

**Kiwi Wealth KiwiSaver Scheme
Financial Statements
For the year ended 31 March 2016**

Kiwi Wealth KiwiSaver Scheme
Table of Contents
For the year ended 31 March 2016

Statements of Changes in Net Assets	2
Statements of Net Assets.....	4
Statements of Cash Flows	6
Notes to the Financial Statements.....	10
Independent Auditor's Report.....	65

Kiwi Wealth KiwiSaver Scheme
Statements of Changes in Net Assets
For the year ended 31 March 2016

		Year ended 31 March 2016							
	Notes	Cash \$ 000s	CashPlus \$ 000s	Balanced \$ 000s	Default \$ 000s	Conservative \$ 000s	Growth \$ 000s	Transaction account \$ 000s	Total Scheme \$ 000s
Investment activities									
Investment income									
Dividend and distribution income		-	3	11,975	166	1,472	15,518	-	29,134
Net (losses)/gains on financial instruments at fair value through profit or loss	4	(14)	162	(36,255)	(120)	(723)	(60,604)	-	(97,554)
Interest income	5	2,706	1,566	20,291	1,315	13,486	3,814	593	43,771
Foreign exchange (losses)/gains		-	(2)	(91)	7	4	265	-	183
Net investment income		2,692	1,729	(4,080)	1,368	14,239	(41,007)	593	(24,466)
Expenses									
Management and administration fees	6	472	337	10,494	451	3,976	8,454	-	24,184
Transaction fees and expenses		-	-	1,799	7	217	2,425	-	4,448
Total expenses		472	337	12,293	458	4,193	10,879	-	28,632
Net increase in net assets before membership activities		2,220	1,392	(16,373)	910	10,046	(51,886)	593	(53,098)
Membership activities									
Contributions / transfers in									
Employer contributions	7	-	-	-	-	-	-	101,404	101,404
Employee contributions	7	-	-	-	-	-	-	174,399	174,399
Transfers between portfolios	7	50,378	43,960	277,154	46,430	174,319	237,610	(829,851)	-
Transfers from other schemes	7	-	-	-	-	-	-	158,502	158,502
Member tax credits	7	-	-	-	-	-	-	38,747	38,747
Other contributions	7	-	-	-	-	-	-	62,034	62,034
Benefits paid / transfers out / PIE tax									
Transfers to other schemes		-	-	-	-	-	-	(66,158)	(66,158)
Transfers between portfolios	7	(21,699)	(16,303)	(159,205)	(12,194)	(89,080)	(130,908)	429,389	-
Withdrawals	7	-	-	-	-	-	-	(97,434)	(97,434)
PIE tax paid and payable		-	-	-	-	-	-	19,710	19,710
Net membership activities		28,679	27,657	117,949	34,236	85,239	106,702	(9,258)	391,204
Benefits accrued to members' accounts		30,899	29,049	101,576	35,146	95,285	54,816	(8,665)	338,106
Net assets attributable to members at beginning of the year		56,531	25,875	939,807	22,304	324,094	763,180	9,539	2,141,330
Net assets attributable to members at end of the year		87,430	54,924	1,041,383	57,450	419,379	817,996	874	2,479,436

The Statement of Changes in Net Assets should 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 2016

		Year ended 31 March 2015						
Notes	Cash \$ 000s	CashPlus \$ 000s	Balanced \$ 000s	Default \$ 000s	Conservative \$ 000s	Growth \$ 000s	Transaction account \$ 000s	Total Scheme \$ 000s
Investment activities								
Investment income								
Dividend and distribution income	-	9	7,875	28	1,060	9,427	-	18,399
Net (losses)/gains on financial instruments at fair value through profit or loss	4	(18)	99,964	270	15,039	120,824	-	236,241
Interest income	5	1,476	15,750	211	9,036	2,474	614	30,423
Foreign exchange gains/(losses)		-	690	(1)	(24)	730	-	1,392
Net investment income		1,458	1,030	124,279	508	25,111	133,455	286,455
Expenses								
Management and administration fees	6	306	181	8,022	91	2,670	6,347	17,617
Transaction fees and expenses		-	-	1,313	3	142	-	3,238
Total expenses		306	181	9,335	94	2,812	8,127	20,855
Net increase in net assets before membership activities		1,152	849	114,944	414	22,299	125,328	265,600
Membership activities								
Contributions / transfers in								
Employer contributions	7	-	-	-	-	-	78,713	78,713
Employee contributions	7	-	-	-	-	-	137,125	137,125
Transfers between portfolios	7	51,837	20,805	316,188	23,491	186,874	(828,684)	-
Transfers from other schemes	7	-	-	-	-	-	386,665	386,665
Member Tax credits	7	-	-	-	-	-	26,885	26,885
Other contributions	7	-	-	-	-	-	58,472	58,472
Benefits paid / transfers out / PIE tax								
Transfers to other schemes		-	-	-	-	-	(52,641)	(52,641)
Transfers between portfolio	7	(10,879)	(6,599)	(99,634)	(1,601)	(55,651)	246,189	-
Withdrawals	7	-	-	-	-	-	(57,212)	(57,212)
PIE tax paid and payable		-	-	-	-	-	(13,498)	(13,498)
Net membership activities		40,958	14,206	216,554	21,890	131,223	(17,986)	564,509
Benefits accrued to members' accounts		42,110	15,055	331,498	22,304	153,522	(17,372)	830,109
Net assets attributable to members at beginning of the year		14,421	10,820	608,309	-	170,572	26,911	1,311,221
Net assets attributable to members at end of the year		56,531	25,875	939,807	22,304	324,094	9,539	2,141,330

The Statement of Changes in Net Assets should be read in conjunction with the accompanying notes.

Kiwi Wealth KiwiSaver Scheme
Statements of Net Assets
As at 31 March 2016

		As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
	Notes	Cash \$ 000s	Cash \$ 000s	CashPlus \$ 000s	CashPlus \$ 000s	Balanced \$ 000s	Balanced \$ 000s	Default \$ 000s	Default \$ 000s
Assets									
Cash and cash equivalents		9,653	4,498	6,070	2,136	77,191	59,381	5,665	3,809
Receivables	8	1	35	195	89	28,543	13,908	201	62
Financial assets held at fair value through profit or loss	9	77,787	52,003	48,820	23,830	958,339	872,062	51,938	18,606
Total assets		87,441	56,536	55,085	26,055	1,064,073	945,351	57,804	22,477
Liabilities									
Management and administration fees payable		(11)	(5)	(8)	(3)	(179)	(108)	(9)	(3)
Payables for securities purchased		-	-	(153)	(177)	(22,511)	(5,436)	(345)	(170)
Withdrawals Payable		-	-	-	-	-	-	-	-
PIE tax payable		-	-	-	-	-	-	-	-
Total liabilities (excluding net assets attributable to members)		(11)	(5)	(161)	(180)	(22,690)	(5,544)	(354)	(173)
Net assets attributable to members	10	87,430	56,531	54,924	25,875	1,041,383	939,807	57,450	22,304
<i>Represented by:</i>									
Member funds		87,430	56,531	54,924	25,875	1,041,383	939,807	57,450	22,304

The Statement of Net Assets should be read in conjunction with the accompanying notes.

Kiwi Wealth KiwiSaver Scheme
Statements of Net Assets (continued)
As at 31 March 2016

	Notes	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
		Conservative \$ 000s	Conservative \$ 000s	Growth \$ 000s	Growth \$ 000s	Transaction Account \$ 000s	Transaction Account \$ 000s	Total Scheme \$ 000s	Total Scheme \$ 000s
Assets									
Cash and cash equivalents		26,103	13,349	51,186	26,407	13,265	15,054	189,133	124,634
Receivables	8	5,915	3,557	32,160	14,317	-	-	67,015	31,968
Financial assets held at fair value through profit or loss	9	392,352	311,649	760,063	722,544	-	-	2,289,299	2,000,694
Total assets		424,370	328,555	843,409	763,268	13,265	15,054	2,545,447	2,157,296
Liabilities									
Management and administration fees payable		(75)	(40)	(141)	(88)	-	-	(423)	(247)
Payables for securities purchased		(4,916)	(4,421)	(25,272)	-	-	-	(53,197)	(10,204)
Withdrawals Payable		-	-	-	-	(5,950)	(1,364)	(5,950)	(1,364)
PIE tax payable		-	-	-	-	(6,441)	(4,151)	(6,441)	(4,151)
Total liabilities (excluding net assets attributable to members)		(4,991)	(4,461)	(25,413)	(88)	(12,391)	(5,515)	(66,011)	(15,966)
Net assets attributable to members	10	419,379	324,094	817,996	763,180	874	9,539	2,479,436	2,141,330

Represented by:

Member funds	419,379	324,094	817,996	763,180	874	9,539	2,479,436	2,141,330
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The Statement of Net Assets should be read in conjunction with the accompanying notes.

The directors of Kiwi Wealth Limited authorised these financial statements for issue on 6 July 2016:

Director  _____

Director  _____

Kiwi Wealth KiwiSaver Scheme
Statements of Cash Flows
For the year ended 31 March 2016

	Year ended 31 March 2016							
	Cash \$ 000s	CashPlus \$ 000s	Balanced \$ 000s	Default \$ 000s	Conservative \$ 000s	Growth \$ 000s	Transaction account \$ 000s	Total Scheme \$ 000s
Cash flows from operating activities								
<i>Cash was provided from:</i>								
Sale of investments	123,666	42,724	866,924	22,411	177,994	1,061,615	(33,098)	2,262,236
Interest received	2,710	1,332	19,576	1,151	12,879	3,608	593	41,849
Realisation of forward foreign exchange contracts	-	(141)	(40,194)	(339)	(7,016)	(53,393)	-	(101,083)
Dividends and distributions received	-	5	11,864	168	1,503	15,298	-	28,838
<i>Cash was applied to:</i>								
Purchase of investments	(149,433)	(67,309)	(945,995)	(55,326)	(253,692)	(1,098,490)	33,098	(2,537,147)
Payment of management and administration fees	-	-	-	-	-	-	(24,009)	(24,009)
Transaction fees and expenses	-	-	(1,799)	(7)	(217)	(2,425)	-	(4,448)
Net cash flows from operating activities	(23,057)	(23,389)	(89,624)	(31,942)	(68,549)	(73,787)	(23,416)	(333,764)
Cash flows from financing activities								
<i>Cash was provided from:</i>								
Crown Contributions	-	-	-	-	-	-	45,940	45,940
Employer contributions	-	-	-	-	-	-	101,404	101,404
Employee contributions	-	-	-	-	-	-	174,399	174,399
Transfers from other schemes	-	-	-	-	-	-	158,502	158,502
Net Transfers between portfolios	28,212	27,325	107,525	33,791	81,299	98,301	(376,453)	-
Other contributions	-	-	-	-	-	-	54,840	54,840
PIE tax rebates received	-	-	-	-	-	-	31,383	31,383
<i>Cash was applied to:</i>								
Transfers to other schemes	-	-	-	-	-	-	(67,000)	(67,000)
Withdrawals	-	-	-	-	-	-	(92,005)	(92,005)
PIE tax paid	-	-	-	-	-	-	(9,383)	(9,383)
Net cash flows from financing activities	28,212	27,325	107,525	33,791	81,299	98,301	21,627	398,080
Net increase in cash and cash equivalents	5,155	3,936	17,901	1,849	12,750	24,514	(1,789)	64,316
Add: opening cash and cash equivalents	4,498	2,136	59,381	3,809	13,349	26,407	15,054	124,634
Effect of exchange rate fluctuations	-	(2)	(91)	7	4	265	-	183
Closing cash and cash equivalents	9,653	6,070	77,191	5,665	26,103	51,186	13,265	189,133

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

Kiwi Wealth KiwiSaver Scheme
Statements of Cash Flows (continued)
For the year ended 31 March 2016

Reconciliation of net increase in net assets before membership activities to net cash flow from operating activities

	Year ended 31 March 2016							
	Cash \$ 000s	CashPlus \$ 000s	Balanced \$ 000s	Default \$ 000s	Conservative \$ 000s	Growth \$ 000s	Transaction account \$ 000s	Total Scheme \$ 000s
Net increase in net assets before membership activities	2,220	1,392	(16,373)	910	10,046	(51,886)	593	(53,098)
<i>Adjusted for:</i>								
Sale of investments	123,666	42,724	866,924	22,411	177,994	1,061,615	(33,098)	2,262,236
Purchase of investments	(149,433)	(67,309)	(945,995)	(55,326)	(253,692)	(1,098,490)	33,098	(2,537,147)
Income from investments	(624)	(878)	(6,112)	(725)	(8,437)	5,524	-	(11,252)
Payment of management fees	472	337	10,494	451	3,976	8,454	(24,184)	-
<i>Changes in assets and liabilities:</i>								
Increase in receivables	642	345	1,438	337	1,564	996	-	5,322
Increase in payables	-	-	-	-	-	-	175	175
Net cash flow from operating activities	(23,057)	(23,389)	(89,624)	(31,942)	(68,549)	(73,787)	(23,416)	(333,764)

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

Kiwi Wealth KiwiSaver Scheme
Statements of Cash Flows (continued)

