

NEW ZEALAND DEFENCE FORCE KIWISAVER SCHEME

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2016

NEW ZEALAND DEFENCE FORCE KIWISAVER SCHEME
Financial Statements
For the period ended 31 March 2016

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Independent Auditors' Report

to the members of the New Zealand Defence Force KiwiSaver Scheme (“the Scheme”) comprising the following Funds (“the Funds”):

- Cash
- Conservative
- Moderate
- Balanced
- Growth
- High Growth
- Shares

Report on the Financial Statements

We have audited the financial statements of the New Zealand Defence Force KiwiSaver Scheme (“the Scheme”) comprising the Cash, Conservative, Moderate, Balanced, Growth, High Growth and Shares (“the Funds”) on pages 3 to 24, which comprise the statements of net assets as at 31 March 2016, the statements of changes in net assets and the statements of cash flows for the period then ended, and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information.

Manager's Responsibility for the Financial Statements

The Scheme's Manager is responsible for the preparation and fair presentation of these financial statements in accordance with New Zealand equivalents to International Financial Reporting Standards and for such internal controls as the Manager determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). These standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider the internal controls relevant to the Manager's preparation and fair presentation of the financial statements of the Funds and the Scheme, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Manager's internal control over the Funds and the Scheme. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We are independent of the Funds and the Scheme. Our firm carries out other services for the Funds and the Scheme in the areas of tax advice. The provision of these other services has not impaired our independence.



Independent Auditors' Report New Zealand Defence Force KiwiSaver Scheme

Opinion

In our opinion, the financial statements on pages 3 to 24 present fairly, in all material respects, the financial position of the Funds and the Scheme as at 31 March 2016, and their financial performance and cash flows for the period then ended in accordance with New Zealand equivalents to International Financial Reporting Standards.

Restriction on Use of our Report

This report is made solely to the Scheme's members, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's members, as a body, for our audit work, for this report or for the opinions we have formed.

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers' in a cursive script.

Chartered Accountants
22 July 2016

Auckland

NEW ZEALAND DEFENCE FORCE KIWISAVER SCHEME
Statements of Net Assets
As at 31 March 2016

Note	TOTAL 2016 \$	Cash 2016 \$	Conservative 2016 \$	Moderate 2016 \$	Balanced 2016 \$	Growth 2016 \$	High Growth 2016 \$	Shares 2016 \$
ASSETS								
	529,640	3,201	7,462	16,375	291,267	116,892	54,665	39,778
6	18,603,705	74,177	400,472	785,712	11,454,638	2,694,347	2,486,319	708,040
Total Assets	19,133,345	77,378	407,934	802,087	11,745,905	2,811,239	2,540,984	747,818
LIABILITIES								
	26,500	-	-	-	26,500	-	-	-
	119,048	167	161	-	38,561	60,336	1,952	17,871
	62,515	93	1,465	2,391	39,371	9,033	7,340	2,822
8	16,788	98	356	692	10,125	2,675	2,214	628
8	5,072	38	94	196	3,256	635	623	230
8	13,490	54	290	570	8,306	1,954	1,803	513
Total Liabilities (excluding Net assets attributable to members)	243,413	450	2,366	3,849	126,119	74,633	13,932	22,064
NET ASSETS ATTRIBUTABLE TO MEMBERS								
	18,889,932	76,928	405,568	798,238	11,619,786	2,736,606	2,527,052	725,754

Represented by:

These Financial Statements were authorised for issue by the Manager on 22 July 2016.
Mercer (N.Z.) Limited

For and on behalf of the Directors



Director

Director

NEW ZEALAND DEFENCE FORCE KIWISAVER SCHEME
Statements of Changes in Net Assets
For the period ended 31 March 2016

	Note	TOTAL 2016	Cash 2016	Conservative 2016	Moderate 2016	Balanced 2016	Growth 2016	High Growth 2016	Shares 2016
		\$	\$	\$	\$	\$	\$	\$	\$
INCOME									
Interest income		6,208	25	134	262	3,822	899	830	236
Net gains on investments held at fair value through profit or loss	7	465,068	480	7,693	15,813	272,344	68,941	73,751	26,046
Total Income		471,276	505	7,827	16,075	276,166	69,840	74,581	26,282
EXPENSES									
Investment management and Supervisor fees	8	17,311	108	368	713	10,452	2,735	2,290	645
Manager fees (expense recoveries)	8	14,540	58	313	614	8,952	2,106	1,944	553
Other expenses		143	1	3	6	88	21	19	5
Total Expenses		31,994	167	684	1,333	19,492	4,862	4,253	1,203
NET PROFIT BEFORE MEMBERSHIP ACTIVITIES									
		439,282	338	7,143	14,742	256,674	64,978	70,328	25,079
MEMBERSHIP ACTIVITIES:									
Contributions / Transfers In									
Member contributions		764,562	5,386	13,137	26,107	496,740	93,834	102,046	27,312
Employer contributions		478,655	3,058	7,037	13,516	324,066	56,065	57,732	17,181
Tax credits		109	109	-	-	-	-	-	-
Transfers in from other schemes	10	17,569,764	73,375	306,770	729,740	11,750,754	2,183,284	1,982,436	543,405
Transfers to/(from) funds		-	32,664	92,008	22,030	(1,015,248)	364,687	374,914	128,945
Total Contributions / Transfers In		18,813,090	114,592	418,952	791,393	11,556,312	2,697,870	2,517,128	716,843
Benefits Paid / Administration fees / Transfers Out / PIE tax expense									
Payment of benefits	9	(229,073)	(37,844)	(5,146)	(5,137)	(125,243)	(15,962)	(26,833)	(12,908)
Administration fees	8	(8,101)	(58)	(151)	(296)	(5,201)	(995)	(1,028)	(372)
Transfers out to other schemes		(61,014)	-	(13,727)	-	(22,316)	-	(24,971)	-
Portfolio investment entity taxation expense		(64,252)	(100)	(1,503)	(2,464)	(40,440)	(9,285)	(7,572)	(2,888)
Total Benefits Paid / Transfers Out / PIE tax expense		(362,440)	(38,002)	(20,527)	(7,897)	(193,200)	(26,242)	(60,404)	(16,168)
Total transactions with members in their capacity as members									
NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE END OF THE FINANCIAL PERIOD		18,450,650	76,590	398,425	783,496	11,363,112	2,671,628	2,456,724	700,675
		18,889,932	76,928	405,568	798,238	11,619,786	2,736,606	2,527,052	725,754

The accompanying notes form part of and should be read in conjunction with these Financial Statements.

