

Quarterly Disclosure Statement for period 1 July 2014 to 30 September 2014

Grosvenor KiwiSaver Scheme Asset Class Conservative Fund

What is the purpose of this statement?

This statement provides key information about the **Grosvenor KiwiSaver Scheme Asset Class Conservative 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 Asset Class Conservative Fund aims to provide savers with a relatively consistent investment performance, with the opportunity to enhance the overall return through a modest degree of capital gains over the long-term. It aims to achieve a rate of return (net of fees but before tax) of at least 2.5% per annum above inflation (as measured by Statistics New Zealand's Consumer Price Index) over rolling five year periods.

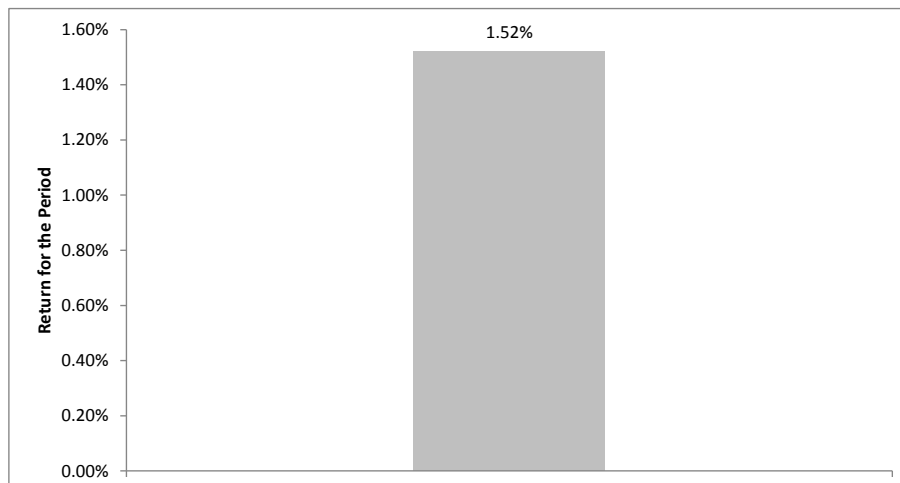
| | |
|-------------------------------|-------------|
| Total value of the fund | \$653,652 |
| Number of members in the fund | 37 |
| Date the fund started | 1 July 2014 |

How has the fund performed?

| | Past period (1 July to 30 September 2014) |
|---|--|
| Return (after deductions for fund fees and tax ¹) | 1.52% |

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 to the end of the disclosure statement period being 1 July 2014 to 30 September 2014. The return is after fund fees and tax². 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**³. These fees were last totalled up for the three month period to 30 September 2014 and were:

| | |
|------------------------------------|--------------------------------------|
| Total fund fees⁴ | 0.18% of members' investments |
| Which are made up of: | |
| Annual management fee | 0.16% |
| Performance-based fees | 0.00% |
| Other fees and costs | 0.02% |

Members were also charged **membership fees**⁵ of \$9.00 for the three month period to 30 September 2014⁶.

Members may also be charged fees for specific actions or decisions (e.g. account closure fee).

See <http://www.grosvenorkiwisaver.co.nz/media/9349/gks-is-sept2014-final-web.pdf> for more information about these fees.