For the year ended 31 March 2016

	Year ended 31 March 2015							
	Cash \$ 000s	CashPlus \$ 000s	Balanced \$ 000s	Default \$ 000s	Conservative \$ 000s	Growth \$ 000s	Transaction account \$ 000s	Total Scheme \$ 000s
Cash flows from operating activities								
<i>Cash was provided from:</i>								
Sale of investments	34,279	17,239	671,374	1,289	137,441	722,270	-	1,583,892
Interest received	890	716	15,000	151	8,342	1,941	614	27,654
Realisation of forward foreign exchange contracts	-	41	(6,970)	24	783	(13,324)	-	(19,446)
Dividends and distributions received	-	8	8,009	27	1,032	9,649	-	18,725
<i>Cash was applied to:</i>								
Purchase of investments	(73,814)	(32,494)	(893,367)	(19,479)	(275,207)	(899,981)	-	(2,194,342)
Payment of management and administration fees	-	-	-	-	-	-	(18,527)	(18,527)
Transaction fees and expenses	-	-	(1,312)	(3)	(142)	(1,780)	-	(3,237)
Net cash flows from operating activities	(38,645)	(14,490)	(207,266)	(17,991)	(127,751)	(181,225)	(17,913)	(605,281)
Cash flows from financing activities								
<i>Cash was provided from:</i>								
Crown Contributions	-	-	-	-	-	-	42,631	42,631
Employer contributions	-	-	-	-	-	-	78,713	78,713
Employee contributions	-	-	-	-	-	-	137,125	137,125
Transfers from other schemes	-	-	-	-	-	-	386,665	386,665
Net Transfers between portfolios	40,645	14,019	208,095	21,802	128,434	150,973	(563,968)	-
Other contributions	-	-	-	-	-	-	42,726	42,726
PIE tax rebates received	-	-	-	-	-	-	8,852	8,852
<i>Cash was applied to:</i>								
Transfers to other schemes	-	-	-	-	-	-	(51,800)	(51,800)
Withdrawals	-	-	-	-	-	-	(56,690)	(56,690)
PIE tax paid	-	-	-	-	-	-	(28,525)	(28,525)
Net cash flows from financing activities	40,645	14,019	208,095	21,802	128,434	150,973	(4,271)	559,697
Net increase in cash and cash equivalents	2,000	(471)	829	3,811	683	(30,252)	(22,184)	(45,584)
Add: opening cash and cash equivalents	2,498	2,610	57,862	-	12,690	55,928	37,238	168,826
Effect of exchange rate fluctuations	-	(3)	690	(2)	(24)	731	-	1,392
Closing cash and cash equivalents	4,498	2,136	59,381	3,809	13,349	26,407	15,054	124,634

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

Kiwi Wealth KiwiSaver Scheme
Statements of Cash Flows (continued)

For the year ended 31 March 2016

Reconciliation of net increase in net assets before membership activities to net cash flow from operating activities

	Year ended 31 March 2015							Total Scheme \$ 000s
	Cash \$ 000s	CashPlus \$ 000s	Balanced \$ 000s	Default \$ 000s	Conservative \$ 000s	Growth \$ 000s	Transaction account \$ 000s	
Net increase in net assets before membership activities	1,152	849	114,944	414	22,299	125,328	614	265,600
<i>Adjusted for:</i>								
Sale of investments	34,279	17,239	671,374	1,289	137,441	722,270	-	1,583,892
Purchase of investments	(73,814)	(32,494)	(893,367)	(19,479)	(275,207)	(899,981)	-	(2,194,342)
Income from investments	(627)	(295)	(108,244)	(308)	(14,809)	(135,448)	-	(259,731)
Payment of management fees	306	180	8,021	91	2,671	6,347	(17,616)	-
<i>Changes in assets and liabilities:</i>								
Increase in receivables	59	31	6	2	(146)	259	-	211
Increase in payables	-	-	-	-	-	-	(911)	(911)
Net cash flow from operating activities	(38,645)	(14,490)	(207,266)	(17,991)	(127,751)	(181,225)	(17,913)	(605,281)

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

Kiwi Wealth KiwiSaver Scheme Notes to the Financial Statements

For the year ended 31 March 2016

1. 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 10025). The Scheme was established 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 and 1 July 2014 (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 2016 by Investment Portfolio, and the comparative period disclosed is the year ended 31 March 2015.

The trustee of the Scheme is Public Trust (the "**Trustee**"). The Manager is Kiwi Wealth Limited (which is a wholly owned subsidiary of Gareth Morgan Investments Limited Partnership ("**GMILP**"). The Investment Management of the Scheme's assets and administration has been delegated to GMILP. The Manager's registered office is Level 8, New Zealand Post House, 7 Waterloo Quay, Wellington, 6011, New Zealand. GMILP is owned by Kiwi Wealth Management Limited, which is a wholly owned subsidiary of Kiwi Group Holdings Limited. The ultimate holding company is New Zealand Post Limited, a state-owned enterprise. As such, the ultimate shareholder of the Manager is the New Zealand Crown (the "**Crown**").

Kiwibank Investment Management Limited, the manager of the Kiwibank KiwiSaver Scheme ("**KBKS**"), transferred the members of the KBKS into the Scheme on 7 November 2014.

The Scheme comprises the Investment Portfolio's listed below. Each Investment Portfolio is treated as a separate and distinct Investment Portfolio with its separate assets and liabilities. The value of each member's interest in the Scheme is determined by amounts held in their Member Account.

The following is a brief description of each Investment Portfolio and its date of establishment:

Default Investment Portfolio ("Default") (Established 1 July 2014)

The Scheme has been selected as a default KiwiSaver Scheme for the purposes of the KiwiSaver Act 2006. Appointment to provide the Scheme as a default KiwiSaver Scheme is set out in the KiwiSaver Default Provider (Kiwi Wealth) Notice 2014 issued by the New Zealand Government.

The purpose of the Default Investment Portfolio is as a temporary investment until members make an active choice about which Investment Portfolio(s) best suit their circumstances.

The Default Investment Portfolio holds between 15% and 25% in shares at all times, with the remainder (75% to 85%) invested in a combination of cash, term deposits and fixed interest assets. This type of Investment Portfolio is generally more suitable for members with a short investment timeframe (one to five years) or those who are risk averse and who can tolerate the occasional decline in the value of their member account. The usual New Zealand dollar ("**NZD**") exposure for the Default Investment Portfolio is around 90%.

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

1. Reporting Entity (continued)

Cash Investment Portfolio (“Cash”) (Established 12 September 2012)

The Cash Investment Portfolio holds 100% cash (including term deposits which are classified as fixed interest in these financial statements). This type of Investment Portfolio is generally more suitable for members with essentially no tolerance for risk or declines in the value of their member account and who may want to draw on their investment in the next 12 months. The usual NZD exposure for the Cash Investment Portfolio is 100%.

CashPlus Investment Portfolio (“CashPlus”) (Established 1 June 2012)

The CashPlus Investment Portfolio holds up to 60% in fixed interest assets. The balance of this Investment Portfolio is held in cash and term deposits – there are no shares held in this Investment Portfolio. This type of Investment Portfolio is generally more suitable for members with a short investment timeframe (less than three years) or those who are more risk averse and have minimal tolerance for declines in the value of their member account. The usual NZD exposure for the CashPlus Investment Portfolio is 100%.

Conservative Investment Portfolio (“Conservative”) (Established 2 April 2007)

The Conservative Investment Portfolio holds up to 20% in shares with the balance (80% or greater) invested in a combination of cash and fixed interest assets. This type of Investment Portfolio is generally more suitable for members with a short investment timeframe (one to five years) or those who are risk averse and who can tolerate the occasional decline in the value of their member account. The usual NZD exposure for the Conservative investment Portfolio is around 90%.

Balanced Investment Portfolio (“Balanced”) (Established 2 April 2007)

The Balanced Investment Portfolio holds up to 70% in shares, with the balance (30% or greater) in cash and fixed interest assets. This type of Investment Portfolio is generally more suitable for members with a medium-term investment timeframe (five to ten years) or those who have a moderate appetite for risk and tolerance for declines in the value of their member account. The usual NZD exposure for the Balanced Investment Portfolio is around 80%.

Growth Investment Portfolio (“Growth”) (Established 2 April 2007)

The Growth Investment Portfolio can hold up to 100% in shares (but will usually have a proportion invested in fixed interest and cash assets). This type of Investment Portfolio is generally more suitable for members with a longer investment timeframe (in excess of ten years) and who have a greater tolerance for declines in the value of their member account. The usual NZD exposure for the Growth Investment Portfolio is around 70%.

Transaction Account

The Transaction Account receives all contributions before they are invested in the Investment Portfolios and the transaction account is owned by each member in the Scheme. These contributions are invested in a bank account where they earn interest until they are transferred to the relevant Investment Portfolio.

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

1. Reporting Entity (continued)

The Trust Deed was amended on 1 April 2014 and 1 July 2014 to, among other things, (i) require the Trustee and the Manager to treat the assets and liabilities of each Investment Portfolio as being exclusively for that Investment Portfolio, a consequence of which is that each Investment Portfolio 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.

Member Account and Rebalancing

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 Investment Portfolio (the "**Investment Direction**"). A Member Account at any given date lists all money held and all assets held in Investment Portfolios with regard to that Member.

Contributions received during the week are put into the Scheme's trust account and linked to the Member Account where they earn interest. Each week, the Scheme rebalances the Member Account's to ensure that they are administered in accordance with the prescribed Investment Direction. Some cash is kept in the Member Account to pay fees and taxes.

Once the rebalancing computation is complete, money held in the Scheme's trust account is transferred to the Investment Portfolio(s) in accordance with the Investment Direction elected by each member.

Accordingly, in the Statement of Changes in Net Assets, membership activities such as contributions and withdrawals are recognised in the Transactions Account at the Scheme level. The membership activities for the Investment Portfolios comprise transactions between the Transactions Account and the Investment Portfolios and between Investment Portfolios themselves. These transactions are recognised as 'Transfers in' and 'Transfers out' in the Statement of Changes in Net Assets.

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

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 Reporting Act 1993 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, as appropriate for for-profit entities. The financial statements comply with International Financial Reporting Standards ("IFRS"). The Scheme is a for-profit entity. The financial statements were authorised for issue by the Manager on 6 July 2016.

Measurement Base

The financial statements have been prepared on a historical cost basis, except for financial instruments held at fair value through profit or loss measured at fair value.

The methods used to measure fair values are discussed further in note 3(d).

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 11.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods in these financial statements.

(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.

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

3. Significant Accounting Policies (continued)

(b) Statement of Cash Flows

The following are definitions of terms used in the Statement 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 fair value through profit or loss which are recognised together with net gains/(losses) on financial instruments at fair value through profit or loss in the Statement of Changes in Net Assets.

(d) Financial instruments

Regular way purchases and sales of investments are recognised on the trade date – the date on which the Scheme commits to purchase or sell the investment. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Scheme has transferred substantially all risks and rewards of ownership.

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in financial instruments designated at fair value at initial recognition and loans and receivables. Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is classified as at fair value through profit or loss if it is held for trading or is designated as such upon trade date. Financial instruments are designated as fair value through profit or loss if the Manager manages such investments and makes purchase and sale decisions based on their fair value. Financial instruments designated at fair value at initial recognition comprise fixed interest and equity securities (including unlisted unit trusts). Upon initial recognition, attributable transaction costs are recognised separately in the Statement of Changes in Net Assets when incurred. Subsequent to initial recognition, financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in the Statement of Changes in Net Assets.

Loans and receivables 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 balance date. The carrying value of loans and receivables closely approximates their fair value.

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

3. Significant Accounting Policies (continued)

(d) Financial instruments (continued)

Subsequent to initial recognition, the fair value of non-derivative financial instruments classified as at fair value through profit or loss traded in active markets is based on quoted market prices at the balance date. The quoted market price for equities held by the Scheme is the last traded price, and the quoted market price for interest bearing securities held by the Scheme is the mid-price.

If the last traded price is outside the bid ask spread, the bid price is used. Investments in unlisted unit trusts are recorded at the redemption value per unit as reported by the manager of each such unit trust. Where the units of the unit trust are not publicly traded, redemption can only be made by the Scheme on the redemption dates and subject to any required notice periods specified in the offering documents of the relevant unit trust.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method less any impairment losses (refer to note 3(d)(iii) 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.

Payables are classified as other financial liabilities and are initially stated at fair value and subsequently measured at amortised cost.

(ii) Derivative financial instruments

Derivative financial instruments are classified as held for trading and are recognised initially at fair value. Transaction costs are expensed immediately. Subsequent to initial recognition, derivative financial instruments are measured at fair value. Any gain or loss on revaluation is recognised in the Statement of Changes in Net Assets. The derivative financial instruments held were forward foreign exchange contracts and are classified as held for trading.

The Scheme will offset derivative financial instruments only if the Scheme has a legal right to offset the recognised amounts (including accrued interest) and intends to settle on a net basis.

(iii) Impairment of assets carried at amortised cost

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated future cash flows of the investment have been impacted. Evidence of impairment may include indications that the debtor or group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

If, in the subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Changes in Net Assets to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

3. Significant Accounting Policies (continued)

(e) Income recognition

Income comprises interest income from term deposits and fixed interest, dividend income from equities and distribution income received from unit trusts and investment funds, changes in fair value through profit or loss and foreign currency gains or losses.

Interest income is recognised as it accrues, using the effective interest method. Dividend and distribution income is recognised on the date that the Scheme's right to receive payment is established. Net realised and unrealised gains and losses are recognised in profit or loss in the period in which they occur. Fair value gains and losses of unit trusts are recognised net of any fees and expenses charged by underlying third party managers and other persons involved in offering the unit trust where these are incurred through a reduction in the value of the Scheme's investments.

(f) 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 Statement 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 notified 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.

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

(g) Expenses

All expenses are recognised on an accruals basis.

(h) Member funds

Members' interests in the Scheme provide members with the right to request withdrawals for cash of their interest at the value at which their investments can be realised provided that they meet certain requirements of the KiwiSaver Act 2006. All Members' Interests are "puttable instruments". On acceptance of a request of Members eligible to realise their interest, the Investment Manager sells 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 will depend on when each Member is eligible to request and does request the realisation of such interest. The net assets attributable to each Member depend on that Member's interest in the Scheme and each relevant Investment Portfolio, and the relevant investment direction. Members do not have identical rights to the net assets of the Scheme and, as a result, Member funds are classified as financial liabilities and measured at amortised cost.

Member funds are carried at the withdrawal amount that is payable at 31 March 2016 if all members exercised their rights to redeem their interests.

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

3. Significant Accounting Policies (continued)

(i) New standards and amendments

At the date of authorisation, the following standards, amendments and interpretations to existing standards have been issued but are not yet effective:

Standard	Requirement	Impact on Financial Statements
<p>NZ IFRS 9 - Financial Instruments (Effective from 1 January 2018, with early adoption permitted)</p>	<p>NZ IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of NZ IFRS 9 was issued in September 2014. It replaces the guidance in NZ IAS 39 that relates to the classification and measurement of financial instruments. NZ IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in NZ IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. NZ IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under NZ IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Scheme intends to adopt NZ IFRS 9 on its effective date and has yet to assess its full impact.</p>	<p>The adoption of NZ IFRS 9 is not expected to have a material impact on the net assets attributable to members; however, it is expected to have an impact on classification of financial instruments and disclosures in the financial statements of the Scheme.</p>

The Manager expects to adopt the above Standard in the period in which it becomes mandatory. There are no other new standards, amendments and interpretations issued but not yet effective that are expected to have a material impact on the Scheme.

