The Accordia Portfolios

Financial Statements

For the year ended 31 March 2015

Manager's Statement

In the opinion of the Manager, the accompanying Financial Statements are drawn up so as to present fairly the financial position of The Accordia Portfolios as at 31 March 2015 and their results for the year ended on that date in accordance with the requirements of the Accordia Portfolios' Master Unit Trust Deed dated 19 November 2009 .

The Directors are of the opinion that The Accordia Portfolios will be able to pay their debts as and when they fall due.

Director

Accordia Asset Management Limited

17/07/2015

	Note	Conservative Portfolio		Balanced Portfolio		Growth Portfolio	
		Year ended 31 March 2015 $	Year ended 31 March 2014 $	**Year ended 31 March 2015 $**	Year ended 31 March 2014 $	**Year ended 31 March 2015 $**	Year ended 31 March 2014 $
Income							
Interest income		**3,314**	2,196	**2,351**	1,972	**553**	223
Net changes in fair value of financial instruments held at fair value through profit or loss	5	**2,845,161**	2,360,129	**5,759,365**	3,530,200	**1,459,128**	1,079,710
Total income		**2,848,475**	2,362,325	**5,761,716**	3,532,172	**1,459,681**	1,079,933
Expenses							
Management fees	5	**289,209**	364,588	**531,229**	435,071	**111,388**	97,378
Trustee fees	5	**28,177**	35,521	**51,756**	42,388	**10,852**	9,487
Audit fees		**21,779**	28,563	**33,743**	37,733	**6,731**	7,717
Custody expenses		**-**	490	**-**	579	**-**	128
Other auditors remuneration (tax compliance)		**231**	5,317	**376**	5,667	**84**	1,332
Other expenses		**8,767**	16,481	**13,032**	19,370	**2,972**	4,439
Total operating expenses		**348,163**	450,960	**630,136**	540,808	**132,027**	120,481
Profit for the year attributable to Unitholders		**2,500,312**	1,911,365	**5,131,580**	2,991,364	**1,327,654**	959,452
Total comprehensive income attributable to Unitholders		**2,500,312**	1,911,365	**5,131,580**	2,991,364	**1,327,654**	959,452

The accompanying notes are an integral part of these Financial Statements.

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	Conservative Portfolio		Balanced Portfolio		Growth Portfolio	
	Year ended 31 March 2015 $	Year ended 31 March 2014 $	**Year ended 31 March 2015 $**	Year ended 31 March 2014 $	**Year ended 31 March 2015 $**	Year ended 31 March 2014 $
Net assets attributable to Unitholders at the beginning of the year	**37,452,242**	39,143,095	**50,993,450**	41,075,829	**11,180,307**	10,053,483
Total comprehensive income attributable to Unitholders	**2,500,312**	1,911,365	**5,131,580**	2,991,364	**1,327,654**	959,452
Total recognised income and expense for the year	**2,500,312**	1,911,365	**5,131,580**	2,991,364	**1,327,654**	959,452
Proceeds from units issued	**3,574,116**	9,032,262	**20,184,232**	13,011,308	**1,189,683**	1,922,462
Redemption of units	**(20,543,106)**	(12,578,518)	**(7,678,682)**	(5,985,352)	**(644,508)**	(1,724,765)
Unitholder tax liabilities	**(93,052)**	(55,962)	**(297,631)**	(99,699)	**(57,843)**	(30,325)
Movement in net assets attributable to Unitholders	**(14,561,730)**	(1,690,853)	**17,339,499**	9,917,621	**1,814,986**	1,126,824
Net assets attributable to Unitholders at the end of the year	**22,890,512**	37,452,242	**68,332,949**	50,993,450	**12,995,293**	11,180,307
Units on issue	**Year ended 31 March 2015 Units**	Year ended 31 March 2014 Units	**Year ended 31 March 2015 Units**	Year ended 31 March 2014 Units	**Year ended 31 March 2015 Units**	Year ended 31 March 2014 Units
Units on issue at the beginning of the year	**30,221,453**	33,174,132	**40,843,271**	35,048,676	**8,713,415**	8,580,655
Units issued	**2,741,025**	7,547,323	**15,362,774**	10,767,892	**887,294**	1,575,379
Units redeemed	**(15,903,358)**	(10,500,002)	**(6,096,541)**	(4,973,297)	**(519,585)**	(1,442,619)
Balance at the end of the year	**17,059,120**	30,221,453	**50,109,504**	40,843,271	**9,081,124**	8,713,415

The accompanying notes are an integral part of these Financial Statements.

