



This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for the past 5 years. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

The principal types of risks applying to the fund that could affect an investment and the fund's returns are the risks associated with the:

- assets in which the fund invests;
- active investment management of the fund;
- performance of other parties involved in the fund, or with whom a contract is entered into on behalf of the fund; and
- rules applying to the fund changing.

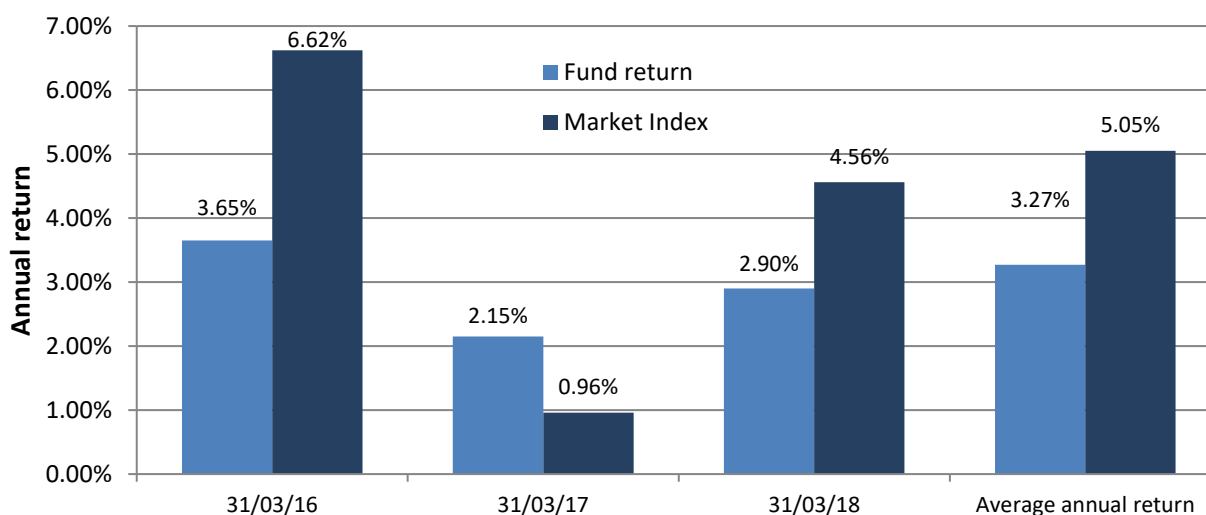
Other than circumstances that are already reflected in the risk indicator, the Manager is not aware of any circumstances that exist (or are likely to arise) that significantly increase the risk to returns for investors.

### How has the fund performed?

	Past year
<b>Annual return</b> <i>(after deductions for charges and tax)</i>	2.78%
<b>Annual return</b> <i>(after deductions for charges but before tax)</i>	3.88%
Market index annual return <i>(reflects no deduction for charges and tax)</i>	4.23%

The market index return is the return of the S&P NZX New Zealand Government Bond Index in New Zealand dollars (NZD). Additional information about the market index is available in the Statement of Investment Policy and Objectives on the Disclose register at: <http://www.companiesoffice.govt.nz/disclose>.

### Annual return graph



This shows the return after fund charges and tax for each year ending 31 March since the fund started. The last bar shows the average annual return since the fund started, up to 30 June 2018.

**Important:** This does not tell you how the fund will perform in the future.

Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

Note that market indices reflect no deduction for charges and tax.

### What fees are investors charged?

Investors in the Kiwi Wealth Fixed Interest Fund are charged fund charges. In the year to 31 March 2018 these were:

	% of net asset value
<b>Total fund charges</b>	<b>0.01%</b>
<i>Which are made up of -</i>	
<b>Total management and administration charges</b>	<b>0.01%</b>
Including -	
Manager's basic fee	0.00%
Other management and administration charges	0.01%
<b>Total performance-based fees</b>	<b>0.00%</b>
	<b>Dollar amount per investor</b>
<b>Other charges</b>	<b>\$0.00</b>

Investors are not charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds).

Small differences in fees and charges can have a big impact on your investment over the long term.