Kiwi Wealth KiwiSaver Scheme

Notes to the Financial Statements (continued)

For the year ended 31 March 2016

4. Net gains/ (losses) on Fair Value of Financial Assets and Liabilities Through Profit or Loss

	Year ended 31 March 2016							Total Scheme \$ 000s
	Cash \$ 000s	CashPlus \$ 000s	Balanced \$ 000s	Default \$ 000s	Conservative \$ 000s	Growth \$ 000s	Transaction account \$ 000s	
Net gain/(loss) from financial instruments held for trading:								
Forward foreign exchange contracts	-	(26)	(45,937)	(44)	(6,497)	(62,821)	-	(115,325)
	-	(26)	(45,937)	(44)	(6,497)	(62,821)	-	(115,325)
Net gain/(loss) from financial instruments designated at fair value through profit or loss:								
Equity investments and unlisted unit trusts	-	(14)	2,291	(277)	247	2,967	-	5,214
Fixed interest securities	(14)	202	7,391	201	5,527	(750)	-	12,557
	(14)	188	9,682	(76)	5,774	2,217	-	17,771
Total net gain/(loss) from financial instruments at fair value through profit or loss	(14)	162	(36,255)	(120)	(723)	(60,604)	-	(97,554)

	Year ended 31 March 2015							Total Scheme \$ 000s
	Cash \$ 000s	CashPlus \$ 000s	Balanced \$ 000s	Default \$ 000s	Conservative \$ 000s	Growth \$ 000s	Transaction account \$ 000s	
Net gain/(loss) from financial instruments held for trading:								
Forward foreign exchange contracts	-	145	3,114	107	4,412	(3,940)	-	3,838
	-	145	3,114	107	4,412	(3,940)	-	3,838
Net gain/(loss) from financial instruments designated at fair value through profit or loss:								
Equity investments and unlisted unit trusts	-	15	95,562	182	10,752	124,777	-	231,288
Fixed interest securities	(18)	2	1,288	(19)	(125)	(13)	-	1,115
	(18)	17	96,850	163	10,627	124,764	-	232,403
Total net gain/(loss) from financial instruments at fair value through profit or loss	(18)	162	99,964	270	15,039	120,824	-	236,241

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

5. Interest Income

	Year ended 31 March 2016							
	Cash \$ 000s	CashPlus \$ 000s	Balanced \$ 000s	Default \$ 000s	Conservative \$ 000s	Growth \$ 000s	Transaction account \$ 000s	Total Scheme \$ 000s
Interest income on financial assets held at fair value	2,447	1,435	17,612	1,203	12,696	2,003	31	37,427
Interest income on cash and cash equivalents	259	131	2,679	112	790	1,811	562	6,344
Total interest income	2,706	1,566	20,291	1,315	13,486	3,814	593	43,771

	Year ended 31 March 2015							
	Cash \$ 000s	CashPlus \$ 000s	Balanced \$ 000s	Default \$ 000s	Conservative \$ 000s	Growth \$ 000s	Transaction account \$ 000s	Total Scheme \$ 000s
Interest income on financial assets held at fair value	1,374	803	13,677	187	8,489	1,300	-	25,830
Interest income on cash and cash equivalents	102	59	2,073	24	547	1,174	614	4,593
Total interest income	1,476	862	15,750	211	9,036	2,474	614	30,423

6. Management and Administration Fees

The fee charged to each Member for the management and administration of the Scheme depends on the Investment Portfolios elected by the relevant Member and is currently up to 1% per annum of the Member's account balance, subject to a minimum fee of \$50 per annum (excluding members that transferred from the KBKS or members of the Default Investment Portfolio), calculated and deducted weekly by the Manager. This fee covers charges for trustee services, administration services and investment management services (among others) but does not cover third party costs incurred in the buying, selling or holding of investments, such as brokerage or any third party charges incurred in investing in unit trusts.

The minimum fee for a member that transferred from the KBKS is \$12 per annum. The minimum fee for members of the Default Investment Portfolio is \$40.

Audit Fees

Fees charged by PricewaterhouseCoopers, and paid by the Manager, for the audit of the financial statements totalled \$95,000 excluding GST (2015: \$118,000 excluding GST) and for other Scheme related assurance services totalled \$4,000 excluding GST (2015: \$3,040).

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

7. Contributions and withdrawals

Contributions

Contributions are received from Members either directly or via the Inland Revenue ("IRD"). Contributions in the form of kick start payments and Member tax credits are received from the Crown via the IRD. Members can also arrange to transfer funds in from other sources, such as from previous KiwiSaver providers or registered superannuation schemes and pension funds.

Contributions were received from the following sources for the year ended 31 March 2016:

	Year ended 31 March 2016							Total Scheme \$ 000s
	Cash \$ 000s	CashPlus \$ 000s	Balanced \$ 000s	Default \$ 000s	Conservative \$ 000s	Growth \$ 000s	Transaction account \$ 000s	
Crown contributions	-	-	-	-	-	-	7,193	7,193
Employer contributions	-	-	-	-	-	-	101,404	101,404
Employee contributions	-	-	-	-	-	-	174,399	174,399
Voluntary contributions	-	-	-	-	-	-	54,841	54,841
Transfers between portfolios	50,378	43,960	277,154	46,430	174,319	237,610	(829,851)	-
Transfers from other schemes	-	-	-	-	-	-	158,502	158,502
Tax credits	-	-	-	-	-	-	38,747	38,747
Manager reimbursements	-	-	-	-	-	-	-	-
Total contributions	50,378	43,960	277,154	46,430	174,319	237,610	(294,765)	535,086

	Year ended 31 March 2015							Total Scheme \$ 000s
	Cash \$ 000s	CashPlus \$ 000s	Balanced \$ 000s	Default \$ 000s	Conservative \$ 000s	Growth \$ 000s	Transaction account \$ 000s	
Crown contributions	-	-	-	-	-	-	15,746	15,746
Employer contributions	-	-	-	-	-	-	78,713	78,713
Employee contributions	-	-	-	-	-	-	137,125	137,125
Voluntary contributions	-	-	-	-	-	-	42,708	42,708
Transfers between portfolios	51,837	20,805	316,188	23,491	186,874	229,489	(828,684)	-
Transfers from other schemes	-	-	-	-	-	-	386,665	386,665
Tax credits	-	-	-	-	-	-	26,885	26,885
Manager reimbursements	-	-	-	-	-	-	18	18
Total contributions	51,837	20,805	316,188	23,491	186,874	229,489	(140,824)	687,860

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

7. Contributions and withdrawals (continued)

Withdrawals and transfers between portfolios

Withdrawals for the year ended 31 March 2016 were as follows:

	Year ended 31 March 2016							Total Scheme \$ 000s
	Cash \$ 000s	CashPlus \$ 000s	Balanced \$ 000s	Default \$ 000s	Conservative \$ 000s	Growth \$ 000s	Transaction account \$ 000s	
Member / IR refunds	-	-	-	-	-	-	(1,234)	(1,234)
Significant financial hardship w ithdraw als	-	-	-	-	-	-	(9,226)	(9,226)
Withdraw als on death and disability	-	-	-	-	-	-	(2,398)	(2,398)
Withdraw als on serious ill health	-	-	-	-	-	-	(1,719)	(1,719)
Withdraw als or transfers on permanent emigration	-	-	-	-	-	-	(1,065)	(1,065)
First home purchase w ithdraw als	-	-	-	-	-	-	(31,457)	(31,457)
Age of eligibility w ithdraw al	-	-	-	-	-	-	(49,552)	(49,552)
Transfer betw een portfolios	(21,699)	(16,303)	(159,205)	(12,194)	(89,080)	(130,908)	429,389	-
Other Withdraw als	-	-	-	-	-	-	(783)	(783)
Total withdrawals	(21,699)	(16,303)	(159,205)	(12,194)	(89,080)	(130,908)	331,955	(97,434)

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

7. Contributions and withdrawals (continued)

	Year ended 31 March 2015							Total Scheme \$ 000s
	Cash \$ 000s	CashPlus \$ 000s	Balanced \$ 000s	Default \$ 000s	Conservative \$ 000s	Growth \$ 000s	Transaction account \$ 000s	
Member / IR refunds	-	-	-	-	-	-	(820)	(820)
Significant financial hardship w ithdraw als	-	-	-	-	-	-	(5,073)	(5,073)
Withdraw als on death and disability	-	-	-	-	-	-	(2,465)	(2,465)
Withdraw als on serious ill health	-	-	-	-	-	-	(1,496)	(1,496)
Withdraw als or transfers on permanent emigration	-	-	-	-	-	-	(727)	(727)
First home purchase w ithdraw als	-	-	-	-	-	-	(10,263)	(10,263)
Age of eligibility w ithdraw al	-	-	-	-	-	-	(36,291)	(36,291)
Transfer betw een portfolios	(10,879)	(6,599)	(99,634)	(1,601)	(55,651)	(71,825)	246,189	-
Other Withdraw als	-	-	-	-	-	-	(77)	(77)
Total withdrawals	(10,879)	(6,599)	(99,634)	(1,601)	(55,651)	(71,825)	188,977	(57,212)

8. Receivables

	As at 31 March 2016							Total Scheme \$ 000s
	Cash \$ 000s	CashPlus \$ 000s	Balanced \$ 000s	Default \$ 000s	Conservative \$ 000s	Growth \$ 000s	Transaction account \$ 000s	
Accrued interest	-	194	3,726	201	3,031	13	-	7,165
Accrued dividends	1	1	351	-	43	458	-	854
Receivables for securities sold	-	-	24,466	-	2,841	31,689	-	58,996
Total receivables	1	195	28,543	201	5,915	32,160	-	67,015

	As at 31 March 2015							Total Scheme \$ 000s
	Cash \$ 000s	CashPlus \$ 000s	Balanced \$ 000s	Default \$ 000s	Conservative \$ 000s	Growth \$ 000s	Transaction account \$ 000s	
Accrued interest	35	87	3,398	60	2,241	22	-	5,843
Accrued dividends	-	2	240	2	73	237	-	554
Receivables for securities sold	-	-	10,270	-	1,243	14,058	-	25,571
Total receivables	35	89	13,908	62	3,557	14,317	-	31,968

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

9. Financial Assets held at Fair Value through Profit or Loss

Except for related party investments detailed in note 16, as at 31 March 2016 the funds of the Scheme were invested in a range of financial instruments not related to the Manager, Trustee or Investment Manager.

Forward foreign exchange contracts were the only derivatives used by the Scheme during the year. See note 13 for more detail.

A summary of the main instruments held by the Scheme as at 31 March 2016 are:

Assets	As at 31 March 2016							Total Scheme \$ 000s
	Cash \$ 000s	CashPlus \$ 000s	Balanced \$ 000s	Default \$ 000s	Conservative \$ 000s	Growth \$ 000s	Transaction account \$ 000s	
Designated at fair value through profit or loss								
Fixed interest	77,787	48,472	394,648	40,269	318,926	51,387	-	931,489
Equities	-	-	485,765	11,291	56,800	635,512	-	1,189,368
Unlisted unit trusts	-	131	66,749	-	12,107	64,060	-	143,047
Total designated at fair value through profit or loss	77,787	48,603	947,162	51,560	387,833	750,959	-	2,263,904
Held for trading								
Forward foreign exchange contracts	-	217	11,177	378	4,519	9,104	-	25,395
Total financial assets held for trading	-	217	11,177	378	4,519	9,104	-	25,395
Total financial assets held at fair value through profit or loss	77,787	48,820	958,339	51,938	392,352	760,063	-	2,289,299

Assets	As at 31 March 2015							Total Scheme \$ 000s
	Cash \$ 000s	CashPlus \$ 000s	Balanced \$ 000s	Default \$ 000s	Conservative \$ 000s	Growth \$ 000s	Transaction account \$ 000s	
Designated at fair value through profit or loss								
Fixed interest	52,003	23,597	351,912	14,552	244,220	47,754	-	734,038
Equities	-	-	430,606	3,971	50,685	583,436	-	1,068,698
Unlisted unit trusts	-	130	72,593	-	12,722	72,818	-	158,263
Total designated at fair value through profit or loss	52,003	23,727	855,111	18,523	307,627	704,008	-	1,960,999
Held for trading								
Forward foreign exchange contracts	-	103	16,951	83	4,022	18,536	-	39,695
Total financial assets held for trading	-	103	16,951	83	4,022	18,536	-	39,695
Total financial assets held at fair value through profit or loss	52,003	23,830	872,062	18,606	311,649	722,544	-	2,000,694

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

9. Financial Assets held at Fair Value through Profit or Loss (continued)

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

Cash

Investment securities that exceed 5% of net assets of each portfolio or instrument type	Instrument Type	As at 31 March 2016			As at 31 March 2015		
		Fair Value	% of Investment	% of Instrument	Fair Value	% of Investment	% of Instrument
		\$ 000s	Portfolio	Type	\$ 000s	Portfolio	Type
Westpac Term Deposit	Fixed Interest	16,820	19%	22%	9,497	17%	18%
ASB Term Deposit	Fixed Interest	12,011	14%	15%	12,897	23%	25%
UDC Finance Term Deposit	Fixed Interest	12,024	14%	15%	7,789	14%	15%
ANZ Bank Term Deposit	Fixed Interest	8,463	10%	11%	3,959	7%	8%
Bank of New Zealand Term Deposit	Fixed Interest	25,214	29%	32%	12,281	21%	23%
RaboDirect Term Deposit	Fixed Interest	3,255	4%	4%	4,047	7%	8%

CashPlus

Investment securities that exceed 5% of net assets of each portfolio or instrument type	Instrument Type	As at 31 March 2016			As at 31 March 2015		
		Fair Value	% of Investment	% of Instrument	Fair Value	% of Investment	% of Instrument
		\$ 000s	Portfolio	Type	\$ 000s	Portfolio	Type
Bank of New Zealand Term Deposit	Fixed Interest	8,777	16%	18%	3,145	12%	14%
Westpac Term Deposit	Fixed Interest	6,679	12%	14%	2,527	10%	11%
ASB Term Deposit	Fixed Interest	2,637	5%	5%	3,187	12%	14%
ANZ Bank Term Deposit	Fixed Interest	7,388	13%	15%	2,448	9%	10%
UDC Finance Term Deposit	Fixed Interest	3,966	7%	8%	3,268	13%	14%
Pimco Global Bond Fund	Unlisted Unit Trust	131	-	100%	130	-	100%

