

Investment Update for the 50% Cash / 50% Conservative investment option Year ended 31 March 2017

This update was first made publicly available on 30 June 2017

What is the purpose of this update?

This document tells you how the 50% Cash / 50% Conservative investment option has performed and what fees were charged. The document will help you to compare the investment option with other investment options. Dairy Industry Superannuation Scheme Trustee Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

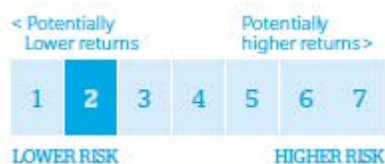
Description of this investment option

The 50% Cash / 50% Conservative investment option splits your investment equally between the Cash Fund and Conservative Fund. The investment objective for this investment option is to achieve the investment objective of the relevant Fund in respect of the proportion invested in that Fund. The fund updates for each Fund, which contain more information, can be found at www.companiesoffice.govt.nz/disclose.

Total value of the investment option	\$38,609,405
Number of investors in the investment option	460
The date the investment option started	1 April 2003

What are the risks of investing?

Risk indicator for the 50% Cash / 50% Conservative investment option



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the investment option's assets goes up and down. 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/tools/investor-kickstarter.

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 an investment option's future performance. The risk indicator is based on the returns data for the five years ended 31 March 2017. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future investment updates.

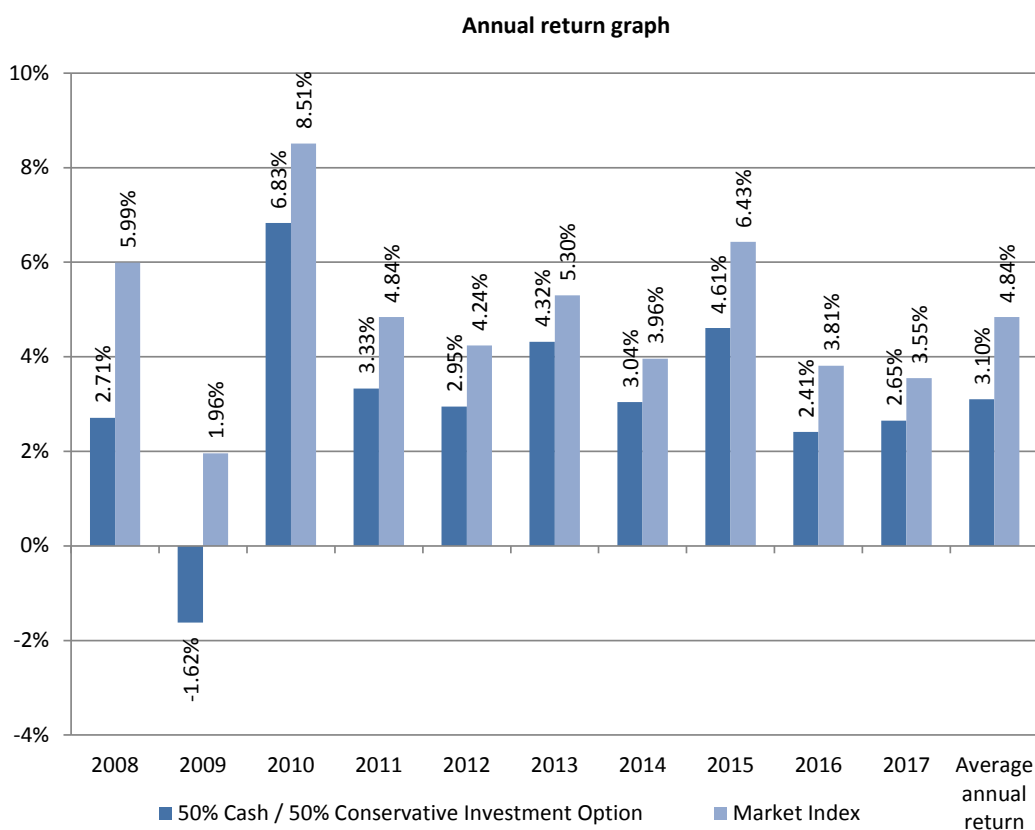
See the product disclosure statement (PDS) for more information about the risks associated with investing in this investment option.

How has the investment option performed?

	Average over past 5 years	Past year
Annual return (after deductions for charges and tax)	3.40%	2.65%
Annual return (after deductions for charges but before tax)	4.37%	3.40%
Market index annual return (reflects no deduction for charges and tax)	4.60%	3.55%

The market index return is the strategic asset allocation weighted benchmark index return for the two Funds your investment is split across, where the benchmark indices are defined in the Statement of Investment Policy and Objectives.

Further information about the market index is available on the offer register at www.companiesoffice.govt.nz/disclose.



This shows the return after fund charges and tax for each of the last 10 years ending 31 March. The last bar shows the average annual return for the last 10 years, up to 31 March 2017.

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

What fees are investors charged?

Investors in the 50% Cash / 50% Conservative option are charged fund charges. In the year to 31 March 2017 these were:

	% of net asset value
Total fund charges	0.77%*
Which are made up of:	
Total management and administration charges	0.77%*
Including -	
Manager's basic fee	0.00%
Other management and administration charges	0.77%*
Total performance-based fees	0.00%

*Insurance premiums make up 0.55% of these charges, with the balance being made up of the other types of fees and expenses disclosed in the Scheme's PDS.

