percentage of fund net assets	Type	Country	Credit rating (if applicable)
BAYFAIR MALL	4.78%	Unlisted property	New Zealand	
CASH DEPOSIT (ANZ BANK)	3.81%	Cash and cash equivalents	New Zealand	
NZGS 15/03/19 5.00%	3.47%	New Zealand fixed interest	New Zealand	AA+
NZGS 15/04/23 5.50%	3.25%	New Zealand fixed interest	New Zealand	AA+
NZGS 15/04/20 3.00%	3.24%	New Zealand fixed interest	New Zealand	AA+
NZGS 15/05/21 6.00%	2.97%	New Zealand fixed interest	New Zealand	AA+
ASB 03/18 FRN	2.35%	New Zealand fixed interest	New Zealand	AA-
WESTPAC 03/18/FRN	2.12%	New Zealand fixed interest	New Zealand	AA-
AKL INT AIR 4/17 FRN	1.87%	New Zealand fixed interest	New Zealand	A-
RABOBANK 05/16 FRN	1.84%	Cash and cash equivalents	New Zealand	A-

The top 10 investment make up 29.70% 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
Mark Brighthouse	Chief Investment Officer	4 Years, 5 Months	Managing Director, Brook Asset Management	5 years
Murray Brown	Senior Portfolio Manager, NZ Equities	8 Years, 1 Months	Director, Research, First NZ Capital	10 years
Frank Jasper	Director	11 Years, 0 Months	Equity Strategist, ABN Amro Craigs	4 years
David McLeish	Senior Portfolio Manager, Fixed Interest	5 Years, 0 Months	Executive Director, Goldman Sachs International, London	3 years
Brent Buchanan	Head of Property	7 Years, 10 Months	Portfolio Manager, Commercial & Industrial, AMP Capital Management	8 years

Further information

Information about conflicts of interest

There have not been changes to the nature, or increases in the scale of, the fund's related-party transactions compared with the last quarter. See the Fisher Funds TWO KiwiSaver Scheme⁴ annual financial statements for more information about the scheme's related-party transactions.

Changes to the trade allocation, execution and proxy voting policies

There have not been changes to the fund's trade allocation, execution and proxy voting policies in the past three months. See www.fisherfunds.co.nz/how-to-invest/trading-and-proxy-voting-policies for more information about these policies.

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 www.ff2kiwisaver.co.nz/assets/Documents/periodicreporting/Cash-Enhanced-Fund-Quarterly-Data-File-March-2016.csv.

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).
- ³ Membership fees are the fixed dollar charges for membership in the KiwiSaver Scheme.
- ⁴ Please note that up to 28 January 2014 the Scheme was known as the TOWER KiwiSaver Scheme.
- * The management fee for the Fisher Funds TWO KiwiSaver Cash Enhanced Fund is 0.56% p.a., calculated daily. The KiwiSaver Periodic Reporting Regulations specify that the management fee calculation used in the Annual Disclosure Statement is the total management fees paid in the year/average net asset value for the year. The regulations stipulate that the average is to be calculated using the 12 month end net asset values over the period, i.e. the first value is as at 30 April of the previous year, with the last value being 31 March of the current year. Where there is growth in the net asset value from 1 April to 30 April, as was the case in April 2014, this methodology creates a small understatement of the management fee for the purposes of KiwiSaver Periodic reporting.

Manager's certificate — Fisher Funds TWO KiwiSaver Scheme

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

To the best of our knowledge, after making reasonable enquiry, all information required by the regulations has been disclosed in accordance with these regulations and the information presented is accurate.

This 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 Fisher Funds TWO KiwiSaver Scheme.



Carmel Fisher | Director, Fisher Funds Management Limited
20 April 2016