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

9. Financial Assets held at Fair Value through Profit or Loss (continued)

Balanced

Investment securities that exceed 5% of net assets of each portfolio or instrument type	Instrument Type	As at 31 March 2016			As at 31 March 2015		
		Fair Value	% of Investment	% of Instrument	Fair Value	% of Investment	% of Instrument
		\$ 000s	Portfolio	Type	\$ 000s	Portfolio	Type
Vanguard Total Stock Market ETF	Equities	22,990	2%	5%	-	-	-
Vanguard Total International Stock ETF	Equities	22,936	2%	5%	-	-	-
GMO Systematic Global Macro Trust	Unlisted Unit Trust	24,484	2%	37%	26,120	3%	36%
Pimco Global Bond Fund	Unlisted Unit Trust	11,700	1%	18%	11,575	1%	16%
ISAM Systematic Trend (Class Q)	Unlisted Unit Trust	5,208	1%	8%	-	-	-
Man AHL Pure Momentum	Unlisted Unit Trust	8,142	1%	12%	-	-	-
Platinum Asia Fund	Unlisted Unit Trust	4,081	-	6%	12,001	1%	17%
Aberdeen Asian Opportunities Fund	Unlisted Unit Trust	-	-	-	11,855	1%	16%
Baring Europe Select Trust	Unlisted Unit Trust	11,673	1%	17%	11,041	1%	15%
Transpower	Fixed Interest	24,652	2%	6%	21,062	2%	6%
Westpac Term Deposit	Fixed Interest	-	-	-	23,794	3%	7%
Rentenbank	Fixed Interest	28,535	3%	7%	27,894	3%	8%
Bank of New Zealand Term Deposit	Fixed Interest	20,739	2%	5%	-	-	-
KfW Bankengruppe	Fixed Interest	19,230	2%	5%	-	-	-
KBN Norway	Fixed Interest	14,722	1%	4%	23,082	2%	7%

Default

Investment securities that exceed 5% of net assets of each portfolio or instrument type	Instrument Type	As at 31 March 2016			As at 31 March 2015		
		Fair Value	% of Investment	% of Instrument	Fair Value	% of Investment	% of Instrument
		\$ 000s	Portfolio	Type	\$ 000s	Portfolio	Type
Vanguard Total Stock Market ETF	Equities	5,850	10%	52%	2,009	9%	51%
Vanguard Total International Stock ETF	Equities	5,441	9%	48%	1,962	9%	49%
ASB Term Deposit	Fixed Interest	2,472	4%	6%	1,648	7%	11%
Bank of New Zealand Term Deposit	Fixed Interest	5,198	9%	13%	2,080	9%	14%
Westpac Term Deposit	Fixed Interest	3,830	7%	10%	1,597	7%	11%
UDC Finance Term Deposit	Fixed Interest	2,851	5%	7%	946	4%	6%
NZ Local Government Funding Authority	Fixed Interest	-	-	-	992	4%	7%

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

9. Financial Assets held at Fair Value through Profit or Loss (continued)

Conservative

Investment securities that exceed 5% of net assets of each portfolio or instrument type	Instrument Type	As at 31 March 2016			As at 31 March 2015		
		Fair Value \$ 000s	% of Investment Portfolio	% of Instrument Type	Fair Value \$ 000s	% of Investment Portfolio	% of Instrument Type
Vanguard Total Stock Market ETF	Equities	2,689	1%	5%	-	-	-
Vanguard Total International Stock ETF	Equities	2,683	1%	5%	-	-	-
Bank of New Zealand Term Deposit	Fixed Interest	16,442	4%	5%	-	-	-
Transpower	Fixed Interest	10,815	3%	3%	13,357	4%	5%
KBN Norway	Fixed Interest	17,772	4%	6%	15,896	5%	7%
Rentenbank	Fixed Interest	19,702	5%	6%	19,283	6%	8%
Westpac Term Deposit	Fixed Interest	-	-	-	14,073	4%	6%
Pimco Global Bond Fund	Unlisted Unit Trust	6,771	2%	56%	6,699	2%	53%
Platinum Asia Fund	Unlisted Unit Trust	478	-	4%	1,429	-	11%
ISAM Systematic Trend (Class Q)	Unlisted Unit Trust	606	-	5%	-	-	-
Man AHL Pure Momentum	Unlisted Unit Trust	958	-	8%	-	-	-
GMO Systematic Global Macro Trust	Unlisted Unit Trust	1,754	-	14%	1,871	1%	15%
Aberdeen Asian Opportunities Fund	Unlisted Unit Trust	-	-	-	1,408	-	11%
Baring Europe Select Trust	Unlisted Unit Trust	1,367	-	11%	1,315	-	10%

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

9. Financial Assets held at Fair Value through Profit or Loss (continued)

Growth

Investment securities that exceed 5% of net assets of each portfolio or instrument type	Instrument Type	As at 31 March 2016			As at 31 March 2015		
		Fair Value \$ 000s	% of Investment Portfolio	% of Instrument Type	Fair Value \$ 000s	% of Investment Portfolio	% of Instrument Type
Vanguard Total Stock Market ETF	Equities	30,218	4%	5%	-	-	-
Vanguard Total International Stock ETF	Equities	30,146	4%	5%	-	-	-
Aberdeen Asian Opportunities Fund	Unlisted Unit Trust	-	-	-	15,991	2%	22%
Baring Europe Select Trust	Unlisted Unit Trust	15,311	2%	24%	14,785	2%	20%
Platinum Asia Fund	Unlisted Unit Trust	5,351	1%	8%	16,372	2%	22%
GMO Systematic Global Macro Trust	Unlisted Unit Trust	24,065	3%	38%	25,673	3%	35%
ISAM Systematic Trend (Class Q)	Unlisted Unit Trust	6,796	1%	11%	-	-	-
Man AHL Pure Momentum	Unlisted Unit Trust	10,624	1%	17%	-	-	-
Bank of New Zealand Term Deposit	Fixed Interest	4,660	1%	9%	-	-	-
Commonwealth Bank Preference Shares	Fixed Interest	-	-	-	2,172	-	5%
Rabobank	Fixed Interest	1,602	-	3%	1,632	-	3%
UDC Finance Term Deposit	Fixed interest	29,907	4%	58%	4,871	-	10%
Westpac Banking Term Deposit	Fixed Interest	15,218	2%	30%	38,534	5%	81%

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

9. Financial Assets held at Fair Value through Profit or Loss (continued)

Total Scheme

Investment securities that exceed 5% of net assets of each portfolio or instrument type	Instrument Type	As at 31 March 2016			As at 31 March 2015		
		Fair Value		% of Instrument Type	Fair Value		% of Instrument Type
		\$ 000s	% of Scheme		\$ 000s	% of Scheme	
Vanguard Total Stock Market ETF	Equities	61,748	2%	5%	-	-	-
Vanguard Total International Stock ETF	Equities	61,205	2%	5%	-	-	-
PIMCO Global Bond Fund	Unlisted Unit Trust	18,603	1%	13%	18,403	1%	12%
GMO Systematic Global Macro Trust	Unlisted Unit Trust	50,304	2%	35%	53,665	3%	34%
ISAM Systematic Trend (Class Q)	Unlisted Unit Trust	12,610	1%	9%	-	-	-
Man AHL Pure Momentum	Unlisted Unit Trust	19,724	1%	14%	-	-	-
Platinum Asia Fund	Unlisted Unit Trust	9,910	-	7%	29,803	1%	19%
Aberdeen Asian Opportunities Fund	Unlisted Unit Trust	-	-	-	29,254	1%	18%
Baring Europe Select Trust	Unlisted Unit Trust	28,351	1%	20%	27,137	1%	17%
Rentenbank	Fixed Interest	50,546	2%	5%	48,624	2%	7%
UDC Finance Term Deposit	Fixed interest	72,002	3%	8%	-	-	-
Transpower	Fixed Interest	26,327	1%	3%	35,248	2%	5%
Westpac Term Deposit	Fixed Interest	42,580	2%	5%	90,007	4%	12%
Bank of New Zealand Term Deposit	Fixed Interest	81,084	3%	9%	-	-	-
KBN Norway	Fixed Interest	35,393	2%	4%	40,309	2%	5%

10. 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 2016 is \$2.5 billion (2015: \$2.1 billion).

(c) Guaranteed benefits

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

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)

For the year ended 31 March 2016

11. Fair value of Financial Instruments

These disclosures supplement the commentary on financial risk management in note 13.

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(d).

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.

During the period Total Capital International SA was reclassified from level 2 to level 1. There were no further transfers between level 1 and level 2 during the period.

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

11. Fair value of Financial Instruments (continued)

Cash

Financial Instrument Hierarchy	As at 31 March 2016				As at 31 March 2015			
	Level 1 \$ 000s	Level 2 \$ 000s	Level 3 \$ 000s	Total \$ 000s	Level 1 \$ 000s	Level 2 \$ 000s	Level 3 \$ 000s	Total \$ 000s
Fixed interest	-	77,787	-	77,787	-	52,003	-	52,003
Equities	-	-	-	-	-	-	-	-
Unlisted unit trusts	-	-	-	-	-	-	-	-
Forward foreign exchange contracts	-	-	-	-	-	-	-	-
	-	77,787	-	77,787	-	52,003	-	52,003

CashPlus

Financial Instrument Hierarchy	As at 31 March 2016				As at 31 March 2015			
	Level 1 \$ 000s	Level 2 \$ 000s	Level 3 \$ 000s	Total \$ 000s	Level 1 \$ 000s	Level 2 \$ 000s	Level 3 \$ 000s	Total \$ 000s
Fixed interest	675	47,797	-	48,472	607	22,990	-	23,597
Equities	-	-	-	-	-	-	-	-
Unlisted unit trusts	-	131	-	131	-	130	-	130
Forward foreign exchange contracts	-	217	-	217	-	103	-	103
	675	48,145	-	48,820	607	23,223	-	23,830

Balanced

Financial Instrument Hierarchy	As at 31 March 2016				As at 31 March 2015			
	Level 1 \$ 000s	Level 2 \$ 000s	Level 3 \$ 000s	Total \$ 000s	Level 1 \$ 000s	Level 2 \$ 000s	Level 3 \$ 000s	Total \$ 000s
Fixed interest	10,817	383,831	-	394,648	14,683	337,229	-	351,912
Equities	485,765	-	-	485,765	430,606	-	-	430,606
Unlisted unit trusts	-	66,749	-	66,749	-	72,593	-	72,593
Forward foreign exchange contracts	-	11,177	-	11,177	-	16,951	-	16,951
	496,582	461,757	-	958,339	445,289	426,773	-	872,062

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

11. Fair value of Financial Instruments (continued)

Default

Financial Instrument Hierarchy	As at 31 March 2016				As at 31 March 2015			
	Level 1 \$ 000s	Level 2 \$ 000s	Level 3 \$ 000s	Total \$ 000s	Level 1 \$ 000s	Level 2 \$ 000s	Level 3 \$ 000s	Total \$ 000s
Fixed interest	680	39,589	-	40,269	293	14,259	-	14,552
Equities	11,291	-	-	11,291	3,971	-	-	3,971
Unlisted unit trusts	-	-	-	-	-	-	-	-
Forward foreign exchange contracts	-	378	-	378	-	83	-	83
	11,971	39,967	-	51,938	4,264	14,342	-	18,606

Conservative

Financial Instrument Hierarchy	As at 31 March 2016				As at 31 March 2015			
	Level 1 \$ 000s	Level 2 \$ 000s	Level 3 \$ 000s	Total \$ 000s	Level 1 \$ 000s	Level 2 \$ 000s	Level 3 \$ 000s	Total \$ 000s
Fixed interest	8,625	310,301	-	318,926	9,683	234,537	-	244,220
Equities	56,800	-	-	56,800	50,685	-	-	50,685
Unlisted unit trusts	-	12,107	-	12,107	-	12,722	-	12,722
Forward foreign exchange contracts	-	4,519	-	4,519	-	4,022	-	4,022
	65,425	326,927	-	392,352	60,368	251,281	-	311,649

Growth

Financial Instrument Hierarchy	As at 31 March 2016				As at 31 March 2015			
	Level 1 \$ 000s	Level 2 \$ 000s	Level 3 \$ 000s	Total \$ 000s	Level 1 \$ 000s	Level 2 \$ 000s	Level 3 \$ 000s	Total \$ 000s
Fixed interest	-	51,387	-	51,387	2,172	45,582	-	47,754
Equities	635,512	-	-	635,512	583,436	-	-	583,436
Unlisted unit trusts	-	64,060	-	64,060	-	72,818	-	72,818
Forward foreign exchange contracts	-	9,104	-	9,104	-	18,536	-	18,536
	635,512	124,551	-	760,063	585,608	136,936	-	722,544

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

11. Fair value of Financial Instruments (continued)

Total Scheme

Financial Instrument Hierarchy	As at 31 March 2016				As at 31 March 2015			
	Level 1 \$ 000s	Level 2 \$ 000s	Level 3 \$ 000s	Total \$ 000s	Level 1 \$ 000s	Level 2 \$ 000s	Level 3 \$ 000s	Total \$ 000s
Fixed interest	20,797	910,692	-	931,489	27,438	706,600	-	734,038
Equities	1,189,368	-	-	1,189,368	1,068,698	-	-	1,068,698
Unlisted unit trusts	-	143,047	-	143,047	-	158,263	-	158,263
Forward foreign exchange contracts	-	25,395	-	25,395	-	39,695	-	39,695
	1,210,165	1,079,134	-	2,289,299	1,096,136	904,558	-	2,000,694

12. 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 2016, employer contribution rates are 3% or greater (31 March 2015: 3% or greater) of each relevant Member's gross salary or wages.

13. 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 Investment Portfolio'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 Trustee and to the Investment Governance Committee ("IGC") on a regular basis. The IGC's role is to provide governance oversight on 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 Investment Portfolio can invest in certain asset groups. The investment guidelines establish target bands for each asset group within each Investment Portfolio and guide the extent to which an Investment Portfolio 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.

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

13. Financial Risk Management (continued)

(a) Credit risk

Credit risk is the risk that a counterparty to a financial instrument in which the Scheme and Investment Portfolio 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 Investment Portfolio. 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 Investment Portfolio. 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 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 counterparties or derivatives.

