

**Kiwi Wealth KiwiSaver Scheme**  
**Financial Statements**  
**For the year ended 31 March 2023**

**Kiwi Wealth KiwiSaver Scheme**  
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# Kiwi Wealth KiwiSaver Scheme

## Statements of Changes in Net Assets

### For the year ended 31 March 2023

\$ 000's		Cash		CashPlus		Default Conservative		Conservative		Default	
For the year ended 31 March		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022 Period
Notes											
<b>Income</b>											
	Dividend and distribution income	-	-	-	-	-	-	4	9	1,034	180
	Net gains / (losses) on financial instruments at fair value through profit or loss	12,562	3,005	2,275	(1,749)	3,778	(1,293)	(11,079)	(10,250)	(15,319)	(23,953)
	Foreign exchange gains/(losses)	-	-	-	-	-	-	12	(12)	(50)	50
	Interest income on financial assets at amortised cost	90	16	29	8	73	17	168	40	161	33
	Interest income on financial assets at fair value through profit or loss	-	-	-	-	-	-	-	-	197	-
	Other income	1	-	-	-	-	124	8	2	-	-
	<b>Total income/(loss)</b>	<b>12,653</b>	<b>3,021</b>	<b>2,304</b>	<b>(1,741)</b>	<b>3,851</b>	<b>(1,152)</b>	<b>(10,887)</b>	<b>(10,211)</b>	<b>(13,977)</b>	<b>(23,690)</b>
<b>Expenses</b>											
11	Management and administration fees	1,638	1,466	729	807	1,354	1,886	7,981	8,234	1,811	528
	Transaction fees and expenses	-	-	-	-	-	-	-	-	-	-
	<b>Total expenses</b>	<b>1,638</b>	<b>1,466</b>	<b>729</b>	<b>807</b>	<b>1,354</b>	<b>1,886</b>	<b>7,981</b>	<b>8,234</b>	<b>1,811</b>	<b>528</b>
	<b>Net increase/(decrease) in net assets before membership activities</b>	<b>11,015</b>	<b>1,555</b>	<b>1,575</b>	<b>(2,548)</b>	<b>2,497</b>	<b>(3,038)</b>	<b>(18,868)</b>	<b>(18,445)</b>	<b>(15,788)</b>	<b>(24,218)</b>

\$ 000's		Balanced		Growth		Transaction account		Total Scheme	
For the year ended 31 March		2023	2022	2023	2022	2023	2022 Period*	2023	2022
Notes									
<b>Income</b>									
	Dividend and distribution income	17	36	24	50	-	-	1,079	275
	Net gains / (losses) on financial instruments at fair value through profit or loss	(53,169)	61,075	(80,819)	133,493	-	-	(141,771)	160,328
	Foreign exchange gains/(losses)	31	(49)	61	(67)	-	(31)	54	(109)
	Interest income on financial assets at amortised cost	540	148	775	172	-	41	1,836	475
	Interest income on financial assets at fair value through profit or loss	-	-	-	-	-	-	197	-
	Other income	13	2	11	-	-	-	33	128
	<b>Total income/(loss)</b>	<b>(52,568)</b>	<b>61,212</b>	<b>(79,948)</b>	<b>133,648</b>	<b>-</b>	<b>10</b>	<b>(138,572)</b>	<b>161,097</b>
<b>Expenses</b>									
11	Management and administration fees	19,737	21,171	21,983	22,928	-	-	55,233	57,020
	Transaction fees and expenses	-	-	-	-	-	8	-	8
	<b>Total expenses</b>	<b>19,737</b>	<b>21,171</b>	<b>21,983</b>	<b>22,928</b>	<b>-</b>	<b>8</b>	<b>55,233</b>	<b>57,028</b>
	<b>Net increase/(decrease) in net assets before membership activities</b>	<b>(72,305)</b>	<b>40,041</b>	<b>(101,931)</b>	<b>110,720</b>	<b>-</b>	<b>2</b>	<b>(193,805)</b>	<b>104,069</b>

\* Period ended 15 November 2021

These statements are to be read in conjunction with the accompanying notes.

# Kiwi Wealth KiwiSaver Scheme

## Statements of Changes in Net Assets (continued)

### For the year ended 31 March 2023

\$ 000's	Cash		CashPlus		Default Conservative		Conservative		Default	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022 Period
<b>For the year ended 31 March</b>										
<b>Net increase/(decrease) in net assets before membership activities</b>	<b>11,015</b>	1,555	<b>1,575</b>	(2,548)	<b>2,497</b>	(3,038)	<b>(18,868)</b>	(18,445)	<b>(15,788)</b>	(24,218)
<b>Membership activities</b>										
<b>Contributions / transfers in</b>										
Employer contributions	13,543	4,836	4,005	1,697	15,288	7,019	31,174	12,294	40,457	10,853
Employee contributions	22,920	8,168	6,785	2,865	25,826	11,804	55,062	21,810	66,552	17,632
Transfers between funds	85,018	102,720	650	13,038	37,207	93,044	104,976	228,923	10,084	116,987
Transfers from other schemes	12,827	5,592	84	8	6,765	3,562	14,807	6,906	6,939	381,303
Voluntary contributions	2,956	1,308	733	639	1,492	1,119	9,409	8,315	1,031	195
Crown contributions	5,003	-	1,509	-	5,587	-	11,423	12	12,172	1
<b>Benefits paid / transfers out / PIE tax</b>										
Transfers to other schemes	(16,282)	(4,765)	(3,459)	(1,491)	(11,247)	(4,341)	(32,586)	(12,522)	(20,974)	(9,757)
Transfers between funds	(41,439)	(78,273)	(5,006)	(25,592)	(28,648)	(178,204)	(85,069)	(202,131)	(23,582)	(11,424)
Member / IRD refunds	-	-	-	-	-	-	-	-	-	-
Significant financial hardship withdrawals	(2,834)	(782)	(595)	(243)	(1,560)	(510)	(4,441)	(1,117)	(1,185)	(195)
Withdrawals on death and disability	(607)	(211)	(162)	-	(463)	(135)	(1,619)	(506)	(360)	(46)
Withdrawals on serious ill health	(541)	(170)	(106)	(75)	(396)	(107)	(1,287)	(428)	(509)	(112)
Withdrawals or transfers on permanent emigration	(508)	(112)	(11)	(45)	(119)	(99)	(636)	(417)	(344)	(37)
First home purchase withdrawals	(10,795)	(4,520)	(1,989)	(582)	(4,759)	(2,548)	(14,068)	(7,040)	(3,019)	(845)
Age of eligibility withdrawal	(21,884)	(7,117)	(4,813)	(1,826)	(9,341)	(3,860)	(54,423)	(22,626)	(4,958)	(1,375)
Other withdrawals	(311)	(157)	(50)	(16)	(286)	(191)	(529)	(510)	(685)	(260)
PIE tax paid and payable (received and receivable)	(2,418)	(217)	(344)	457	(1,000)	1,303	(934)	6,443	(204)	1,203
<b>Net membership activities</b>	<b>44,648</b>	26,300	<b>(2,769)</b>	(11,166)	<b>34,346</b>	(72,144)	<b>31,259</b>	37,406	<b>81,415</b>	504,123
<b>Benefits accrued to members' accounts</b>	<b>55,663</b>	27,855	<b>(1,194)</b>	(13,714)	<b>36,843</b>	(75,182)	<b>12,391</b>	18,961	<b>65,627</b>	479,905
<b>Net assets attributable to members at beginning of the year</b>	<b>325,955</b>	298,100	<b>105,772</b>	119,486 #	<b>264,134</b>	339,316	<b>974,005</b>	955,044	<b>479,905</b>	-
<b>Net assets attributable to members at end of the year</b>	<b>381,618</b>	325,955	<b>104,578</b>	105,772	<b>300,977</b>	264,134	<b>986,396</b>	974,005	<b>545,532</b>	479,905

These statements are to be read in conjunction with the accompanying notes.

# Kiwi Wealth KiwiSaver Scheme

## Statements of Changes in Net Assets (continued)

### For the year ended 31 March 2023

\$ 000's	Balanced		Growth		Transaction account		Total Scheme	
	2023	2022	2023	2022	2023	2022 Period*	2023	2022
<b>For the year ended 31 March</b>								
<b>Net increase/(decrease) in net assets before membership activities</b>	<b>(72,305)</b>	40,041	<b>(101,931)</b>	110,720	-	2	<b>(193,805)</b>	104,069
<b>Membership activities</b>								
<b>Contributions / transfers in</b>								
Employer contributions	52,853	21,450	61,005	24,104	-	104,619	218,325	186,872
Employee contributions	99,806	41,159	115,515	45,923	-	190,657	392,466	340,018
Transfers between funds	72,954	363,181	107,572	405,981	-	(973,717)	418,461	350,157
Transfers from other schemes	18,464	12,668	23,418	16,237	-	81,954	83,304	508,230
Voluntary contributions	23,812	24,211	25,522	17,477	-	150,628	64,955	203,892
Crown contributions	17,738	28	19,254	-	-	63,648	72,686	63,689
<b>Benefits paid / transfers out / PIE tax</b>								
Transfers to other schemes	(67,225)	(23,523)	(96,339)	(32,279)	-	(178,665)	(248,112)	(267,343)
Transfers between funds	(122,083)	(301,911)	(112,634)	(266,280)	-	713,658	(418,461)	(350,157)
Member / IRD refunds	-	-	-	-	-	(3,228)	-	(3,228)
Significant financial hardship withdrawals	(4,338)	(1,676)	(3,641)	(1,116)	-	(7,867)	(18,594)	(13,506)
Withdrawals on death and disability	(2,719)	(763)	(2,614)	(643)	-	(3,643)	(8,544)	(5,947)
Withdrawals on serious ill health	(1,761)	(472)	(1,307)	(248)	-	(4,274)	(5,907)	(5,886)
Withdrawals or transfers on permanent emigration	(784)	(335)	(790)	(696)	-	(1,439)	(3,192)	(3,180)
First home purchase withdrawals	(11,421)	(6,015)	(11,991)	(6,388)	-	(55,249)	(58,042)	(83,187)
Age of eligibility withdrawal	(75,531)	(34,143)	(33,460)	(15,169)	-	(75,058)	(204,410)	(161,174)
Other withdrawals	(445)	(675)	(954)	(457)	-	(2,614)	(3,260)	(4,880)
PIE tax paid and payable (received and receivable)	(5,867)	5,136	(10,780)	(2,695)	-	(6,727)	(21,547)	4,903
<b>Net membership activities</b>	<b>(6,547)</b>	98,320	<b>77,776</b>	183,751	-	(7,317)	<b>260,128</b>	759,273
<b>Benefits accrued to members' accounts</b>	<b>(78,852)</b>	138,361	<b>(24,155)</b>	294,471	-	(7,315)	<b>66,323</b>	863,342
<b>Net assets attributable to members at beginning of the year</b>	<b>2,190,078</b>	2,051,717	<b>2,299,457</b>	2,004,986	-	7,315	<b>6,639,306</b>	5,775,964
<b>Net assets attributable to members at end of the year</b>	<b>2,111,226</b>	2,190,078	<b>2,275,302</b>	2,299,457	-	-	<b>6,705,629</b>	6,639,306

\* Period ended 15 November 2021

These statements are to be read in conjunction with the accompanying notes.

# Kiwi Wealth KiwiSaver Scheme

## Statements of Net Assets

### As at 31 March 2023

\$ 000's		Cash		CashPlus		Default Conservative		Conservative		Default	
As at 31 March		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Assets</b>											
Cash and cash equivalents	8	7,390	4,062	504	794	4,686	3,489	5,849	6,332	6,611	4,854
Contributions receivable	4	1,250	700	165	429	724	1,475	1,685	5,806	1,793	1,933
PIE tax receivable		3	-	1	6	6	18	31	108	88	885
<i>Financial assets at fair value through profit or loss</i>											
Investments	6	376,731	322,878	104,392	104,771	297,004	260,097	981,908	964,065	536,340	473,670
Derivative assets	4	-	-	-	-	-	-	259	178	1,853	44
<b>Total assets</b>		<b>385,374</b>	<b>327,640</b>	<b>105,062</b>	<b>106,000</b>	<b>302,420</b>	<b>265,079</b>	<b>989,732</b>	<b>976,489</b>	<b>546,685</b>	<b>481,386</b>
<b>Liabilities</b>											
Management and administration fees payable	11	146	124	62	63	122	107	687	679	167	148
Withdrawals payable	4	1,388	1,431	72	165	325	838	1,429	1,745	624	634
PIE tax payable		2,222	130	350	-	996	-	1,219	-	351	-
<i>Financial liabilities at fair value through profit or loss</i>											
Derivative liabilities	4	-	-	-	-	-	-	1	60	11	699
<b>Total liabilities (excluding net assets attributable to members)</b>		<b>3,756</b>	<b>1,685</b>	<b>484</b>	<b>228</b>	<b>1,443</b>	<b>945</b>	<b>3,336</b>	<b>2,484</b>	<b>1,153</b>	<b>1,481</b>
<b>Net assets attributable to members</b>		<b>381,618</b>	<b>325,955</b>	<b>104,578</b>	<b>105,772</b>	<b>300,977</b>	<b>264,134</b>	<b>986,396</b>	<b>974,005</b>	<b>545,532</b>	<b>479,905</b>
<i>Represented by:</i>											
<b>Member funds</b>		<b>381,618</b>	<b>325,955</b>	<b>104,578</b>	<b>105,772</b>	<b>300,977</b>	<b>264,134</b>	<b>986,396</b>	<b>974,005</b>	<b>545,532</b>	<b>479,905</b>

These statements are to be read in conjunction with the accompanying notes.

