

Quarterly Disclosure Statement for 1 July 2015 – 30 June 2016

What is the purpose of this statement?

This statement provides key information about the Milford KiwiSaver Plan ('Plan') - Milford KiwiSaver Conservative Fund ('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 Fund's objective is to provide consistent returns with relatively low levels of risk. It is expected to predominately hold a diversified mix of income orientated investments which will include growth assets, and take an active approach to sector and security selection.

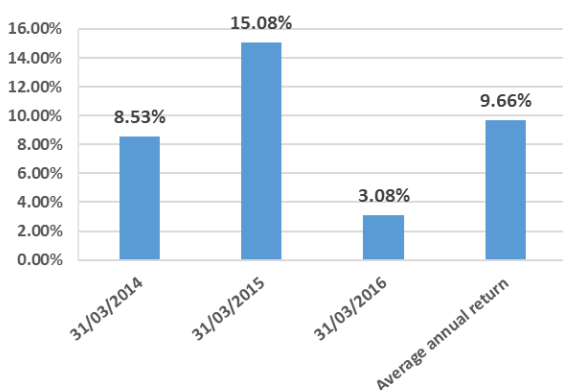
Total value of the Fund	\$24,175,947
Number of members in the Fund	960
Date the Fund started	1 October 2012

How has the Fund performed?

	Past year
Annual Return (after deductions for fund fees and tax ¹)	5.05%

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 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	0.96% of members' investments
<i>Which are made up of:</i>	
Annual management fee ³	0.95%
Performance-based fees	0.00%
Other fees and costs ⁴	0.01%

Members were also charged **membership fees**⁵ of \$36 over the year to 31 March 2016.

See www.milfordasset.com/investing/kiwisaver/fees/ for more information about these fees.

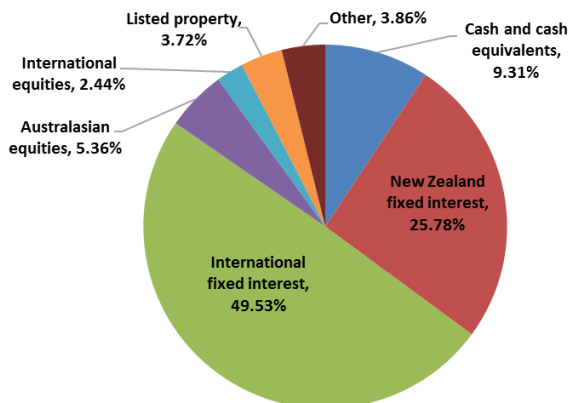
Example of how this applies to a member

Mr Smith 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, Mr Smith received a return after fund fees and tax were deducted of \$505 (that's 5.05% of his initial \$10,000). Mr Smith also paid \$36 in membership fees. This gives Mr Smith a total return of \$469 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	5.00%
New Zealand fixed interest	40.00%
International fixed interest	40.00%
Australasian equities	7.00%
International equities	8.00%
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	New Zealand Cash Current Account (NAB Bank)	6.02%	Cash and cash equivalents	New Zealand	
2	BZLNZ 4.102% 15/06/2023	2.91%	New Zealand fixed interest	New Zealand	AA-
3	NZGB 5.5% 15/04/2023	2.58%	New Zealand fixed interest	New Zealand	AA+
4	CBA FRN +265bps 03/06/2026	2.55%	International fixed interest	Australia	BBB+
5	NZGB 6% 15/05/2021	1.91%	New Zealand fixed interest	New Zealand	AA+
6	WSTP FLOAT 10/03/2026	1.83%	International fixed interest	Australia	BBB+
7	ANVAU 5.75% 17/03/2076	1.65%	International fixed interest	Australia	BBB
8	ANZNZ 5.28 10/29/49	1.56%	New Zealand fixed interest	New Zealand	BBB+
9	IFTNZ 4.25% 12/05/2023	1.44%	New Zealand fixed interest	New Zealand	Unrated
10	NZLGFA 5.5 15/04/23	1.41%	New Zealand fixed interest	New Zealand	AA+

The top 10 investments make up 23.86% 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
David Lewis	Portfolio Manager	2 years, 7 months	Senior Investment Analyst at Milford Asset Management Limited, New Zealand	9 months
Jonathan Windust	Portfolio Manager	8 years, 3 months	Investment Director at Gartmore Investment Management, United Kingdom	7 years
Brian Gaynor	Executive Director, Portfolio Manager	12 years, 9 months	Director and Chairman of the Manager Selection Committee at the Guardian of the NZ Superannuation Fund, New Zealand	2 years
Paul Morris	Senior Analyst	5 months	Head of Portfolio Strategy and Fixed Income at Macquarie Private Wealth, New Zealand	4 years, 6 months

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 Milford KiwiSaver Plan annual financial statements for more information about the Plan'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. For more information, see [Milford's trading and voting 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 the [Milford KiwiSaver Plan Conservative Fund data file](#).

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 From 1 September 2015 the Fund lowered its capped management fee to 0.95%

⁴ We have estimated management fees charged by underlying funds into which the Fund invests. The estimate is based on the Fund's monthly average investment in the underlying funds concerned, multiplied by the underlying fund's monthly average annual management fee. Cash flow timings are assumed to be constant within the 12-month period.

⁵ Membership fees are the fixed dollar charges for membership in the Milford KiwiSaver Plan.



CERTIFICATE IN RESPECT OF THIS QUARTERLY DISCLOSURE STATEMENT

(pursuant to Regulation 41 of the KiwiSaver (Periodic Disclosure) Regulations 2013)

Milford Funds Limited, as manager of the Milford KiwiSaver Plan and the Milford KiwiSaver Conservative Fund, certifies that:

- (a) this disclosure statement has been prepared for the purposes of the KiwiSaver (Periodic Disclosure) Regulations 2013 (**Regulations**);
- (b) to the best of our 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;
- (c) 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 Milford KiwiSaver Plan.

Signed for on behalf of the manager,
Milford Funds Limited.

Bryce Marsden
Director
13 July 2016