

Quarterly Disclosure Statement for the 12 months ended 31 December 2013

Generate KiwiSaver Scheme

Focused Growth Fund

What is the purpose of this statement?

This statement provides key information about the Generate KiwiSaver Scheme Focused Growth 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 objective of the Focused Growth Fund is to provide a higher growth investment return for members over the medium to long term through investment in a portfolio of actively managed cash, property, infrastructure assets and international equities managers.

Total value of the fund	\$1,326,756.83
Number of members in the fund	550
Date the fund started	16 April 2013

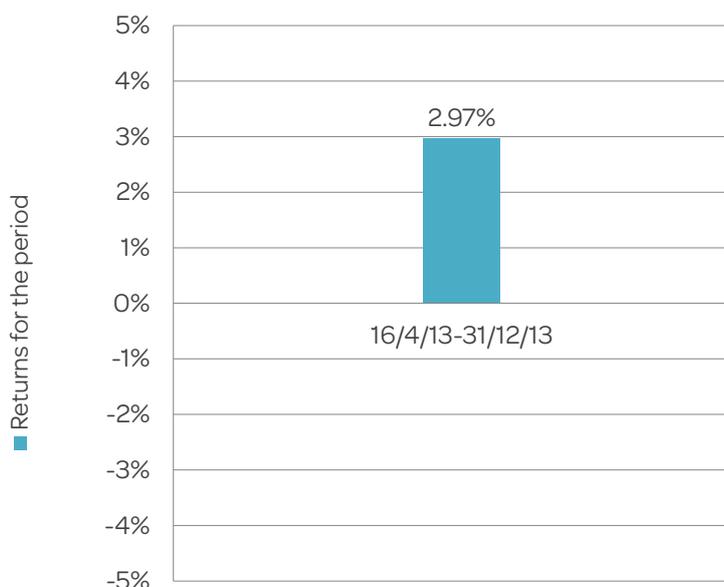
How has the fund performed?

	Past period (16 April to 31 December 2013)
Return ¹ (after deductions for fund fees and tax ²)	2.97%

The figure above represents the return from the Fund's inception on 16 April to 31 December 2013.

How has the fund performed in the past?

The fund has not been in existence for a full tax year. Therefore the graph shows only the return since the fund started.³ It is 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**.⁴ Members were also charged **membership fees**.⁵

No **fund fees** or **membership fees** were charged in the period to 31 March 2013 because the fund started on 16 April 2013.⁶

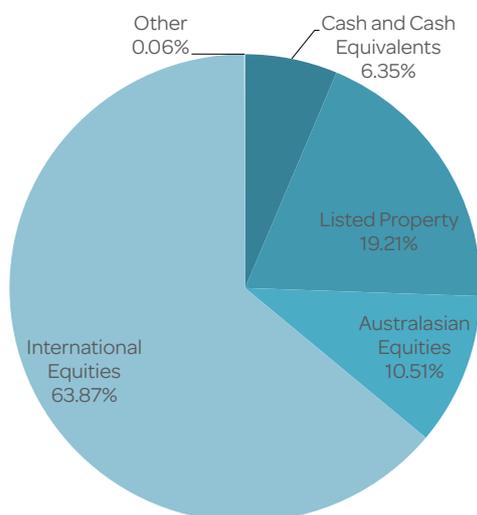
Example of how this applies to a member

Sarah had \$10,000 in the fund at the start of the period commencing 16 April 2013 and didn't make any further contributions. At the end of the period, Sarah received a return after fund fees and tax were deducted of \$297 (that's 2.97% of her initial \$10,000). Sarah paid no membership fees. This gives Sarah a total return of \$297 for the period.⁷

What does the fund invest in?

Actual investment mix

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



In the graph above "Other" consists of the value of foreign exchange hedging derivatives related to the international equities investments.