## Kiwi Wealth KiwiSaver Scheme Statements of Net Assets (continued) As at 31 March 2023

\$ 000's As at 31 March	Notes	Balanced 2023	2022	Growth 2023	2022	Transaction account 2023	2022	Total Scheme 2023	2022
<b>Assets</b>									
Cash and cash equivalents	8	7,849	8,120	17,687	11,406	-	-	50,576	39,057
Contributions receivable	4	3,286	6,975	4,020	4,223	-	-	12,923	21,541
PIE tax receivable		11	78	8	-	-	-	148	1,095
<i>Financial assets at fair value through profit or loss</i>									
Investments	6	2,109,317	2,178,015	2,266,210	2,286,923	-	-	6,671,902	6,590,419
Derivative assets	4	962	715	1,685	1,173	-	-	4,759	2,110
<b>Total assets</b>		<b>2,121,425</b>	<b>2,193,903</b>	<b>2,289,610</b>	<b>2,303,725</b>	<b>-</b>	<b>-</b>	<b>6,740,308</b>	<b>6,654,222</b>
<b>Liabilities</b>									
Management and administration fees payable	11	1,677	1,742	1,896	1,910	-	-	4,757	4,773
Withdrawals payable	4	2,607	1,785	2,007	1,472	-	-	8,452	8,070
PIE tax payable		5,911	-	10,397	448	-	-	21,446	578
<i>Financial liabilities at fair value through profit or loss</i>									
Derivative liabilities	4	4	298	8	438	-	-	24	1,495
<b>Total liabilities (excluding net assets attributable to members)</b>		<b>10,199</b>	<b>3,825</b>	<b>14,308</b>	<b>4,268</b>	<b>-</b>	<b>-</b>	<b>34,679</b>	<b>14,916</b>
<b>Net assets attributable to members</b>		<b>2,111,226</b>	<b>2,190,078</b>	<b>2,275,302</b>	<b>2,299,457</b>	<b>-</b>	<b>-</b>	<b>6,705,629</b>	<b>6,639,306</b>
<i>Represented by:</i>									
<b>Member funds</b>		<b>2,111,226</b>	<b>2,190,078</b>	<b>2,275,302</b>	<b>2,299,457</b>	<b>-</b>	<b>-</b>	<b>6,705,629</b>	<b>6,639,306</b>

These statements are to be read in conjunction with the accompanying notes.

The Directors of Kiwi Wealth Limited authorised these Financial Statements for issue on 3 July 2023.

Director



Director



# Kiwi Wealth KiwiSaver Scheme

## Statements of Cash Flows

### For the year ended 31 March 2023

\$ 000's	Notes	Cash		CashPlus		Default Conservative		Conservative		Default	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022 Period
<b>For the year ended 31 March</b>											
<b>Cash flows from operating activities</b>											
<i>Cash was provided from</i>											
Sale of investments		10,164	17,863	7,719	15,835	13,392	124,751	136,826	124,925	40,945	16,673
Interest received		90	16	29	8	73	17	168	40	161	33
Dividends and distributions received		-	-	-	-	-	-	4	9	1,034	180
Realisation of derivatives, net		-	-	-	-	-	-	(780)	(42)	(1,198)	(2,264)
Other income received		1	-	-	-	-	124	8	2	197	-
<i>Cash was applied to</i>											
Purchase of investments		(51,455)	(41,425)	(5,065)	(3,886)	(46,521)	(48,833)	(165,108)	(148,939)	(120,233)	(511,377)
Payment of management and administration fees		(1,616)	(427)	(730)	(237)	(1,339)	(427)	(7,973)	(2,558)	(1,792)	(380)
Transaction fees and expenses		-	-	-	-	-	-	-	-	-	-
<b>Net cash (outflow)/inflow from operating activities</b>	12	<b>(42,816)</b>	<b>(23,973)</b>	<b>1,953</b>	<b>11,720</b>	<b>(34,395)</b>	<b>75,632</b>	<b>(36,855)</b>	<b>(26,563)</b>	<b>(80,886)</b>	<b>(497,135)</b>
<b>Cash flows from financing activities</b>											
<i>Cash was provided from</i>											
Contributions		141,717	60,932	14,030	5,000	92,916	39,984	230,972	104,822	137,375	525,038
Net transfers between funds		-	(2,223)	-	(9,522)	-	20,434	-	4,415	-	-
<i>Cash was applied to</i>											
Withdrawals		(95,244)	(32,376)	(16,284)	(7,872)	(57,332)	(135,854)	(194,974)	(87,332)	(55,626)	(23,417)
PIE tax received/(paid)		(329)	(87)	11	451	8	1,285	362	6,335	944	318
<b>Net cash inflow/(outflow) from financing activities</b>		<b>46,144</b>	<b>26,246</b>	<b>(2,243)</b>	<b>(11,943)</b>	<b>35,592</b>	<b>(74,151)</b>	<b>36,360</b>	<b>28,240</b>	<b>82,693</b>	<b>501,939</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>3,328</b>	<b>2,273</b>	<b>(290)</b>	<b>(223)</b>	<b>1,197</b>	<b>1,481</b>	<b>(495)</b>	<b>1,677</b>	<b>1,807</b>	<b>4,804</b>
Add: opening cash and cash equivalents		4,062	1,789	794	1,017	3,489	2,008	6,332	4,667	4,854	-
Effect of exchange rate fluctuations		-	-	-	-	-	-	12	(12)	(50)	50
<b>Closing cash and cash equivalents</b>		<b>7,390</b>	<b>4,062</b>	<b>504</b>	<b>794</b>	<b>4,686</b>	<b>3,489</b>	<b>5,849</b>	<b>6,332</b>	<b>6,611</b>	<b>4,854</b>

These statements are to be read in conjunction with the accompanying notes.



# Kiwi Wealth KiwiSaver Scheme

## Statements of Cash Flows (continued)

### For the year ended 31 March 2023

\$ 000's		Balanced		Growth		Transaction account		Total Scheme	
For the year ended 31 March	Notes	2023	2022	2023	2022	2023	2022 Period*	2023	2022
<b>Cash flows from operating activities</b>									
<i>Cash was provided from</i>									
Sale of investments		485,499	366,455	508,507	440,702	-	-	1,203,052	1,107,204
Interest received		540	148	775	172	-	41	1,836	475
Dividends and distributions received		17	36	24	50	-	-	1,079	275
Realisation of derivatives, net		(2,966)	(374)	(5,274)	(646)	-	-	(10,218)	(3,326)
Other income received		13	2	11	-	-	-	230	128
<i>Cash was applied to</i>									
Purchase of investments		(467,545)	(448,465)	(564,281)	(610,081)	-	-	(1,420,208)	(1,813,006)
Payment of management and administration fees		(19,802)	(6,790)	(21,997)	(7,515)	-	(33,913)	(55,249)	(52,247)
Transaction fees and expenses		-	-	-	-	-	(8)	-	(8)
<b>Net cash (outflow)/inflow from operating activities</b>	12	<b>(4,244)</b>	<b>(88,988)</b>	<b>(82,235)</b>	<b>(177,318)</b>	<b>-</b>	<b>(33,880)</b>	<b>(279,478)</b>	<b>(760,505)</b>
<b>Cash flows from financing activities</b>									
<i>Cash was provided from</i>									
Contributions		289,316	143,228	352,489	160,807	-	591,506	1,258,815	1,631,317
Net transfers between funds		-	71,395	-	141,647	-	(226,146)	-	-
<i>Cash was applied to</i>									
Withdrawals		(285,485)	(139,268)	(263,195)	(132,262)	-	(350,263)	(968,140)	(908,644)
PIE tax received/(paid)		111	5,058	(839)	(2,695)	-	(2,147)	268	8,518
<b>Net cash inflow/(outflow) from financing activities</b>		<b>3,942</b>	<b>80,413</b>	<b>88,455</b>	<b>167,497</b>	<b>-</b>	<b>12,950</b>	<b>290,943</b>	<b>731,191</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(302)</b>	<b>(8,575)</b>	<b>6,220</b>	<b>(9,821)</b>	<b>-</b>	<b>(20,930)</b>	<b>11,465</b>	<b>(29,314)</b>
Add: opening cash and cash equivalents		8,120	16,744	11,406	21,294	-	20,961	39,057	68,480
Effect of exchange rate fluctuations		31	(49)	61	(67)	-	(31)	54	(109)
<b>Closing cash and cash equivalents</b>		<b>7,849</b>	<b>8,120</b>	<b>17,687</b>	<b>11,406</b>	<b>-</b>	<b>-</b>	<b>50,576</b>	<b>39,057</b>

\* Period ended 15 November 2021

These statements are to be read in conjunction with the accompanying notes.

# Kiwi Wealth KiwiSaver Scheme

## Notes to the Financial Statements

### For the year ended 31 March 2023

#### I. Reporting Entity

The Kiwi Wealth KiwiSaver Scheme (the "Scheme") is a defined contribution scheme and is a registered KiwiSaver scheme under the KiwiSaver Act 2006 (registration number KSSI0025) and is registered as a KiwiSaver scheme under the Financial Markets Conduct Act 2013 ("FMCA") (registration number SCH10713). The Scheme was established (under its previous name, the Gareth Morgan KiwiSaver Scheme) and is governed by a Trust Deed dated 2 April 2007 as amended and consolidated on 7 September 2007, 18 February 2010, 21 April 2011, 2 April 2012, 13 September 2012, 1 April 2014, 1 July 2014, 29 July 2016, 28 January 2021, 28 September 2021 (the "Trust Deed"). The Scheme commenced receiving contributions and started investing from 1 October 2007.

These financial statements are for the Scheme, which is domiciled in New Zealand. The financial statements represent the operating result for the year ended 31 March 2023 by Fund, except for the Transaction Account which stopped operating on 15 November 2021. The comparative period disclosed is the year ended 31 March 2022, except for the Default Fund and the Transaction Account. The comparative period for the Default Fund is from 1 December 2021 (date of commencement of operations) to 31 March 2022 and from 1 April 2021 to 15 November 2021 for the Transaction Account.

The Supervisor of the Scheme is Public Trust (the "Supervisor"). The Manager is Kiwi Wealth Limited, which is a wholly owned subsidiary of Kiwi Wealth Investments Limited Partnership ("KWILP"). The Investment Management of the Scheme's assets and administration has been delegated to KWILP. The Manager's registered office is Level 13, 20 Ballance Street, Wellington, 6011, New Zealand. KWILP is owned by Kiwi Wealth Management Limited, which was until 30 November 2022 a wholly owned subsidiary of Kiwi Group Holdings Limited. Following the acquisition of Kiwi Wealth Management Limited by Fisher Funds Management Limited on 30 November 2022 Fisher Funds Management Limited became the ultimate holding company of Kiwi Wealth Limited and KWILP.

The Scheme comprises the Fund's listed below. The Funds gain the majority of their investment exposure by investing in investment funds offered by a related party of the Manager ("Related Party Funds"). The assets of Related Party Funds are directly invested into a range of financial instruments including bonds, perpetual securities, equity securities, derivatives and cash assets which are diversified across sectors, issuers, geographic areas, and industries.

The Name of each Fund and its date of establishment is as below:

**Default Conservative Fund ("Default Conservative")**, formerly known as Default Fund until 30 November 2021 (Established 1 July 2014)

**Cash Fund ("Cash")** (Established 12 September 2012)

**CashPlus Fund ("CashPlus")** (Established 1 June 2012)

**Conservative Fund ("Conservative")** (Established 2 April 2007)

**Balanced Fund ("Balanced")** (Established 2 April 2007)

**Growth Fund ("Growth")** (Established 2 April 2007)

**Default Fund ("Default")** (Established 1 December 2021)

#### Transaction Account

On 15 November 2021, the pricing of the Scheme moved from weekly to daily and also became unitised. This has resulted in a change in legal status regarding the Transaction Account on this date. As the Fund is priced daily from this date, the Transaction Account is no longer required as part of the Scheme, as member contributions are allocated immediately to the applicable Fund directly, rather than being held in the Transaction Account until the next pricing date. From 15 November 2021, the Transaction Account is no longer a part of the Scheme. This is reflected in there being no financial positions included within the Scheme as at 31 March 2022. The financial performance reflects performance until the date the fund was unitised. Refer to note 3(g) for further information.

*Prior to 15 November 2021:*

The Transaction Account recognised all contributions as they are received before they are invested in the Funds. The Transaction Account was owned by each member in the Scheme. These contributions were invested in a bank account where they earned interest until they were transferred to the relevant Fund. Withdrawals were recognised on an accrual basis in the Transaction Account once an application had been received and approved. The withdrawals due to be paid were only cashed up from the member's Fund into the Transaction Account as part of the investment cycle and were paid out to members the next day.

The Trust Deed was amended on 1 April 2014 and 1 July 2014, to amongst other things, (i) require the Supervisor and the Manager to treat the assets and liabilities of each Fund as being exclusively for that Fund, a consequence of which is that each Fund is considered a separate fund for financial reporting purposes, (ii) rename the Scheme to Kiwi Wealth KiwiSaver Scheme and reflect the renaming of the Manager to Kiwi Wealth Limited, and (iii) allow for the investment and fees cycles of the Scheme to operate on weekly intervals. The Trust Deed was amended on 29 July 2016 to amend and consolidate the provisions of the Existing Trust Deed to comply with the FMCA requirements and allow the Scheme to become registered as a KiwiSaver Scheme under the FMCA. The Trust Deed was amended on 28 January 2021 to incorporate the changes to the Trusts Act 2019 and again on 28 September 2021 to allow for the Scheme to be unitised and operate with daily unit pricing.

The above relates to the prior period and hence Transaction Account balances are reported in comparatives only.