Other charges	Dollar amount per investor or description of how charge is calculated
N/A	N/A

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching investment options). See the 'Fees' section of the 'Other Material Information' document on the offer register at www.companiesoffice.govt.nz/disclose for more information about those fees.

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

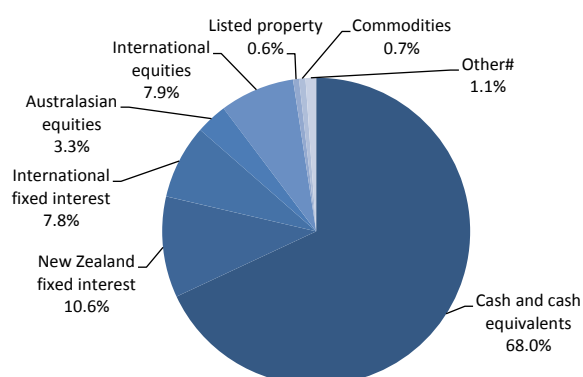
Example of how this applies to an investor

Mary had \$10,000 in the investment option at the start of the year and did not make any further contributions. At the end of the year, Mary received a return after fund charges were deducted of \$340.00 (that is 3.40% of her initial \$10,000). Mary paid \$0.00 in other charges. This gives Mary a total return after tax of \$265.00 for the year.

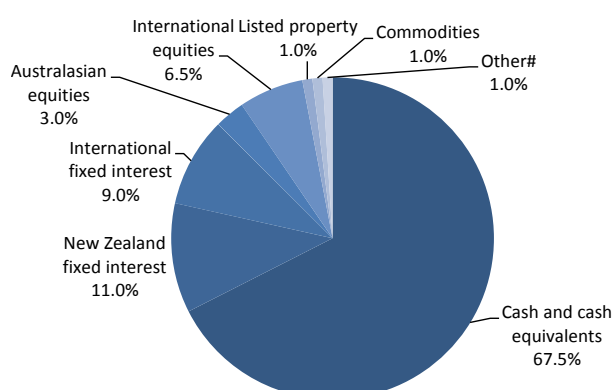
What does the investment option invest in?

This shows the type of assets the investment option invests in.

Actual investment mix



Target investment mix



#This category consists of global listed infrastructure assets.

Top 10 investments

Asset name	% of investment option's net assets	Type	Country	Credit rating
AMP Capital NZ Cash Fund	34.03%	Cash and cash equivalents	NZ	N/A
ANZ Wholesale NZ Cash Fund	34.00%	Cash and cash equivalents	NZ	N/A
Russell Global Bond Fund	5.63%	International fixed interest	NZ	N/A
AMP Capital NZ Fixed Interest Fund	5.34%	New Zealand fixed interest	NZ	N/A
ANZ Wholesale NZ Bond Fund	5.29%	New Zealand fixed interest	NZ	N/A
AMP Capital Core Global Shares Fund (Hedged)	4.37%	International Equities	NZ	N/A
AMP Capital Core Global Shares Fund	2.66%	International equities	NZ	N/A
Harbour Australasian Equity Fund	2.37%	Australasian equities	NZ	N/A
AMP Capital Global Short Duration Fund	2.18%	International fixed interest	NZ	N/A
Mercer Global Listed Infrastructure Fund	1.11%	Other [#]	NZ	N/A

[#]This category consists of global listed infrastructure assets.

The total value of the above individual assets is 96.98% of the net asset value of the investment option.

Currency hedging

Currency hedging can apply to some of the asset classes this investment option invests in. At 31 March 2017, the level of currency hedging for international equities was 51.6%. The level is managed between 40% and 60% and may change over time.

Other global assets classes (international fixed interest and real assets*), target a 90- 110% net of tax hedge to the New Zealand dollar. For more information refer to the statement of investment policy and objectives which is available from www.companiesoffice.govt.nz/disclose and the Documents and forms page of www.dairysuper.superfacts.co.nz.

*The real assets sector consists of global listed property, commodities and global listed infrastructure.

Key personnel

Name	Current position	Time in current position	Previous or other current position (if relevant)	Time in previous or other position
Tim McGuinness	Chair of Trustee Board	10 years and 4 months	Professional Trustee (current position)	12 years and 0 months
Bruce Kerr	Licensed Independent Trustee	2 years and 3 months	Professional Trustee (current position)	17 years and 3 months
David Scobie	Investment Consultant, Mercer	14 years and 5 months	Senior Analyst, The Treasury	3 years and 9 months
Grant Hassell	Managing Director, AMP Capital Investors (New Zealand) Limited	1 year and 11 months	Head of Fixed Income, AMP Capital Investors (New Zealand) Limited	8 years and 1 month
Graham Ansell	General Manager, Investment Management, ANZ	4 years and 4 months	Head of Fixed Interest, ANZ	16 years and 2 months

Further information

You can also obtain this information, the PDS for the Dairy Industry Superannuation Scheme, and some additional information from the offer register at www.companiesoffice.govt.nz/disclose or on the Documents & forms page of www.dairysuper.superfacts.co.nz or by calling the Scheme helpline 0800 355 900.