An investment guideline applies to the Scheme under which no more than 15% of the assets of an Investment Portfolio may be invested in fixed interest securities of an issuer except if the issuer is the New Zealand Local Government Funding Agency Limited or the New Zealand Government where a guideline of 50% applies. A broader guideline also applies under which no more than 50% of the assets of an Investment Portfolio may be invested with an issuer, including any cash holdings and derivatives. In addition, a guideline applies to the Scheme under which total exposure to non-investment grade credit may not exceed 25% of the assets of an Investment Portfolio.

Exposure to credit risk

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

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 Investment Portfolio's maximum exposure to credit risk for cash and cash equivalents by significant counterparty is as follows:

ASB Bank Limited - cash and cash equivalents	As at 31 March 2016		As at 31 March 2015	
	\$ 000s	% of Investment Portfolio	\$ 000s	% of Investment Portfolio
Investment Portfolio				
Transaction Account	13,265	100%	15,054	100%
Total ASB Bank Limited related credit risk exposure	13,265	100%	15,054	100%

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

13. Financial Risk Management (continued)

Westpac Bank (held on behalf of the Scheme by JBWere (NZ) Nominees Limited) - cash and cash equivalents	As at 31 March 2016		As at 31 March 2015	
	\$ 000s	% of Investment Portfolio	\$ 000s	% of Investment Portfolio
Investment Portfolio				
Cash	9,653	11%	4,038	7%
CashPlus	5,875	11%	1,956	8%
Balanced	70,746	7%	56,287	6%
Default	5,311	9%	3,424	15%
Conservative	22,984	5%	8,966	3%
Growth	46,754	6%	30,437	4%
Total Westpac Bank related credit risk exposure	161,323	6%	105,108	5%

Bank of New Zealand (held on behalf of the Scheme by JBWere (NZ) Nominees Limited) - cash and cash equivalents	As at 31 March 2016		As at 31 March 2015	
	\$ 000s	% of Investment Portfolio	\$ 000s	% of Investment Portfolio
Investment Portfolio				
Cash	-	-	-	-
CashPlus	195	-	180	1%
Balanced	6,445	1%	3,094	-
Default	354	1%	195	1%
Conservative	3,119	1%	4,383	1%
Growth	4,432	1%	(4,030)	(1%)
Total Bank of New Zealand related credit risk exposure	14,545	1%	3,822	5%

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 ASB Bank Limited, Bank of New Zealand Limited and Westpac New Zealand Limited, each of which have a credit rating of AA- (2015: AA-) from Standard & Poor's, totalling \$189.1m (2015: \$124.6m).

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 Investment Portfolios where necessary.

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

13. Financial Risk Management (continued)

The Scheme may also invest in unrated fixed interest securities. Unrated fixed interest securities are included within the "Not Rated" category in the below table.

At 31 March 2016, the fixed interest securities held by the Scheme and the Investment Portfolio's had the following credit quality as determined by Standard & Poor's or equivalent:

Rating	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016
	Cash	Cash	CashPlus	CashPlus	Balanced	Balanced	Default
AAA	-	-	12%	9%	27%	21%	18%
AA+	-	-	4%	1%	5%	3%	7%
AA	-	-	1%	3%	1%	9%	-
AA-	96%	89%	65%	65%	22%	27%	52%
A+	4%	8%	4%	6%	5%	8%	4%
A	-	1%	3%	4%	8%	8%	5%
A-	-	-	2%	5%	7%	12%	3%
BBB+	-	2%	7%	5%	20%	7%	9%
BBB	-	-	1%	1%	3%	3%	1%
BB+	-	-	-	-	1%	-	-
BB-	-	-	-	-	-	-	-
Not Rated	-	-	1%	1%	1%	2%	1%
Total	100%	100%	100%	100%	100%	100%	100%

Rating	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
	Default	Conservative	Conservative	Growth	Growth	Total Scheme	Total Scheme
AAA	19%	26%	22%	-	-	22%	18%
AA+	8%	4%	2%	-	-	4%	2%
AA	2%	1%	7%	-	-	1%	7%
AA-	52%	22%	28%	97%	92%	36%	39%
A+	5%	6%	7%	3%	3%	5%	7%
A	3%	8%	8%	-	-	6%	7%
A-	5%	8%	14%	-	5%	6%	11%
BBB+	5%	20%	8%	-	-	16%	6%
BBB	1%	3%	3%	-	-	3%	2%
BB+	-	1%	-	-	-	-	-
BB-	-	-	-	-	-	-	-
Not Rated	-	1%	1%	-	-	1%	1%
Total	100%	100%	100%	100%	100%	100%	100%

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)

For the year ended 31 March 2016

13. Financial Risk Management (continued)

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 and 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 Trustee and Manager on the size of a 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 2016, 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 Statement 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.

Offsetting and amounts subject to netting arrangements and similar agreements

Financial arrangements subject to offsetting, enforceable master netting arrangements, and similar agreements:

Description	Gross amounts of recognised financial assets set-off in the Statement of Net Assets	Gross amounts of recognised financial liabilities set-off in the Statement of Net Assets	Net amounts of financial assets presented in the Statement of Net Assets	Related amounts not set-off in the Statement of Net Assets		Net amount
				Financial instruments	Cash collateral	
					received	
\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	
Forward foreign exchange contracts as at 31 March 2016						
CashPlus	233	(16)	217	-	-	217
Balanced	12,687	(1,510)	11,177	-	-	11,177
Default	416	(38)	378	-	-	378
Conservative	4,813	(294)	4,519	-	-	4,519
Grow th	10,445	(1,341)	9,104	-	-	9,104
Total	28,594	(3,199)	25,395	-	-	25,395

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

13. Financial Risk Management (continued)

Description	Gross amounts of recognised financial assets set-off in the Statement of Net Assets	Gross amounts of recognised financial liabilities set-off in the Statement of Net Assets	Net amounts of financial assets presented in the Statement of Net Assets	Related amounts not set-off in the Statement of Net Assets		Net amount
	\$ 000s	\$ 000s	\$ 000s	Financial instruments	Cash collateral received	
				\$ 000s	\$ 000s	
CashPlus	110	(7)	103	-	-	103
Balanced	17,460	(509)	16,951	-	-	16,951
Default	88	(5)	83	-	-	83
Conservative	4,277	(255)	4,022	-	-	4,022
Grw oth	18,811	(275)	18,536	-	-	18,536
Total	40,746	(1,051)	39,695	-	-	39,695

Concentration of risk

The Investment Manager reviews the concentration of securities held based on counterparties and industries. At balance date, the Scheme and Investment Portfolio's securities exposures were concentrated in the following industries:

Description	Cash				CashPlus				Balanced				Default	
	As at 31 March 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2015	As at 31 March 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2015	As at 31 March 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2015	As at 31 March 2016	As at 31 March 2016
	Assets	Income	Assets	Income	Assets	Income	Assets	Income	Assets	Income	Assets	Income	Assets	Income
Banking and finance (including listed and unlisted unit trusts)	100%	100%	97%	99%	78%	76%	76%	72%	38%	685%	51%	36%	76%	71%
Consumer goods, retail and manufacturing	-	-	-	-	2%	(1%)	-	-	12%	(115%)	9%	25%	2%	(2%)
Government	-	-	-	-	10%	14%	11%	15%	7%	(144%)	11%	5%	11%	23%
Media, telecommunications and technology	-	-	1%	-	2%	-	1%	1%	12%	(215%)	7%	10%	3%	(2%)
Health and pharmaceuticals	-	-	-	-	-	-	-	-	6%	164%	-	-	-	-
Utilities, energy, infrastructure and transport	-	-	-	-	5%	8%	8%	10%	12%	(188%)	9%	5%	5%	9%
Automotive	-	-	-	-	-	-	2%	-	3%	21%	3%	2%	1%	2%
Other sectors	-	-	2%	1%	3%	3%	2%	2%	10%	(108%)	10%	17%	2%	(1%)
Total business sector risk	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

13. Financial Risk Management (continued)

Description	Default		Conservative				Growth				Total Scheme			
	As at 31 March 2015	As at 31 March 2015	As at 31 March 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2015	As at 31 March 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2015	As at 31 March 2016	As at 31 March 2016	As at 31 March 2015	As at 31 March 2015
	Assets	Income	Assets	Income	Assets	Income	Assets	Income	Assets	Income	Assets	Income	Assets	Income
Banking and finance (including listed and unlisted unit trusts)	76%	79%	44%	29%	50%	44%	45%	136%	56%	32%	48%	302%	54%	35%
Consumer goods, retail and manufacturing	-	-	7%	2%	3%	14%	16%	(16%)	15%	31%	11%	(48%)	10%	27%
Government	15%	17%	16%	29%	20%	15%	-	-	-	-	6%	(43%)	8%	4%
Media, telecommunications and technology	1%	1%	8%	8%	3%	6%	16%	(28%)	10%	12%	12%	(87%)	7%	10%
Health and pharmaceuticals	-	-	4%	(7%)	2%	7%	8%	22%	6%	15%	6%	69%	4%	13%
Utilities, energy, infrastructure and transport	5%	3%	14%	26%	15%	10%	8%	(9%)	1%	1%	10%	(63%)	7%	4%
Automotive	1%	-	5%	7%	5%	1%	2%	8%	2%	3%	3%	13%	3%	2%
Other sectors	2%	-	2%	6%	2%	3%	5%	(13%)	10%	6%	4%	(43%)	7%	5%
Total business sector risk	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

(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

The Scheme is not unitised. Withdrawals are managed by each Member having their share of the Scheme assets sold at the prevailing market price. Order of liquidity is determined by the average time it takes to liquidate the Scheme's assets. Cash deposits are potentially held with ANZ Bank New Zealand Limited, ASB Bank Limited, Bank of New Zealand, Kiwibank Limited, RaboBank, UDC Finance Limited and Westpac New Zealand Limited 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.

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

13. Financial Risk Management (continued)

Description	Cash				CashPlus				Balanced			
	As at 31 March 2016		As at 31 March 2015		As at 31 March 2016		As at 31 March 2015		As at 31 March 2016		As at 31 March 2015	
	\$ 000s	% of Assets	\$ 000s	% of Assets	\$ 000s	% of Assets	\$ 000s	% of Assets	\$ 000s	% of Assets	\$ 000s	% of Assets
NZ cash deposits	9,653	11%	4,498	8%	5,876	11%	1,956	8%	70,746	7%	56,287	6%
Foreign cash deposits	-	-	-	-	194	-	180	1%	6,445	1%	3,094	-
NZ receivables	1	-	35	-	195	-	47	-	4,077	-	1,929	-
Foreign receivables	-	-	-	-	-	-	42	-	24,466	2%	11,979	1%
Forward foreign exchange contracts	-	-	-	-	217	1%	103	-	11,177	1%	16,951	2%
Foreign equities	-	-	-	-	-	-	-	-	485,765	47%	430,606	46%
NZ equities	-	-	-	-	-	-	-	-	-	-	-	-
Foreign unlisted unit trusts	-	-	-	-	131	-	130	-	66,749	5%	72,593	8%
NZ fixed interest securities	77,787	89%	52,003	92%	35,140	64%	18,559	71%	116,996	11%	162,041	17%
Foreign fixed interest securities	-	-	-	-	13,332	24%	5,038	20%	277,652	26%	189,871	20%
Total	87,441	100%	56,536	100%	55,085	100%	26,055	100%	1,064,073	100%	945,351	100%

Description	Default				Conservative				Growth			
	As at 31 March 2016		As at 31 March 2015		As at 31 March 2016		As at 31 March 2015		As at 31 March 2016		As at 31 March 2015	
	\$ 000s	% of Assets	\$ 000s	% of Assets	\$ 000s	% of Assets	\$ 000s	% of Assets	\$ 000s	% of Assets	\$ 000s	% of Assets
NZ cash deposits	5,311	9%	3,614	16%	22,984	5%	8,966	3%	46,754	5%	30,437	4%
Foreign cash deposits	354	1%	195	1%	3,119	1%	4,383	1%	4,432	1%	(4,030)	(1%)
NZ receivables	201	1%	33	-	3,074	1%	1,127	-	470	-	259	-
Foreign receivables	-	-	29	-	2,841	1%	2,430	1%	31,690	4%	14,058	2%
Forward foreign exchange contracts	378	1%	83	-	4,519	1%	4,022	1%	9,104	1%	18,536	2%
Foreign equities	11,291	19%	3,971	19%	56,800	14%	50,685	15%	635,512	77%	583,436	77%
NZ equities	-	-	-	-	-	-	-	-	-	-	-	-
Foreign unlisted unit trusts	-	-	-	-	12,107	2%	12,722	4%	64,060	6%	72,818	10%
NZ fixed interest securities	23,873	41%	9,946	44%	95,328	22%	108,738	33%	51,387	6%	45,582	6%
Foreign fixed interest securities	16,396	28%	4,606	20%	223,598	53%	135,482	42%	-	-	2,172	-
Total	57,804	100%	22,477	100%	424,370	100%	328,555	100%	843,409	100%	763,268	100%

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

13. Financial Risk Management (continued)

Description	Transaction account				Total Scheme			
	As at 31 March 2016		As at 31 March 2015		As at 31 March 2016		As at 31 March 2015	
	\$ 000s	% of Assets	\$ 000s	% of Assets	\$ 000s	% of Assets	\$ 000s	% of Assets
NZ cash deposits	12,962	96%	14,157	94%	174,286	7%	119,915	6%
Foreign cash deposits	282	4%	897	6%	14,826	1%	4,719	-
NZ receivables	-	-	-	-	8,018	-	3,430	-
Foreign receivables	-	-	-	-	58,997	2%	28,538	1%
Forward foreign exchange contracts	-	-	-	-	25,395	1%	39,696	2%
Foreign equities	-	-	-	-	1,189,368	48%	1,068,697	50%
NZ equities	-	-	-	-	-	-	-	-
Foreign unlisted unit trusts	-	-	-	-	143,047	4%	158,263	7%
NZ fixed interest securities	-	-	-	-	400,511	16%	396,869	18%
Foreign fixed interest securities	-	-	-	-	530,978	21%	337,169	16%
Total	13,244	100%	15,054	100%	2,545,426	100%	2,157,296	100%

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.

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 2016 and 2015, no individual member held more than 10% of the Member funds.

(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.