# Kiwi Wealth KiwiSaver Scheme

## Notes to the Financial Statements

### For the year ended 31 March 2023

#### 1. Reporting Entity (continued)

##### Member Account and Rebalancing

*With effect from 15 November 2021:*

If a Member invests in more than one fund, market movements may result in the proportions of the Member's investment differing from the proportions they chose when setting their investment direction. Unless the Member opts out, the Manager will rebalance the Member's Account on a quarterly basis (or on a six-monthly or annual basis, at the Member's election) to ensure it remains in line with the Member's chosen investment direction. The Manager will only rebalance the Member's account if, as at the rebalancing date, the percentage of the Member's account invested in one or more of the selected funds, differs by 5% or more from the percentage specified in the Member's investment direction. Rebalancing occurs during March (any quarterly, six-monthly, and annual rebalances), June (any quarterly rebalances), September (any quarterly and six-monthly rebalances) and December (any quarterly rebalances). The actual rebalancing dates are determined at the Manager's discretion and any units issued or redeemed as part of a rebalance will be processed using the next available unit price after the rebalance date. Buy/Sell spreads will apply to any units issued or redeemed as part of the rebalancing process.

*Prior to 15 November 2021:*

When a Member joins the Scheme, the Manager opens a Member Account for that Member. Each Member provides the Manager with an investment direction, selecting the proportion of their Member Account that will be invested in each Fund. A Member Account at any given date lists all money held and all assets held in Funds with regard to that Member.

Contributions received during the week were put into the Scheme's trust account and linked to the Member Account where they earned interest. Each week, the Scheme rebalanced the Member Account's to ensure that they were administered in accordance with the prescribed Investment Direction. Some cash was kept in the Member Account to pay fees and taxes. Once the rebalancing computation was complete, money held in the Scheme's trust account was transferred to the Fund(s) in accordance with the Investment Direction elected by each member.

Accordingly, in the Statements of Changes in Net Assets, membership activities such as contributions and withdrawals were recognised in the Transaction Account at the Scheme level. The membership activities for the Funds comprised transactions between the Transaction Account and the Funds and between Funds themselves. These transactions were recognised as 'Transfers in' and 'Transfers out' in the Statements of Changes in Net Assets.

#### 2. Basis of Preparation

##### Statement of Compliance

These financial statements have been prepared in accordance with the Trust Deed, the KiwiSaver Act 2006, the Financial Markets Conduct Act 2013 and New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). The financial statements comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"), and other applicable financial reporting standards and authoritative notices, as appropriate for for-profit entities. The financial statements comply with International Financial Reporting Standards ("IFRS"). The Scheme transitioned to the FMCA on 29 July 2016 and became a registered managed investment scheme. The Scheme is a for-profit entity.

##### Measurement Base

The financial statements have been prepared on a going concern basis in accordance with historical cost concepts, except for financial instruments held at fair value through profit or loss (FVTPL) measured at fair value. The methods used to measure fair values are discussed further in note 3(h). However the financial statements of the Transaction Account have been prepared on a realisation basis.

##### Functional and Presentational Currency

The financial statements are presented in New Zealand dollars ("NZ\$"), which is the Scheme's functional and presentation currency. All amounts are expressed in thousands of dollars, unless otherwise stated.

##### Use of Assumptions, Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in note 6.

#### 3. Significant Accounting Policies

##### (a) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term investments in an active market with original maturities of 90 days or less.

##### (b) Statements of Cash Flows

The following are definitions of terms used in the Statements of Cash Flows:

- operating activities - are those relating to the principal revenue-producing activities of the Scheme and other activities that are not financing activities. These include those cash flows relating to the acquisition, holding and disposal of investments, which include 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 Members' Funds.

##### (c) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate prevailing at the date of the transaction. Assets and liabilities denominated in foreign currencies at the end of the reporting period are translated at the foreign exchange rate prevailing at that date. Foreign exchange differences arising on translation are recognised in profit or loss, except foreign exchange differences arising on financial instruments held at FVTPL which are recognised together with net gains/(losses) on financial instruments at FVTPL in the Statements of Changes in Net Assets.

# Kiwi Wealth KiwiSaver Scheme

## Notes to the Financial Statements

### For the year ended 31 March 2023

#### 3. Significant Accounting Policies (continued)

##### (d) Income recognition

Income is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Scheme and the income can be reliably measured. The following specific recognition criteria must also be met before income is recognised:

###### (i) Interest

Interest income is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

###### (ii) Dividends and distributions

Dividend and distribution income are recognised on the date that the Scheme's right to receive payment is established.

###### (iii) Changes in fair value of investments

Net gains or losses on investments at FVTPL are calculated as the difference between the fair value at sale, or at period end, and the fair value at the previous valuation point or cost. This includes both realised and unrealised gains and losses, but does not include interest, dividend and distribution income.

###### (iv) Management and administration fees

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

##### (e) Taxation

The Scheme qualifies as, and has elected to be, a multi-rate portfolio investment entity ("PIE") for tax purposes. Under the PIE regime, income is effectively taxed in the hands of the members and therefore the Scheme has no tax expense or deferred tax assets or liabilities.

PIE tax in the Statements of Net Assets represents tax payable/receivable on behalf of the Members under the PIE regime. Under the PIE regime, the Manager attributes the income of the Scheme to Members in accordance with their proportionate interest in the Scheme during the period. Taxable income attributed to each Member is taxed at the Member's prescribed investor rate. The Manager adjusts the Members' interests in the Scheme to reflect that the Scheme pays tax at varying rates on behalf of members.

Members' funds have been adjusted to reflect the impact of tax on the value of unit holdings. The tax attributable to members is calculated on the basis of the tax laws enacted or substantively enacted at reporting date. Positions taken in attributing taxable income to members, with respect to situations in which applicable tax regulations are subject to interpretation, are evaluated by the Manager as required.

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

##### (f) Payables

All payables are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

##### (g) Member funds

The net assets available for benefits represent the liability for promised retirement benefits and is the Scheme's present obligation to pay benefits to Members. This has been calculated as the difference between carrying amounts of the assets and carrying amounts of the liabilities at the reporting date. The Funds issue units that are redeemable subject to the requirements of the Act at the Members' option and do not have identical features and are therefore classified as financial liabilities at the scheme level. The units can be put back to the Funds at any time for purposes of permitted withdrawals (such as reaching the retirement age of 65 or significant financial hardship), transfer to another Fund within the Scheme or to 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 (based on the redemption unit price) if Members exercise their right to put the units back to the Funds.

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. There are no separate classes of units within each Fund and each unit has the same rights attaching to it as all other units in the respective Fund.

Contributions received for units in the Funds are recorded net of any entry fees payable prior to the issue of units in the Funds. Redemptions from the Funds are recorded gross of any exit fees payable after the cancellation of the units redeemed. Units are issued and redeemed subject to the requirements of the KiwiSaver Act 2006 at the holder's option at prices based on the Funds' net asset value per unit at the time of issue or redemption, adjusted for spreads ranging from 0.02 bps to 0.14 bps for the respective Funds. The Funds' net asset value per unit is calculated by dividing the net assets attributable to the holders of each Fund with the total number of outstanding units of each Fund.

As disclosed in Note 1, the Scheme is a defined contribution scheme and the member funds presented as the Net assets available for benefits in the Statements of Net Assets represent the fully vested benefits to which the members are entitled to as at balance date. The movements of the liability for promised retirement benefits are presented by the movements as disclosed in the Statements of Changes in Net Assets during the year.

Prior to the unitisation of the fund on 15 November 2021 noted in note 1, members' interests in the Scheme provided members with the right to request withdrawals for cash of their interest at the value at which their investments could be realised provided that they meet certain requirements of the KiwiSaver Act 2006. All Members' interests were "puttable instruments". On acceptance of a request from Members eligible to realise their interest, the Investment Manager sold the relevant investments to market or to Members joining the Scheme at market prices for payment to such Members. The expected cash outflow on realisation depended on when each Member was eligible to request and requested the realisation of such interest. The net assets attributable to each Member depended on that Member's interest in the Scheme and each relevant Fund, and the relevant investment direction. Members did not have identical rights to the net assets of the Scheme and, as a result, Member funds were classified as financial liabilities and measured at amortised cost. Member funds were carried at the withdrawal amount that was payable if all members exercised their rights to redeem their interests.

# Kiwi Wealth KiwiSaver Scheme

## Notes to the Financial Statements

### For the year ended 31 March 2023

#### 3. Significant Accounting Policies (continued)

##### (h) Financial instruments

###### (i) Classification

###### (a) Assets

The Scheme classifies its instruments based on both the Scheme's business model for managing those financial assets and contractual cash flow characteristics of the financial assets. The Scheme's financial assets are managed and their performance evaluated on a fair value basis. The Scheme is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Scheme's investments in equity instruments are held for trading, and the Scheme has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Scheme's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Scheme's business model's objective. Consequently, all investments are measured at FVTPL. Derivative contracts that have a positive fair value are presented as assets at FVTPL.

###### (b) Liabilities

The Scheme does not make short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, nor does it make use of short sales for various arbitrage transactions. The Scheme holds derivative financial instruments. Derivative contracts that have a negative fair value are presented as liabilities at FVTPL.

As such the Scheme classifies all of its investment securities as financial assets or liabilities at FVTPL.

The Scheme's policy requires the Board of Directors to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

###### (ii) Recognition, Derecognition and Measurement

Regular purchases and sales of investments and derivatives are recognised on the trade date - the date on which the Scheme commits to purchase or sell the investment or derivatives. Financial instruments designated at FVTPL are initially recognised at fair value. Transaction costs are expensed in profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments and derivatives have expired or the Scheme has transferred substantially all risks and rewards of ownership. Subsequent to initial recognition, all financial assets and financial liabilities at FVTPL are measured at fair value.

Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at FVTPL' category are presented in profit or loss in the Statements of Net Changes in Assets within net gains/(losses) in fair value of financial instruments at FVTPL in the period in which they arise.

###### (iii) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices at the closing trading on the reporting date.

The Scheme's investments in other funds are subject to the terms and conditions of the respective funds' governing documentation. The investments in other funds are primarily valued based on the latest available redemption price of such units for each other fund investment, as determined by the other funds' administrators.

The Manager reviews the details of the reported information obtained from the other funds and considers: the liquidity of the other fund or its underlying investments; the value date of the net asset value provided; restrictions on redemptions; and the basis of accounting. In instances where the basis of accounting is other than fair value, fair valuation information is obtained from the other funds' administrators.

If necessary, the Scheme makes adjustments to the net asset value of various other fund investments to obtain the best estimate of fair value. Other net changes in fair value on financial assets and financial liabilities at fair value through profit or loss in the Statements of Changes in Net Assets include the change in fair value of each other fund.

For investments with no active markets, fair values are determined using valuation techniques. Such techniques include: using recent arm's length transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible and keeping judgmental inputs to a minimum.

###### (iv) 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. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Scheme or the counterparty.

##### (i) Financial Assets and Financial Liabilities at Amortised Cost

Financial assets at amortised cost comprise cash and cash equivalents and receivables. These include cash balances and call deposits, accrued interest and dividends, and proceeds expected from sale transactions where the trade date and settlement date spanned the reporting date. The carrying value closely approximates their fair value.

Subsequent to initial recognition, receivables are measured at amortised cost using the effective interest method less any impairment losses (refer to note 3(j) for more information). The effective interest method calculates the amortised cost of a financial asset or financial liability and allocates the interest income or interest expense, including any fees and directly related transaction costs that are an integral part of the effective interest rate, over the expected life of the financial asset or liability so as to achieve a constant yield on the financial asset or liability.

###### (i) Receivables

Receivables include amounts where settlement has not yet occurred, and include outstanding settlements on the sale of investments. Amounts are generally received within 30 days of being recorded as receivables. With the short time period and the high credit quality of the financial assets, investment income receivables and due from debtors measured at amortised cost, the Scheme does not anticipate any expected credit losses to be applicable for these assets.

###### (ii) Payables

Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Scheme, and include outstanding settlements on the purchase of investments. Payables are measured initially at fair value and subsequently at amortised cost. Amounts are generally paid within 30 days of being recorded as payables. Given the short-term nature of most payables, the carrying amount approximates their fair value.

# Kiwi Wealth KiwiSaver Scheme

## Notes to the Financial Statements

### For the year ended 31 March 2023

#### 3. Significant Accounting Policies (continued)

##### (j) Impairment of Assets Carried at Amortised Cost

At the reporting date, the Scheme measures the loss allowance on financial assets, other than those at FVTPL, at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If at the reporting date, the credit risk has not increased significantly since initial recognition, the Scheme measures the loss allowance at an amount equal to 12-month expected credit losses. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due or a counterparty's credit rating has fallen below BBB/Baa. Any contractual payment which is more than 90 days past due is considered credit impaired. Significant financial difficulties of the debtor, probability that a debtor will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that a financial asset is credit impaired. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance.

##### (k) Accounting for Investment Entities

Whilst the Scheme has investments in a number of related party funds and unlisted unit 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 Consolidated Financial Statements as it meets the following criteria:

- The Scheme has obtained funds from Members for the purpose of providing them with investment management services
- The Scheme's business purpose, which it communicated directly to its members, 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 the typical characteristics of an investment entity.

Therefore, in the event the interest in the related party funds and other unlisted unit trusts gives rise to control, the Scheme is not required to consolidate these investments, and continues to account for these investments at FVTPL.

##### (l) New standards and amendments

There are no standards, amendments to standards or interpretations that are not yet effective for annual periods beginning on or after 1 April 2022, which have not been adopted, that will have a material effect on the financial statements of the Funds.

##### (m) Issued but not yet effective accounting standards

Several new accounting standards and amendments to existing standards are issued or revised that are not yet effective as at 31 March 2023, they have been identified as not applicable or relevant to the Funds. Therefore, they are not included in the financial statements.

##### (n) Comparatives

Where necessary, comparative figures may have been adjusted to conform with changes in presentation in the Financial Statements. Any changes made did not have a material impact on the presentation of the Financial Statements.