	Notes	Conservative Portfolio		Balanced Portfolio		Growth Portfolio	
		As at 31 March 2015 $	As at 31 March 2014 $	**As at 31 March 2015 $**	As at 31 March 2014 $	**As at 31 March 2015 $**	As at 31 March 2014 $
Current assets							
Cash and cash equivalents		**11,861**	25,013	**12,960**	26,420	**13,323**	63,079
Financial assets held at fair value through profit or loss	5,6	**23,015,292**	37,555,131	**68,699,920**	51,157,555	**13,057,700**	11,167,572
Total assets		**23,027,153**	37,580,144	**68,712,880**	51,183,975	**13,071,023**	11,230,651
Current liabilities							
Management fees payable	5	**17,855**	29,271	**53,484**	39,793	**11,835**	10,361
Trustee fees payable	5	**1,740**	2,852	**5,211**	3,877	**1,153**	1,009
Unitholder tax liabilities payable		**93,052**	55,962	**297,631**	99,699	**57,843**	30,325
Withdrawals payable		**-**	10,907	**-**	13,917	**-**	1,202
Other payables		**23,994**	28,910	**23,605**	33,239	**4,899**	7,447
Total liabilities		**136,641**	127,902	**379,931**	190,525	**75,730**	50,344
Net assets attributable to Unitholders		**22,890,512**	37,452,242	**68,332,949**	50,993,450	**12,995,293**	11,180,307

The accompanying notes are an integral part of these Financial Statements.

The Directors of Accordia Asset Management Limited authorised these Financial Statements for issue on : 17/07/2015

Director ____________

Director ____________

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	Notes	Conservative Portfolio		Balanced Portfolio		Growth Portfolio	
		Year ended 31 March 2015 $	Year ended 31 March 2014 $	**Year ended 31 March 2015 $**	Year ended 31 March 2014 $	**Year ended 31 March 2015 $**	Year ended 31 March 2014 $
Cash flows from operating activities							
Interest income		**3,314**	2,297	**2,351**	1,980	**553**	226
Proceeds from sale of financial instruments held at fair value through profit or loss		**20,965,000**	11,550,014	**8,632,000**	2,180,401	**819,000**	1,015,600
Purchase of financial instruments held at fair value through profit or loss		**(3,580,000)**	(7,028,500)	**(20,415,000)**	(9,163,000)	**(1,250,000)**	(1,012,500)
Operating expenses		**(365,607)**	(451,006)	**(624,745)**	(523,786)	**(132,957)**	(117,165)
Net cash inflow/(outflow) from operating activities	7	**17,022,707**	4,072,805	**(12,405,394)**	(7,504,405)	**(563,404)**	(113,839)
Cash flows from financing activities							
Proceeds from units issued		**3,574,116**	9,225,091	**20,184,232**	13,676,225	**1,189,683**	1,922,462
Redemption of units		**(20,609,975)**	(13,378,459)	**(7,792,298)**	(6,277,850)	**(676,035)**	(1,749,565)
Net cash (outflow)/inflow from financing activities		**(17,035,859)**	(4,153,368)	**12,391,934**	7,398,375	**513,648**	172,897
Net (decrease)/increase in cash and cash equivalents		**(13,152)**	(80,563)	**(13,460)**	(106,030)	**(49,756)**	59,058
Cash and cash equivalents at the beginning of the year		**25,013**	105,576	**26,420**	132,450	**63,079**	4,021
Cash and cash equivalents at the end of the financial year		**11,861**	25,013	**12,960**	26,420	**13,323**	63,079

The accompanying notes are an integral part of these Financial Statements.

1. General information

1.1 Reporting Entity

These Financial Statements show the financial position as at and performance for the year ended 31 March 2015 for the following entities:
- Accordia Conservative Portfolio
- Accordia Balanced Portfolio
- Accordia Growth Portfolio

Collectively these unit trusts are referred to throughout these Financial Statements as the 'Portfolios' and individually as a 'Portfolio' and are also known as the 'Accordia Portfolios'.

The Portfolios' investment activities are managed by Accordia Asset Management Limited (the 'Manager'). The registered office for Accordia Asset Management Limited is Unit 4b, 303 Blenheim Road, Christchurch 8149. The Portfolios are domiciled in New Zealand.

The Portfolios were created under a trust deed executed by Accordia Asset Management Limited on 19 November 2009 and Unit Trust Establishment Deeds between Accordia Asset Management Limited and the Public Trust dated 19 November 2009. The Portfolios commenced operations on 18 January 2010.

The investment strategies and objectives of the Portfolios are to apply a multi-asset/multi-manager approach to portfolio construction.

The principal activity of the Portfolios is investment.

1.2 Statutory Base

The Accordia Portfolios are Unit Trusts as defined by the Unit Trusts Act 1960 and are subject to the provisions of that Act.

2. Summary of significant accounting policies

2.1 Basis of preparation

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied throughout the periods presented, unless otherwise stated.