NEW ZEALAND DEFENCE FORCE KIWISAVER SCHEME
Statements of Cash Flows
For the period ended 31 March 2016

Note	TOTAL 2016 \$	Cash 2016 \$	Conservative 2016 \$	Moderate 2016 \$	Balanced 2016 \$	Growth 2016 \$	High Growth 2016 \$	Shares 2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES								
	235,844	30,198	42,348	47,108	42,000	87,402	45,785	8,355
Proceeds from sale of investments	6,208	25	134	262	3,822	899	830	236
Interest income	(143)	(1)	(3)	(6)	(88)	(21)	(19)	(5)
Other expenses paid	(18,374,480)	(103,895)	(435,126)	(817,007)	(11,224,294)	(2,712,808)	(2,458,353)	(690,349)
Payments for purchase of investments	(1,573)	(14)	(35)	(65)	(973)	(212)	(217)	(57)
Investment management fees	(18,134,144)	(73,687)	(392,682)	(769,708)	(11,179,533)	(2,624,740)	(2,411,974)	(681,820)
Net cash (used in) operating activities								
CASH FLOWS FROM FINANCING ACTIVITIES								
	764,562	5,386	13,137	26,107	496,740	93,834	102,046	27,312
Member contributions	478,655	3,058	7,037	13,516	324,066	56,065	57,732	17,181
Employer contributions	109	109	-	-	-	-	-	-
Tax credits	119,048	167	161	-	38,561	60,336	1,952	17,871
Unallocated contributions	17,569,763	73,375	306,769	729,740	11,750,754	2,183,284	1,982,436	543,405
Transfers from other schemes	(1,737)	(7)	(38)	(73)	(1,069)	(252)	(232)	(66)
Portfolio investment entity taxation paid	(3,029)	(20)	(57)	(100)	(1,945)	(360)	(405)	(142)
Administration fees	(202,573)	(37,844)	(5,146)	(5,137)	(98,743)	(15,962)	(26,833)	(12,908)
Benefits paid	(61,014)	-	(13,727)	-	(22,316)	-	(24,971)	-
Transfers out to other schemes	-	32,664	92,008	22,030	(1,015,248)	364,687	374,914	128,945
Transfers from / (to) funds	18,663,784	76,888	400,144	786,083	11,470,800	2,741,632	2,466,639	721,598
Net cash from financing activities								
Net increase in cash and cash equivalents	529,640	3,201	7,462	16,375	291,267	116,892	54,665	39,778
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD								
	529,640	3,201	7,462	16,375	291,267	116,892	54,665	39,778

The accompanying notes form part of and should be read in conjunction with these Financial Statements.

NEW ZEALAND DEFENCE FORCE KIWISAVER SCHEME
Notes to the Financial Statements
For the period ended 31 March 2016

1 SCHEME DESCRIPTION

New Zealand Defence Force KiwiSaver scheme ("the Scheme") is a KiwiSaver Scheme registered under the KiwiSaver Act 2006. The Scheme was established by a Trust Deed on 16 September 2015. The Scheme commenced accepting members on 1 October 2015. Accordingly, these financial statements are for the period from 16 September 2015 to 31 March 2016 and there are no comparatives. The Scheme is a defined contribution superannuation scheme and was established with the principal purpose of providing retirement benefits directly to natural persons within the New Zealand Defence Force community.

These financial statements are for the Scheme which comprises the following funds which commenced on 1 October 2015, together ("the Funds"):

- Cash
- Conservative
- Moderate
- Balanced
- Growth
- High Growth
- Shares

The Funds invest in investment portfolios within the Mercer Diversified Trust ("MDT") and Mercer Cash Trust ("MCT") as defined below:

Mercer Diversified Trust

Mercer Conservative Portfolio
Mercer Moderate Portfolio
Mercer Balanced Portfolio
Mercer Growth Portfolio
Mercer High Growth Portfolio
Mercer Shares Portfolio

Mercer Cash Trust

Mercer Cash Portfolio

Mercer (N.Z.) Limited ("Mercer") is the Manager and Issuer of the Scheme. Mercer is responsible for the management and administration of the Scheme, including responsibility for the preparation and issue of the Scheme's financial statements.

BNP Paribas Fund Services Australasia Pty Ltd ("BNP Paribas") is the Custodian of the Scheme.

Trustees Executors Limited is the Supervisor of the Scheme and is licensed under the Financial Markets Supervisors Act 2011 to act as Supervisor in respect of the Scheme. The Manager's registered office is Level 18, 151 Queen Street, Auckland City, Auckland 1010.

NEW ZEALAND DEFENCE FORCE KIWISAVER SCHEME
Notes to the Financial Statements
For the period ended 31 March 2016

2 BASIS OF PREPARATION

The financial statements are being presented on a segregated portfolio basis in accordance with the requirements of the Financial Markets Conduct Act 2013 ("FMCA") Section 461A.

The assets of each Fund are the exclusive property of that Fund, and all liabilities incurred in relation to a Fund are the exclusive liabilities of that Fund. The Manager must ensure that the assets of a Portfolio are accounted for separately from other Portfolios and that the assets of one Portfolio are not available to meet the liabilities of any other Portfolio as stated in section 8.7 of the Trust Deed. The results and position reported for the Scheme is an aggregation of the result, position and cashflows of the Funds that make up the Scheme.