# Kiwi Wealth KiwiSaver Scheme

## Notes to the Financial Statements

### For the year ended 31 March 2023

#### 4. Financial Assets and Liabilities

Except for related party investments detailed in note 11, as at 31 March 2023 the funds of the Scheme were invested in a range of financial instruments not related to the Manager, Supervisor or Investment Manager. Forward foreign exchange contracts were the only derivatives used by the Scheme during the year.

Accounting classifications and fair values

A summary of the main instruments held by the Scheme as at 31 March 2023 are below.

\$ 000's	Cash		CashPlus		Default Conservative		Conservative		Default	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>As at 31 March</b>										
<b>Financial assets</b>										
Investments	376,731	322,878	104,392	104,771	297,004	260,097	981,908	964,065	536,340	473,670
<b>Investments</b>	<b>376,731</b>	<b>322,878</b>	<b>104,392</b>	<b>104,771</b>	<b>297,004</b>	<b>260,097</b>	<b>981,908</b>	<b>964,065</b>	<b>536,340</b>	<b>473,670</b>
Derivative assets	-	-	-	-	-	-	259	178	1,853	44
<b>Total financial assets measured at fair value</b>	<b>376,731</b>	<b>322,878</b>	<b>104,392</b>	<b>104,771</b>	<b>297,004</b>	<b>260,097</b>	<b>982,167</b>	<b>964,243</b>	<b>538,193</b>	<b>473,714</b>
<b>Amortised cost</b>										
Cash and cash equivalents	7,390	4,062	504	794	4,686	3,489	5,849	6,332	6,611	4,854
Contributions receivable	1,250	700	165	429	724	1,475	1,685	5,806	1,793	1,933
<b>Total financial assets at amortised cost</b>	<b>8,640</b>	<b>4,762</b>	<b>669</b>	<b>1,223</b>	<b>5,410</b>	<b>4,964</b>	<b>7,534</b>	<b>12,138</b>	<b>8,404</b>	<b>6,787</b>
<b>Total financial assets</b>	<b>385,371</b>	<b>327,640</b>	<b>105,061</b>	<b>105,994</b>	<b>302,414</b>	<b>265,061</b>	<b>989,701</b>	<b>976,381</b>	<b>546,597</b>	<b>480,501</b>
<b>Financial liabilities</b>										
Derivative liabilities	-	-	-	-	-	-	1	60	11	699
<b>Total financial liabilities measured at fair value</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>60</b>	<b>11</b>	<b>699</b>
<b>Amortised cost</b>										
Management and administration fees payable	146	124	62	63	122	107	687	679	167	148
Withdrawals payable	1,388	1,431	72	165	325	838	1,429	1,745	624	634
Member funds	381,618	325,955	104,578	105,772	300,977	264,134	986,396	974,005	545,532	479,905
<b>Total financial liabilities measured at amortised cost</b>	<b>383,152</b>	<b>327,510</b>	<b>104,712</b>	<b>106,000</b>	<b>301,424</b>	<b>265,079</b>	<b>988,512</b>	<b>976,429</b>	<b>546,323</b>	<b>480,687</b>
<b>Total financial liabilities</b>	<b>383,152</b>	<b>327,510</b>	<b>104,712</b>	<b>106,000</b>	<b>301,424</b>	<b>265,079</b>	<b>988,513</b>	<b>976,489</b>	<b>546,334</b>	<b>481,386</b>

# Kiwi Wealth KiwiSaver Scheme

## Notes to the Financial Statements

### For the year ended 31 March 2023

#### 4. Financial Assets and Liabilities (continued)

\$ 000's	Balanced		Growth		Transaction account		Total Scheme	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>As at 31 March</b>								
<b>Financial assets</b>								
Investments	2,109,317	2,178,015	2,266,210	2,286,923	-	-	6,671,902	6,590,419
<b>Investments</b>	<b>2,109,317</b>	<b>2,178,015</b>	<b>2,266,210</b>	<b>2,286,923</b>	<b>-</b>	<b>-</b>	<b>6,671,902</b>	<b>6,590,419</b>
Derivative assets	962	715	1,685	1,173	-	-	4,759	2,110
<b>Total financial assets measured at fair value</b>	<b>2,110,279</b>	<b>2,178,730</b>	<b>2,267,895</b>	<b>2,288,096</b>	<b>-</b>	<b>-</b>	<b>6,676,661</b>	<b>6,592,529</b>
<b>Amortised cost</b>								
Cash and cash equivalents	7,849	8,120	17,687	11,406	-	-	50,576	39,057
Contributions receivable	3,286	6,975	4,020	4,223	-	-	12,923	21,541
<b>Total financial assets at amortised cost</b>	<b>11,135</b>	<b>15,095</b>	<b>21,707</b>	<b>15,629</b>	<b>-</b>	<b>-</b>	<b>63,499</b>	<b>60,598</b>
<b>Total financial assets</b>	<b>2,121,414</b>	<b>2,193,825</b>	<b>2,289,602</b>	<b>2,303,725</b>	<b>-</b>	<b>-</b>	<b>6,740,160</b>	<b>6,653,127</b>
<b>Financial liabilities</b>								
Derivative liabilities	4	298	8	438	-	-	24	1,495
<b>Total financial liabilities measured at fair value</b>	<b>4</b>	<b>298</b>	<b>8</b>	<b>438</b>	<b>-</b>	<b>-</b>	<b>24</b>	<b>1,495</b>
<b>Amortised cost</b>								
Management and administration fees payable	1,677	1,742	1,896	1,910	-	-	4,757	4,773
Withdrawals payable	2,607	1,785	2,007	1,472	-	-	8,452	8,070
Member funds	2,111,226	2,190,078	2,275,302	2,299,457	-	-	6,705,629	6,639,306
<b>Total financial liabilities measured at amortised cost</b>	<b>2,115,510</b>	<b>2,193,605</b>	<b>2,279,205</b>	<b>2,302,839</b>	<b>-</b>	<b>-</b>	<b>6,718,838</b>	<b>6,652,149</b>
<b>Total financial liabilities</b>	<b>2,115,514</b>	<b>2,193,903</b>	<b>2,279,213</b>	<b>2,303,277</b>	<b>-</b>	<b>-</b>	<b>6,718,862</b>	<b>6,653,644</b>



# Kiwi Wealth KiwiSaver Scheme

## Notes to the Financial Statements

### For the year ended 31 March 2023

#### 4. Financial Assets and Liabilities (continued)

The underlying investments that exceeded 5% of investments held by each Fund or 5% of each financial instrument type within that Fund is set out below:

		2023		2022			
				Cash			
	Instrument Type	Fair Value \$000's	% of Fund	% of Instrument Type	Fair Value \$000's	% of Fund	% of Instrument Type
Kiwi Investment Management Cash Fund	Unlisted unit trust	376,731	99%	100%	322,878	99%	100%
				CashPlus			
		2023		2022			
	Instrument Type	Fair Value \$000's	% of Fund	% of Instrument Type	Fair Value \$000's	% of Fund	% of Instrument Type
Kiwi Investment Management Cash Fund	Unlisted unit trust	62,266	60%	60%	63,331	60%	60%
Kiwi Investment Management Core Fixed Income Fund	Unlisted unit trust	42,125	40%	40%	41,440	39%	40%
				Default Conservative			
		2023		2022			
	Instrument Type	Fair Value \$000's	% of Fund	% of Instrument Type	Fair Value \$000's	% of Fund	% of Instrument Type
Kiwi Investment Management Core Fixed Income Fund	Unlisted unit trust	143,023	48%	48%	123,235	47%	47%
Kiwi Investment Management Cash Fund	Unlisted unit trust	93,949	31%	32%	83,674	32%	32%
Kiwi Investment Management Wholesale Core Global Fund - Hedged	Unlisted unit trust	29,976	10%	10%	27,019	10%	10%
Kiwi Investment Management Wholesale Core Global Fund - Unhedged	Unlisted unit trust	30,056	10%	10%	26,170	10%	10%
				Conservative			
		2023		2022			
	Instrument Type	Fair Value \$000's	% of Fund	% of Instrument Type	Fair Value \$000's	% of Fund	% of Instrument Type
Kiwi Investment Management Core Fixed Income Fund	Unlisted unit trust	613,868	62%	63%	608,317	62%	63%
Kiwi Investment Management Global Thematic Fund - Hedged	Unlisted unit trust	74,112	8%	8%	86,597	9%	9%
Kiwi Investment Management Global Quantitative Fund - Hedged	Unlisted unit trust	67,582	7%	7%	68,472	7%	7%
				Default			
		2023		2022			
	Instrument Type	Fair Value \$000's	% of Fund	% of Instrument Type	Fair Value \$000's	% of Fund	% of Instrument Type
Kiwi Investment Management Screened Global Equity Index Fund - Hedged	Unlisted unit trust	181,040	33%	37%	162,341	34%	38%
Kiwi Investment Management NZ Fixed Income Fund	Unlisted unit trust	106,221	19%	22%	90,867	19%	21%
Kiwi Investment Management Screened Global Equity Index Fund - Unhedged	Unlisted unit trust	97,827	18%	20%	84,703	18%	20%
iShares ESG Global Bond Index Fund	Unlisted unit trust	103,601	19%	21%	91,810	19%	21%



# Kiwi Wealth KiwiSaver Scheme

## Notes to the Financial Statements

### For the year ended 31 March 2023

#### 5. Members' Benefits

##### (a) Net assets available to pay benefits

All available funds are allocated to Member accounts. The Scheme does not have separate employer accounts and does not have any reserve funds.

##### (b) Vested benefits

Vested benefits are benefits which, under the conditions of the Scheme, are not conditional on continued membership. Under the Trust Deed all benefits are fully vested. The value of vested Member benefits as at 31 March 2023 is \$6,706m (2022: \$6,638m).

##### (c) Guaranteed benefits

No guarantees have been made in respect of any part of the liability for accrued benefits.

##### (d) Units on Issue

000's	Cash		CashPlus		Default Conservative		Conservative		Default	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022 Period
<b>For the year ended</b>										
<b>Units on issue created on unitisation</b>	<b>260,677</b>	238,357	<b>83,129</b>	84,852	<b>184,135</b>	247,835	<b>628,274</b>	610,281	<b>497,532</b>	-
Units issued	112,696	50,877	10,823	4,938	65,485	30,857	152,468	76,702	152,860	522,383
Units redeemed	(77,156)	(28,557)	(13,015)	(6,661)	(41,014)	(94,557)	(131,291)	(58,709)	(61,792)	(24,851)
<b>Units on issue at the end of the year</b>	<b>296,217</b>	260,677	<b>80,937</b>	83,129	<b>208,606</b>	184,135	<b>649,451</b>	628,274	<b>588,600</b>	497,532

  

000's	Balanced		Growth		Transaction account		Total Scheme	
	2023	2022	2023	2022	2023	2022 Period	2023	2022
<b>For the year ended</b>								
<b>Units on issue created on unitisation</b>	<b>1,167,010</b>	1,160,115	<b>1,044,423</b>	1,032,030	-	-	<b>3,865,180</b>	3,373,470
Units issued	161,062	84,520	171,932	76,244	-	-	827,326	846,521
Units redeemed	(165,322)	(77,625)	(134,526)	(63,851)	-	-	(624,116)	(354,811)
<b>Units on issue at the end of the year</b>	<b>1,162,750</b>	1,167,010	<b>1,081,829</b>	1,044,423	-	-	<b>4,068,390</b>	3,865,180

# Kiwi Wealth KiwiSaver Scheme

## Notes to the Financial Statements

### For the year ended 31 March 2023

#### 6. Fair value of Financial Instruments

These disclosures supplement the commentary on financial risk management in note 8.

##### Key source of estimation uncertainty

###### Determining fair values

The determination of fair values of financial assets and liabilities for which there is no observable market price requires the use of valuation techniques, described below. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument. See also "Valuation of financial instruments" below.

##### Valuation of financial instruments

The Scheme's accounting policy on fair value measurements is explained in note 3(h).

The Scheme measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation, as well as instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer prices and yield quotations. For all other financial instruments, the Scheme determines fair values using valuation techniques. For investments with no active market, fair values are determined using valuation techniques that may make use of recent arm's length transactions of comparable instruments, reference to current market data of comparable instruments, discounted cash flow analysis and option pricing models, and use as much available and supportable market data as possible with judgemental inputs kept to a minimum.

\$ 000's As at 31 March	Cash		CashPlus		Default Conservative		Conservative		Default	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Level 1</b>										
Listed equities	-	-	-	-	-	-	-	-	47,651	43,948
	-	-	-	-	-	-	-	-	47,651	43,948
<b>Level 2</b>										
Unlisted unit trusts	376,731	322,878	104,392	104,771	297,004	260,097	975,849	960,266	488,689	429,722
Derivative Assets/(liabilities)	-	-	-	-	-	-	258	118	1,842	(655)
	376,731	322,878	104,392	104,771	297,004	260,097	976,107	960,384	490,531	429,067
<b>Level 3</b>										
Investments in private equity	-	-	-	-	-	-	6,059	3,799	-	-
	-	-	-	-	-	-	6,059	3,799	-	-
Total Investments	376,731	322,878	104,392	104,771	297,004	260,097	981,908	964,065	536,340	473,670
Total Derivative Assets/(liabilities)	-	-	-	-	-	-	258	118	1,842	(655)

# Kiwi Wealth KiwiSaver Scheme

## Notes to the Financial Statements

### For the year ended 31 March 2023

#### 6. Fair value of Financial Instruments (continued)

\$ 000's As at 31 March	Balanced		Growth		Transaction account		Total Scheme	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Level 1</b>								
Listed equities	-	-	-	-	-	-	47,651	43,948
	-	-	-	-	-	-	47,651	43,948
<b>Level 2</b>								
Unlisted unit trusts	2,084,775	2,162,613	2,228,716	2,264,016	-	-	6,556,156	6,504,363
Derivative Assets/(liabilities)	958	417	1,677	735	-	-	4,735	615
	2,085,733	2,163,030	2,230,393	2,264,751	-	-	6,560,891	6,504,978
<b>Level 3</b>								
Investments in private equity	24,542	15,402	37,494	22,907	-	-	68,095	42,108
	24,542	15,402	37,494	22,907	-	-	68,095	42,108
Total Investments	2,109,317	2,178,015	2,266,210	2,286,923	-	-	6,671,902	6,590,419
Total Derivative Assets/(liabilities)	958	417	1,677	735	-	-	4,735	615

#### Private Equity Investment

Currently the Scheme invests in Private Equity Investments through Limited Partnership structures.

