



• Defined Portfolios

Fixed Interest Fund - Update as at 30 April 2012

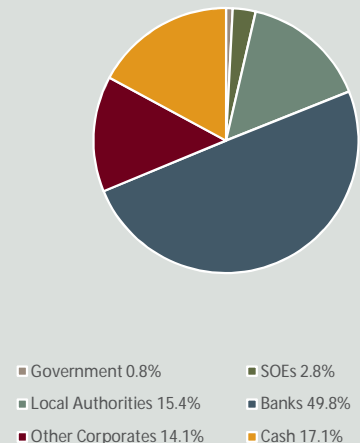
Fund Description

The fund generally holds a diversified portfolio of income assets such as cash, bank term deposits and securities issued by the New Zealand Government, Government Related Entities, Local Authorities and Corporates. This fund is best suited for investors with a medium term investment horizon (four years plus) who can tolerate some degree of volatility in returns.

Fund Manager's Comments

The fund rose 0.9% over April, as longer dated interest rates tracked lower. For example the December 2017 government stock was trading at 3.6% at the end of March and by the end of April the market yield had fallen to 3.3%. On 26th April, the Reserve Bank of New Zealand (RBNZ) held the Official Cash Rate at 2.50% and the brief accompanying statement noted that inflation is restrained and expected to stay near the middle of the RBNZ's target range of 1.0% to 3.0%. Earlier in the month the March quarter CPI was released recording a rise of 0.5%, taking the annual inflation rate to 1.6%. Two term deposits totalling \$3.0m matured in the month. Two new term deposits totalling \$5.0m were made at rates of 4.58% and 4.78%. This is one area of value in the market, and typically the rates offered on term deposits are higher than the banks' senior bonds that are available in the secondary market.

Breakdown By Asset Class

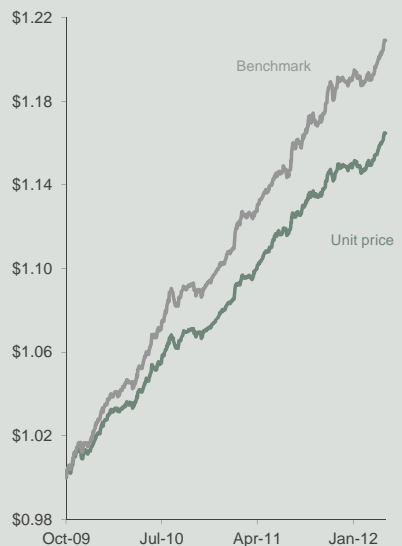


Fund Performance as at 30 April 2012

	1 Month	3 Months	6 Months	1 Year	2 Years ^	Since Inception ^
Fund *	0.9%	1.2%	2.6%	5.7%	6.0%	6.3%
Benchmark **	1.0%	1.3%	3.2%	6.9%	7.5%	7.9%
90d Bank Bill	0.2%	0.7%	1.4%	2.8%	2.9%	

* Fund performance is before tax and after expenses and fees (excluding any START[®] fee).
 ** Benchmark performance is not adjusted for fees. ^ annualised

Unit Price Chart vs Benchmark



Essential Fund Facts

Launch date:	28-Oct-09	
Management Fee:	0.75%	
Unit Price as at 30 April 2012:	\$1.1647	
Fund Size as at 30 April 2012:	\$44,905,326	
Composition of Total Return for year ended 30 April 2012:	Income:	5.3%
	Capital Growth:	0.4%
	Total Return:	5.7%
Investment Ranges: ¹	NZ Fixed Interest	60% to 100%
	Cash	0% to 50%
	Global Fixed Interest	0% to 30%
Benchmark: ²	NZ Fixed Interest	85% (currently 82.9%)
	Cash	15% (currently 17.1%)

¹ Please refer to the Investment Statement.

² The benchmark return is calculated using the following allocations to the nominated indices: 85% NZX Corporate Investment Grade Index and 15% NZX 90-Day Bank Bill Index.