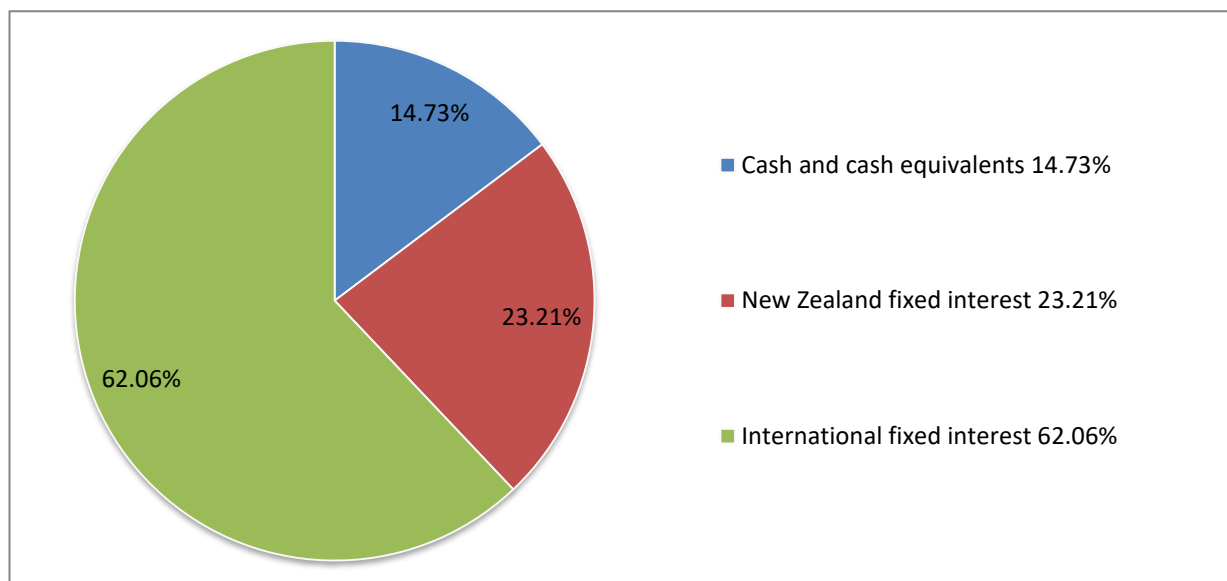
### Example of how this applies to an investor

Alice had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Alice received a return after fund charges were deducted of \$278 (that is 2.78% of her initial \$10,000). Alice also paid \$0.00 in other charges. This gives Alice a total return after tax of \$278 for the year.

### What does the fund invest in?

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

#### Actual investment mix



### Target investment mix

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

Cash and cash equivalents	0.00%
New Zealand fixed interest	100.00%
International fixed interest	0.00%
Australasian equities	0.00%
International equities	0.00%
Listed property	0.00%
Unlisted property	0.00%
Commodities	0.00%
Other	0.00%

### Top 10 investments

	Name	Country	Type	Credit rating (if applicable)	Percentage of fund net assets
1	KBN Norway Bond due 14/05/2021	Norway	International fixed interest	AAA	4.54%
2	Landwirtschaftliche Rentenbank 23/04/24	Germany	International fixed interest	AAA	4.51%
3	Westpac NZD Account	New Zealand	Cash and cash equivalents	AA-	3.41%
4	World Bank (IBRD) 4.625% 06/10/2021	United States	International fixed interest	AAA	3.02%
5	Kreditanstalt fuer Wiederaufbau 07/03/2023	Germany	International fixed interest	AAA	2.92%
6	PIMCO Global Bond Fund	Ireland	International fixed interest	AA-	2.29%
7	Svenska Handelsbanken AB 10/04/2019	Sweden	International fixed interest	AA	1.99%
8	International Bank for Reconstruction & Development 02/02/2023	United States	International fixed interest	AAA	1.83%
9	Asian Development Bank 17/01/2023	Japan	International fixed interest	AAA	1.45%
10	Kommunalbanken AS 14/02/2024	Norway	International fixed interest	AAA	1.26%

The top 10 investments make up 27.22% of the fund.

### Currency hedging

The Investment Manager actively manages currency risk. The New Zealand dollar exposure target for the fund is 100%, although the Investment Manager may vary from the target level. The maximum effective hedge ratio for foreign assets is 100% and the minimum is 0% although the Investment Manager typically expects this range to be closer to 100%.

## Key personnel

This shows the 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
Simon O'Grady	Chief Investment Officer - Kiwi Wealth Investments Limited Partnership	5 years and 8 months	Head of Investment Strategy - Suncorp Investment Management	5 years
Diana Gordon	Head of Fixed Interest - Kiwi Wealth Investments Limited Partnership	5 years and 10 months	Senior High Yield Portfolio Manager, - Goldman Sachs Asset Management, New York	10 years and 10 months
Greg Hayton	Cash Portfolio Manager & Senior Fixed Income Trader - Kiwi Wealth Investments Limited Partnership	8 years and 8 months	Portfolio Administrator - Kiwi Wealth Investments Limited Partnership	1 year and 6 months
Rob Murray	Fixed Interest Credit Analyst - Kiwi Wealth Investments Limited Partnership	1 year and 11 months	Vice President (Credit Analyst) - MV Credit	7 years

## Further information

You can also obtain this information from the Manager using the contact details below.

## Notes

1. Market index returns as well as the fund's actual returns have been used to fill in the risk indicator, as this fund has not yet been in operation for five years. Market index returns have been used from 31 January 2013 until 31 December 2014 and actual returns after that. As a result of those returns being used, the risk indicator may provide a less reliable indicator of the potential future volatility of the fund.