The Manager has appointed a third-party administrator who provides unit pricing for the Scheme for its interest in Private Equity Investments based on valuation reports provided by their respective Investment Managers.

The fair value of Private Equity Investments is provided by their respective Investment Managers at balance date. The price is based on the fair value of the underlying net assets of the Private Equity Investments which is determined using a variety of methods, including independent valuations, valuation models based on the price of recent transactions, earnings multiples or discounted cash flows.

These investments have been classified within Level 3 of the fair value hierarchy.

The following table shows a reconciliation from the opening balance to the closing balance for the fair value measurements in level 3 of the fair value hierarchy:

\$ 000's For the year ended 31 March	Cash		CashPlus		Default Conservative		Conservative		Default	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Opening balance	-	-	-	-	-	-	3,799	439	-	-
Capital drawdowns	-	-	-	-	-	-	2,239	3,480	-	-
Gains/(losses) recognised in profit or loss	-	-	-	-	-	-	21	(120)	-	-
Closing balance	-	-	-	-	-	-	6,059	3,799	-	-

\$ 000's As at 31 March	Balanced		Growth		Transaction account		Total Scheme	
	2023	2022	2023	2022	2023	2022	2023	2022
Opening balance	15,402	1,773	22,907	2,925	-	-	42,108	5,137
Capital drawdowns	9,061	14,115	14,115	20,669	-	-	25,415	38,264
Gains/(losses) recognised in profit or loss	79	(486)	472	(687)	-	-	572	(1,293)
Closing balance	24,542	15,402	37,494	22,907	-	-	68,095	42,108

During the year there were no transfers of investments between levels in the fair value hierarchy.

# Kiwi Wealth KiwiSaver Scheme

## Notes to the Financial Statements

### For the year ended 31 March 2023

#### 7. Funding Policy

The Scheme is a defined contribution scheme as defined by the KiwiSaver Act 2006. Funding in the form of contributions is received primarily from three sources: Members of the Scheme; employers of Members of the Scheme; and the Crown (in accordance with the provisions of the KiwiSaver Act 2006). Members may contribute to the Scheme at varying designated rates linked to their salaries or in lump sum payments. Members may pay additional contributions to the Scheme in excess of any salary linked contributions. As of 31 March 2023, employer contribution rates are 3% or greater (31 March 2022: 3% or greater) of each relevant Member's gross salary or wages.

#### 8. Financial Risk Management

The Scheme may be exposed to credit risk, settlement risk, liquidity risk, market price risk, interest rate risk and foreign currency risk through their financial instruments. This note presents information about the Scheme and Fund's exposure to each of these risks, the Scheme's policies and processes for managing such risks and the management of Net Assets. The risk disclosures have been prepared on the Scheme direct holdings and not on a full look-through to account for investments held indirectly through other managed funds (such as certain listed and unlisted unit-trusts). Compliance reports are provided to the Supervisor and to the applicable governance committee with oversight of investment related risk-taking activities.

##### *Risk management framework*

The Scheme's investment is determined by the Members' investment directions, asset allocation limits, and investment guidelines. The asset allocation limits determine the extent to which each Fund can invest in certain asset groups. The investment guidelines establish target bands for each asset group within each Fund and guide the extent to which a Fund can be invested in single issuers, issuer types and third party investment managers. Compliance with the asset allocation limits and the composition of the Scheme is monitored by the Manager on a regular basis. Should the Scheme exceed an asset allocation limit, the Investment Manager is obliged to take actions to rebalance to ensure compliance with the limit.

##### **(a) Credit risk**

The investment activities of the Scheme come with financial risks. These risks are managed under the Scheme's Statement of Investment Policy and Objectives ("SIPO") and are monitored by the Manager.

Credit risk is the risk that a counterparty to a financial instrument in which the Scheme and Fund has an interest will fail to discharge an obligation or commitment that it has entered, resulting in a financial loss to the Scheme and the Fund. It arises from fixed interest securities, derivative financial instruments, cash and cash equivalents, and receivables held by or on behalf of the Scheme and the Fund. For risk management reporting purposes, the Scheme considers and consolidates all elements of credit risk exposure (such as individual obligor default risk, country and sector risk).

##### *Management of credit risk*

The Scheme measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss. At 31 March 2023, all amounts due and cash held is with counterparties with a credit rating of AA/AAa or higher and are due to be settled within one week. Management consider the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Scheme. The investment policies applying to the Scheme only allow fixed interest investments in liquid securities at purchase, meaning that there is a secondary market available where these assets are readily traded. In addition, the Investment Manager has established an approval process for establishing new counterparts or derivatives.

##### *Exposure to credit risk*

The carrying amount of the Scheme and each Fund's cash and cash equivalents, receivables, investments in fixed interest securities and derivative financial instruments represent the Scheme and each Fund's maximum credit exposure at balance date.

Credit Support Annex (CSA) agreements are in place as a means of managing credit risk for derivative instruments. This regulates the credit support (collateral) between the two parties for derivative transactions.

# Kiwi Wealth KiwiSaver Scheme

## Notes to the Financial Statements

### For the year ended 31 March 2023

#### 8. Financial Risk Management (continued)

##### (a) Credit risk (continued)

An exposure of greater than 5% of the value of the Scheme's assets to a counterparty is defined as significant. The Scheme and each Funds maximum exposure to credit risk for cash and cash equivalents by significant counterparty is as follows:

Westpac NZ Limited (held on behalf of the Scheme by JBWere (NZ) Nominees Limited) - cash and cash equivalents	2023		2022	
	\$000s	% of Fund	\$000s	% of Fund
Cash	7,390	2%	4,062	1%
CashPlus	504	0%	794	1%
Default Conservative	4,686	2%	3,489	1%
Conservative	5,849	1%	6,332	1%
Default	6,611	1%	4,854	1%
Balanced	7,849	0%	8,120	0%
Growth	17,687	1%	11,406	0%
<b>Total Westpac NZ Limited related credit risk exposure</b>	<b>50,576</b>	<b>1%</b>	<b>39,057</b>	<b>1%</b>

The Investment Manager monitors the financial position of each bank on an on-going basis. At balance date, the Scheme had cash and cash equivalents related credit exposure to Westpac NZ Limited, which has a credit rating of AA- (2022: AA-) from Standard & Poor's, totalling \$50.6m (2022: \$39.0m).

Credit risk arising on fixed interest securities is mitigated by diversification by issuer and industry and by maintaining an investment grade rating on average. The size of investments positions are determined by ratings according to Standard & Poor's. The Investment Manager reviews investment ratings regularly and rebalances the Funds where necessary.

The Scheme may also invest in unrated fixed interest securities. As at 31 March 2023 and 31 March 2022, the funds' assets were invested in Managed Funds, which are not rated.

##### Derivative financial instruments

The Scheme uses over the counter ("OTC") derivatives. OTC derivatives expose the Scheme to the risk that the counterparties to the derivative financial instruments might default on their obligations to the Scheme. Derivative profit or loss positions are monitored daily and the counterparty risk is managed within the Scheme's investment guidelines. Such guidelines permit entry by the Scheme into certain OTC derivatives where the Manager (or its delegate) considers it in the best interests of the Scheme and its Members, provided that the Manager (or its delegate) neither enters any OTC derivatives that give rise to obligations beyond the value of the Scheme's assets, nor exceeds any limit agreed from time to time by the Supervisor and Manager on the size of an OTC derivatives contract.

Derivative financial instruments are principally transacted with counterparties that have a credit rating of at least AA-, as determined by Standard & Poor's, and with whom the Manager has netting arrangements. The netting arrangements provide for the net settlement of certain contracts with the same counterparty in the event of default. As a result of such netting arrangements, at 31 March 2023, the Scheme would be entitled to offset derivative assets against derivative liabilities or portions of them in the event of counterparty defaults.

For the purposes of reporting in the Statements of Net Assets, where applicable, outstanding derivative financial assets and liabilities have been netted. The net exposure to credit risk may change significantly within a short period of time due to the highly volatile nature of the fair value of the derivatives underlying the arrangements

# Kiwi Wealth KiwiSaver Scheme

## Notes to the Financial Statements

### For the year ended 31 March 2023

#### 8. Financial Risk Management (continued)

##### (a) Credit risk (continued)

Offsetting and amounts subject to netting arrangements and similar agreements

As at 31 March 2023, the following funds were subject to an International Swaps and Derivatives Association (ISDA) arrangement with Bank of New Zealand. According to the terms of the ISDA arrangement all the derivatives are settled net. The following tables present the Funds' financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements. The tables are presented by type of financial instrument.

\$ 000's	Cash		CashPlus		Default Conservative		Conservative		Default	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>As at 31 March</b>										
<i>Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements</i>										
Gross amounts of recognised financial assets	-	-	-	-	-	-	259	178	1,853	44
Gross amounts of recognised financial liabilities set-off in the Statement of Net Assets	-	-	-	-	-	-	-	-	-	-
<b>Net amounts of financial assets presented in the Statement of Net Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>259</b>	<b>178</b>	<b>1,853</b>	<b>44</b>
<i>Related amounts not set-off in the Statement of Net Assets</i>										
Financial instruments	-	-	-	-	-	-	(1)	(60)	(1,853)	(44)
<b>Net amount</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>258</b>	<b>118</b>	<b>-</b>	<b>-</b>
<i>Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements</i>										
Gross amounts of recognised financial liabilities	-	-	-	-	-	-	(1)	(60)	(11)	(699)
Gross amounts of recognised financial assets set-off in the Statement of Net Assets	-	-	-	-	-	-	-	-	-	-
<b>Net amounts of financial liabilities presented in the Statement of Net Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>(60)</b>	<b>(11)</b>	<b>(699)</b>
<i>Related amounts not set-off in the Statement of Net Assets</i>										
Financial instruments	-	-	-	-	-	-	1	60	1,853	44
<b>Net amount</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,842</b>	<b>(655)</b>
<b>\$ 000's</b>	<b>Balanced</b>		<b>Growth</b>		<b>Transaction account</b>		<b>Total Scheme</b>			
<b>As at 31 March</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>		
<i>Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements</i>										
Gross amounts of recognised financial assets	962	715	1,685	1,173	-	-	4,759	2,110		
Gross amounts of recognised financial liabilities set-off in the Statement of Net Assets	-	-	-	-	-	-	-	-		
<b>Net amounts of financial assets presented in the Statement of Net Assets</b>	<b>962</b>	<b>715</b>	<b>1,685</b>	<b>1,173</b>	<b>-</b>	<b>-</b>	<b>4,759</b>	<b>2,110</b>		
<i>Related amounts not set-off in the Statement of Net Assets</i>										
Financial instruments	(4)	(298)	(8)	(438)	-	-	(1,866)	(840)		
<b>Net amount</b>	<b>958</b>	<b>417</b>	<b>1,677</b>	<b>735</b>	<b>-</b>	<b>-</b>	<b>2,893</b>	<b>1,270</b>		
<i>Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements</i>										
Gross amounts of recognised financial liabilities	(4)	(298)	(8)	(438)	-	-	(24)	(1,495)		
Gross amounts of recognised financial assets set-off in the Statement of Net Assets	-	-	-	-	-	-	-	-		
<b>Net amounts of financial liabilities presented in the Statement of Net Assets</b>	<b>(4)</b>	<b>(298)</b>	<b>(8)</b>	<b>(438)</b>	<b>-</b>	<b>-</b>	<b>(24)</b>	<b>(1,495)</b>		
<i>Related amounts not set-off in the Statement of Net Assets</i>										
Financial instruments	4	298	8	438	-	-	1,866	840		
<b>Net amount</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,842</b>	<b>(655)</b>		



# Kiwi Wealth KiwiSaver Scheme

## Notes to the Financial Statements

### For the year ended 31 March 2023

#### 8. Financial Risk Management (continued)

##### (a) Credit risk (continued)

Each party has the option to settle all open contracts on a net basis in the event of default by the other party. Per the terms of the ISDA agreement, an event of default includes the following:

- failure by a party to make a payment when due
- failure by a party to perform an obligation required by the agreement (other than payment) if such failure is not remedied within 30 days after such notice of such failure is given to the party
- bankruptcy.

##### Concentration of risk

The Investment Manager reviews the concentration of Net Assets held based on counterparties and industries. As at 31 March 2023 and 31 March 2022, the Scheme and Fund's Net Asset exposures were concentrated in the Banking and Finance (including listed and unlisted unit trusts) sector.

##### (b) Settlement risk

The Scheme's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed.

The majority of transactions are conducted through a broker, which mitigates settlement risk by ensuring the transaction is settled only when both parties have fulfilled their contractual settlement obligations. Settlement limits form part of the credit approval and limit monitoring processes described earlier.

##### (c) Liquidity risk

Liquidity risk is the risk that the Scheme will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or a financial instrument, or that such obligations will have to be settled in a manner disadvantageous to the Scheme.