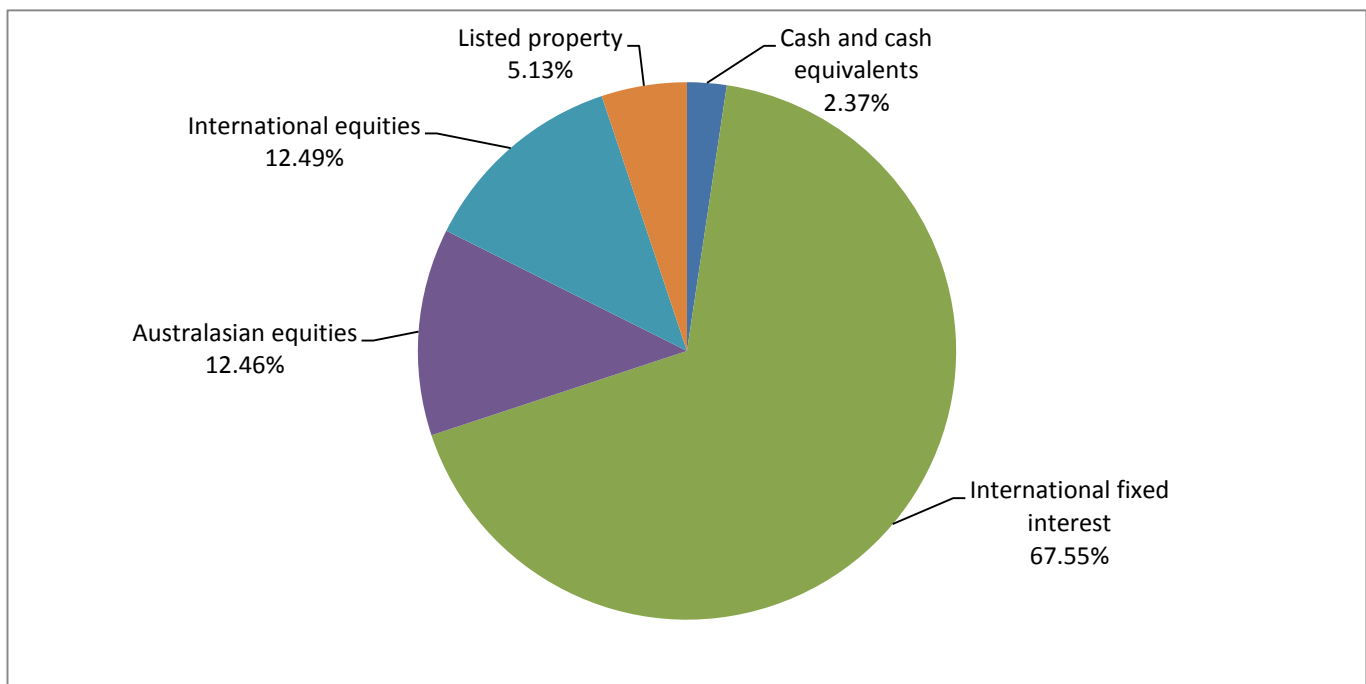
Example of how this applies to a member

Mr Smith had \$10,000 in the fund at the start of the period commencing 1 July 2014 and didn't make any further contributions. At the end of the period, Mr Smith received a return after fund fees and tax were deducted of \$152 (that's 1.52% of his initial \$10,000). Mr Smith also paid \$9.00 in membership fees. This gives Mr Smith a total return of \$143 for the end of the three month period to 30 September 2014.

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 | 32.50% |
| International fixed interest | 32.50% |
| Australasian equities | 12.50% |
| International equities | 12.50% |
| Listed Property | 5.00% |

Top 10 investments

| | Name | Percentage of fund net assets | Type | Country | Credit rating (if applicable) |
|----|---|-------------------------------|---------------------------|-------------|-------------------------------|
| 1 | Dimensional Five Year Diversified Fixed Interest Trust NZD Hedged Class | 42.19% | Fund | Australia | |
| 2 | Dimensional Global Bond Trust NZD Hedged Class | 25.36% | Fund | Australia | |
| 3 | Dimensional Australian Core Equity Trust | 7.51% | Fund | Australia | |
| 4 | Dimensional Global Core Equity Trust NZD Hedged Class | 6.24% | Fund | Australia | |
| 5 | Dimensional Global Real Estate Trust | 5.13% | Fund | Australia | |
| 6 | NZ Core Equity Trust | 4.95% | Fund | New Zealand | |
| 7 | Dimensional Global Core Equity Trust | 3.78% | Fund | Australia | |
| 8 | Dimensional Emerging Markets Trust | 2.47% | Fund | Australia | |
| 9 | Cash deposit (ANZ) | 2.04% | Cash and cash equivalents | New Zealand | AA- |
| 10 | Cash deposit (ASB) | 0.33% | Cash and cash equivalents | New Zealand | AA- |

The top 10 investments make up 100.00% 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 |
|------------------|--|--------------------------|--|------------------------------------|
| Nicholas Stewart | Executive Director, Stewart Financial Group Limited | 12 years, 4 months | Wealth Manager, Stewart Financial Group Limited | 1 year, 9 months |
| Don Stewart | Executive Director, Stewart Financial Group Limited | 27 years, 9 months | Financial Adviser, National Mutual Limited | 13 years, 8 months |
| Graham Lennon | Director and Head of International Portfolio Management, DFA Australia Limited | 5 years, 1 month | Senior Portfolio Manager and Vice President, DFA Australia Limited | 3 years, 3 months |
| Jed Fogdall | Co-Head of Portfolio Management and Vice President, Dimensional Fund Advisors | 2 years, 8 months | Portfolio Manager, Dimensional Fund Advisors | 7 years, 5 months |
| Joseph Chi | Co-Head of Portfolio Management and Vice President, Dimensional Fund Advisors | 2 years, 8 months | Portfolio Manager, Dimensional Fund Advisors | 6 years, 5 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 over the past three months. See the Grosvenor KiwiSaver Scheme's annual financial statements for more information about the scheme's related-party transactions.

Changes to trade allocation, execution and proxy voting policies

There have not been changes to the fund's proxy voting policy in the past three months.

See <http://www.grosvenorkiwisaver.co.nz/media/11306/proxy-vote-philosophy.pdf> for more information about this policy.

The fund does not have trade allocation and execution 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

<http://www.grosvenorkiwisaver.co.nz/media/11294/kss10026-013-qdssep2014-accfund.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. The fund first starting accepting contributions on 1 July 2014. Therefore the Past Period Return is for the period 1 July to 30 September 2014.
2. The fund first started accepting contributions on 1 July 2014. Therefore the Return is for the period 1 July to 30 September 2014.
3. 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).
4. The basis for calculating Total Fund Fees for the purpose of this disclosure statement is materially different to how Total Fund Fees are meant to be calculated in accordance with the KiwiSaver (Periodic Disclosure) Regulations 2009. As the fund first starting accepting contributions on 1 July 2014, the fund fees disclosed are based on fund fees charged during the period 1 July to 30 September 2014 instead of a 12 month period. The fund's actual Annual Management Fee as disclosed in the Investment Statement, is 1.19% p.a. calculated daily as a percentage of the net asset value of the fund and deducted each month.
5. Membership fees are the fixed dollar charges for membership in the KiwiSaver scheme.
6. The basis for calculating Membership fees for the purpose of this disclosure statement is materially different to how Membership fees are meant to be calculated in accordance with the KiwiSaver (Periodic Disclosure) Regulations 2009. As the fund first starting accepting contributions on 1 July 2014, the Membership fees disclosed are based on fees charged during the period 1 July to 30 September 2014 instead of a 12 month period.

Manager's certificate

In accordance with Regulation 41 of the KiwiSaver (Periodic Disclosure) Regulations 2013, Grosvenor Investment Management Limited certifies that:

1. the disclosure statement has been prepared for the purposes of the regulations;
2. to the best of its 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; and
3. 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 Grosvenor KiwiSaver Scheme.

On behalf of Grosvenor Investment Management Limited

A handwritten signature in black ink, appearing to read 'D Beattie', written over a faint rectangular stamp.

David Beattie
Authorised Signatory

21 October 2014