

Fisher Funds TWO KiwiSaver Scheme Preservation Fund

Annual 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 Preservation 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 fund that invests primarily in cash and short-term New Zealand securities such as 90-day bank bills, with a total portfolio duration not exceeding 6 months. The aim of the fund is to provide capital protection while providing a return that exceeds the S&P/NZX 90 Day Bank Bill Index over the long term.

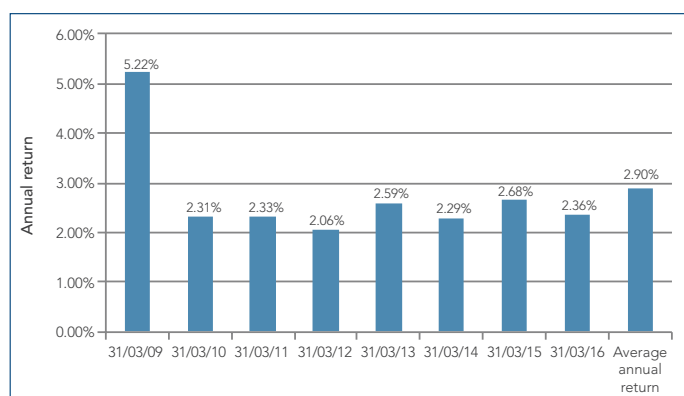
Total value of the fund	\$26,648,000
Number of members in the fund	2,151
Date the fund started	1/10/2007

How has the fund performed?

	Past 5 years	Past year
Annual return (after deduction for fund fees and tax ¹)	2.39%	2.36%

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 31/03/2016 and were:

Total fund fees	0.65% of members' investments
Which are made up of:	
Annual management fee	0.48%
Performance-based fees	0.00%
Other fees and costs	0.17%

Members were also charged **membership fees**³ of \$28.32 over the year to 31/03/2016.

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

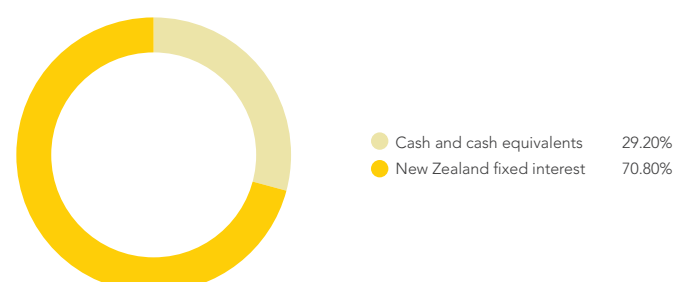
Example of how this applies to a member

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 \$236 (that's 2.36% of her initial \$10,000). Jenny also paid \$28.32 in membership fees. This gives Jenny a total return of \$207.68 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	50.00%
New Zealand fixed interest	50.00%
International fixed interest	0.00%
Australasian equities	0.00%
International equities	0.00%
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)
ASB 03/18 FRN	7.47%	New Zealand fixed interest	New Zealand	AA-
WESTPAC 03/18/FRN	6.74%	New Zealand fixed interest	New Zealand	AA-
CASH DEPOSIT (ANZ BANK)	6.27%	Cash and cash equivalents	New Zealand	
AKL INT AIR 4/17 FRN	5.94%	New Zealand fixed interest	New Zealand	A-
RABOBANK 05/16 FRN	5.86%	Cash and cash equivalents	New Zealand	A
WESTPAC 10/17 FRN	5.69%	New Zealand fixed interest	New Zealand	AA-
FONTERRA FRN 24/X/17	5.53%	New Zealand fixed interest	New Zealand	A-
WESTPAC 07/17 FRN	4.59%	New Zealand fixed interest	New Zealand	AA-
ASB 08/18 FRN	4.18%	New Zealand fixed interest	New Zealand	AA-
KIWIBANK 11/17 FRN	3.83%	New Zealand fixed interest	New Zealand	A+

The top 10 investments make up 56.10% of the fund.

See www.ff2kiwisaver.co.nz/assets/Documents/periodicreporting/Preservation-Fund-Annual-Data-File-2016.csv for a full list.

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
David McLeish	Senior Portfolio Manager, Fixed Interest	5 Years, 0 Months	Executive Director, Goldman Sachs International, London	3 years

As a single asset class fund the Preservation Fund requires only 2 key personnel.

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/Preservation-Fund-Annual-Data-File-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.

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

22 June 2016