The Financial Statements have been prepared in accordance with the requirements of the Unit Trusts Act 1960, the Financial Reporting Act 1993, the Trust Deed and Generally Accepted Accounting Practice in New Zealand (NZ GAAP). For the purposes of complying with NZ GAAP, the Portfolios are profit-oriented entities. These Financial Statements comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS). These Financial Statements have been prepared under the historical cost method, except for financial assets and liabilities held at fair value through profit or loss.

The preparation of Financial Statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires the Directors of the Manager to exercise their judgement in the process of applying the Portfolio's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed in Note 3.

(a) Presentation

All amounts are presented in New Zealand dollars, which is the Portfolios' functional and presentation currency, unless otherwise stated.

(b) Standards and amendments to existing standards effective 1 April 2014 impacting the Portfolios

No new standards have been adopted by the Portfolios effective 1 April 2014.

(c) Standards and amendments to existing standards that are relevant, but not yet applicable to the Portfolios and have not been early adopted by the Portfolios

NZ IFRS 9 Financial instruments ('NZ IFRS 9') was issued in September 2014 as a complete version of the standard and is effective from 1 January 2018. NZ IFRS 9 requires financial assets to be classified on the basis of the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset, and subsequently measures the financial assets as either at amortised cost or fair value. The requirements for classifying and measuring financial liabilities have been added to the standard and were carried forward largely unchanged from NZ IAS 39 Financial Instruments: Recognition and Measurement. However, the requirements related to the fair value option for financial liabilities were changed to address the issue of own credit risk. The new hedge accounting model more closely aligns hedge accounting with risk management activities undertaken by entities when hedging their financial and non-financial risks. NZ IFRS 9 introduces a new expected credit loss model for calculating impairment of financial assets. NZ IFRS 9, when it is adopted, is not expected to have a significant impact on the Portfolios' reported result or financial position. The Portfolios intend adopting NZ IFRS 9 for the financial period commencing 1 April 2018

2. Summary of significant accounting policies (continued)

2.2 Classification as an investment entity

An entity is not required to consolidate an investment in a subsidiary where such an entity meets the definition of an investment entity as defined in NZ IFRS 10, 'Consolidated Financial Statements'. Such investments held in subsidiaries are classified as financial assets at fair value through profit or loss and measured at fair value.

The Portfolios meet the definition of an investment entity as defined by NZ IFRS 10 because of the following characteristics:
- They obtain funds from one or more unitholders for the purpose of providing those unitholders with a managed investment product;
- They have committed to their investors via their documented investment strategy that their business purpose is to invest funds solely for returns from capital appreciation, investment income or a combination of both; and
- The Portfolios measure the performance of their investments on a fair value basis.

The Portfolios also display all four typical characteristics that are associated with an investment entity:
- They hold more than one investment;
- They have more than one investor;
- They have investors that are not related to the Portfolios; and
- Ownership interest in the Portfolios are represented by units of equity interests.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the Portfolios' Financial Statements are measured using the currency of the primary economic environment in which they operate (the "functional currency"). This is the New Zealand dollar, which reflects the currency of the economy in which the Portfolios compete for funds and are regulated. The New Zealand dollar is also the Portfolios' presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statements of Comprehensive Income.

The Portfolios do not isolate that portion of gains or losses on securities, foreign cash and derivative financial instruments that are measured at fair value through profit or loss and which are due to changes in foreign exchange rates from that which is due to changes in the market price of securities. Such fluctuations are included with the net gains or losses on financial instruments at fair value through profit or loss.

2. Summary of significant accounting policies (continued)

2.4 Financial instruments

(a) Classification

The Portfolios classify their investments in debt, equity and unit trust securities as financial assets or financial liabilities at fair value through profit or loss.

This category has two sub-categories: financial assets or financial liabilities held for trading; and those designated at fair value through profit or loss at inception.

(i) Financial instruments held for trading

A financial asset or financial liability is held for trading if it is acquired principally for the purpose of selling in the near term or if on initial recognition is part of a portfolio of identifiable financial investments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.

(ii) Financial instruments designated at fair value through profit or loss at inception

Financial instruments designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Portfolios' documented investment strategy.

The Portfolios' investments are classified as financial assets designated at fair value through profit or loss at inception.

Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period where they are classified as non-current assets. The Portfolios' loans and receivables may include cash and cash equivalents, amounts for interest and amounts due from brokers for securities sold that have been contracted for but not yet delivered at the end of the accounting period.

Receivables may include amounts for interest earned that has not been paid by the end of the accounting period. Receivables are initially recognised at cost, being the amounts receivable. They are subsequently measured at amortised cost, being the initially recognised amount reduced for impairment as appropriate. Any impairment charge is recognised in the Statements of Comprehensive Income.

Cash and cash equivalents include cash in hand and deposits held at call with banks in New Zealand Dollars and other currencies. 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 Portfolios' main income.