Statement of Compliance

The Scheme is the reporting entity. The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") and the requirements of the KiwiSaver Act 2006, the Financial Markets Conduct Act 2013, the provisions of the Trust Deed and other relevant legislative requirements as appropriate for For-profit entities.

The Scheme is a Tier 1 entity and, as such, the financial statements comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"), other New Zealand accounting standards and authoritative notices as appropriate for For-profit entities. These financial statements also comply with International Financial Reporting Standards ("IFRS"). The financial statements were authorised for issue by the Manager, Mercer, on 22 July 2016.

Measurement Base

The measurement base adopted is that of historical cost modified by the revaluation of financial assets held at fair value through profit or loss.

Functional and Presentation Currency

The financial statements are presented in New Zealand dollars which is the currency of the primary economic environment in which the Scheme operates (the 'functional currency'). The financial statements are rounded to the nearest New Zealand dollar (the presentation currency).

Assumptions, Estimates and Judgements

The preparation of the financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Scheme's accounting policies. There are no areas involving a higher degree of judgement or complexity, or areas where assumption and estimates are significant to the financial statements.

Duration of the Scheme

Clause 25 of the Trust Deed requires that the Scheme and each Member's Account will terminate at such time as:

- (i) the High Court, on the application of the FMA or the Supervisor, directs that the Scheme must be wound up; or
- (ii) the Manager, having obtained the Supervisor's and, where required by the Participation Agreement, the Participating Employer's written consent, determines; or
- (iii) where permitted by the Participation Agreement, the Participating Employer provides notice in writing to the Manager and to the Supervisor that the Scheme is to terminate.

Funding Arrangements

The Scheme is a defined contribution scheme as defined by the KiwiSaver Act 2006. Funding in the form of contributions is primarily received from three sources: members of the Scheme; employers of members of the Scheme; and Crown contributions (in accordance with the provisions of the KiwiSaver Act 2006). A third party may contribute directly to the Scheme in respect of a Member such amounts as may be agreed from time to time between the Manager, the third party and the Member but only to the extent that the contribution: (a) is permitted under the KiwiSaver Act; and (b) is not covered by a preceding provision in Clause 6 of the Trust Deed. Members may contribute to the Scheme at varying designated additional contributions in excess of any salary or wage linked contributions. As of 31 March 2016, employer contribution rates are either 3% or greater of each relevant member's gross salary or wages.

NEW ZEALAND DEFENCE FORCE KIWISAVER SCHEME
Notes to the Financial Statements
For the period ended 31 March 2016

3 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of the financial statements are set out below.

(i) Income

Interest income

Interest income as recognised in the Statements of Changes in Net Assets is derived from cash at bank and is recognised using the effective interest method.

Changes in fair value of investments

Net gains or losses on financial assets held at fair value through profit or loss are calculated as the difference between fair value at sale, or at period end, and the fair value at the previous valuation point. This includes both realised and unrealised gains and losses, but does not include interest income and is net of any fees charged within underlying unit trust investments where these are incurred through a reduction in the value of the investment.

(ii) Financial Assets at Fair Value Through Profit or Loss

Classification

The Scheme designates its investment securities comprising investments in unlisted unit trusts as financial assets at fair value through profit or loss at inception.

Financial assets held at fair value through profit or loss are those that are managed and their performance evaluated on a fair value basis in accordance with the Scheme's documented investment strategy. The Scheme's policy is for the Manager to evaluate the information about these financial assets on a fair value basis together with other related financial information. As stated above, the Manager has determined that all financial assets of the Scheme are held at fair value through profit or loss with the exception of cash and cash equivalents, classified as loans and receivables.

Recognition and derecognition

Purchases and sales of investments are recognised on the trade date - the date on which the Scheme commits to purchase or sell the investment. Investments are derecognised when the rights to receive cash flows from the investment have expired or the Scheme has transferred substantially all risks and rewards of ownership.

Measurement

Financial assets held at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed in the Statements of Changes in Net Assets. Subsequent to initial recognition, all financial assets held at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets held at fair value through profit or loss' category are included in the Statements of Changes in Net Assets in the period in which they arise.

Fair value estimation

The fair value of units held by the Scheme in managed investment trusts is determined by reference to published bid prices at the close of business on the reporting date being the redemption price established by the underlying fund manager.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statements of Net Assets when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(iii) Expenses

Expenses comprise management fees, trustee fees, custody fees, management expense recoveries and other expenses. All expenses are accounted for on an accrual basis. Administration fees are charged monthly per member via unit deduction and are recognised in Membership Activities in the Statement of Changes in Net Assets.

NEW ZEALAND DEFENCE FORCE KIWISAVER SCHEME
Notes to the Financial Statements
For the period ended 31 March 2016

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(iv) Taxation

The Scheme qualifies as, and has elected to be treated as, a Portfolio Investment Entity ("PIE") for tax purposes.

Under the PIE regime, the Manager attributes the taxable income of the Scheme to members in accordance with their proportionate interest in the Scheme. The income attributed to each member is taxed at the member's prescribed investor rate ("PIR") which is currently capped at 28%. The Manager accounts for tax on behalf of natural persons and certain other members and adjusts the members' interests in the Scheme to reflect that tax is paid at varying rates on behalf of the members. There is a unit price for each Fund and for each tax rate.

As the legislation regarding the taxation of PIEs provides that the Scheme pays tax on behalf of its members, the PIE taxation expense/(refund) disclosed in the Statements of Changes in Net Assets is the expense attributable to members and is measured based on tax rates applicable to those members.

The tax amounts in the Statements of Net Assets represent the remaining tax payable/(receivable) by the Scheme on behalf of the members under the PIE regime to 31 March each year.