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

13. Financial Risk Management (continued)

Had the market price in local currency of the underlying financial instruments increased or decreased by 10% with all other variables held constant, the increase or decrease respectively in net income in Net Assets before membership activities and the net assets attributable to members would amount to the following:

Increase/decrease in income/net assets	Cash		CashPlus		Balanced		Default		Conservative		Growth		Total Scheme	
	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s
Equities	-	-	-	-	48,577	43,061	1,129	397	5,680	5,069	63,551	58,344	118,937	106,871
Unlisted Unit Trusts	-	-	13	13	6,675	7,259	-	-	1,211	1,272	6,406	7,282	14,305	15,826

A variable of 10% was selected for market price risk sensitivity as this is a reasonably expected movement.

Management of market price risk

The Scheme's strategy for the management of market price risk is driven by the Scheme's and Investment Portfolio's investment objectives. The investment objective applying to each Investment Portfolio 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 listed and unlisted unit trusts).

The Scheme and Investment Portfolio's 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 Investment Portfolio 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 Investment Portfolio is well diversified across a number of financial instruments and investment themes. Investment Portfolio's 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) Interest rate risk

Interest rate risk affects the Scheme and Investment Portfolio's 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 Investment Portfolio'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 Investment Portfolio's by actively managing its exposure to cash and the currencies it holds.

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

13. Financial Risk Management (continued)

Cash and cash equivalents and fixed interest instruments that are interest bearing assets and recognised at fair value through profit or loss are reported in the table below.

Interest rate exposures:

	Cash				CashPlus				Balanced			
	As at 31 March 2016		As at 31 March 2015		As at 31 March 2016		As at 31 March 2015		As at 31 March 2016		As at 31 March 2015	
	\$ 000s	% of Interest bearing Assets	\$ 000s	% of Interest bearing Assets	\$ 000s	% of Interest bearing Assets	\$ 000s	% of Interest bearing Assets	\$ 000s	% of Interest bearing Assets	\$ 000s	% of Interest bearing Assets
Interest and coupon rates												
0% - 7%	86,764	100%	55,001	97%	53,245	98%	23,993	93%	437,520	93%	372,539	91%
7% - 10%	-	-	1,500	3%	1,058	2%	1,740	7%	33,318	7%	38,754	9%
Total interest rate exposure	86,764	100%	56,501	100%	54,303	100%	25,733	100%	470,838	100%	411,293	100%

Interest rate exposures:

	Default				Conservative				Growth			
	As at 31 March 2016		As at 31 March 2015		As at 31 March 2016		As at 31 March 2015		As at 31 March 2016		As at 31 March 2015	
	\$ 000s	% of Interest bearing Assets	\$ 000s	% of Interest bearing Assets	\$ 000s	% of Interest bearing Assets	\$ 000s	% of Interest bearing Assets	\$ 000s	% of Interest bearing Assets	\$ 000s	% of Interest bearing Assets
Interest and coupon rates												
0% - 7%	44,497	98%	17,263	94%	321,133	94%	232,692	90%	101,788	100%	74,161	100%
7% - 10%	1,239	2%	1,098	6%	23,092	6%	24,877	10%	-	-	-	-
Total interest rate exposure	45,736	100%	18,361	100%	344,225	100%	257,569	100%	101,788	100%	74,161	100%

Interest rate exposures:

	Transaction account				Total Scheme			
	As at 31 March 2016		As at 31 March 2015		As at 31 March 2016		As at 31 March 2015	
	\$ 000s	% of Interest bearing Assets	\$ 000s	% of Interest bearing Assets	\$ 000s	% of Interest bearing Assets	\$ 000s	% of Interest bearing Assets
Interest and coupon rates								
0% - 7%	13,265	100%	15,054	100%	1,058,212	98%	790,703	92%
7% - 10%	-	-	-	-	58,707	2%	67,969	8%
Total interest rate exposure	13,265	100%	15,054	100%	1,116,919	100%	858,672	100%

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

13. Financial Risk Management (continued)

Interest rate sensitivities:

The Scheme's and Investment Portfolio's 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 Investment Portfolio's cash and cash equivalents and floating rate notes by increasing or decreasing the amount of interest received.

The following table shows the impact on fair values and net assets before a PIE tax adjustment that would be attributed to members of reasonably possible changes in interest rates on cash and cash equivalents and floating rate notes at balance date with all other variables held constant:

		Cash		CashPlus		Balanced		Default	
		As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
		\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s
Cash and cash equivalents	Carrying amount	9,653	4,498	6,070	2,136	77,191	59,381	5,665	3,809
	Impact of a +1% change in interest rates	97	45	61	21	772	594	57	38
	Impact of a -1% change in interest rates	(97)	(45)	(61)	(21)	(772)	(594)	(57)	(38)
Floating rate notes	Carrying amount	-	303	45	368	5,358	18,061	-	-
	Impact of a +1% change in interest rates	-	3	-	4	54	181	-	-
	Impact of a -1% change in interest rates	-	(3)	-	(4)	(54)	(181)	-	-

		Conservative		Growth		Transaction account		Total Scheme	
		As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
		\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s
Cash and cash equivalents	Carrying amount	26,103	13,349	51,186	26,407	13,265	15,054	189,133	124,634
	Impact of a +1% change in interest rates	261	133	512	264	133	151	1,891	1,246
	Impact of a -1% change in interest rates	(261)	(133)	(512)	(264)	(133)	(151)	(1,891)	(1,246)
Floating rate notes	Carrying amount	2,470	9,510	1,602	2,176	-	-	9,475	30,418
	Impact of a +1% change in interest rates	25	95	16	22	-	-	95	304
	Impact of a -1% change in interest rates	(25)	(95)	(16)	(22)	-	-	(95)	(304)

A variable of 1% was selected as this is a reasonably expected movement.

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

13. Financial Risk Management (continued)

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.

The following table shows the impact on fair values and net assets before a PIE tax adjustment that would be attributed to members of reasonably possible changes in yields on fixed interest securities at balance date with all other variables held constant:

	Cash		CashPlus		Balanced		Default	
	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s
Financial assets at fair value through profit or loss								
Fixed interest securities								
Carrying amount	77,787	51,699	48,427	23,229	389,290	333,851	40,269	14,552
Impact of a +1% change in yields	(2,085)	(1,206)	(1,298)	(542)	(10,204)	(7,787)	(1,032)	(339)
Impact of a -1% change yields	2,155	1,241	1,342	558	10,541	8,014	1,065	349

	Conservative		Growth		Total Scheme	
	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s
Financial assets at fair value through profit or loss						
Fixed interest securities						
Carrying amount	316,456	234,710	49,785	45,578	922,014	703,619
Impact of a +1% change in yields	(8,115)	(5,474)	(1,277)	(1,063)	(24,011)	(16,411)
Impact of a -1% change yields	8,379	5,634	1,318	1,094	24,800	16,890

A variable of 1% was selected as this is a reasonably expected movement.

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

13. Financial Risk Management (continued)

(f) 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.

At 31 March 2016, the Scheme held assets and liabilities in foreign currencies as follows:

Cash

	As at 31 March 2016					As at 31 March 2015				
	Monetary financial assets and liabilities	Non-monetary assets	Forward foreign exchange contracts	Net exposure	% of Investment Portfolio	Monetary financial assets and liabilities	Non-monetary assets	Forward foreign exchange contracts	Net exposure	% of Investment Portfolio
	\$ 000s	\$ 000s	\$ 000s	\$ 000s		\$ 000s	\$ 000s	\$ 000s	\$ 000s	
New Zealand dollar	87,430	-	-	87,430	100%	56,531	-	-	56,531	100%
Total currency risk	87,430	-	-	87,430	100%	56,531	-	-	56,531	100%

CashPlus

	As at 31 March 2016					As at 31 March 2015				
	Monetary financial assets and liabilities	Non-monetary assets	Forward foreign exchange contracts	Net exposure	% of Investment Portfolio	Monetary financial assets and liabilities	Non-monetary assets	Forward foreign exchange contracts	Net exposure	% of Investment Portfolio
	\$ 000s	\$ 000s	\$ 000s	\$ 000s		\$ 000s	\$ 000s	\$ 000s	\$ 000s	
Australian dollar	4,902	-	(4,883)	19	-	2,499	-	(2,484)	15	-
Canadian dollar	306	-	(294)	12	-	-	-	-	-	-
US dollar	3,188	-	(3,259)	(71)	-	108	-	(109)	(1)	-
Total foreign currency risk	8,396	-	(8,436)	(40)	-	2,607	-	(2,593)	14	-
New Zealand dollar	46,180	131	8,653	54,964	100%	23,035	130	2,696	25,861	100%
Total currency risk	54,576	131	217	54,924	100%	25,642	130	103	25,875	100%

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

13. Financial Risk Management (continued)

Balanced

	As at 31 March 2016					As at 31 March 2015				
	Monetary financial assets and liabilities	Non-monetary assets	Forward foreign exchange contracts	Net exposure	% of Investment Portfolio	Monetary financial assets and liabilities	Non-monetary assets	Forward foreign exchange contracts	Net exposure	% of Investment Portfolio
	\$ 000s	\$ 000s	\$ 000s	\$ 000s		\$ 000s	\$ 000s	\$ 000s	\$ 000s	
Australian dollar	119,936	34,538	(147,054)	7,420	1%	92,307	49,977	(147,044)	(4,760)	(1%)
Canadian dollar	7,766	7,232	(10,878)	4,120	-	11	3,263	(10,465)	(7,191)	(1%)
Euro	181	43,691	(37,643)	6,229	1%	-	47,703	(96,444)	(48,741)	(5%)
Danish krona	15	1,419	-	1,434	-	-	1,249	-	1,249	-
Japanese yen	229	25,217	(25,086)	360	-	2	12,435	(32,243)	(19,806)	(2%)
Hong Kong dollar	1,436	2,757	-	4,193	-	-	-	-	-	-
Pound sterling	(3)	37,766	(20,968)	16,795	2%	20	38,750	(18,362)	20,408	2%
Swedish krona	-	1,480	(812)	668	-	2	8,282	(18,501)	(10,217)	(1%)
Swiss franc	251	13,322	(14,422)	(849)	-	-	7,894	-	7,894	1%
Singapore dollar	-	5,066	(8,084)	(3,018)	-	-	-	-	-	-
Taiwan dollar	-	1,325	-	1,325	-	-	-	-	-	-
US dollar	70,093	367,001	(291,993)	145,101	14%	13,594	322,071	(161,488)	174,177	19%
Total foreign currency risk	199,904	540,814	(556,940)	183,778	18%	105,936	491,624	(484,547)	113,013	12%
New Zealand dollar	277,788	11,700	568,117	857,605	82%	313,720	11,575	501,498	826,793	88%
Total currency risk	477,692	552,514	11,177	1,041,383	100%	419,656	503,199	16,951	939,806	100%

Default

	As at 31 March 2016					As at 31 March 2015				
	Monetary financial assets and liabilities	Non-monetary assets	Forward foreign exchange contracts	Net exposure	% of Investment Portfolio	Monetary financial assets and liabilities	Non-monetary assets	Forward foreign exchange contracts	Net exposure	% of Investment Portfolio
	\$ 000s	\$ 000s	\$ 000s	\$ 000s		\$ 000s	\$ 000s	\$ 000s	\$ 000s	
Australian dollar	5,670	-	(5,893)	(223)	-	1,597	-	(1,656)	(59)	-
Canadian dollar	504	-	(672)	(168)	-	-	-	(83)	(83)	-
Euro	-	-	(934)	(934)	(2%)	-	-	(402)	(402)	(2%)
Japanese yen	-	-	(443)	(443)	(1%)	-	-	(189)	(189)	(1%)
Pound sterling	-	-	(376)	(376)	(1%)	-	-	(177)	(177)	(1%)
US dollar	4,280	11,291	(7,940)	7,631	13%	24	3,971	(1,547)	2,448	11%
Total foreign currency risk	10,454	11,291	(16,258)	5,487	9%	1,621	3,971	(4,054)	1,538	7%
New Zealand dollar	35,327	-	16,636	51,963	91%	16,629	-	4,137	20,766	93%
Total currency risk	45,781	11,291	378	57,450	100%	18,250	3,971	83	22,304	100%

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

13. Financial Risk Management (continued)

Conservative

	As at 31 March 2016					As at 31 March 2015				
	Monetary financial assets and liabilities	Non-monetary assets	Forward foreign exchange contracts	Net exposure		Monetary financial assets and liabilities	Non-monetary assets	Forward foreign exchange contracts	Net exposure	
	\$ 000s	\$ 000s	\$ 000s	\$ 000s	% of Investment Portfolio	\$ 000s	\$ 000s	\$ 000s	\$ 000s	% of Investment Portfolio
Australian dollar	97,782	2,933	(99,366)	1,349	-	71,821	4,708	(74,998)	1,531	-
Canadian dollar	5,180	847	(5,262)	765	-	1	377	(855)	(477)	-
Euro	20	5,103	(2,189)	2,934	1%	-	5,653	(7,880)	(2,227)	(1%)
Danish krona	-	166	-	166	-	-	154	-	154	-
Japanese yen	27	2,984	(1,458)	1,553	-	-	1,424	(2,634)	(1,210)	-
Hong Kong dollar	168	324	-	492	-	-	-	-	-	-
Pound sterling	-	4,412	(1,217)	3,195	1%	3	4,611	(1,500)	3,114	1%
Swedish krona	-	173	(47)	126	-	-	989	(1,511)	(522)	-
Swiss franc	28	1,565	(838)	755	-	-	940	-	940	-
Singapore dollar	-	618	(471)	147	-	-	-	-	-	-
US dollar	54,894	42,959	(70,271)	27,582	7%	4,573	37,852	(16,142)	26,283	8%
Total foreign currency risk	158,099	62,084	(181,119)	39,064	9%	76,398	56,708	(105,520)	27,586	8%
New Zealand dollar	187,906	6,771	185,638	380,315	91%	180,267	6,699	109,542	296,508	92%
Total currency risk	346,005	68,855	4,519	419,379	100%	256,665	63,407	4,022	324,094	100%