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Fixed Interest Fund - List of investments as at 30 April 2012

	Market Value	Weight
Fixed Interest	\$37,268,438	82.9%
Cash	\$7,636,887	17.1%
	\$44,905,326	

Note: Subtotals may not add to 100% due to accrued interest and rounding

	Rating	Weight		Rating	Weight
BNZ Term Deposit (Mat. 29/10/12)	AA-	6.7%	ANZ National Bank Bond (Mat.31/03/15)	AA-	1.2%
ANZ National Bank Bond (Mat.18/09/12)	AA-	4.7%	ANZ National Bank Bond (Mat.13/07/15)	AA-	1.2%
BNZ Term Deposit (Mat. 17/10/12)	AA-	4.4%	BNZ Senior Bond (Mat. 13/08/15)	AA-	1.2%
WestpacTrust Term Deposit (Mat. 12/09/12)	AA-	4.4%	Rabobank Nederland NZ Bond (Mat. 16/05/18)	AA	1.2%
Watercare Services Senior Bond (Mat. 15/05/14)	AA	3.5%	ANZ National Bank Bond (Mat.20/09/18)	AA-	1.1%
ASB Unsubordinated Notes (Mat. 20/10/15)	AA-	2.3%	Auckland Intl Airport Senior Bond (Mat. 17/10/17)	A-	1.1%
Watercare Services Notes (Mat. 26/10/18)	AA	2.3%	BNZ Senior Bond (Mat. 15/06/12)	AA-	1.1%
ASB Unsubordinated Notes (Mat. 08/06/17)	AA-	2.3%	Vector Limited Capital Bond (Mat. 15/06/12)	BBB-	1.1%
Insurance Australia Group Sub Bonds	A-	2.3%	Toyota Finance NZ Ltd Notes (Mat. 17/06/17)	AA-	1.1%
Rabobank Nederland NZ Notes (Mat. 19/03/19)	AA	2.3%	Deutsche Bank AG (Mat. 16/06/14)	A3	1.1%
Fonterra Group Senior Bond (Mat. 21/04/14)	A+	2.2%	BNZ Senior Bond (Mat. 20/12/18)	AA-	0.9%
WestpacTrust Term Deposit (Mat. 06/08/12)	AA-	2.2%	Rabobank MTN Senior Bond (Mat. 3/05/12)	AA	0.9%
Rabobank Nederland NZ Bond (Mat. 24/08/15)	AAA	2.2%	Fonterra Co-op Gp Perpetual Notes	A	0.7%
BNZ Fixed Rate Reg Transf Dep (Mat. 15/09/16)	AA-	2.1%	Auckland Intl Airport Senior Bond (Mat. 27/11/14)	A-	0.5%
Contact Energy Bond (Mat.15/05/14)	BBB	1.9%	ASB Senior Bond (Mat. 17/09/14)	AA-	0.5%
BNZ Senior Bond (Mat. 27/05/13)	AA-	1.9%	Rabobank Nederland Perpetual Capital Securities	A	0.3%
ANZ National Bank Bond (Mat. 13/3/19)	AA-	1.6%	TCNZ Finance Senior Bond (Mat. 22/03/13)	A-	0.3%
Auckland Council (Mat. 15/09/15)	AA	1.6%	ASB Senior Bond (Mat. 16/07/13)	AA-	0.2%
Fonterra Group Senior Bond (Mat. 10/03/15)	A+	1.5%	Mighty River Power Senior Bond (Mat. 15/05/13)	BBB+	0.2%
Waitakere City Council (Mat. 02/10/14)	AA	1.4%			
Auckland Council (Mat. 15/09/13)	AA	1.4%			
Tauranga City Council (Mat. 02/12/13)	A+	1.4%			
Contact Energy Bond (Mat.13/04/17)	BBB	1.2%			
Auckland Council (Mat. 29/09/17)	AA	1.2%			
ANZ National Bank Bond (Mat. 9/06/14)	AA-	1.2%			
Tauranga City Council (Mat. 15/04/16)	A+	1.2%			
Dunedin City Treasury (Mat. 25/11/14)	AA-	1.2%			
			<i>Accrued Interest</i>		0.9%
			Total Fixed Interest		79.6%
			Inflation Linked Bonds		
			Transpower (Mat.15/05/20)	AA	2.5%
			NZ Government Index Bond (Mat. 15/02/16)	AA+	0.8%
			Total Inflation Linked Bonds		3.3%

Maturity Profile