(v) Loans and Receivables

Loans and receivables may include amounts for interest and cash at bank. Loans and receivables are initially recognised at fair value, being the amounts receivable. They are subsequently measured at amortised cost using the effective interest method, reduced for impairment as appropriate. Any impairment charge is recognised within expenses in the Statements of Changes in Net Assets.

(vi) Payables

Payables may include PIE tax payable, investment management fees, administration fees, other expenses, benefits payable and unallocated contributions. Payables are not interest-bearing and are initially stated at their fair value then subsequently measured at amortised cost using the effective interest method.

(vii) Net Assets Attributable to Members

The net assets attributable to members represents the liability for promised retirement benefits and are measured at amortised cost.

The Scheme issue units in the Fund that are redeemable at the Members' option and do not have identical features and are therefore classified as financial liabilities. The units can be put back to the Scheme at any time for the purpose of permitted withdrawals (such as reaching the retirement age of 65 or enduring significant hardship), transferred to another Fund within the Scheme or a separate KiwiSaver Scheme and which are equal to a proportionate share of the respective Fund's net asset value which is the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable at the period end date if Members exercise their right to put the units back to the Funds.

As stipulated in the Trust Deed, each unit represents a right to an individual share in the respective Fund and does not extend to a right in the underlying assets of the respective Fund. Separate classes of units are created within the Funds to reflect the different Prescribed Investment Rates (PIR) of the Members. Each Member's account is invested in classes of units within the relevant Funds based on the member's PIR that has been most recently notified to the Manager. Each unit of a specified class has the same rights attaching to it as all other units of the same class within the relevant Fund.

Units are issued and redeemed at the holder's option at prices based on the Funds' net asset value per class of unit at the time of issue or redemption. The Funds' net asset value per class of unit is calculated by dividing the net assets attributable to all holders of units in the same class for each Fund by the total number of units on issue of the same class in each Fund.

NEW ZEALAND DEFENCE FORCE KIWISAVER SCHEME
Notes to the Financial Statements
For the period ended 31 March 2016

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(viii) Accounting Policy for Investment Entities

Whilst the Scheme has investments in a number of related party wholesale investment trusts, it has not prepared consolidated financial statements. The Scheme has determined that it is an investment entity under the definition in NZ IFRS 10 as it meets the following criteria:

- the Scheme has obtained funds from unitholders for the purpose of providing them with investment management services;
- the Scheme's business purpose, which it communicated directly to unit holders, is investing solely for returns from capital appreciation; and
- the performance of investments made by the Scheme are measured and evaluated on a fair value basis.

The Scheme also meets all of the typical characteristics of an investment entity.

As a consequence, in the event the interest in the wholesale investment trusts gives rise to control, the Scheme is not required to consolidate these investments, and continues to account for these investments at fair value through profit or loss.

(ix) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, cash at bank and deposits held at call with banks with an original maturity of three months or less.

(x) Statements of Cash Flows

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represents the Scheme's main income generating activity.

The cash flows of the Scheme do not include those of the investment managers. The following are definitions of the terms used in the Statements of Cash Flows:

Operating activities - are those relating to the principal income-producing activities of the Scheme and other activities that are not financing activities. These include those cash flows relating to the acquisitions, holding and disposal of investments and investments in securities not falling within the definition of cash.

Financing activities - are those activities that result in changes in the size and composition of member's funds. This includes elements of members' funds not falling within the definition of cash.

(xi) Contributions and Withdrawals

Contributions and withdrawals are accounted for on an accruals basis. Contributions are initially recognised at fair value when the Manager has confirmed the validity of the application details and instructions. Claims for death, retirement or other benefits are recognised when the Member meets the condition required for withdrawal eligibility.

Unallocated contributions arise when monies have been received but not yet allocated to members' accounts in the administration system at balance date. Unallocated contributions are recorded at their value, being the amounts received, and units are purchased at the unit price applicable on the date of allocation to members' accounts.

(xii) Goods and Services Tax (GST)

The Scheme is not registered for GST and consequently all components of the financial statements are stated inclusive of GST where applicable.

NEW ZEALAND DEFENCE FORCE KIWISAVER SCHEME
Notes to the Financial Statements
For the period ended 31 March 2016

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(xiii) **Application of Accounting Standards**

New standards, amendments and interpretations not yet adopted:

NZ IFRS 9: 'Financial Instruments' (Effective date: periods beginning on or after 1 January 2018)

NZ IFRS 9, 'Financial Instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of NZ IFRS 9 was issued in September 2014. It replaces the guidance in NZ IAS 39 that relates to the classification, measurement and recognition of financial instruments. NZ IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit model that replaces the incurred loss impairment model used in NZ IAS 39. NZ IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under NZ IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Scheme intends to adopt NZ IFRS 9 on its effective date and has yet to assess its full impact.

There are no other new standards, amendments or interpretations that are expected to have an impact on the Scheme's financial statements.

NEW ZEALAND DEFENCE FORCE KIWISAVER SCHEME
Notes to the Financial Statements
For the period ended 31 March 2016

4 VESTED BENEFITS

Vested benefits are the rights that, under the conditions of the Scheme's Trust Deed, are not conditional on continued membership.

All benefits are fully vested to members' accounts unless otherwise indicated in the notes.

	TOTAL	Cash	Conservative	Moderate	Balanced	Growth	High Growth	Shares
	2016	2016	2016	2016	2016	2016	2016	2016
	\$	\$	\$	\$	\$	\$	\$	\$
Member accounts	18,943,699	77,001	406,202	800,044	11,649,726	2,744,974	2,536,552	729,200
Adjustments arising from valuation differences	(53,767)	(73)	(634)	(1,806)	(29,940)	(8,368)	(9,500)	(3,446)
Net Assets Attributable to Members	18,889,932	76,928	405,568	798,238	11,619,786	2,736,606	2,527,052	725,754

Valuation differences exist between the Net assets attributable to members and vested benefits because of the following: Net assets attributable to members are derived using accounting principles on an accruals basis resulting in timing differences in the settlement of certain accrued items and the impact thereof on unit pricing, whereas vested benefits are derived as the sum of individual member account balances, which are calculated using the 31 March unit prices.

