

Annual Disclosure Statement for the 12 months ended 31 March 2014 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 and infrastructure assets and international equities managers.

Total value of the fund	\$3,130,848.71
Number of members in the fund	1,022
Date the fund started	16 April 2013

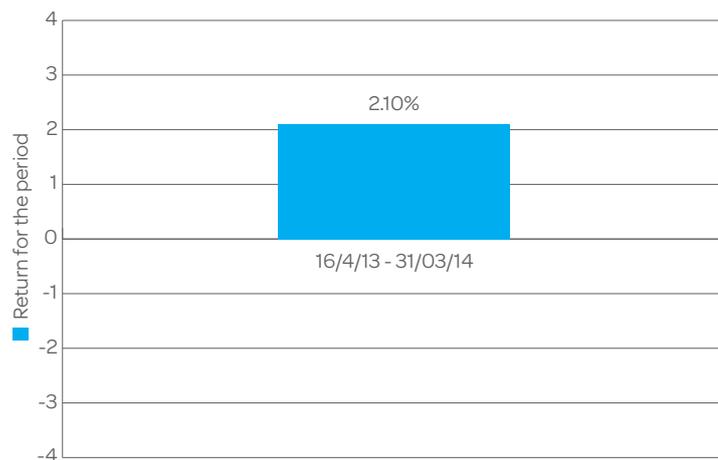
How has the fund performed?

	Past five Years	Past period (16 April 2013 to 31 March 2014)
Return ¹ (after deductions for fund fees and tax ²)	N/A	2.10%

The figure above represents the return from the Fund's inception on 16 April 2013 to 31 March 2014.

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 Over the past year these were:

Total fund fees 1.63% of members' investments

Which are made up of:

Annual management fee 1.00%

Performance-based fees 0.00%

Other fees and costs⁵ 0.63%

Members were also charged **membership fees**⁶ of \$36 over the year.

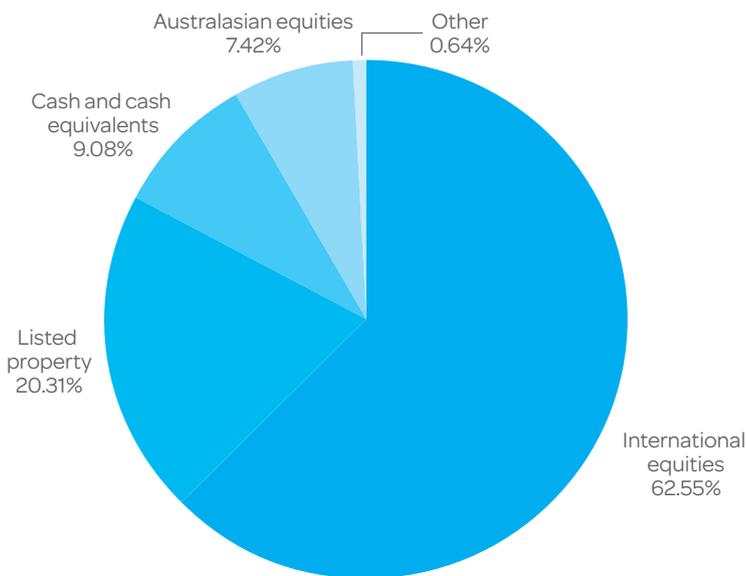
Example of how this applies to a member

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 \$210 (that's 2.10% of her initial \$10,000). Sarah also paid \$36 in membership fees. This gives Sarah a total return of \$174 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 below "Other" consists of the value of foreign exchange hedging derivatives related to the international equities and Australasian 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%
Australasian equities	18.75%
International equities	57.50%
Listed property	18.75%
Other	0%
Unlisted property	0%
Other	0%

Top 10 investments

Name	Percentage of fund net assets	Type	Country	Credit rating (if applicable)
T Rowe Price Global Equity Fund	9.94%	Fund	Australia	
ANZ on call bank account	9.03%	Cash and cash equivalents	New Zealand	
Worldwide Healthcare Trust PLC	8.49%	Fund	United Kingdom	
Magellan Global Fund	8.42%	Fund	Australia	
Polar Capital Technology Trust plc	8.27%	Fund	United Kingdom	
Berkshire Hathaway Inc	7.73%	International equities	United States of America	
Platinum International Brands Fund	7.52%	Fund	Australia	
The City of London Investment Trust plc	4.19%	Fund	United Kingdom	
Montanaro UK Smaller Companies Investment Trust plc	4.03%	Fund	United Kingdom	
Dexus Property Group	3.67%	Listed property	Australia	

The top 10 investments make up 71.29% of the fund. For a full list see:

<http://www.generatekiwisaver.co.nz/media/5458/kss10074-003-adsmar2014-generate-focused-growth-fund.csv>

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	12 months	Led the investment management of a sizeable portfolio of family assets (previous)	7 years
Henry Tongue	Chief Executive Officer/Investment Committee Member	12 months	Senior Portfolio Manager - Huljich Wealth Management (previous)	4 years
Warren Couillault	Chairman of the Investment Committee/Director	12 months	CEO of Richmond Investment Management (current)	3 years
Peter Brook	Investment Committee Member/Director	12 months	Board Member of Trust Investments Management (current)	9 years
Jonty Edgar	Investment Committee Member	12 months	Managing Director Religare Capital Markets (current)	6 years

Further information

Electronic disclosure of this information

Most of the information contained in this statement, including some additional information, is available in spreadsheet at:

<http://www.generatekiwisaver.co.nz/media/5458/kss10074-003-adsmar2014-generate-focused-growth-fund.csv>

See the Generate KiwiSaver Scheme's Investment Statement for more information which is available at:

<http://www.generatekiwisaver.co.nz/media/5449/generate-investment-statement-21-08-14.pdf>

Notes

- The date the fund started was 16 April 2013. The return shown is for the period 16 April 2013 to 31 March 2014. It does not represent a full year return.
- 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.
- The date the fund started was 16 April 2013. This means that the return shown is for the period 16 April 2013 to 31 March 2014. It does not represent a full year return.
- 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).
- Other fees and costs comprise: (a) operating costs directly incurred by the fund; and (b) annual management fees, performance-based fees and operating costs incurred by underlying funds the Fund invests into. Estimates were used when deriving annual management fees, performance-based fees and operating costs incurred by the underlying funds that the Fund invests into. The management fee estimate is based on the Fund's average monthly investment in the underlying funds concerned multiplied by the relevant underlying fund's average annual management fee. Where otherwise not available the performance fees were calculated for the period using the same performance criteria as that published in product disclosure statements or annual reports supplied by the underlying fund managers. As above, the fee was calculated according to the Fund's average monthly investments in the underlying funds. Performance-based fees are subject to market movements and external manager performance and therefore are likely to differ from period to period. For some of the underlying funds the operating costs for the period were not available. In this instance the operating costs as a percentage of NAV from the most recent period in which the data was available were used in the calculations for this period. Again, the fee was calculated according to the Fund's average monthly investments in the underlying funds.
- Membership fees are the fixed dollar charges for membership in the Generate KiwiSaver scheme.
- 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 March 2014.

Generate KiwiSaver Scheme Focused Growth Fund

Annual Disclosure Statement

Under the KiwiSaver (Periodic Disclosure) Regulations 2013

Manager's Certificate

Year End Date: 31 March 2014

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: 23 June 2014