Other financial liabilities

These amounts represent liabilities including redemptions and accrued expenses owing by the Portfolios at year end. These amounts are recognised initially at fair value and subsequently measured at amortised cost.

(b) Recognition, derecognition and measurement

Financial instruments at fair value through profit or loss

Regular purchases and sales of investments are recognised on the trade date - the date on which the Portfolios commit to purchase or sell the investment. Financial assets at fair value through profit or loss are initially recognised at fair value.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Portfolios have transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets 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 at fair value through profit or loss' category are presented in the Statements of Comprehensive Income within net changes in fair value of financial instruments held at fair value through profit or loss in the period in which they arise.

Loans and receivables

Loan assets are measured initially at fair value plus transaction costs and subsequently amortised using the effective interest rate method, less impairment losses if any. Such assets are reviewed at each Balance Sheet date to determine whether there is objective evidence of impairment.

2. Summary of significant accounting policies (continued)

2.4 Financial instruments (continued)

(c) Fair value estimation

· *Fair value in an active market*

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and traded securities) are based on quoted market prices at the balance sheet date. The quoted market price used for financial assets and financial liabilities held by the Portfolios is the last traded market price.

· *Fair value in an inactive or unquoted market*

The fair value of financial assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Portfolios use a variety of methods and make assumptions that are based on market conditions existing at each balance date. Valuation techniques used include the use of comparable recent arm's length market transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

Investments in other unlisted unit trusts are recorded at the redemption value per unit as reported by the managers of such funds. Where the units of the other funds are not publicly traded, redemption can only be made by the Portfolios on the redemption dates and subject to the required notice periods specified in the offering documents of the other funds. The rights of the Portfolios to request redemption of their investments in other funds may vary in frequency from daily to weekly redemptions. As a result, the carrying values of the other funds may not be indicative of the values ultimately realised on redemption. In addition, the Portfolios may be materially affected by the actions of other investors who have invested in other funds in which the Portfolios have invested.

2.5 Net assets attributable to Unitholders

The Portfolios issue units that are redeemable at the Unitholders' option and have identical features and are therefore classified as equity. The units can be put back to the Portfolios weekly on a Wednesday, subject to the receipt of a valid redemption request, for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the balance date if Unitholders exercised their right to put the units back to the Portfolios.

Applications received for units in the Portfolios are recorded net of any entry fees payable prior to the issue of units in the Portfolios. Redemptions from the Portfolios are recorded gross of any exit fees payable after the cancellation of the units redeemed. Units are issued and redeemed at the holder's option at prices based on the Portfolios' net asset value per unit at the time of issue or redemption. The Portfolios' net asset value per unit is calculated by dividing the net assets attributable to the holders of the Portfolios with the total number of outstanding units of the Portfolios. In accordance with the provisions of the offering documents, financial assets and liabilities traded in active markets are valued based on the last market trade price and investments in other unlisted unit trusts are recorded at the redemption value per unit, for the purpose of determining the net asset value per unit for subscriptions and redemptions.

2.6 Investment income

Dividend income from financial assets at fair value through profit or loss is recognised in the Statements of Comprehensive Income within dividend income when the Portfolio's right to receive payments is established. Interest income on cash and cash equivalents is included as interest in the Statements of Comprehensive Income on an accruals basis. Changes in fair value for such instruments are recorded in accordance with the policies described in Note 2.4.

2.7 Investment gains and losses

Realised and unrealised gains and losses are reflected in the Statements of Comprehensive Income as net changes in fair value on financial instruments held at fair value through profit or loss.

Unrealised gains or losses include the change in net market value of investments held as at balance date. Realised gains or losses are calculated based on the gross sale proceeds and the weighted average cost of the investments sold.

2.8 Expenses

All expenses, including the Portfolios' management and trustee fees, are recognised in the Statements of Comprehensive Income on an accruals basis.

2. Summary of significant accounting policies (continued)

2.9 Income tax

The Portfolios qualify as and have elected to be Portfolio Investment Entities (PIE's) for tax purposes. Under the PIE regime income is effectively taxed in the hands of the Unitholders and therefore the Portfolios have no income tax expense. Accordingly, no income tax expense is recognised in the Statements of Comprehensive Income. Income is disclosed gross of any resident and foreign withholding taxes deducted at source and the taxes are included in Unitholder tax liabilities in the Statements of Changes in Net Assets Attributable to Unitholders.

Under the PIE regime, the Manager attributes the taxable income of the Portfolios to Unitholders in accordance with the proportion of their interest in the Portfolios. The income attributed to each Unitholder is taxed at the Unitholder's "prescribed investor rate" which is capped at 28% on redemptions and annually at 31 March each year.

Unitholder tax liabilities disclosed in the Statements of Changes in Net Assets Attributable to Unitholders consists of withdrawals/applications to meet year end Unitholder tax liabilities/rebates under the PIE regime and any resident and foreign withholding taxes deducted at source.