5 GUARANTEED BENEFITS

No guarantees have been made in respect of any part of the Net Assets Attributable to Members.



NEW ZEALAND DEFENCE FORCE KIWISAVER SCHEME
Notes to the Financial Statements
For the period ended 31 March 2016

6 INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

The Scheme held units in the following Mercer Diversified Trust and Mercer Cash Trust Investment Portfolios:

	TOTAL 2016	Cash 2016	Conservative 2016	Moderate 2016	Balanced 2016	Growth 2016	High Growth 2016	Shares 2016
	\$	\$	\$	\$	\$	\$	\$	\$
Mercer Cash Trust								
Mercer Cash Portfolio	74,177	74,177	-	-	-	-	-	-
Mercer Diversified Trust								
Mercer Conservative Portfolio	400,472	-	400,472	-	-	-	-	-
Mercer Moderate Portfolio	785,712	-	-	785,712	-	-	-	-
Mercer Balanced Portfolio	11,454,638	-	-	-	11,454,638	-	-	-
Mercer Growth Portfolio	2,694,347	-	-	-	-	2,694,347	-	-
Mercer High Growth Portfolio	2,486,319	-	-	-	-	-	2,486,319	-
Mercer Shares Portfolio	708,040	-	-	-	-	-	-	708,040
Total Investments held at Fair Value through profit or loss	18,603,705	74,177	400,472	785,712	11,454,638	2,694,347	2,486,319	708,040

The following investments are greater than 5% of the relevant class of security for the Scheme:

The following investments are greater than 5% of the relevant class of security for the Scheme's funds:

Fair Value Hierarchy

The Scheme's financial instruments carried at fair value are grouped into Levels 1 to 3 based upon the degree to which the fair value is observable. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as published prices being the redemption price established by the underlying fund manager) or indirectly (i.e., derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Investments held at fair value through profit or loss are classified as Level 2 under the fair value hierarchy as the fair value of these investments at balance date is determined using the last available redemption unit price of those funds. During the period there were no transfers of investments between levels.



NEW ZEALAND DEFENCE FORCE KIWISAVER SCHEME
Notes to the Financial Statements
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7 NET GAINS ON FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

The Scheme derived net gains on financial assets held at fair value through profit or loss during the period:

	TOTAL 2016	Cash 2016	Conservative 2016	Moderate 2016	Balanced 2016	Growth 2016	High Growth 2016	Shares 2016
	\$	\$	\$	\$	\$	\$	\$	\$
Mercer Cash Trust								
Mercer Cash Portfolio	480	480	-	-	-	-	-	-
Mercer Diversified Trust								
Mercer Conservative Portfolio	7,693	-	7,693	-	-	-	-	-
Mercer Moderate Portfolio	15,813	-	-	15,813	-	-	-	-
Mercer Balanced Portfolio	272,344	-	-	-	272,344	-	-	-
Mercer Growth Portfolio	68,941	-	-	-	-	68,941	-	-
Mercer High Growth Portfolio	73,751	-	-	-	-	-	73,751	-
Mercer Shares Portfolio	26,046	-	-	-	-	-	-	26,046
Total net gains on financial assets held at fair value through profit or loss	465,068	480	7,693	15,813	272,344	68,941	73,751	26,046

NEW ZEALAND DEFENCE FORCE KIWISAVER SCHEME
Notes to the Financial Statements
For the period ended 31 March 2016

8 RELATED PARTIES

Related parties comprise the Manager, the Supervisor and their related parties.

The Manager is entitled to remuneration from the Scheme. This is represented by the Investment management and Administration fees in the Statements of Changes in Net Assets. These are recovered through the cancellation of units for member fixed fees and a unit price adjustment for asset based fees. The fee rates for 2016 are disclosed below:

Subject to the Relevant Requirements, the Supervisor is entitled to be paid a fee for its services as supervisor as approved by the Manager and, where required by a Participation Agreement, the relevant Participating Employer and as from time to time disclosed in the Product Disclosure Statement ("PDS").

The minimum Trustees Executors Limited Supervisor fees per annum are \$30,000.

As a New Zealand Defence Force participant each unit holder contributes \$2.50 per month plus the following fees in accordance with the Participation Agreement:

	2016				Total Fee
	Investment management fee	Supervisor fee	Custody fee	Scheme expense fee	
Cash	0.320%	0.040%	0.005%	0.186%	0.551%
Conservative	0.500%	0.040%	0.005%	0.186%	0.731%
Moderate	0.590%	0.040%	0.005%	0.186%	0.821%
Balanced	0.680%	0.040%	0.005%	0.186%	0.911%
Growth	0.770%	0.040%	0.005%	0.186%	1.001%
High Growth	0.820%	0.040%	0.005%	0.186%	1.051%
Shares	0.900%	0.040%	0.005%	0.186%	1.131%

Investment management fees incurred by the Scheme are deducted through two components:

- The first component comprises investment management fees charged at Mercer Investment Trusts New Zealand ("MITNZ") level, a series of wholesale investment trusts managed by Mercer as disclosed in Note 6. These investment management fees are incurred through a reduction in the unit price of MITNZ holdings of the Scheme. This is reflected within net gains on financial assets held at fair value through profit or loss in the Statements of Changes in Net Assets.
- The second component is fees deducted directly from the Scheme and invoiced by Mercer. These represent the balancing amounts of asset based investment management fees once the deduction of fees from MITNZ are taken into account.

All related party transactions are conducted on normal commercial terms and conditions.