Target investment mix

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

Cash and cash equivalents	5%
New Zealand fixed interest	0%
International fixed interest	0%
Australasian equities	18.75%
International equities	57.5%
Listed property	18.75%
Unlisted property	0%
Other	0%

Top 10 investments

Name	Percentage of fund net assets	Type	Country	Credit rating (if applicable)
Magellan Global Fund	9.70%	Fund	Australia	
T Rowe Price Global Equity Fund	8.68%	Fund	Australia	
The City of London Investment Trust	8.10%	Fund	United Kingdom	
Berkshire Hathaway	7.76%	International equities	United States of America	
Platinum International Brands Fund	7.65%	Fund	Australia	
Worldwide Healthcare Trust	5.36%	Fund	United Kingdom	
Montanaro UK Smaller Companies Investment Trust	5.24%	Fund	United Kingdom	
Jupiter European Opportunities Trust	4.29%	Fund	United Kingdom	
ANZ on call bank account	3.89%	Cash and cash equivalents	New Zealand	
DNZ Property Fund	3.82%	Australasian equities	New Zealand	

The top 10 investments make up 64.49% 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
Sam Goldwater	Portfolio Manager/Investment Committee Member/Executive Director	9 months	Led the investment management of a sizeable portfolio of family assets (previous)	7 years
Henry Tongue	Chief Executive Officer/Investment Committee Member	9 months	Senior Portfolio Manager - Huljich Wealth Management (previous)	4 years
Warren Couillault	Chairman of the Investment Committee/Director	9 months	CEO of Richmond Investment Management (current)	3 years
Peter Brook	Investment Committee Member/Director	9 months	Board Member of Trust Investments Management (current)	9 years
Jonty Edgar	Investment Committee Member	9 months	Managing Director Religare Capital Markets (current)	6 years

Further information

Information about conflicts of interest

There have been changes to the nature, or increases in the scale of the fund's related party transactions compared with the last quarter. During the quarter, the fund has increased its investment in Argosy Property Ltd. Peter Brook is a director of Generate Investment Management Limited and Argosy Property Limited. These transactions were on arm's-length terms. See the Generate KiwiSaver Scheme annual financial statements for more information about the Scheme's related party transactions.⁹

Changes to trade allocation, execution and proxy voting policies

As the Fund does not have any trade allocation, execution or proxy voting policies this section is not applicable.

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 <http://www.generatekiwisaver.co.nz/media/5307/kss10074-003-qdsdec2013-generate-focused-growth-fund.csv>

See the Generate KiwiSaver Scheme's Investment Statement for more information which is available at: www.generatekiwisaver.co.nz/media/5208/generate-kiwisaver-scheme-investment-statement-02.07.13-final-.pdf

Notes

1. The date the fund started was 16 April 2013. The return shown is for the period 16 April 2013 to 31 December 2013. It does not represent a full year return.
2. 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.
3. The date the fund started was 16 April 2013. This means that the return shown is for the period 16 April 2013 to 31 December 2013. It does not represent a full year return.

4. **Fund fees** are charged as a percentage of a member's interest in the fund (i.e. as a percentage of their KiwiSaver account balance).
5. **Membership fees** are the fixed dollar charges for membership in the KiwiSaver scheme.
6. See www.generatekiwisaver.co.nz/about-us/our-fee-structures for information about the Scheme's fees.
7. The Generate KiwiSaver Scheme started on 16 April 2013. The return in this example is based on the returns calculated for the period 16 April 2013 to 31 December 2013. Because for this purpose **membership fees** are calculated as at 31 March 2013, no **membership fees** were paid up to 31 March 2013.
8. The first annual financial statements for the Generate KiwiSaver Scheme will be issued for the period ended 31 March 2014. These are expected to be publicly available in August/September 2014.

Generate KiwiSaver Scheme
Focused Growth Fund

Quarterly Disclosure Statement

Under the KiwiSaver (Periodic Disclosure) Regulations 2013

Manager's Certificate

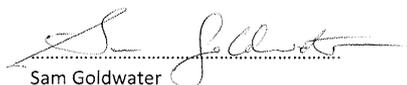
Quarter End Date: 31 December 2013

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

To the best of Generate Investment Management 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.

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 Generate KiwiSaver Scheme.

Generate Investment Management Limited



Sam Goldwater

Executive Director

Date: 15 January 2014