

TRUST INVESTMENTS – GROUP INVESTMENT FUNDS

TRUST INVESTMENTS - BALANCED FUND

This document is a replacement of the Quarterly Fund Update for the Period Ended 30 September 2016

The changes made to this replacement Quarterly Fund Update are to amend the fund charges charged to the Balanced Fund in the year to 31 December 2015 (under the heading “What fees are investors charged?”) to correct a calculation error in the fund charges.

QUARTERLY FUND UPDATE

For the Period Ended 30 September 2016

What is the purpose of this update?

This document tells you how the Trust Investments - Balanced Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. Trust Investments Management Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

Description of this fund

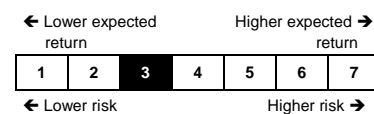
The Trust Investments - Balanced Fund is a diversified fund that aims to generate a return that tracks the weighted average return of the benchmarks of the underlying funds into which it invests. The investment objective of the Trust Investments - Balanced Fund is to generate a return that tracks the weighted average return of the benchmarks of the underlying Funds into which it invests, in proportion to the strategic asset allocation of the Fund, before taking into account fees and expenses.

Total value of the fund NZD \$12,594,617

Date the fund started 1 June 2006

What are the risks of investing?

Risk indicator for the Trust Investments - Balanced Fund:



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down (volatility). A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz.

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for the five years to 30 September 2016. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

See the Product Disclosure Statement (PDS) for the Trust Investments – Group Investment Funds for more information about the risks associated with investing in this fund.

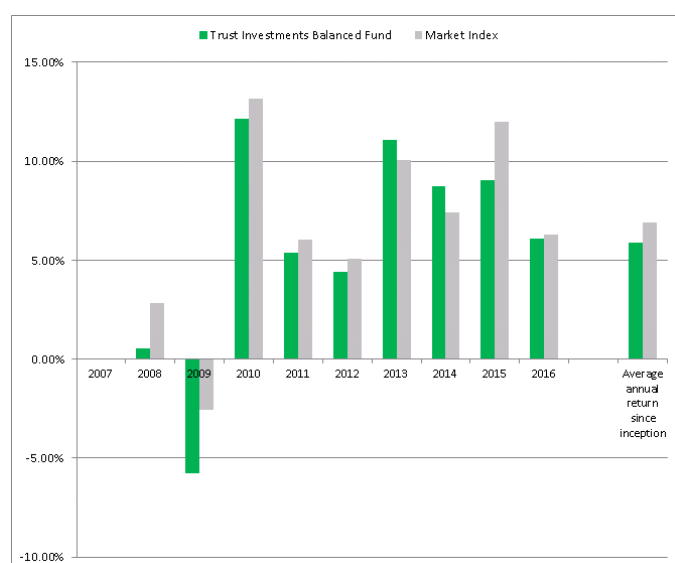
How has the fund performed?

Returns for period ended 30 September 2016	Average over past 5 years	Past year
Annual Return (after deductions for charges and tax)	9.03%	9.79%
Annual Return (after deductions for charges but before tax)	9.03%	9.79%
Market index annual return (reflects no deduction for charges and tax)	9.10%	9.14%

The market index annual return is based on the weighted average return of the market indices used to measure performance of the underlying Funds, in proportion to the strategic asset allocation of the Fund.

Additional information about the market index is available on the offer register (OFR10645) at www.business.govt.nz/disclose.

Annual return graph



This graph shows the return after fund charges and tax for each year ending 31 March for each of the last 10 years ending 31 March. The last bar shows the average annual return since the fund started, up to 31 March 2016.

Important: This does not tell you how the fund will perform in the future.

What fees are investors charged?

Investors in the Trust Investments - Balanced Fund are charged fund charges. In the year to 31 December 2015 these were:

	% of net asset value
Total Fund Charges <i>Which are made up of:</i>	1.46%
Total management and administration charges <i>Including:</i>	1.46%
Manager's Basic Fee	1.00%
Other management and administration charges	0.46%

The Manager estimates that, from 1 January 2018, the future administration charges will be lower than the charges to 31 December 2015, due to lower levels of costs within the Fund. The table below shows the Manager's estimate of 2018 Fund charges:

	% of net asset value
Total Estimated Fund Charges	1.17%
Estimated Manager's Basic Fee	1.00%
Other estimated management and administration charges	0.17%

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from funds). See the PDS for the Trust Investments – Group Investment Funds on the offer register (OFR10645) at www.business.govt.nz/disclose for more information about those fees.