NEW ZEALAND DEFENCE FORCE KIWISAVER SCHEME
Notes to the Financial Statements
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8 RELATED PARTIES (Continued)

Amounts paid to Mercer and Mercer Investments (New Zealand) Limited ("MINZL") for their services as investment manager and administrator including investment management fees paid to Mercer (N.Z.) Limited, other related and third parties via the MITNZ unit price and Trustee fees paid by Mercer for the period are disclosed below.

As outlined in the Scheme's Trust Deed, the Manager is also entitled to be reimbursed for various fees and expenses incurred in acting as Manager. In the disclosure below these expenses are titled Manager fees (expense recoveries) and may include legal and other professional services, audit and tax fees and filing fees.

	Cash		Conservative		Moderate		Balanced		Growth		High Growth		Shares		
TOTAL	2016		2016		2016		2016		2016		2016		2016		
\$	\$		\$		\$		\$		\$		\$		\$		
Investment management fees															
Investment management fees paid to Mercer	2,311	48	45	79	1,217	563	285	74							
Investment management fees paid to Mercer, other related and third party Investment managers via MITNZ unit price	25,397	11	426	896	15,320	3,322	4,250	1,172							
Total investment management fees	27,708	59	471	975	16,537	3,885	4,535	1,246							
Administration fees															
Administration fees paid to Mercer	8,101	58	151	296	5,201	995	1,028	372							
Supervisor fees															
Supervisor fees paid to Trustees Executors Limited by Mercer (minimum fees)	15,000	60	323	634	9,235	2,172	2,005	571							
Manager fees (expense recoveries)															
Manager fees (expense recoveries) paid to Mercer	14,540	58	313	614	8,952	2,106	1,944	553							
Total fees	65,349	235	1,258	2,519	39,925	9,158	9,512	2,742							

The manager fee expenses include legal and other professional fees. The manager has incurred expenses for setting up the Scheme, these expenses have been absorbed by the manager and not recharged to the Scheme.

Outstanding balances due to related parties are due within seven days and are not interest bearing.

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Notes to the Financial Statements
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8 RELATED PARTIES (Continued)

Amounts payable to Mercer as at 31 March are as follows:

Fund	Investment management fees 2016 \$	Supervisor fees 2016 \$	Administration fees 2016 \$	Manager fees (expense recoveries) 2016 \$
Cash	38	60	38	54
Conservative	33	323	94	290
Moderate	58	634	196	570
Balanced	890	9,235	3,256	8,306
Growth	503	2,172	635	1,954
High Growth	209	2,005	623	1,803
Shares	57	571	230	513
Total	1,788	15,000	5,072	13,490

Investment in related parties

The Scheme invests in MITNZ. MINZL, a wholly owned subsidiary of Mercer, is the Trustee for the MITNZ. During the period no related entity was a member of the Scheme. The Scheme holds the following investments in MDT and MCT:

Scheme	Purchases 2016 \$	Sales 2016 \$	Net Change in Fair Value 2016 \$	Closing Balance 2016 \$
Mercer Cash Trust				
Mercer Cash Portfolio	103,895	(30,198)	480	74,177
Mercer Diversified Trust				
Mercer Conservative Portfolio	435,126	(42,348)	7,693	400,472
Mercer Moderate Portfolio	817,007	(47,108)	15,813	785,712
Mercer Balanced Portfolio	11,224,294	(42,000)	272,344	11,454,638
Mercer Growth Portfolio	2,712,808	(87,402)	68,941	2,694,347
Mercer High Growth Portfolio	2,458,353	(45,785)	73,751	2,486,319
Mercer Shares Portfolio	690,349	(8,355)	26,046	708,040
Scheme Total	18,441,832	(303,196)	465,068	18,603,705

NEW ZEALAND DEFENCE FORCE KIWISAVER SCHEME
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8 RELATED PARTIES (Continued)

Investment in related parties (Continued)

During the period the Scheme transacted the following purchases and sales between portfolios in the MITNZ:

	Purchases 2016 \$	Sales 2016 \$
Mercer Cash Trust		
Mercer Cash Portfolio	-	-
Mercer Diversified Trust		
Mercer Conservative Portfolio	-	-
Mercer Moderate Portfolio	-	-
Mercer Balanced Portfolio	-	(42,000)
Mercer Growth Portfolio	18,000	(25,352)
Mercer High Growth Portfolio	49,352	-
Mercer Shares Portfolio	-	-
Total	67,352	(67,352)

9 PAYMENT OF BENEFITS

	TOTAL 2016 \$	Cash 2016 \$	Conservative 2016 \$	Moderate 2016 \$	Balanced 2016 \$	Growth 2016 \$	High Growth 2016 \$	Shares 2016 \$
Death or disability	3,289	3,289	-	-	-	-	-	-
First home assistance	225,784	34,555	5,146	5,137	125,243	15,962	26,833	12,908
Total	229,073	37,844	5,146	5,137	125,243	15,962	26,833	12,908

NEW ZEALAND DEFENCE FORCE KIWISAVER SCHEME
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10 TRANSFERS IN FROM OTHER SCHEMES

	TOTAL	Cash	Conservative	Moderate	Balanced	Growth	High Growth	Shares
	2016	2016	2016	2016	2016	2016	2016	2016
	\$	\$	\$	\$	\$	\$	\$	\$
Transfers from other KiwiSaver Schemes	16,167,334	70,854	298,619	607,260	10,968,866	1,913,370	1,820,892	487,473
Transfers from other superannuation schemes	1,402,430	2,521	8,151	122,480	781,888	269,914	161,544	55,932
Total	17,569,764	73,375	306,770	729,740	11,750,754	2,183,284	1,982,436	543,405