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

13. Financial Risk Management (continued)

Growth

	As at 31 March 2016					As at 31 March 2015				
	Monetary financial assets and liabilities	Non-monetary assets	Forward foreign exchange contracts	Net exposure	% of Investment Portfolio	Monetary financial assets and liabilities	Non-monetary assets	Forward foreign exchange contracts	Net exposure	% of Investment Portfolio
	\$ 000s	\$ 000s	\$ 000s	\$ 000s		\$ 000s	\$ 000s	\$ 000s	\$ 000s	
Australian dollar	-	37,224	(28,131)	9,093	1%	3	58,037	(63,010)	(4,970)	(1%)
Canadian dollar	16	9,482	(4,425)	5,073	1%	14	4,374	(15,144)	(10,756)	(1%)
Euro	228	57,137	(52,712)	4,653	1%	-	65,226	(139,557)	(74,331)	(10%)
Danish krona	20	1,861	-	1,881	-	-	1,749	-	1,749	-
Japanese yen	302	33,265	(35,122)	(1,555)	-	1	16,359	(46,656)	(30,296)	(4%)
Hong Kong dollar	1,884	3,606	-	5,490	1%	-	-	-	-	-
Pound sterling	(2)	49,424	(29,358)	20,064	2%	30	52,593	(26,570)	26,053	3%
Swedish krona	-	1,940	(1,136)	804	-	3	11,334	(26,771)	(15,434)	(2%)
Swiss franc	328	17,427	(20,198)	(2,443)	-	-	10,845	-	10,845	1%
Singapore dollar	-	6,865	(11,320)	(4,455)	(1%)	-	-	-	-	-
Taiwan dollar	-	1,738	-	1,738	-	-	-	-	-	-
US dollar	8,528	479,602	(315,800)	172,330	21%	10,194	435,737	(225,482)	220,449	29%
Total foreign currency risk	11,304	699,571	(498,202)	212,673	26%	10,245	656,254	(543,190)	123,309	15%
New Zealand dollar	98,017	-	507,306	605,323	74%	78,145	-	561,726	639,871	85%
Total currency risk	109,321	699,571	9,104	817,996	100%	88,390	656,254	18,536	763,180	100%

Transaction Account

	As at 31 March 2016					As at 31 March 2015				
	Monetary financial assets and liabilities	Non-monetary assets	Forward foreign exchange contracts	Net exposure	% of Investment Portfolio	Monetary financial assets and liabilities	Non-monetary assets	Forward foreign exchange contracts	Net exposure	% of Investment Portfolio
	\$ 000s	\$ 000s	\$ 000s	\$ 000s		\$ 000s	\$ 000s	\$ 000s	\$ 000s	
Australian dollar	284	-	-	284	4%	379	-	-	379	3%
Pound sterling	21	-	-	21	-	518	-	-	518	3%
Total foreign currency risk	305	-	-	305	4%	897	-	-	897	6%
New Zealand dollar	569	-	-	569	96%	12,793	-	-	12,793	94%
Total currency risk	874	-	-	874	100%	13,690	-	-	13,690	100%

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

13. Financial Risk Management (continued)

Total Scheme

	As at 31 March 2016					As at 31 March 2015				
	Monetary financial assets and liabilities	Non-monetary assets	Forward foreign exchange contracts	Net exposure		Monetary financial assets and liabilities	Non-monetary assets	Forward foreign exchange contracts	Net exposure	
	\$ 000s	\$ 000s	\$ 000s	\$ 000s	% of Investment Portfolio	\$ 000s	\$ 000s	\$ 000s	\$ 000s	% of Investment Portfolio
Australian dollar	228,574	74,695	(285,327)	17,942	1%	168,606	112,722	(289,192)	(7,864)	-
Canadian dollar	13,772	17,561	(21,531)	9,802	-	26	8,014	(26,547)	(18,507)	(1%)
Euro	429	105,931	(93,478)	12,882	-	-	118,582	(244,283)	(125,701)	(6%)
Danish krona	35	3,446	-	3,481	-	-	3,152	-	3,152	-
Japanese yen	558	61,466	(62,109)	(85)	-	3	30,218	(81,722)	(51,501)	(2%)
Hong Kong dollar	3,488	6,687	-	10,175	-	-	-	-	-	-
Pound sterling	16	91,602	(51,919)	39,699	2%	571	95,954	(46,609)	49,916	2%
Swedish krona	-	3,593	(1,995)	1,598	-	5	20,605	(46,783)	(26,173)	(1%)
Swiss franc	607	32,314	(35,458)	(2,537)	-	-	19,679	-	19,679	1%
Singapore dollar	-	12,549	(19,875)	(7,326)	-	-	-	-	-	-
Taiwan dollar	-	3,063	-	3,063	-	-	-	-	-	-
US dollar	140,983	900,853	(689,263)	352,573	14%	28,493	799,631	(404,768)	423,356	20%
Total foreign currency risk	388,462	1,313,760	(1,260,955)	441,267	17%	197,704	1,208,557	(1,139,904)	266,357	13%
New Zealand dollar	733,217	18,602	1,286,350	2,038,169	83%	681,120	18,404	1,179,599	1,879,123	87%
Total currency risk	1,121,679	1,332,362	25,395	2,479,436	100%	878,824	1,226,961	39,695	2,145,480	100%

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

13. Financial Risk Management (continued)

The following table sets out the foreign exchange sensitivity on monetary financial instruments.

	Cash				CashPlus				Balanced			
	As at 31 March 2016		As at 31 March 2015		As at 31 March 2016		As at 31 March 2015		As at 31 March 2016		As at 31 March 2015	
	+10% change in exchange rate	-10% change in exchange rate	+10% change in exchange rate	-10% change in exchange rate	+10% change in exchange rate	-10% change in exchange rate	+10% change in exchange rate	-10% change in exchange rate	+10% change in exchange rate	-10% change in exchange rate	+10% change in exchange rate	-10% change in exchange rate
	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s
Australian dollar	-	-	-	-	2	(2)	1	2	675	(824)	4,976	(6,082)
Canadian dollar	-	-	-	-	1	(1)	-	-	375	(458)	950	(1,162)
Euro	-	-	-	-	-	-	-	-	566	(692)	8,768	(10,716)
Swiss francs	-	-	-	-	-	-	-	-	(77)	94	-	-
Japanese yen	-	-	-	-	-	-	-	-	33	(40)	2,931	(3,582)
Pound sterling	-	-	-	-	-	-	-	-	1,527	(1,866)	1,667	(2,038)
Swedish kroner	-	-	-	-	-	-	-	-	61	(74)	1,682	(2,055)
Singapore dollar	-	-	-	-	-	-	-	-	(275)	335	-	-
US dollar	-	-	-	-	(6)	8	-	-	13,191	(16,122)	13,445	(16,433)
Hong Kong dollar	-	-	-	-	-	-	-	-	381	(466)	-	-
Danish kroner	-	-	-	-	-	-	-	-	130	(159)	-	-
Taiwanese dollar	-	-	-	-	-	-	-	-	120	(147)	-	-
Total	-	-	-	-	(3)	5	1	2	16,707	(20,419)	34,419	(42,068)

	Default				Conservative				Growth			
	As at 31 March 2016		As at 31 March 2015		As at 31 March 2016		As at 31 March 2015		As at 31 March 2016		As at 31 March 2015	
	+10% change in exchange rate	-10% change in exchange rate	+10% change in exchange rate	-10% change in exchange rate	+10% change in exchange rate	-10% change in exchange rate	+10% change in exchange rate	-10% change in exchange rate	+10% change in exchange rate	-10% change in exchange rate	+10% change in exchange rate	-10% change in exchange rate
	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s
Australian dollar	(20)	25	5	(7)	123	(150)	289	(353)	827	(1,010)	5,728	(7,001)
Canadian dollar	(16)	19	8	(9)	70	(85)	78	(95)	461	(564)	1,375	(1,681)
Euro	(85)	104	37	(45)	267	(326)	-	-	423	(517)	12,687	(15,506)
Swiss francs	-	-	-	-	69	(84)	-	-	(222)	271	-	-
Japanese yen	(40)	49	17	(21)	141	(173)	239	(293)	(141)	173	4,241	(5,184)
Pound sterling	(34)	42	16	(20)	290	(355)	136	(166)	1,824	(2,229)	2,413	(2,949)
Swedish kroner	-	-	-	-	11	(14)	137	(168)	73	(89)	2,433	(2,974)
Singapore dollar	-	-	-	-	13	(16)	-	-	(405)	495	-	-
US dollar	694	(848)	138	(169)	2,507	(3,065)	1,052	(1,285)	15,666	(19,148)	19,572	(23,921)
Hong Kong dollar	-	-	-	-	45	(55)	-	-	499	(610)	-	-
Danish kroner	-	-	-	-	15	(18)	-	-	171	(209)	-	-
Taiwanese dollar	-	-	-	-	-	-	-	-	158	(193)	-	-
Total	499	(609)	221	(271)	3,551	(4,341)	1,931	(2,360)	19,334	(23,630)	48,449	(59,216)

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

13. Financial Risk Management (continued)

	Transaction account				Total Scheme			
	As at 31 March 2016		As at 31 March 2015		As at 31 March 2016		As at 31 March 2015	
	+10% change in exchange rate	-10% change in exchange rate	+10% change in exchange rate	-10% change in exchange rate	+10% change in exchange rate	-10% change in exchange rate	+10% change in exchange rate	-10% change in exchange rate
	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s
Australian dollar	46	(57)	(34)	42	1,653	(2,018)	10,965	(13,399)
Canadian dollar	-	-	-	-	891	(1,089)	2,411	(2,947)
Euro	-	-	-	-	1,171	(1,431)	21,492	(26,267)
Swiss francs	-	-	-	-	(230)	281	-	-
Japanese yen	-	-	-	-	(7)	9	7,428	(9,080)
Pound sterling	-	-	(47)	58	3,607	(4,408)	4,185	(5,115)
Swedish krona	-	-	-	-	145	(177)	4,252	(5,197)
Singapore dollar	-	-	-	-	(667)	814	-	-
US dollar	-	-	-	-	32,052	(39,175)	34,207	(41,808)
Hong Kong dollar	-	-	-	-	925	(1,131)	-	-
Danish kroner	-	-	-	-	316	(386)	-	-
Taiwanese dollar	-	-	-	-	278	(340)	-	-
Total	46	(57)	(81)	100	40,134	(49,051)	84,940	(103,813)

A variable of 10% was selected as this is a reasonably expected movement.

14. 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 Statement 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.

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

15. Financial Assets and Liabilities

Accounting classifications and fair values

The table below provides reconciliation of the line items in the Scheme's Statement of Net Assets to various categories of financial instruments, loans and receivables and other amortised cost.

Cash

	As at 31 March 2016					As at 31 March 2015				
	Derivatives held for trading	Designated at fair value through profit or loss	Loans and receivables	Other financial liabilities	Total carrying amount / fair value	Derivatives held for trading	Designated at fair value through profit or loss	Loans and receivables	Other financial liabilities	Total carrying amount / fair value
	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s
Assets										
Investments	-	77,787	-	-	77,787	-	52,003	-	-	52,003
Receivables	-	-	1	-	1	-	-	35	-	35
Cash and cash equivalents	-	-	9,653	-	9,653	-	-	4,498	-	4,498
Derivatives	-	-	-	-	-	-	-	-	-	-
Total assets	-	77,787	9,654	-	87,441	-	52,003	4,533	-	56,536
Liabilities										
Payable for securities purchased	-	-	-	-	-	-	-	-	-	-
Management and administration fees payable	-	-	-	(11)	(11)	-	-	-	(5)	(5)
Withdrawals payable	-	-	-	-	-	-	-	-	-	-
Member funds	-	-	-	(87,430)	(87,430)	-	-	-	(56,531)	(56,531)
Total liabilities	-	-	-	(87,441)	(87,441)	-	-	-	(56,536)	(56,536)

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

15. Financial Assets and Liabilities (continued)

CashPlus

	As at 31 March 2016					As at 31 March 2015				
	Derivatives held for trading	Designated at fair value through profit or loss	Loans and receivables	Other financial liabilities	Total carrying amount / fair value	Derivatives held for trading	Designated at fair value through profit or loss	Loans and receivables	Other financial liabilities	Total carrying amount / fair value
	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s
Assets										
Investments	-	48,603	-	-	48,603	-	23,727	-	-	23,727
Receivables	-	-	195	-	195	-	-	89	-	89
Cash and cash equivalents	-	-	6,070	-	6,070	-	-	2,136	-	2,136
Derivatives	217	-	-	-	217	103	-	-	-	103
Total assets	217	48,603	6,265	-	55,085	103	23,727	2,225	-	26,055
Liabilities										
Payable for securities purchased	-	-	-	(153)	(153)	-	-	-	(177)	(177)
Management and administration fees payable	-	-	-	(8)	(8)	-	-	-	(3)	(3)
Withdrawals payable	-	-	-	-	-	-	-	-	-	-
Member funds	-	-	-	(54,924)	(54,924)	-	-	-	(25,875)	(25,875)
Total liabilities	-	-	-	(55,085)	(55,085)	-	-	-	(26,055)	(26,055)

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

15. Financial Assets and Liabilities (continued)

Balanced

	As at 31 March 2016					As at 31 March 2015				
	Derivatives held for trading	Designated at fair value through profit or loss	Loans and receivables	Other financial liabilities	Total carrying amount / fair value	Derivatives held for trading	Designated at fair value through profit or loss	Loans and receivables	Other financial liabilities	Total carrying amount / fair value
	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s
Assets										
Investments	-	947,162	-	-	947,162	-	855,111	-	-	855,111
Receivables	-	-	28,543	-	28,543	-	-	13,908	-	13,908
Cash and cash equivalents	-	-	77,191	-	77,191	-	-	59,381	-	59,381
Derivatives	11,177	-	-	-	11,177	16,951	-	-	-	16,951
Total assets	11,177	947,162	105,734	-	1,064,073	16,951	855,111	73,289	-	945,351
Liabilities										
Payable for securities purchased	-	-	-	(22,511)	(22,511)	-	-	-	(5,436)	(5,436)
Management and administration fees payable	-	-	-	(179)	(179)	-	-	-	(108)	(108)
Withdrawals payable	-	-	-	-	-	-	-	-	-	-
Member funds	-	-	-	(1,041,383)	(1,041,383)	-	-	-	(939,807)	(939,807)
Total liabilities	-	-	-	(1,064,073)	(1,064,073)	-	-	-	(945,351)	(945,351)