2.10 Goods and services tax ("GST")

The Portfolios are not registered for GST. The Statements of Comprehensive Income and Statements of Cash Flows have been prepared so that all components are stated inclusive of GST. All items in the Balance Sheets are stated inclusive of GST.

3. Critical accounting estimates and judgements

The Portfolios make estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no material critical accounting estimates or judgements.

4. Commitments and contingent liabilities

There are no material contingencies or commitments as at 31 March 2015 (31 March 2014: nil).

5. Related Parties

Accordia Asset Management Limited is the Manager and Issuer of the Accordia Portfolios. In accordance with the Trust Deed, management fees are calculated on the daily gross asset values of the Portfolios and paid monthly. Management fees are a related party expense paid to Accordia Asset Management Limited and are shown in the Statements of Comprehensive Income under "Management fees". Management fees payable are shown in the Balance Sheets.

In 2014 and prior, Portfolios were responsible for reimbursing the Manager for establishment costs incurred in 2009 and 2010. These expenses were shown within other expenses on the Statements of Comprehensive Income.

The Public Trust is the Trustee of the Portfolios. The Portfolios pay Trustee fees to the Manager, who in turn, is responsible for paying fees to the Trustee. Trustee fees are a related party expense and are shown in the Statements of Comprehensive Income under "Trustee fees". Trustee fees payable are shown in the Balance Sheets.

		Conservative Portfolio		Balanced Portfolio		Growth Portfolio	
		As at 31 March 2015	As at 31 March 2014	**As at 31 March 2015**	As at 31 March 2014	**As at 31 March 2015**	As at 31 March 2014
The investment interests of the directors of Accordia Asset Management Limited in the Portfolios at balance date are:	Units	-	-	-	-	**189,043**	172,870
	Market value	-	-	-	-	**270,525**	221,812
	% of Trust	-	-	-	-	**2.08%**	1.98%

Proportion of ownership interest held in subsidiaries

The following subsidiary has not been consolidated in the financial statements of the Accordia Balanced Portfolio. The investment in units issued by this subsidiary is accounted for as a financial asset designated at fair value through profit or loss. The proportion of the subsidiary owned by the Accordia Balanced Portfolio at balance date is as follows:

5. Related parties (continued)

Subsidiary	**Principal place of business**	**As at 31 March 2015**	As at 31 March 2014
Accordia Wholesale Commodities Fund	New Zealand	**78%**	60%

The Accordia Portfolios invest into the Accordia Wholesale Pools, all of which are managed by Accordia Asset Management Limited. All related party investor holdings and income are detailed in the tables below.

Investments at balance date

Investments held by the Accordia Portfolios into the Accordia Wholesale Portfolios as at balance date are outlined below:

The value of investments held with related parties at balance date were:

	Conservative Portfolio		Balanced Portfolio		Growth Portfolio	
	As at 31 March 2015 $	As at 31 March 2014 $	**As at 31 March 2015 $**	As at 31 March 2014 $	**As at 31 March 2015 $**	As at 31 March 2014 $
Investments held in the following Accordia Wholesale Portfolios:						
Australasian Equity Pool	**1,026,537**	1,272,885	**4,056,198**	3,436,289	**982,518**	915,682
International Equity Pool	**5,382,917**	9,851,879	**22,173,886**	17,829,804	**5,902,608**	5,321,263
New Zealand Fixed Interest Pool	**2,873,787**	4,199,647	**7,079,750**	4,856,139	**740,607**	663,231
International Fixed Interest Pool	**54**	61	**165**	185	**83**	94
Cash Pool	**9,182,762**	14,465,907	**20,592,006**	13,844,322	**2,144,432**	1,593,528
Commodities Pool	**642,898**	1,432,978	**2,235,392**	2,183,828	**-**	-
Specialty 1 Pool	**3,906,337**	6,331,774	**6,841,933**	4,510,457	**-**	-
Specialty 2 Pool	**-**	-	**5,720,590**	4,496,531	**3,287,452**	2,673,774
	23,015,292	37,555,131	**68,699,920**	51,157,555	**13,057,700**	11,167,572