##### Management of liquidity risk

Cash deposits can be held with any bank and in normal circumstances may be withdrawn within 24 hours. Equities are more liquid than fixed interest securities as they are exchange traded. Furthermore, unlisted unit trusts may take longer to liquidate if subjected to specific redemption clauses. The Investment Manager reviews the Scheme's investments on a daily basis to ensure their liquidity and provides oversight for risk management and derivative activities.

##### Maturity analysis for financial liabilities

Financial liabilities of the Scheme comprise payables for securities purchased, management and administration fees payable, and Member funds, all of which are due within one month.

The following table analyses each of the Funds' financial liabilities and derivative financial instruments in a loss position based on a contractual maturity basis rather than on an expected maturity basis, as the expected maturities for such contracts are not considered to be essential to an understanding of the timing of cash flows. The amounts in the table are the contractual undiscounted cash flows.

\$ 000's	Cash		CashPlus		Default Conservative		Conservative		Default	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>As at 31 March</b>										
<b>Maturity profile</b>										
Under 1 month	1,534	1,555	134	228	447	945	2,116	2,468	792	1,481
1 - 3 months	-	-	-	-	-	-	1	16	10	-
<b>Total</b>	<b>1,534</b>	<b>1,555</b>	<b>134</b>	<b>228</b>	<b>447</b>	<b>945</b>	<b>2,117</b>	<b>2,484</b>	<b>802</b>	<b>1,481</b>
<b>\$ 000's</b>										
<b>As at 31 March</b>										
<b>Maturity profile</b>										
Under 1 month	4,284	3,763	3,904	3,714	-	-	13,211	14,154		
1 - 3 months	4	62	7	106	-	-	22	184		
<b>Total</b>	<b>4,288</b>	<b>3,825</b>	<b>3,911</b>	<b>3,820</b>	<b>-</b>	<b>-</b>	<b>13,233</b>	<b>14,338</b>		

Member funds can be redeemed or transferred on demand at the relevant Member's option provided the Member meets certain requirements of the KiwiSaver Act 2006. However, the Manager does not envisage that the contractual maturity will be representative of the actual cash outflows, as Members holding these instruments typically retain them for the medium to long term. As at 31 March 2023, no individual member held more than 10% of the Member funds (2022: nil).

# Kiwi Wealth KiwiSaver Scheme

## Notes to the Financial Statements

### For the year ended 31 March 2023

#### 8. Financial Risk Management (continued)

##### (d) Market price risk

Market price risk is the risk that the Scheme's income or the value of its holdings of financial instruments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual financial instrument or by factors affecting all instruments of a specific type trading in a market. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The table below summarises the sensitivity of the Scheme's net assets attributable to members to movements in prices including the effect of movements in foreign currency exchange rates, as at 31 March. A variable of 20% (2022: 20%) was selected for market price risk sensitivity as this is a reasonably expected movement taking into account historical volatility. If prices for the Scheme's' investments had increased or decreased by 20% (2022: 20%) with all other variables held constant, this would have had the following impact on the Statement of Comprehensive Income and Net Assets Attributable to members.

\$ 000's As at 31 March	Cash		CashPlus		Default Conservative		Conservative		Default	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Increase / decrease in net assets</b>										
Listed Trusts (sensitivity of 20%)	-	-	-	-	-	-	-	-	9,530	8,790
Unlisted Unit Trusts (sensitivity of 20%)	75,346	64,576	20,878	20,954	59,401	52,019	195,170	192,053	97,738	85,944
Unlisted Equities (sensitivity of 20%)	-	-	-	-	-	-	1,212	760	-	-
<b>\$ 000's As at 31 March</b>	<b>Balanced 2023</b>	<b>2022</b>	<b>Growth 2023</b>	<b>2022</b>	<b>Transaction account 2023</b>	<b>2022</b>	<b>Total Scheme 2023</b>	<b>2022</b>		
<b>Increase / decrease in net assets</b>										
Listed Trusts (sensitivity of 20%)	-	-	-	-	-	-	9,530	8,790		
Unlisted Unit Trusts (sensitivity of 20%)	416,955	432,523	445,743	452,803	-	-	1,311,231	1,300,872		
Unlisted Equities (sensitivity of 20%)	4,908	3,080	7,499	4,581	-	-	13,619	8,421		

##### Management of market price risk

The Scheme's strategy for the management of market price risk is driven by the Scheme's and Funds' investment objectives. The investment objective applying to each Fund is to deliver investment returns, over the relevant investment timeframe and after taking account of all fees, costs and taxes, which exceed the relevant benchmark. The Investment Manager aims to deliver those returns with lower volatility (i.e. less risk) than the benchmark. It looks to achieve this by investing in a range of different diversified investments with an allocation of assets spread across local and international cash, fixed interest securities and equities (which includes private equity, listed and unlisted unit trusts).

The Scheme and Funds market risk is managed on a daily basis by the Investment Manager in accordance with the investment guidelines and other policies and procedures in place. Investment guidelines apply that guide the extent to which each Fund invests in financial instruments to help ensure diversity and the use of forward foreign exchange contracts to mitigate fluctuations in foreign currency exchange rates. The Scheme's market positions are monitored on a daily basis by the Investment Manager. The Investment Manager also ensures each Fund is well diversified across a number of financial instruments and investment themes. Funds are regularly reviewed to ensure they are in line with the investment strategy. The Scheme may use derivatives to manage its exposure to foreign currency, interest rate and equity market risks.

##### (e) Environmental & Social Risk

Kiwi Wealth's Investment activities are exposed to various environmental, social, and governance (ESG) risks and opportunities. Kiwi Wealth's internal investment team recognise this risk and ensure that all investment activity is managed in accordance with Kiwi Wealth's Responsible Investment Policy.

The policy outlines key ways in which Kiwi Wealth aims to invest responsibly, including maintaining a Prohibited Companies/Exclusions List that identifies companies that do not meet Kiwi Wealth ESG standards, incorporating ESG considerations into all fundamental research and engagement with companies, along with exercising proxy voting rights in a way which takes into account Kiwi Wealth ESG standards.

The Kiwi Wealth Responsible Investment Committee is responsible for ensuring the Prohibited Companies/Exclusions List is updated to exclude industries relating to the manufacture of weaponry or tobacco products, ownership of fossil fuel reserves, or any company with core business activities related to gambling.

On 14th April 2023 the Fisher Funds ESG Committee held the first meeting which included the ESG matters of Kiwi Wealth and Fisher Funds within the one forum. This merging of meetings was formally reflected in an updated Responsible Investment Policy dated 31 May 2023 which acknowledged the inclusion of Kiwi Wealth within the Fisher Funds Investment Policy and that there was now a single ESG Committee covering Fisher Funds and its subsidiaries. The ESG committee consists of members appointed by the CEO, at their discretion, and are required to meet quarterly to update the Prohibited Companies/Exclusions List.

##### (f) Interest rate risk

Interest rate risk affects the Scheme and Funds in two ways - the value of a financial instrument may fluctuate due to a change in market interest rates, and a change in market interest rates may cause the cash flows received to fluctuate. The Investment Manager manages interest rate risk by actively managing the average maturity date of the Scheme and Fund's fixed interest instruments in response to changes in the Investment Manager's interest rate view. Additionally, the Investment Manager manages the interest rate risk associated with cash holdings of the Scheme and Funds by actively managing its exposure to cash and the currencies it holds.

##### Interest rate sensitivities:

The Scheme's and Funds' interest bearing financial assets and liabilities expose them to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on their fair values and cash flow.

##### Cash Flow Sensitivity Analysis

A change in interest rates impacts the cash flow of the Scheme's and Funds' cash and cash equivalents and floating rate notes by increasing or decreasing the amount of interest received.

# Kiwi Wealth KiwiSaver Scheme

## Notes to the Financial Statements

### For the year ended 31 March 2023

#### 8. Financial Risk Management (continued)

##### (f) Interest rate risk (continued)

The following table shows the impact on the Statements of Changes in Net Assets and Net Assets attributable to members had the relevant interest rates increased or decreased by 2% (2022: 2%) at balance date with all other variables held constant. The analysis is based on the Manager's best estimate of a reasonable possible shift in interest rates with regard to historical volatility.

\$ 000's As at 31 March	Cash		CashPlus		Default Conservative		Conservative		Default	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Cash and cash equivalents</b> Carrying amount	7,390	4,062	504	794	4,686	3,489	5,849	6,332	6,611	4,854
Impact of a +2% change in interest rates (2022: +2%)	148	81	10	16	94	70	117	127	132	97
Impact of a -2% change in interest rates (2022: -2%)	(148)	(81)	(10)	(16)	(94)	(70)	(117)	(127)	(132)	(97)

  

\$ 000's As at 31 March	Balanced		Growth		Transaction account		Total Scheme	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Cash and cash equivalents</b> Carrying amount	7,849	8,120	17,687	11,406	-	-	50,576	39,057
Impact of a +2% change in interest rates (2022: +2%)	157	162	354	228	-	-	1,012	781
Impact of a -2% change in interest rates (2022: -2%)	(157)	(162)	(354)	(228)	-	-	(1,012)	(781)

These movements arise substantially from the cash flow variability from cash and cash equivalents. In addition to the Scheme's direct exposure to interest rate changes on the fair value of financial asset and liabilities and on the cash flows of cash and cash equivalents shown above, the Scheme is indirectly affected by the impact of interest rate changes on the earnings of its investments in other funds, which forms part of the market price risk. Therefore, the above sensitivity analysis may not fully indicate the total effect on the Scheme's net assets attributable to members of future movements in interest rates.

##### Fair Value Sensitivity Analysis

A change in interest rates impacts the fair value of the Scheme's fixed interest securities. Fair value changes impact on net assets only where the instruments are carried at fair value. As at 31 March 2023 and 31 March 2022, the Scheme held no fixed interest securities.

##### (g) Foreign Currency risk

Foreign currency risk is the risk that the value of a financial instrument or foreign cash will fluctuate due to changes in foreign exchange rates.

The Scheme is exposed to foreign currency risk through cash and cash equivalents, trade and other receivables, investment in fixed interest securities, trade and other payables and forward foreign exchange contracts.

The Investment Manager continuously monitors the Scheme's exposure to currency risk. An impact of 15% (2022: 15%) change in exchange rates is summarised as this is a reasonably expected movement taking into account the historical volatility.

\$ 000's As at 31 March	Cash		CashPlus		Default Conservative		Conservative		Default	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Monetary assets and liabilities</b>										
Australian Dollar (AUD)	-	-	-	-	-	-	11,449	(11,926)	105,338	(95,393)
United States Dollars (USD)	1	-	-	-	-	-	(5,078)	(6,672)	-	-
<b>Non-monetary assets and liabilities</b>										
Australian Dollar (AUD)	-	-	-	-	-	-	11,340	11,458	103,601	91,810
United States Dollars (USD)	-	-	-	-	-	-	4,512	6,563	-	-

# Kiwi Wealth KiwiSaver Scheme

## Notes to the Financial Statements

### For the year ended 31 March 2023

#### 8. Financial Risk Management (continued)

##### (g) Foreign Currency risk (continued)

\$ 000's

As at 31 March	Balanced		Growth		Transaction account		Total Scheme	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Monetary assets and liabilities</b>								
Australian Dollar (AUD)	43,012	(48,761)	75,078	(81,504)	-	-	234,877	(237,584)
United States Dollar (USD)	(17,486)	(24,184)	(31,767)	(44,018)	-	-	(54,330)	(74,874)
<b>Non-monetary assets and liabilities</b>								
Australian Dollar (AUD)	42,624	46,971	74,399	78,421	-	-	231,964	228,660
United States Dollar (USD)	16,027	23,790	28,546	43,289	-	-	49,085	73,642

\$ 000's

As at 31 March	Cash		CashPlus		Default Conservative		Conservative		Default	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Monetary assets and liabilities</b>										
AUD - exchange rates increased by 15% (2022: 15%)	-	-	-	-	-	-	(1,493)	1,556	(13,740)	12,443
AUD - exchange rates decreased by 15% (2022: 15%)	-	-	-	-	-	-	2,020	(2,105)	18,589	(16,834)
USD - exchange rates increased by 15% (2022: 15%)	-	-	-	-	-	-	662	870	-	-
USD - exchange rates decreased by 15% (2022: 15%)	-	-	-	-	-	-	(896)	(1,177)	-	-
<b>Non-monetary assets and liabilities</b>										
AUD - exchange rates increased by 15% (2022: 15%)	-	-	-	-	-	-	(1,479)	(1,495)	(13,513)	(11,975)
AUD - exchange rates decreased by 15% (2022: 15%)	-	-	-	-	-	-	2,001	2,022	18,283	16,202
USD - exchange rates increased by 15% (2022: 15%)	-	-	-	-	-	-	(589)	(856)	-	-
USD - exchange rates decreased by 15% (2022: 15%)	-	-	-	-	-	-	796	1,158	-	-

\$ 000's

As at 31 March	Balanced		Growth		Transaction account		Total Scheme	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Monetary assets and liabilities</b>								
AUD - exchange rates increased by 15% (2022: 15%)	(5,610)	6,360	(9,793)	10,631	-	-	(30,636)	30,990
AUD - exchange rates decreased by 15% (2022: 15%)	7,590	(8,605)	13,249	(14,383)	-	-	41,448	(41,927)
USD - exchange rates increased by 15% (2022: 15%)	2,281	3,154	4,144	5,741	-	-	7,087	9,765
USD - exchange rates decreased by 15% (2022: 15%)	(3,086)	(4,268)	(5,606)	(7,768)	-	-	(9,588)	(13,213)
<b>Non-monetary assets and liabilities</b>								
AUD - exchange rates increased by 15% (2022: 15%)	(5,560)	(6,127)	(9,704)	(10,229)	-	-	(30,256)	(29,826)
AUD - exchange rates decreased by 15% (2022: 15%)	7,522	8,289	13,129	13,839	-	-	40,935	40,352
USD - exchange rates increased by 15% (2022: 15%)	(2,090)	(3,103)	(3,723)	(5,646)	-	-	(6,402)	(9,605)
USD - exchange rates decreased by 15% (2022: 15%)	2,828	4,198	5,038	7,639	-	-	8,662	12,995

# Kiwi Wealth KiwiSaver Scheme

## Notes to the Financial Statements

### For the year ended 31 March 2023

#### 9. Derivative Asset and Liabilities

Forward currency contracts are primarily used by the Scheme to economically hedge against foreign currency exchange rate risks on its non New Zealand denominated securities. Funds with open forward positions as at balance date are outlined below:

\$ 000's	Cash		CashPlus		Default Conservative		Conservative		Default	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
As at 31 March										
Forward exchange contracts (notional value in NZ\$)	-	-	-	-	-	-	5,455	18,730	5,312	94,829
Forward exchange contracts (net fair value in NZ\$)	-	-	-	-	-	-	258	118	1,842	(655)
\$ 000's	Balanced		Growth		Transaction account		Total Scheme			
	2023	2022	2023	2022	2023	2022	2023	2022		
As at 31 March										
Forward exchange contracts (notional value in NZ\$)	19,459	73,420	34,825	126,356	-	-	65,051	313,335		
Forward exchange contracts (net fair value in NZ\$)	958	417	1,677	735	-	-	4,735	615		

#### 10. Capital Management

The Scheme's capital is represented by the market value of the underlying net assets held by the Scheme on behalf of its Members and is reflected in the Statements of Net Assets. The Scheme is not subject to any externally imposed capital requirements. The Scheme's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns to its Members and to maximise the Scheme's value as well as ensuring its net assets are sufficient to meet all present and future obligations. In order to meet its objectives for capital management, the Manager reviews the Scheme's performance on a regular basis.