11 RECONCILIATION OF NET PROFIT BEFORE MEMBERSHIP ACTIVITIES TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	TOTAL	Cash	Conservative	Moderate	Balanced	Growth	High Growth	Shares
	2016	2016	2016	2016	2016	2016	2016	2016
	\$	\$	\$	\$	\$	\$	\$	\$
Net profit before membership activities	439,282	338	7,143	14,742	256,674	64,978	70,328	25,079
<i>Adjustments for:</i>								
Net gains on financial assets held at fair value through profit or loss	(465,068)	(480)	(7,693)	(15,813)	(272,344)	(68,941)	(73,751)	(26,046)
Proceeds from sale of investments	235,844	30,198	42,348	47,108	42,000	87,402	45,785	8,355
Payments for purchase of investments	(18,374,480)	(103,895)	(435,126)	(817,007)	(11,224,294)	(2,712,808)	(2,458,353)	(690,349)
<i>Changes in assets and liabilities:</i>								
Increase in liabilities (excluding portfolio investment entity tax payable, benefits payable and unallocated contributions)	30,278	152	646	1,262	18,431	4,629	4,017	1,141
Net Cash flows (used in) Operating Activities	(18,134,144)	(73,687)	(392,682)	(769,708)	(11,179,533)	(2,624,740)	(2,411,974)	(681,820)

NEW ZEALAND DEFENCE FORCE KIWISAVER SCHEME
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12 AUDITORS' REMUNERATION

During the reporting period, the following fees were paid or payable to the auditor of the Scheme. Audit fees for the Scheme may be recovered from the Manager for expenses incurred in acting as Manager (Refer note 8). The auditors of the Scheme are PricewaterhouseCoopers (PwC).

	TOTAL 2016	Cash 2016	Conservative 2016	Moderate 2016	Balanced 2016	Growth 2016	High Growth 2016	Shares 2016
Audit fees for the audit of financial statements and registry testing	\$ 94,300	\$ 376	\$ 2,030	\$ 3,983	\$ 58,062	\$ 13,657	\$ 12,603	\$ 3,589
Tax Services - review of tax returns	5,463	22	118	231	3,363	791	730	208
Total	99,763	398	2,148	4,214	61,425	14,448	13,333	3,797

13 FINANCIAL RISK MANAGEMENT

The Scheme's investments are comprised of units in unlisted unit trusts which, in turn, invest in equities, interest bearing securities, units in unit trusts and derivative financial instruments. The Manager has determined that these types of investments are appropriate for the Scheme and are in accordance with its investment objectives. The objectives of the Scheme are to achieve a return (over the medium to long term) which is competitive with comparable trusts that have similar risk characteristics; and to outperform the notional return of a benchmark portfolio of suitable market indices over periods of one year or greater.

The Scheme's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Scheme's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Scheme's financial performance.

The Manager has considered the above investment risks in constructing the asset portfolios of the Scheme and aims to manage those risks primarily through diversification, including using some or all of the following (as applicable):

- investing across different asset classes (to reduce market risk and liquidity risk);
- investing predominantly in unit trusts which, in turn, invest with a number of different investment managers;
- investing across different countries (to reduce market risk); and
- investing in a number of individual securities within each asset class.

Professional investment managers are appointed on a research-based process of selection to manage the assets of the MITNZ via a set of investment guidelines. Risk management activities are performed within the underlying investment portfolios, not at the Scheme level. The investment managers of underlying investment portfolios may use derivatives and other instruments, including share price and bond futures, interest rate swaps and forward currency contracts, to manage exposures resulting from changes in interest rates, foreign currencies, equity price risks and exposures from forecast transactions.

The New Zealand Defence Force KiwiSaver Scheme invests in MDT that in turn invests in other MITNZ investment portfolios and MCT. The investment in the MITNZ investment portfolios are directly exposed to market risk, credit risk and liquidity risk.

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13 FINANCIAL RISK MANAGEMENT (Continued)

a) Market Risk

Market risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

The Scheme's overall market positions are monitored by the Scheme's manager who uses research and analysis to form a view on these matters and then rebalances the investment mix of the investment portfolios to reduce the impact of market risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. Market risk is minimised by the Manager through research and analysis of the investment mix within investment portfolios and ensuring that all investment activities are undertaken in accordance with established investment strategies.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

The Scheme does not hold financial instruments denominated in currencies other than the New Zealand dollar, the functional currency. It is therefore not exposed to currency risk. Currency risk disclosure has been considered on the basis of the Scheme's direct investments and not on a look through basis for investments held indirectly through unit trusts. Consequently the Scheme may be exposed indirectly to currency risk where the Scheme has significant investments in unit trusts which have exposure to foreign exchange rates.

Exposure to currency risk is managed through hedging using derivative investments, which may include forward exchange contracts, within the underlying MITNZ investment portfolios.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The majority of the Scheme's financial assets are non-interest bearing. As a result, the Scheme is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates. Any sensitivity is immaterial.

Interest rate risk disclosures have been considered on the basis of the Scheme's direct investments and not on a look through basis for investments held indirectly through unit trusts. Consequently the Scheme may be exposed indirectly to interest rate risk where the Scheme has significant investments in unit trusts which have exposure to interest rate markets.

Exposure to interest rate risk is managed through the use of derivatives, diversification in holdings and the duration of fixed interest investments within the underlying investment portfolios.

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13 FINANCIAL RISK MANAGEMENT (Continued)

a) Market Risk (Continued)

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market price (other than those arising from interest rate risk or currency risk). The Scheme's investments are susceptible to market price risk arising from uncertainties about future values of the investments which will directly affect net investment income.

As the majority of the Scheme's financial instruments are carried at fair value, all changes in market conditions will directly affect investment returns, recognised in the Statements of Changes in Net Assets. The Scheme's price risk is managed through diversification of the investments in unit trusts within the portfolio. In addition, price risk may be hedged using derivative financial instruments such as options or futures within the underlying MITNZ investment portfolios.