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

15. Financial Assets and Liabilities (continued)

Default

	As at 31 March 2016					As at 31 March 2015				
	Derivatives held for trading	Designated at fair value through profit or loss	Loans and receivables	Other financial liabilities	Total carrying amount / fair value	Derivatives held for trading	Designated at fair value through profit or loss	Loans and receivables	Other financial liabilities	Total carrying amount / fair value
	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s
Assets										
Investments	-	51,560	-	-	51,560	-	18,523	-	-	18,523
Receivables	-	-	201	-	201	-	-	62	-	62
Cash and cash equivalents	-	-	5,665	-	5,665	-	-	3,809	-	3,809
Derivatives	378	-	-	-	378	83	-	-	-	83
Total assets	378	51,560	5,866	-	57,804	83	18,523	3,871	-	22,477
Liabilities										
Payable for securities purchased	-	-	-	(345)	(345)	-	-	-	(170)	(170)
Management and administration fees payable	-	-	-	(9)	(9)	-	-	-	(3)	(3)
Withdrawals payable	-	-	-	-	-	-	-	-	-	-
Member funds	-	-	-	(57,450)	(57,450)	-	-	-	(22,304)	(22,304)
Total liabilities	-	-	-	(57,804)	(57,804)	-	-	-	(22,477)	(22,477)

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

15. Financial Assets and Liabilities (continued)

Conservative

	As at 31 March 2016					As at 31 March 2015				
	Derivatives held for trading	Designated at fair value through profit or loss	Loans and receivables	Other financial liabilities	Total carrying amount / fair value	Derivatives held for trading	Designated at fair value through profit or loss	Loans and receivables	Other financial liabilities	Total carrying amount / fair value
	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s
Assets										
Investments	-	387,833	-	-	387,833	-	307,627	-	-	307,627
Receivables	-	-	5,915	-	5,915	-	-	3,557	-	3,557
Cash and cash equivalents	-	-	26,103	-	26,103	-	-	13,349	-	13,349
Derivatives	4,519	-	-	-	4,519	4,022	-	-	-	4,022
Total assets	4,519	387,833	32,018	-	424,370	4,022	307,627	16,906	-	328,555
Liabilities										
Payable for securities purchased	-	-	-	(4,916)	(4,916)	-	-	-	(4,421)	(4,421)
Management and administration fees payable	-	-	-	(75)	(75)	-	-	-	(40)	(40)
Withdrawals payable	-	-	-	-	-	-	-	-	-	-
Member funds	-	-	-	(419,379)	(419,379)	-	-	-	(324,094)	(324,094)
Total liabilities	-	-	-	(424,370)	(424,370)	-	-	-	(328,555)	(328,555)

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

15. Financial Assets and Liabilities (continued)

Growth

	As at 31 March 2016					As at 31 March 2015				
	Derivatives held for trading	Designated at fair value through profit or loss	Loans and receivables	Other financial liabilities	Total carrying amount / fair value	Derivatives held for trading	Designated at fair value through profit or loss	Loans and receivables	Other financial liabilities	Total carrying amount / fair value
	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s
Assets										
Investments	-	750,959	-	-	750,959	-	704,008	-	-	704,008
Receivables	-	-	32,160	-	32,160	-	-	14,317	-	14,317
Cash and cash equivalents	-	-	51,186	-	51,186	-	-	26,407	-	26,407
Derivatives	9,104	-	-	-	9,104	18,536	-	-	-	18,536
Total assets	9,104	750,959	83,346	-	843,409	18,536	704,008	40,724	-	763,268
Liabilities										
Payable for securities purchased	-	-	-	(25,272)	(25,272)	-	-	-	-	-
Management and administration fees payable	-	-	-	(141)	(141)	-	-	-	(88)	(88)
Withdrawals payable	-	-	-	-	-	-	-	-	-	-
Member funds	-	-	-	(817,996)	(817,996)	-	-	-	(763,180)	(763,180)
Total liabilities	-	-	-	(843,409)	(843,409)	-	-	-	(763,268)	(763,268)

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

15. Financial Assets and Liabilities (continued)

Transaction Account

	As at 31 March 2016					As at 31 March 2015				
	Derivatives held for trading	Designated at fair value through profit or loss	Loans and receivables	Other financial liabilities	Total carrying amount / fair value	Derivatives held for trading	Designated at fair value through profit or loss	Loans and receivables	Other financial liabilities	Total carrying amount / fair value
	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s
Assets										
Investments	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents	-	-	13,265	-	13,265	-	-	15,054	-	15,054
Derivatives	-	-	-	-	-	-	-	-	-	-
Total assets	-	-	13,265	-	13,265	-	-	15,054	-	15,054
Liabilities										
Payable for securities purchased	-	-	-	-	-	-	-	-	-	-
Management and administration fees payable	-	-	-	-	-	-	-	-	-	-
Withdrawals payable	-	-	-	(5,950)	(5,950)	-	-	-	(1,364)	(1,364)
Member funds	-	-	-	(874)	(874)	-	-	-	(9,539)	(9,539)
Total liabilities	-	-	-	(6,824)	(6,824)	-	-	-	(10,903)	(10,903)

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

15. Financial Assets and Liabilities (continued)

Total Scheme

	As at 31 March 2016					As at 31 March 2015				
	Derivatives held for trading	Designated at fair value through profit or loss	Loans and receivables	Other financial liabilities	Total carrying amount / fair value	Derivatives held for trading	Designated at fair value through profit or loss	Loans and receivables	Other financial liabilities	Total carrying amount / fair value
	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s
Assets										
Investments	-	2,263,904	-	-	2,263,904	-	1,960,999	-	-	1,960,999
Receivables	-	-	67,015	-	67,015	-	-	31,968	-	31,968
Cash and cash equivalents	-	-	189,133	-	189,133	-	-	124,634	-	124,634
Derivatives	25,395	-	-	-	25,395	39,695	-	-	-	39,695
Total assets	25,395	2,263,904	256,148	-	2,545,447	39,695	1,960,999	156,602	-	2,157,296
Liabilities										
Payable for securities purchased	-	-	-	(53,197)	(53,197)	-	-	-	(10,204)	(10,204)
Management and administration fees payable	-	-	-	(423)	(423)	-	-	-	(247)	(247)
Withdrawals payable	-	-	-	(5,950)	(5,950)	-	-	-	(1,364)	(1,364)
Member funds	-	-	-	(2,479,436)	(2,479,436)	-	-	-	(2,141,330)	(2,141,330)
Total liabilities	-	-	-	(2,539,006)	(2,539,006)	-	-	-	(2,153,145)	(2,153,145)

The financial instruments not accounted for at fair value through profit or loss are short-term financial assets and liabilities whose carrying amounts approximate fair value. The carrying amount for financial instruments held at amortised cost closely approximates fair value.

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

16. Related Party Transactions and balances

Related parties comprise the Trustee, 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 at 31 March 2016, the Scheme and Investment Portfolio's held interests in financial instruments issued by related parties.

The following tables specify the relevant related party financial instruments and their fair values (including accrued interest):

CashPlus

Related party issuer	Security type	Maturity date	As at 31 March 2016		As at 31 March 2015	
			Units	Fair value	Units	Fair value
			000s	\$ 000s	000s	\$ 000s
Kiwi Capital Securities Limited	Preference shares	Perpetual	-	-	7	7
New Zealand Post Limited	Unsubordinated bonds	Nov 2016	133	137	133	137

Balanced

Related party issuer	Security type	Maturity date	As at 31 March 2016		As at 31 March 2015	
			Units	Fair value	Units	Fair value
			000s	\$ 000s	000s	\$ 000s
Kiwi Capital Securities Limited	Preference shares	Perpetual	-	-	609	610
New Zealand Post Limited	Unsubordinated bonds	Nov 2016	925	956	5,925	6,134

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

16. Related Party Transactions and balances (continued)

Default

Related party issuer	Security type	Maturity date	As at 31 March 2016		As at 31 March 2015	
			Units	Fair value	Units	Fair value
			000s	\$ 000s	000s	\$ 000s
New Zealand Post Limited	Unsubordinated bonds	Nov 2016	1	1	1	1

Conservative

Related party issuer	Security type	Maturity date	As at 31 March 2016		As at 31 March 2015	
			Units	Fair value	Units	Fair value
			000s	\$ 000s	000s	\$ 000s
Kiwi Capital Securities Limited	Preference shares	Perpetual	-	-	353	353
New Zealand Post Limited	Unsubordinated bonds	Nov 2016	3,972	4,108	3,972	4,113

Total Scheme

Related party issuer	Security type	Maturity date	As at 31 March 2016		As at 31 March 2015	
			Units	Fair value	Units	Fair value
			000s	\$ 000s	000s	\$ 000s
Kiwi Capital Securities Limited	Preference shares	Perpetual	-	-	969	970
New Zealand Post Limited	Unsubordinated bonds	Nov 2016	5,031	5,202	10,031	10,385

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)
For the year ended 31 March 2016

16. Related Party Transactions and balances (continued)

	Year ended 31 March 2016							
	Cash	Cash-plus	Balanced	Default	Conservative	Growth	Transaction account	Total Scheme
	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s
Purchase of financial instruments at fair value through profit or loss	-	-	-	-	-	-	-	-
Sale of financial assets at fair value through profit or loss	-	(7)	(5,743)	-	(353)	-	-	(6,103)
Dividend income recognised during the year	-	-	12	-	7	-	-	19
Interest income recognised during the year	-	7	310	-	207	-	-	524

	Year ended 31 March 2015							
	Cash	Cash-plus	Balanced	Default	Conservative	Growth	Transaction account	Total Scheme
	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s
Purchase of financial instruments at fair value through profit or loss	5,809	2,497	12,843	2	7,892	-	-	29,043
Sale of financial assets at fair value through profit or loss	(9,108)	(4,009)	(22,952)	(1)	(13,051)	-	-	(49,121)
Dividend income recognised during the year	-	-	50	-	29	-	-	79
Interest income recognised during the year	119	67	630	-	377	-	-	1,193

In accordance with the Trust Deed, related party transactions above are effected on commercial arm's length terms.

The fee deducted monthly by the Manager covers trustee, audit and investment management charges (among others) as described in note 6. 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 (continued)
For the year ended 31 March 2016

16. Related Party Transactions (continued)

Management and administration fees charged to and payable by the Scheme and Investment Portfolio's to the Manager were:

	Year ended 31 March 2016							
	Cash	Cash-plus	Balanced	Default	Conservative	Growth	Transaction account	Total Scheme
	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s
Balance due at the beginning of the year	5	3	108	3	40	88	-	247
Current year management fees	472	337	10,494	451	3,976	8,454	-	24,184
Payment made during the year	(466)	(332)	(10,423)	(445)	(3,941)	(8,401)	-	(24,008)
Balance due at the end of the year	11	8	179	9	75	141	-	423

	Year ended 31 March 2015							
	Cash	Cash-plus	Balanced	Default	Conservative	Growth	Transaction account	Total Scheme
	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s
Balance due at the beginning of the year	12	9	545	-	159	432	-	1,157
Current year management fees	306	181	8,022	91	2,670	6,347	-	17,617
Payment made during the year	(313)	(187)	(8,459)	(88)	(2,789)	(6,691)	-	(18,528)
Balance due at the end of the year	5	3	108	3	40	88	-	247

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

Kiwi Wealth KiwiSaver Scheme
Notes to the Financial Statements (continued)

For the year ended 31 March 2016

16. Related Party Transactions (continued)

From time to time, the Investment Manager undertakes certain re-balancing trades of investments between the Scheme and various other portfolios 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. Transfers between related party KiwiSaver Portfolio's were 2016: \$829,851,000 (2015: \$828,684,000). The amounts of such transactions (including sale and purchase accrued interest as applicable) were:

	Year ended 31 March 2016							
	Cash	Cash-plus	Balanced	Default	Conservative	Growth	Transaction account	Total Scheme
	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s
Purchase of investments	-	1,028	10,169	1,250	9,788	8,396	-	30,631
Sale of investments	-	(950)	(7,685)	(182)	(9,674)	(7,650)	-	(26,141)
Derivative financial instruments transferred	-	140	4,821	113	3,685	-	-	8,759

	Year ended 31 March 2015							
	Cash	Cash-plus	Balanced	Default	Conservative	Growth	Transaction account	Total Scheme
	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s	\$ 000s
Purchase of investments	-	325	8,723	554	5,544	609	-	15,755
Sale of investments	-	-	(692)	-	(120)	(248)	-	(1,060)
Derivative financial instruments transferred	-	(14)	(595)	-	(355)	-	-	(964)

17. Contingent Liabilities

As at 31 March 2016, the Scheme has no known outstanding contingent liabilities or commitments (2015: nil).

18. Events Subsequent to Balance Date

There were no other events subsequent to balance date which require adjustment to or disclosure in these financial statements.



Independent Auditors' Report

to the members of the Kiwi Wealth KiwiSaver Scheme comprising the Cash, CashPlus, Balanced, Default, Conservative, Growth and Transaction Account (the "Investment Portfolios")

Report on the Financial Statements

We have audited the financial statements of Kiwi Wealth KiwiSaver Scheme ("the Scheme") comprising the Cash, CashPlus, Balanced, Default, Conservative, Growth and Transaction Account (the "Investment Portfolios") on pages 2 to 64, which comprise the statements of net assets as at 31 March 2016, the statements of changes in net assets and the statements of cash flows for the year then ended, and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information.

Manager's Responsibility for the Financial Statements

The Scheme's Manager is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate and for such internal controls as the Manager determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing. These standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider the internal controls relevant to the Investment Portfolios' and the Scheme's preparation of financial statements that give a true and fair view of the matters to which they relate, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Investment Portfolios' and the Scheme's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

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

We are independent of the Investment Portfolios and Scheme. Other than in our capacity as auditors and providers of other related assurance services we have no relationship with, or interests in, the Investment Portfolios and Scheme.



Independent Auditors' Report

Kiwi Wealth KiwiSaver Scheme

Opinion

In our opinion, the financial statements on pages 2 to 64:

- (i) comply with generally accepted accounting practice in New Zealand;
- (ii) comply with International Financial Reporting Standards; and
- (iii) give a true and fair view of the net assets of the Investment Portfolios and the Scheme as at 31 March 2016, and their change in net assets and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

We also report in accordance with Sections 16(1)(d) and 16(1)(e) of the Financial Reporting Act 1993. In relation to our audit of the financial statements for the year ended 31 March 2016:

- (i) we have obtained all the information and explanations that we have required; and
- (ii) in our opinion, proper accounting records have been kept by the Investment Portfolios and the Scheme as far as appears from an examination of those records.

Restriction on Use of our Report

This report is made solely to the Scheme's members, as a body. Our audit work has been undertaken so that we might state to the Scheme's members those matters which we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme's members, as a body, for our audit work, for this report or for the opinions we have formed.

Airnewaterhouseloopers

Chartered Accountants
6 July 2016

Wellington