Related party income

	Conservative Portfolio		Balanced Portfolio		Growth Portfolio	
	Year ended 31 March 2015 $	Year ended 31 March 2014 $	**Year ended 31 March 2015 $**	Year ended 31 March 2014 $	**Year ended 31 March 2015 $**	Year ended 31 March 2014 $
Income earned by investments in the following Accordia Wholesale Portfolios:						
Australasian Equity Pool	**58,651**	(58,649)	**264,909**	(69,332)	**66,836**	(21,908)
International Equity Pool	**1,097,039**	1,805,157	**2,776,082**	2,846,435	**796,343**	931,728
New Zealand Fixed Interest Pool	**344,139**	(67,236)	**563,611**	(12,190)	**67,376**	(2,567)
International Fixed Interest Pool	**(7)**	(7)	**(20)**	(21)	**(10)**	(10)
Cash Pool	**540,856**	485,031	**757,684**	410,935	**86,904**	42,643
Commodities Pool	**(5,080)**	(30,535)	**(48,436)**	(34,065)	**-**	-
Specialty 1 Pool	**809,563**	227,353	**774,476**	169,621	**-**	-
Specialty 2 Pool	**-**	(985)	**671,059**	218,817	**441,679**	129,824
	2,845,161	2,360,129	**5,759,365**	3,530,200	**1,459,128**	1,079,710

6. Financial instruments by category

	Conservative Portfolio		Balanced Portfolio		Growth Portfolio	
	As at 31 March 2015 $	As at 31 March 2014 $	**As at 31 March 2015 $**	As at 31 March 2014 $	**As at 31 March 2015 $**	As at 31 March 2014 $
Designated at fair value through profit or loss at inception:						
Unlisted unit trusts	**23,015,292**	37,555,131	**68,699,920**	51,157,555	**13,057,700**	11,167,572
Total designated at fair value through profit or loss at inception	**23,015,292**	37,555,131	**68,699,920**	51,157,555	**13,057,700**	11,167,572
Loans and receivables						
Cash and cash equivalents	**11,861**	25,013	**12,960**	26,420	**13,323**	63,079
Total loans and receivables	**11,861**	25,013	**12,960**	26,420	**13,323**	63,079
Total financial assets	**23,027,153**	37,580,144	**68,712,880**	51,183,975	**13,071,023**	11,230,651
Financial liabilities						
Management fees payable	**17,855**	29,271	**53,484**	39,793	**11,835**	10,361
Trustee fees payable	**1,740**	2,852	**5,211**	3,877	**1,153**	1,009
Withdrawals payable	-	10,907	-	13,917	-	1,202
Other payables	**23,994**	28,910	**23,605**	33,239	**4,899**	7,447
Total financial liabilities	**43,589**	71,940	**82,300**	90,826	**17,887**	20,019

7. Reconciliation of profit to net cash inflow/(outflow) from operating activities

	Conservative Portfolio		Balanced Portfolio		Growth Portfolio	
	Year ended 31 March 2015	Year ended 31 March 2014	**Year ended 31 March 2015**	Year ended 31 March 2014	**Year ended 31 March 2015**	Year ended 31 March 2014
	$	$	**$**	$	**$**	$
Profit for the year attributable to Unitholders	**2,500,312**	1,911,365	**5,131,580**	2,991,364	**1,327,654**	959,452
Proceeds from sale of financial instruments held at fair value through profit or loss	**20,965,000**	11,550,014	**8,632,000**	2,180,401	**819,000**	1,015,600
Purchase of financial instruments held at fair value through profit or loss	**(3,580,000)**	(7,028,500)	**(20,415,000)**	(9,163,000)	**(1,250,000)**	(1,012,500)
Net (gain)/loss on financial instruments held at fair value through profit or loss	**(2,845,161)**	(2,360,129)	**(5,759,365)**	(3,530,200)	**(1,459,128)**	(1,079,710)
Net change in payables	**(17,444)**	(46)	**5,391**	17,022	**(930)**	3,316
Net change in receivables	**-**	101	**-**	8	**-**	3
Net cash inflow/(outflow) from operating activities	**17,022,707**	4,072,805	**(12,405,394)**	(7,504,405)	**(563,404)**	(113,839)

8. Financial risk management

8.1 Financial risk factors

The Trust Deed for the Portfolios requires the Manager to invest the assets of each Portfolio in accordance with the investment guidelines, as agreed with the Trustee from time to time, in order to manage risk. The Portfolios' activities expose them to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk and price risk), credit risk and liquidity risk, arising from the financial instruments they hold. The Portfolios' overall risk management programme seeks to maximise the returns derived for the level of risk to which the Portfolios are exposed and seeks to minimise potential adverse effects on the Portfolios' financial performance.

All investments in securities present a risk of loss of capital. The maximum loss of capital on long equity and unlisted unit trusts is limited to the fair value of those securities.

In addition to internal risk management carried out by the Manager, financial risk is also managed by the setting of an investment policy, agreed with and monitored by the Trustee and set out in the Portfolios' prospectus.

The Portfolios use different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

8.1.1 Market risk

(a) Price risk

The Portfolios are exposed to price risk due to their indirect investments (through their holdings in the Accordia Wholesale Portfolios) for which prices in the future are uncertain. The Portfolios are also indirectly exposed to equity security price risk through the investment activities of the trusts into which the Portfolios invest. Where non-monetary financial instruments - for example, units in unit trusts - are denominated in currencies other than New Zealand dollars, the price initially expressed in foreign currency and then converted into New Zealand dollars will also fluctuate because of changes in foreign exchange rates.