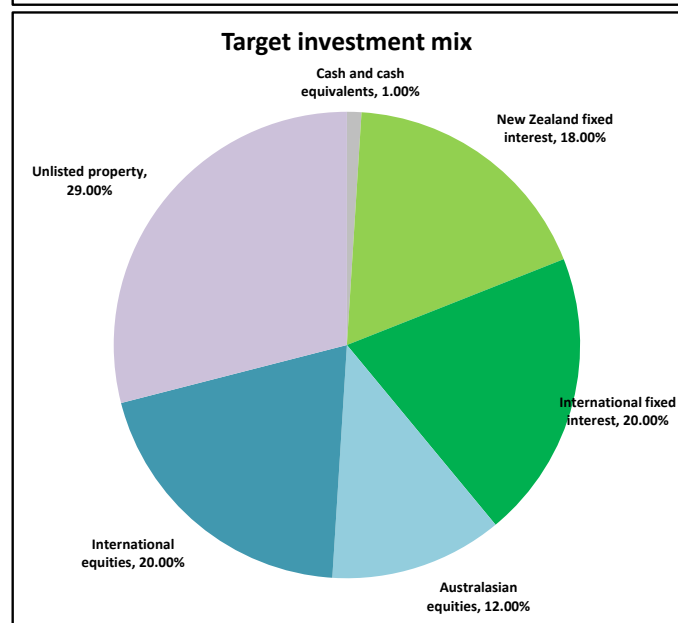
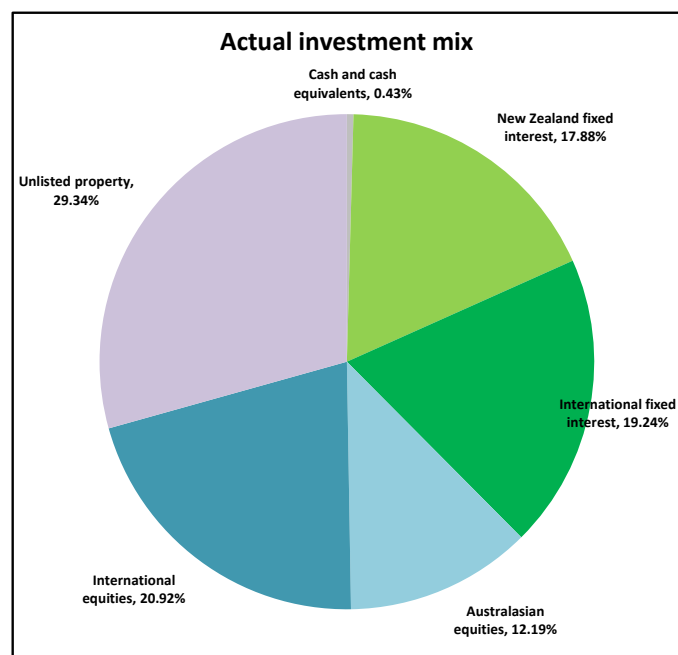
Example of how this applies to an investor

Small differences in fees and charges can have a big impact on your investment over the long term.

The Smith Charitable Trust had \$100,000 in the fund at the start of the year and did not make any further contributions. At the end of year, the Smith Charitable Trust received a return after fund charges were deducted of \$7,500 (that is 7.50% of the initial \$100,000). This gives the Smith Charitable Trust a total return after tax of \$7,500 for the year.

What does the fund invest in?

This chart shows the types of assets that the fund invests in:



Top 10 investments ¹

This table shows the top ten investments that the fund invests in:

Asset name	% of fund net assets	Type	Country	Credit rating
State Street International Equities ex Tobacco ex Controversial Weapons Index Trust	20.32%	International equities	AU	Not applicable
State Street Global Fixed Income Index Trust	19.16%	International fixed interest	AU	Not applicable
Izone Drive Rolleston	7.23%	Unlisted Property	NZ	Not applicable
439 East Tamaki Road	3.61%	Unlisted Property	NZ	Not applicable
8 Eagle Way	3.56%	Unlisted Property	NZ	Not applicable
1-15 The Avenue, Lynfield	2.94%	Unlisted Property	NZ	Not applicable
255 Broadway, Newmarket	2.59%	Unlisted Property	NZ	Not applicable
ANZ Term Deposits	2.38%	Cash and Cash Equivalents	NZ	AA-
BNZ Term Deposits	1.81%	Cash and Cash Equivalents	NZ	AA-
Westpac Term Deposits	1.81%	Cash and Cash Equivalents	NZ	AA-

The top 10 investments make up 65.41% of the net asset value of the fund.

Further Information

You can also obtain this information, the PDS for the Trust Investments- Group Investment Funds, and some additional information from the offer register (OFR10645) at www.business.govt.nz/disclose.

Note

1. The Trust Investments – Balanced Fund invests in the Trust Investments – Property Fund, the Trust Investments – International Share Fund, the Trust Investments – International Bond Fund, the Trust Investments – NZ Bond Fund and the Trust Investments – Sustainable Australasian Share Fund, all of which are managed by Trust Investments Management Limited. Accordingly, the top 10 investments table does not show those funds but instead discloses their underlying investments.

TRUST⁺ MANAGEMENT
empowering charities to serve and prosper

For more information contact:
Shane Coward General Manager

☎ (09) 550 4045

✉ scoward@trustmanagement.co.nz
www.trustmanagement.co.nz