#### 11. Related Party Transactions and balances

Related parties comprise the Supervisor, the Manager (and shareholders of the Manager) and other entities directly or indirectly controlled by the ultimate parent entity of the Manager as detailed in note 1, as well as key management personnel. In accordance with the Trust Deed, related party transactions above are effected on commercial arm's length terms.

##### 11.1 Management and Administration Fees

The management and administration fees are calculated on a daily basis based on the net asset value of the Scheme of up to 1%, and is paid monthly, subject to a minimum fee of \$40 per annum (excluding members that transferred from the Kiwibank KiwiSaver Scheme ("KBKS")). The minimum fee for a member that transferred from the KBKS is \$12 per annum. No fee is charged to members in the Default Fund who have a balance of less than \$1,500. No minimum fee applies to Default Fund members.

Prior to 15 November 2021, the fee charged to each Member for the management and administration of the Scheme depended on the Funds elected by the relevant Member and was up to 1% per annum of the Member's account balance, subject to a minimum fee of \$40 per annum (excluding members that transferred from the KBKS), calculated and deducted weekly by the Manager. The minimum fee for a member that transferred from the KBKS is \$12 per annum.

The fee deducted by the Manager covers supervisor, audit and investment management charges (among others). Such charges are invoiced to and paid by the Manager out of the fee it receives. There are no other related party charges.

# Kiwi Wealth KiwiSaver Scheme

## Notes to the Financial Statements

### For the year ended 31 March 2023

#### 11. Related Party Transactions and balances (continued)

##### 11.1 Management and Administration Fees (continued)

Management and administration fees charged to and payable by the Scheme and Funds to the Manager were:

\$ 000's	Cash		CashPlus		Default Conservative		Conservative		Default	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>For the year ended 31 March</b>										
Current year management and administration fees	1,638	1,466	729	807	1,354	1,886	7,981	8,234	1,811	528
Management and administration fees payable at the end of the year	146	124	62	63	122	107	687	679	167	148
<b>\$ 000's</b>										
<b>For the year ended 31 March</b>										
Current year management and administration fees	19,737	21,171	21,983	22,928	-	-	55,233	57,020		
Management and administration fees payable at the end of the year	1,677	1,742	1,896	1,910	-	-	4,757	4,773		

Outstanding balances due to related parties are due within a month of balance date and are not interest bearing.

##### Audit Fees

Fees charged by the Auditor, and paid by the Manager, for the audit of the financial statements totalled \$187,163 excluding GST (2022: \$197,597 excluding GST). The Auditor also performs Supervisor reporting and Registry compliance services totalling \$7,434 excluding GST (2022: \$6,354 excluding GST).

# Kiwi Wealth KiwiSaver Scheme

## Notes to the Financial Statements

### For the year ended 31 March 2023

#### 11. Related Party Transactions and balances (continued)

##### 11.2 Holdings of Related Party Funds

As at 31 March 2023, the Scheme and Funds held interests in financial instruments issued by related parties. The following tables specify the relevant related party financial instruments and their fair values:

\$ 000's	Cash		CashPlus		Default Conservative		Conservative		Default	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>As at 31 March</b>										
<b>Related party issuer (Fair value)</b>										
Kiwi Investment Management Cash Fund	376,731	322,878	62,266	63,331	93,949	83,674	9,723	-	-	-
Kiwi Investment Management Core Fixed Income Fund	-	-	42,125	41,440	143,023	123,235	613,868	608,317	-	-
Kiwi Investment Management NZ Fixed Income Fund	-	-	-	-	-	-	39,439	37,929	106,221	90,867
Kiwi Investment Management Wholesale Core Global - Hedged	-	-	-	-	29,976	27,019	37,258	38,661	-	-
Kiwi Investment Management Wholesale Core Global - Unhedged	-	-	-	-	30,056	26,170	16,423	18,121	-	-
Kiwi Investment Management NZ Equities Fund	-	-	-	-	-	-	33,201	23,181	-	-
Kiwi Investment Management Global Quantitative Fund - Hedged	-	-	-	-	-	-	67,582	68,472	-	-
Kiwi Investment Management Global Quantitative Fund - Unhedged	-	-	-	-	-	-	29,927	26,069	-	-
Kiwi Investment Management Global Thematic Fund - Hedged	-	-	-	-	-	-	74,112	86,597	-	-
Kiwi Investment Management Global Thematic Fund - Unhedged	-	-	-	-	-	-	32,763	32,985	-	-
Kiwi Investment Management Screened Global Shares Fund - Hedged	-	-	-	-	-	-	-	-	181,040	162,341
Kiwi Investment Management Screened Global Shares Fund - Unhedged	-	-	-	-	-	-	-	-	97,827	84,703
Kiwi Investment Management Global High Yield Fund	-	-	-	-	-	-	5,699	-	-	-

\$ 000's	Balanced		Growth		Transaction account		Total Scheme	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>As at 31 March</b>								
<b>Related party issuer (Fair value)</b>								
Kiwi Investment Management Cash Fund	-	-	-	-	-	-	542,669	469,883
Kiwi Investment Management Core Fixed Income Fund	750,264	788,202	258,390	299,517	-	-	1,807,670	1,860,711
Kiwi Investment Management NZ Fixed Income Fund	48,379	48,330	18,540	17,806	-	-	212,579	194,932
Kiwi Investment Management Wholesale Core Global - Hedged	137,151	152,602	203,135	207,604	-	-	407,520	425,886
Kiwi Investment Management Wholesale Core Global - Unhedged	79,209	85,960	110,486	131,367	-	-	236,174	261,618
Kiwi Investment Management NZ Equities Fund	144,142	104,176	234,102	163,352	-	-	411,445	290,709
Kiwi Investment Management Global Quantitative Fund - Hedged	244,181	275,654	369,220	389,535	-	-	680,983	733,661
Kiwi Investment Management Global Quantitative Fund - Unhedged	140,222	123,490	200,932	188,745	-	-	371,081	338,304
Kiwi Investment Management Global Thematic Fund - Hedged	283,502	349,306	440,522	493,025	-	-	798,136	928,928
Kiwi Investment Management Global Thematic Fund - Unhedged	163,102	156,926	239,769	238,774	-	-	435,634	428,685
Kiwi Investment Management Screened Global Shares Fund - Hedged	-	-	-	-	-	-	181,040	162,341
Kiwi Investment Management Screened Global Shares Fund - Unhedged	-	-	-	-	-	-	97,827	84,703
Kiwi Investment Management Global High Yield Fund	35,973	-	50,675	-	-	-	92,347	-

# Kiwi Wealth KiwiSaver Scheme

## Notes to the Financial Statements

### For the year ended 31 March 2023

#### 11. Related Party Transactions and balances (continued)

##### 11.3 Purchase and Sale of Units in Related Party Funds

The following tables shows purchase and sales of units in Related party funds.

\$ 000's	Cash		CashPlus		Default Conservative		Conservative		Default	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022 Period
<b>For the year ended 31 March</b>										
Purchase of financial instruments at fair value through profit or loss	51,455	41,405	5,065	3,873	46,521	48,803	134,276	133,331	84,698	363,585
Sale of financial assets at fair value through profit or loss	(10,164)	(17,863)	(7,720)	(15,835)	(13,392)	(124,751)	(103,496)	(112,883)	(28,943)	(10,091)

  

\$ 000's	Balanced		Growth		Transaction account		Total Scheme	
	2023	2022	2023	2022	2023	2022 Period	2023	2022
<b>For the year ended 31 March</b>								
Purchase of financial instruments at fair value through profit or loss	343,308	379,367	371,720	493,479	-	-	1,037,043	1,463,843
Sale of financial assets at fair value through profit or loss	(348,564)	(309,746)	(294,184)	(368,063)	-	-	(806,463)	(959,232)

##### 11.4 Transfers between Related Party Funds

From time to time, the Investment Manager undertakes certain re-balancing trades of investments between the Scheme and various other Funds managed by the Investment Manager. On occasion, to facilitate Scheme requirements, in specie transfers between them may occur. In the opinion of the Manager and the Investment Manager, these transactions were made at fair value and there was no detrimental impact on Members of the Scheme. There were no such transactions in year ended 31 March 2023 (2022: nil)

##### 11.5 Purchase and Sale of Investments between Related Party Funds

The Investment Manager may buy and sell investments between the funds within the Scheme and various other Related Party Funds managed by the Investment Manager. All transactions occur at arm's length and are on normal terms.

##### 11.6 Interests in Related Party Funds

As at 31 March 2023, the Scheme held following interests in Related Party funds. The place of business for these Related Party funds is Level 13, 20 Ballance Street, Wellington 6011, New Zealand. The Scheme is not required to consolidate these investments and continues to account for these investments at FVTPL. The Scheme is entitled to one vote for every whole unit held.

\$ 000's	2023			2022		
	Units	Market Value	% of Fund	Units	Market Value	% of Fund
<b>As at 31 March</b>						
<b>Subsidiary</b>						
Kiwi Investment Management Cash Fund	492,307	542,669	94%	441,246	469,883	84%
Kiwi Investment Management Core Global Fund	391,790	643,694	70%	404,229	687,504	70%
Kiwi Investment Management NZ Fixed Income Fund	227,164	212,579	100%	207,662	194,333	100%
Kiwi Investment Management NZ Equities Fund	449,470	411,445	100%	311,184	290,708	100%
Kiwi Investment Management Core Fixed Income Fund	1,725,864	1,807,670	75%	1,782,119	1,860,711	73%
Kiwi Investment Management Global Thematic Fund	789,973	1,233,770	69%	814,000	1,357,614	68%
Kiwi Investment Management Global Quantitative Fund	737,089	1,052,064	73%	713,966	1,071,966	71%
Kiwi Investment Management Screened Global Shares Fund	301,240	278,867	100%	254,361	247,044	100%
Kiwi Investment Management Global High Yield Fund	87,087	92,347	100%	-	-	0%



# Kiwi Wealth KiwiSaver Scheme

## Notes to the Financial Statements

### For the year ended 31 March 2023

#### 11. Related Party Transactions and balances (continued)

##### 11.7 Key Management Personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. This includes the Board and members of the senior leadership team.

The table below shows the contributions and withdrawals made by key management personnel:

\$ 000's	Cash		CashPlus		Default Conservative		Conservative		Default	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022 Period
<b>For the year ended 31 March</b>										
Contributions	-	-	-	-	-	-	9	22	-	-
Withdrawals	-	-	-	-	-	-	-	-	-	-
<b>\$ 000's</b>	<b>Balanced</b>		<b>Growth</b>				<b>Total Scheme</b>			
<b>For the year ended 31 March</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>			<b>2023</b>	<b>2022</b>		
Contributions	4	16	261	174			274	212		
Withdrawals	-	-	781	-			781	-		

Other than transactions noted above for the directors and other key management personnel there have been transfers between portfolios relating to rebalancing.