The Portfolios manage their price risk by ensuring that all activities are transacted in accordance with mandates, overall investment strategy and within approved limits.

The table below summarises the sensitivity of the Portfolios' net assets and profit attributable to Unitholders to price movements in the Portfolios' investments in unlisted unit trusts as at 31 March 2015. If the prices of the unit trusts had increased or decreased by 5% with all other variables held constant, this would have had the following impact on the Statements of Comprehensive Income and net assets attributable to Unitholders:

	Conservative Portfolio		Balanced Portfolio		Growth Portfolio	
	As at 31 March 2015	As at 31 March 2014	**As at 31 March 2015**	As at 31 March 2014	**As at 31 March 2015**	As at 31 March 2014
	$	$	**$**	$	**$**	$
5% increase in prices	**1,150,765**	1,877,757	**3,434,996**	2,557,878	**652,885**	558,379
5% decrease in prices	**(1,150,765)**	(1,877,757)	**(3,434,996)**	(2,557,878)	**(652,885)**	(558,379)

8. Financial risk management (continued)

8.1.1 Market risk (continued)

(b) Currency risk

Foreign currency risk, as defined in IFRS 7, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in currencies other than New Zealand dollars fluctuate due to changes in foreign exchange rates. IFRS 7 considers the foreign exchange exposure to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk.

At 31 March 2015 the Portfolios had no monetary assets or monetary liabilities denominated in currencies other than New Zealand dollars. The Portfolios have indirect exposure to foreign currency risk through their invesments in other funds. The foreign currency risk arising from these investments is managed by the manager of the underlying fund.

(c) Cash flow interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flows. The Portfolios may hold investments in interest earning financial instruments that expose the Portfolios to fair value interest rate risk. The Portfolios may also hold cash and cash equivalents that expose the Trust to cash flow interest rate risk. Exposure to both fair value and cash flow interest rate risk is also possible through the Portfolios investment in other funds. The interest rate risk arising from these investments is managed by the underlying fund manager.

At the balance sheet date, had the interest rate increased or decreased by 1% with all other variables held constant, the increase or decrease respectively in the Statements of Comprehensive Income and Net Assets Attributable to Unitholders would amount to approximately:

	Conservative Portfolio		Balanced Portfolio		Growth Portfolio	
	As at 31 March 2015	As at 31 March 2014	**As at 31 March 2015**	As at 31 March 2014	**As at 31 March 2015**	As at 31 March 2014
	$	$	**$**	$	**$**	$
1% increase in interest rates	**119**	250	**130**	264	**133**	631
1% decrease in interest rates	**(119)**	(250)	**(130)**	(264)	**(133)**	(631)

8.1.2 Credit risk

Credit risk is the potential risk of financial loss resulting from the failure of counterparties to honour fully the terms and conditions of a contract with the Portfolios. The Portfolios are primarily exposed to credit risk through their investment activities. The Portfolios have indirect exposure (through their holdings in the Accordia Wholesale Portfolios) to listed equities, unit trusts and unlisted unit trusts. The Manager therefore considers the nature of this exposure to be indirect market risk, not credit risk.

The Portfolios' have credit risk exposure arising from the holdings of cash and cash equivalents at Westpac New Zealand Limited, on which the maximum exposure to credit risk is limited to the carrying amount. The Manager considers the credit risk to be mitigated by the AA- credit rating awarded to Westpac New Zealand Limited by Standard & Poor's.

8.1.3 Liquidity risk

Liquidity risk is the risk that the Portfolios may not be able to generate sufficient cash resources to settle their obligations in full as they fall due or can only do so on terms that are materially disadvantageous.
The Portfolios are exposed to the weekly redemptions of units. The Portfolios' policy is therefore to be fully invested in unlisted unit trusts that provide adequate liquidity. Underlying portfolios can be accessed to allow them to meet their obligations as they come due.

8.2 Capital risk management

The Portfolios' capital is represented by the net assets attributable to Unitholders. The Portfolios' objective when managing capital is to provide returns for Unitholders through investing and to employ a multi-asset/multi-manager approach to portfolio construction.

The Portfolios strive to invest the subscriptions of Unitholders' Portfolios in investments that meet the Portfolio's objectives while maintaining sufficient liquidity to meet Unitholder redemptions.

The Portfolios do not have any externally imposed capital requirements. Units may be redeemed weekly on a Wednesday, subject to receipt of a valid redemption request.

Neither the Trustee, the Manager, nor any members of their groups of companies or any other party guarantee the units offered by the Portfolios, the performance or returns of the Portfolios or the repayment of capital.