As at 31 March, the Scheme's exposure to market price risk through unlisted unit trusts was as follows:

Fund	TOTAL	
	2016 \$	2016 %
Cash	74,177	1%
Conservative	400,472	2%
Moderate	785,712	4%
Balanced	11,454,638	62%
Growth	2,694,347	14%
High Growth	2,486,319	13%
Shares	708,040	4%
Total Unlisted Unit Trusts	18,603,705	100%

The table below shows the sensitivity to market price of the financial assets held at fair value through profit and loss, if all other variables were held constant and investment markets fluctuated by the percentages disclosed below.

	2016			
	Net profit before membership activities		Net Assets Attributable to members	
	10% increase	10% decrease	10% increase	10% decrease
Cash	\$ 7,418	\$(7,418)	\$ 7,418	\$(7,418)
Conservative	40,047	(40,047)	40,047	(40,047)
Moderate	78,571	(78,571)	78,571	(78,571)
Balanced	1,145,464	(1,145,464)	1,145,464	(1,145,464)
Growth	269,435	(269,435)	269,435	(269,435)
High Growth	248,632	(248,632)	248,632	(248,632)
Shares	70,804	(70,804)	70,804	(70,804)
Total	1,860,371	(1,860,371)	1,860,371	(1,860,371)

NEW ZEALAND DEFENCE FORCE KIWISAVER SCHEME
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13 FINANCIAL RISK MANAGEMENT (Continued)

b) Credit Risk

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Scheme to incur a financial loss. The Scheme is exposed to counterparty credit risk on cash and cash equivalents. None of these assets are impaired nor past due (but not impaired).

With respect to credit risk arising from the cash and cash equivalents of the Scheme, the Scheme's exposure to credit risk arises from default of the counterparty, with the current exposure equal to the carrying amount disclosed in the Statements of Net Assets. This represents the current maximum risk exposure at the reporting date.

The managers of the investment funds manage credit risk by establishing controls which are either specified in the guidelines set by the Manager or outlined in the product disclosure statement/information memorandum of underlying unit trust investments that it makes. Credit risk limitations include diversification of investments over a wide range of asset classes, companies, industries and maturities within the underlying MITNZ investment portfolios.

The Scheme's cash balances are held with Westpac New Zealand Limited (AA- rating, as measured by Standard & Poor's).

c) Liquidity Risk

Liquidity risk is the risk that the Scheme will not be able to meet its financial obligations as they fall due. The Scheme's approach to managing liquidity is to ensure, as far as possible, that there will always be sufficient liquidity to meet liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Scheme's reputation.

The Scheme is exposed to daily cash redemptions of redeemable units. The Scheme's liquidity risk is managed by investing in unlisted investment trusts which, in turn, invest in different asset classes and predominantly liquid assets. Members are able to transfer their balances to another KiwiSaver Scheme at any time. As such, the liability for promised retirement benefits is deemed to be repayable on demand. All other financial liabilities of the Scheme are due within one month.

d) Capital Risk Management

The Scheme manages its Net assets attributable to Members as capital, notwithstanding Net assets attributable to Members is classified as a liability. The amounts of Members' funds can change significantly on a daily basis as the Funds can be transferred, withdrawn as set out in the conditions of the KiwiSaver Act 2006. The Scheme's objective when managing capital is to safeguard the Scheme's ability to continue as a going concern in order to provide returns for Members and to maintain a strong capital base to support the development of the investment activities of the Scheme. In order to maintain or adjust the capital structure, the Scheme's policy is to perform the following:

- a) monitor the level of daily applications and redemptions relative to the assets it is able to liquidate within seven days; and
- b) redeem and issue new units in accordance with the constitutional documents of the Scheme, which includes the ability to restrict redemptions in accordance with the KiwiSaver Act 2006. The Scheme does not have any externally imposed capital requirements.

NEW ZEALAND DEFENCE FORCE KIWISAVER SCHEME
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14 FINANCIAL INSTRUMENTS BY CATEGORY

	TOTAL 2016	Cash 2016	Conservative 2016	Moderate 2016	Balanced 2016	Growth 2016	High Growth 2016	Shares 2016
	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS								
Designated at fair value through profit or loss								
Unlisted unit trusts	18,603,705	74,177	400,472	785,712	11,454,638	2,694,347	2,486,319	708,040
Total investments designated at fair value through profit or loss	18,603,705	74,177	400,472	785,712	11,454,638	2,694,347	2,486,319	708,040
Loans and Receivables								
Cash and cash equivalents	529,640	3,201	7,462	16,375	291,267	116,892	54,665	39,778
Total loans and receivables	529,640	3,201	7,462	16,375	291,267	116,892	54,665	39,778
Total assets	19,133,345	77,378	407,934	802,087	11,745,905	2,811,239	2,540,984	747,818
LIABILITIES								
Amortised Cost								
Investment management and Supervisor fees payable	16,788	98	356	692	10,125	2,675	2,214	628
Benefits payable	26,500	-	-	-	26,500	-	-	-
Unallocated contributions	119,048	167	161	-	38,561	60,336	1,952	17,871
Administration fees payable	5,072	38	94	196	3,256	635	623	230
Manager fees (expense recoveries) payable	13,490	54	290	570	8,306	1,954	1,803	513
Net assets attributable to members	18,889,932	76,928	405,568	798,238	11,619,786	2,736,606	2,527,052	725,754
Total liabilities	19,070,830	77,285	406,469	799,696	11,706,534	2,802,206	2,533,644	744,996

At 31 March 2016 the carrying amount of cash and cash equivalents and liabilities at amortised cost approximates their fair value.

15 CONTINGENT LIABILITY, ASSET AND COMMITMENTS

There were no material contingent liabilities or commitments as at 31 March 2016.

16 EVENTS AFTER BALANCE DATE

There have been no material events after balance date that require adjustment to or disclosure in the financial statements.