The table below shows key management personnel fund balances:

\$ 000's	Cash		CashPlus		Default Conservative		Conservative		Default	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>As at 31 March</b>										
Key management personnel fund balances	-	38	-	-	-	-	43	1,521	-	-
<b>\$ 000's</b>	<b>Balanced</b>		<b>Growth</b>				<b>Total Scheme</b>			
<b>As at 31 March</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>			<b>2023</b>	<b>2022</b>		
Key management personnel fund balances	-	3	455	1,754			498	3,316		

#### 12. Reconciliation of net increase in net assets before membership activities to net cash flows from operating activities

\$ 000's	Cash		CashPlus		Default Conservative		Conservative		Default	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022 Period
<b>For the year ended 31 March</b>										
<b>Net increase in net assets before membership activities</b>	<b>11,015</b>	<b>1,555</b>	<b>1,575</b>	<b>(2,548)</b>	<b>2,497</b>	<b>(3,038)</b>	<b>(18,868)</b>	<b>(18,445)</b>	<b>(15,788)</b>	<b>(24,218)</b>
<i>Adjusted for:</i>										
Sale of investments	10,164	17,863	7,719	15,835	13,392	124,751	137,694	125,546	40,945	16,673
Purchase of investments	(51,455)	(41,425)	(5,065)	(3,886)	(46,521)	(48,833)	(166,756)	(149,602)	(121,431)	(513,641)
Net unrealised change in value of investments	(12,562)	(3,005)	(2,275)	1,749	(3,778)	1,293	11,067	10,262	15,369	23,903
Non cash transfers between Transaction Account and Funds	-	915	-	507	-	1,352	-	4,997	-	-
<i>Changes in assets and liabilities:</i>										
Net decrease/(increase) in receivables	-	-	-	-	-	-	-	-	-	-
Net increase/(decrease) in payables	22	124	(1)	63	15	107	8	679	19	148
<b>Net cash flow from operating activities</b>	<b>(42,816)</b>	<b>(23,973)</b>	<b>1,953</b>	<b>11,720</b>	<b>(34,395)</b>	<b>75,632</b>	<b>(36,855)</b>	<b>(26,563)</b>	<b>(80,886)</b>	<b>(497,135)</b>
<b>\$ 000's</b>	<b>Balanced</b>		<b>Growth</b>		<b>Transaction account</b>		<b>Total Scheme</b>			
<b>For the year ended 31 March</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022 Period</b>	<b>2023</b>	<b>2022</b>		
<b>Net increase in net assets before membership activities</b>	<b>(72,305)</b>	<b>40,041</b>	<b>(101,931)</b>	<b>110,720</b>	<b>-</b>	<b>2</b>	<b>(193,805)</b>	<b>104,069</b>		
<i>Adjusted for:</i>										
Sale of investments	488,755	369,025	514,118	444,326	-	-	1,212,787	1,114,019		
Purchase of investments	(473,767)	(451,409)	(575,166)	(614,351)	-	-	(1,440,161)	(1,823,147)		
Net unrealised change in value of investments	53,138	(61,026)	80,758	(133,426)	-	31	141,717	(160,219)		
Non cash transfers between Transaction Account and Funds	-	12,639	-	13,503	-	(33,913)	-	-		
<i>Changes in assets and liabilities:</i>										
Net decrease/(increase) in receivables	-	-	-	-	-	-	-	-		
Net increase/(decrease) in payables	(65)	1,742	(14)	1,910	-	-	(16)	4,773		
<b>Net cash flow from operating activities</b>	<b>(4,244)</b>	<b>(88,988)</b>	<b>(82,235)</b>	<b>(177,318)</b>	<b>-</b>	<b>(33,880)</b>	<b>(279,478)</b>	<b>(760,505)</b>		

# Kiwi Wealth KiwiSaver Scheme

## Notes to the Financial Statements

### For the year ended 31 March 2023

#### 13. Contingent Liabilities and Commitments

As at 31 March 2023, the Scheme had below material commitments or contingencies.

\$ 000's As at 31 March	Cash		CashPlus		Default Conservative		Conservative		Default	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Investment in private equities</b>										
Total Called capital	-	-	-	-	-	-	6,207	3,953	-	-
Uncalled Capital	-	-	-	-	-	-	3,119	5,373	-	-
<b>Total Commitment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,326</b>	<b>9,326</b>	<b>-</b>	<b>-</b>

  

\$ 000's As at 31 March	Balanced		Growth		Transaction account		Total Scheme	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Investment in private equities</b>								
Total Called capital	25,150	16,025	38,022	23,820	-	-	69,379	43,798
Uncalled Capital	12,639	21,764	18,863	33,065	-	-	34,621	60,202
<b>Total Commitment</b>	<b>37,789</b>	<b>37,789</b>	<b>56,885</b>	<b>56,885</b>	<b>-</b>	<b>-</b>	<b>104,000</b>	<b>104,000</b>

#### 14. Events Subsequent to Balance Date

No significant events that have occurred since reporting date which would impact on the financial position of the Funds disclosed in the Statement of Financial Position as at 31 March 2023 or on the results and cash flows of the Funds for the period ended on that date.



## Independent auditor's report

To the members of:

- Cash Fund
- CashPlus Fund
- Default Conservative Fund
- Conservative Fund
- Default Fund
- Balanced Fund
- Growth Fund

(Collectively the Investment Funds) which comprise the Kiwi Wealth KiwiSaver Scheme (the Scheme)

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### Our opinion

In our opinion, the accompanying financial statements of the Investment Funds and the Scheme present fairly, in all material respects, the financial position of the Investment Funds and the Scheme as at 31 March 2023, their financial performance and their cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

### What we have audited

The Investment Funds and the Scheme's financial statements comprise:

- the statements of net assets as at 31 March 2023;
  - the statements of changes in net assets for the year then ended;
  - the statements of cash flows for the year then ended; and
  - the notes to the financial statements, which include significant accounting policies and other explanatory information.
- 

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

### Independence

We are independent of the Investment Funds and the Scheme in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.



We have provided the following services to the Fisher Funds Management Limited and its controlled entities, which includes Kiwi Wealth Limited (the “Manager”): tax compliance, tax consultancy, supervisor reporting, registry compliance assurance reporting, controls assurance, agreed upon procedures on controls, and the audit of financial statements of other funds and schemes. Subject to certain restrictions, employees of our firm may invest in the Investment Funds and the Scheme on normal terms within the ordinary course of trading activities of the Investment Funds and the Scheme. These services and relationships have not impaired our independence as auditor of the Funds. Other than in our capacity as auditor, we have no other relationships with, or interests in, the Investment Funds and the Scheme.

**Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of the key audit matter	How our audit addressed the key audit matter																											
<p><b>Valuation and existence of financial assets held at fair value through profit or loss (FVTPL)</b></p> <p>As at 31 March 2023, financial assets held at FVTPL amounted to:</p> <table border="1"> <thead> <tr> <th style="text-align: left;">Fund</th> <th style="text-align: right;">31/03/2023 (\$'000)</th> <th style="text-align: right;">31/03/2022 (\$'000)</th> </tr> </thead> <tbody> <tr> <td>Cash</td> <td style="text-align: right;">376,731</td> <td style="text-align: right;">322,878</td> </tr> <tr> <td>CashPlus</td> <td style="text-align: right;">104,392</td> <td style="text-align: right;">104,771</td> </tr> <tr> <td>Default Conservative</td> <td style="text-align: right;">297,004</td> <td style="text-align: right;">260,097</td> </tr> <tr> <td>Conservative</td> <td style="text-align: right;">982,167</td> <td style="text-align: right;">964,243</td> </tr> <tr> <td>Default</td> <td style="text-align: right;">538,193</td> <td style="text-align: right;">473,714</td> </tr> <tr> <td>Balanced</td> <td style="text-align: right;">2,110,279</td> <td style="text-align: right;">2,178,730</td> </tr> <tr> <td>Growth</td> <td style="text-align: right;">2,267,895</td> <td style="text-align: right;">2,288,096</td> </tr> <tr> <td><b>Scheme</b></td> <td style="text-align: right;"><b>6,676,661</b></td> <td style="text-align: right;"><b>6,592,529</b></td> </tr> </tbody> </table> <p>Financial assets held at FVTPL are included in note 4 of the financial statements.</p> <p>This was an area of focus as it represents the substantial majority of net assets of the Investment Funds and the Scheme.</p> <p>As disclosed in note 6 of the financial statements, as at 31 March 2023, the majority of the financial assets held by the Investment Funds and the Scheme comprise investments in unlisted unit trusts.</p>	Fund	31/03/2023 (\$'000)	31/03/2022 (\$'000)	Cash	376,731	322,878	CashPlus	104,392	104,771	Default Conservative	297,004	260,097	Conservative	982,167	964,243	Default	538,193	473,714	Balanced	2,110,279	2,178,730	Growth	2,267,895	2,288,096	<b>Scheme</b>	<b>6,676,661</b>	<b>6,592,529</b>	<p>We assessed the processes employed by the Manager for recording and valuing the financial assets held at FVTPL, including the relevant controls operated by JBWere and BNP Paribas (the Custodians) and Apex Limited (formerly MMC Limited) (the Administrator).</p> <p>Our assessment of the business processes included:</p> <ul style="list-style-type: none"> <li>Updating our understanding of the business processes over classification, recognition and measurement of financial assets held at FVTPL;</li> <li>Obtaining one Custodian's internal controls report over custody services for the period ended 31 March 2023 and the other Custodian's internal controls report over custody services for the period ended 30 September 2022 with an accompanying bridging letter until 31 March 2023. We also obtained the Administrator's internal controls report over administration and registry services for the period ended 31 March 2023. We evaluated the sufficiency and appropriateness of the evidence provided by the controls reports over the design and operating effectiveness of the key controls operated by the Custodians and the Administrator, and considered additional controls in place at the Manager to cover the period of the bridging letter.</li> </ul>
Fund	31/03/2023 (\$'000)	31/03/2022 (\$'000)																										
Cash	376,731	322,878																										
CashPlus	104,392	104,771																										
Default Conservative	297,004	260,097																										
Conservative	982,167	964,243																										
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Balanced	2,110,279	2,178,730																										
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<b>Scheme</b>	<b>6,676,661</b>	<b>6,592,529</b>																										



Description of the key audit matter	How our audit addressed the key audit matter
<p>The fair values of the unlisted unit trusts are based on the redemption prices established by the respective investment fund administrators and categorised as level 2 in the fair value hierarchy. The fair value of the private equity investments is based on the Net Asset Value provided by the investment manager and categorised as level 3 in the fair value hierarchy. In assessing the fair value, the Manager uses information provided by the investment fund administrators and investment managers including the financial statements of the underlying funds and recent transaction prices.</p>	<p><b>Valuation</b></p> <p>For valuation of the investments in unlisted unit trusts, we agreed the redemption price at period end to the confirmation obtained from the investment fund administrator of the unit trusts. We evaluated whether the redemption price represents fair value by:</p> <ul style="list-style-type: none"> <li>• comparing the net asset value per unit calculated based on the latest financial statements of the underlying unlisted unit trust to the published unit price on that date to provides evidence of the reliability of the unit pricing process;</li> <li>• assessing whether the fair value of the underlying assets and liabilities of the underlying unlisted unit trust are primarily determined through observable market data; and</li> <li>• comparing the redemption price at 31 March 2023 to recent transactions to further support the fair value of the unlisted unit trusts.</li> </ul> <p>For valuation of private equity investments, we agreed the value of the investment at period end to a confirmation obtained from the investment manager of the fund's shareholding and the net asset value of the private equity fund. We evaluated the reasonableness of the value provided by agreeing the net asset value of the private equity funds to the 31 March 2023 audited financial statements.</p> <p>For valuation of listed equities, we used our valuation experts to test the fair value using independent valuation methods and third-party pricing sources.</p> <p><b>Existence</b></p> <p>For the existence of investments in unlisted unit trusts and listed equities, we agreed the investment holdings to confirmations obtained directly from the Custodians.</p> <p>For private equity investments, an external confirmation has been obtained directly from the private equity fund managers to confirm the amount of funds invested by the Investment Funds and the Scheme.</p>



Description of the key audit matter	How our audit addressed the key audit matter
	For forward foreign exchange contracts, we agreed all of the derivative positions to counterparty confirmations.

## Our audit approach

### Overview

<b>Materiality</b>	<p>We determined materiality for each Investment Fund and the Scheme separately. Overall materiality:</p> <ul style="list-style-type: none"> <li>● Cash Fund: is calculated based on 1% of net assets</li> <li>● CashPlus Fund: is calculated based on 1% of net assets</li> <li>● Default Conservative Fund: is calculated based on 1% of net assets</li> <li>● Conservative Fund: is calculated based on 1% of net assets</li> <li>● Default Fund: is calculated based on 1% of net assets</li> <li>● Balanced Fund: is calculated based on 1% of net assets</li> <li>● Growth Fund: is calculated based on 1% of net assets</li> <li>● Kiwi Wealth KiwiSaver Scheme: is calculated based on approximately 1% of net assets</li> </ul> <p>We chose net assets as the benchmark because, in our view, the objective of the Investment Funds and the Scheme is to provide members with a total return on the Investment Funds' and the Scheme's net assets, taking into account both capital and income returns.</p>
<b>Key audit matters</b>	As reported above, we have one key audit matter, being Valuation and existence of financial assets held at fair value through profit or loss (FVTPL)

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements of each Investment Fund and the Scheme as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements of each Investment Fund and the Scheme as a whole.



### **How we tailored our audit scope**

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements of each Investment Fund and the Scheme as a whole, taking into account the structure of each Investment Fund and the Scheme, the Investment Funds' and the Scheme's investments and the accounting and registry processes and controls.

The Manager is responsible for the governance and control activities of the Investment Funds and the Scheme. The Investment Funds' and the Scheme's investments are held by the Custodians and a financial institution. The Manager has outsourced investment accounting (Administrator) and registry services (Registrar) to third party service providers.

In completing our audit, we performed relevant audit procedures over the control environment of the Custodians, the Administrator, the Registrar and the Manager to support our audit conclusions.

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### **Other information**

The Manager is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon which the annual report will refer to. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Manager and use our professional judgement to determine the appropriate action to take.

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### **Responsibilities of the Manager for the financial statements**

The Manager is responsible for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing each Investment Fund's and the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate an Investment Fund or the Scheme or to cease operations, or has no realistic alternative but to do so.

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### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-1/>



This description forms part of our auditor's report.

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**Who we report to**

This report is made solely to each 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than each Scheme's members, as a body, for our audit work, for this report or for the opinions we have formed.

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The engagement partner on the audit resulting in this independent auditor's report is Christopher Ussher.

For and on behalf of:

A handwritten signature in black ink that reads 'PricewaterhouseCoopers' in a cursive, flowing script.

Chartered Accountants  
4 July 2023

Wellington