8. Financial risk management (continued)

8.3 Fair value estimation

All financial assets and financial liabilities included in the Balance Sheets, are carried at amounts that represent or approximate fair value. The fair value of financial assets traded in active markets are based on quoted market prices at the close of trading on the year end date. The quoted market price used for financial assets held by the Portfolios is the last market price. The price used for unlisted unit trusts is the published withdrawal price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

NZ IFRS 13 requires the Portfolios to classify the fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement.

The determination of what constitutes 'observable' requires significant judgement by the Manager. The Manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable and provided by independent sources that are actively involved in the relevant market. The following table analyses within the fair value hierarchy the Fund's financial assets and liabilities (by level) measured at fair value at 31 March 2015:

Conservative Portfolio

As at 31 March 2015

	level 1	level 2	level 3	total
Assets	$	$	$	$
Financial assets designated at fair value through profit or loss at inception:				
Unlisted unit trusts	-	**23,015,292**	-	**23,015,292**
Total financial assets designated at fair value through profit or loss at inception	-	**23,015,292**	-	**23,015,292**

Conservative Portfolio

As at 31 March 2014

	level 1	level 2	level 3	total
Assets	$	$	$	$
Financial assets designated at fair value through profit or loss at inception:				
Unlisted unit trusts	-	37,555,131	-	37,555,131
Total financial assets designated at fair value through profit or loss at inception	-	37,555,131	-	37,555,131

8. Financial risk management (continued)

8.3 Fair value estimation (continued)

	Balanced Portfolio As at 31 March 2015				Growth Portfolio As at 31 March 2015			
	level 1	level 2	level 3	total	level 1	level 2	level 3	total
Assets	$	$	$	$	$	$	$	$
Financial assets designated at fair value through profit or loss at inception:								
Unlisted unit trusts	-	**68,699,920**	-	**68,699,920**	-	**13,057,700**	-	**13,057,700**
Total financial assets designated at fair value through profit or loss at inception	-	**68,699,920**	-	**68,699,920**	-	**13,057,700**	-	**13,057,700**

	Balanced Portfolio As at 31 March 2014				Growth Portfolio As at 31 March 2014			
	level 1	level 2	level 3	total	level 1	level 2	level 3	total
Assets	$	$	$	$	$	$	$	$
Financial assets designated at fair value through profit or loss at inception:								
Unlisted unit trusts	-	51,157,555	-	51,157,555	-	11,167,572	-	11,167,572
Total financial assets designated at fair value through profit or loss at inception	-	51,157,555	-	51,157,555	-	11,167,572	-	11,167,572

Investments in unlisted unit trusts are classified within level 2, as they are fair valued using the published redemption price of the underlying trust. Management believe that the Portfolios could have redeemed their investments at the redemption price per unit on the balance sheet date.

All financial assets and financial liabilities included in the Balance Sheets are carried at amounts that approximate fair value.

9. Events occurring after the balance sheet date

No significant events have occurred since balance date which would impact on the financial position of the Portfolios disclosed in the Balance Sheets as at 31 March 2015 or on the results and cash flows of the Portfolios for the period ended on that date.

pwc

Independent Auditors' Report

to the unit holders of the Accordia Retail Portfolios

Report on the Financial Statements

We have audited the financial statements of Accordia Retail Portfolios, comprised of each of the following Portfolios:

- Conservative Portfolio
- Balanced Portfolio
- Growth Portfolio

(the "Portfolios") on pages 3 to 17, which comprise the balance sheets as at 31 March 2015, the statements of comprehensive income, the statements of changes in net assets attributable to unitholders and the statements of cash flows for the year 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 Portfolios' 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 Portfolios' preparation of financial statements that give a true and fair view of the matters to which they relate, 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 Portfolios' internal control over the Portfolios. 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.

pwc

Independent Auditors' Report
Accordia Retail Portfolios

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

Opinion
In our opinion, the financial statements on pages 3 to 17:

(i) comply with generally accepted accounting practice in New Zealand;

(ii) comply with International Financial Reporting Standards; and

(iii) give a true and fair view of the financial position of the Portfolios as at 31 March 2015, and their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements
We also report in accordance with Sections 16(1)(d) and 16(1)(e) of the Financial Reporting Act 1993. In relation to our audit of the financial statements for the year ended 31 March 2015:

(i) we have obtained all the information and explanations that we have required; and

(ii) in our opinion, proper accounting records have been kept by the Portfolios as far as appears from an examination of those records.

Restriction on Use of our Report
This report is made solely to the unit holders of each Portfolio, as a body. Our audit work has been undertaken so that we might state to the unit holders of each Portfolio 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 unit holders of each Portfolio, as a body, for our audit work, for this report or for the opinions we have formed.

PricewaterhouseCoopers

Chartered Accountants
17 July 2015

Auckland