

JUNO KiwiSaver Scheme
Financial Statements
For the year ended 31 March 2020

Manager's Statement


In the opinion of the Manager, the accompanying Financial Statements are drawn up so as to present fairly the financial position of the JUNO KiwiSaver Scheme as at 31 March 2020 and the results for the year ended on that date in accordance with the requirements of the JUNO KiwiSaver Scheme Governing Document dated 5 July 2018.

The Directors are of the opinion that the JUNO KiwiSaver Scheme will be able to pay its debts as and when they fall due.

Director

Pie Funds Management Limited

Date



28 July 2020

Statements of Changes in Net Assets

\$	Note	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
		Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019
For the year ended 31 March									
Income									
Interest income on financial assets at amortised cost		62,358	8,712	175,211	29,322	352,562	103,807	590,131	141,841
Dividend and distribution income		-	-	-	-	614,657	73,498	614,657	73,498
Foreign exchange gains/(losses) on financial instruments at amortised cost		-	-	-	-	360,835	(49,566)	360,835	(49,566)
Net gains/(losses) on financial assets and liabilities at fair value through profit or loss		(31,863)	4,513	(67,773)	62,778	726,931	607,327	760,734	618,677
Other income		131	-	-	-	2,180	-	2,311	-
Total income		30,636	13,225	107,438	92,100	2,056,165	735,066	2,318,668	784,350
Expenses									
Management fee rebates		(70)	(32)	(832)	(131)	(1,378)	(3,138)	(2,280)	(3,301)
Transaction costs		-	-	479	602	417,011	67,077	417,490	67,679
Other expenses		70	32	143	131	1,214	42	1,427	205
Total expenses		-	-	(210)	602	416,847	63,981	416,637	64,583
Net profit/(loss) before membership activities		30,636	13,225	107,648	91,498	1,639,318	671,085	1,902,031	719,767
Contributions									
Member contributions		443,883	33,471	944,028	160,952	3,942,156	788,331	5,330,067	982,754
Employer contributions		220,898	17,404	489,407	78,184	2,148,864	485,491	2,859,169	581,079
Crown contributions		33,539	-	96,714	47	467,127	891	597,480	938
Transfers from other Funds in the Scheme		10,150,894	452,127	4,722,980	586,763	5,816,559	1,047,150	-	-
Transfers from other KiwiSaver schemes		6,509,277	1,291,180	12,063,427	4,603,205	45,097,424	25,286,576	63,670,128	31,180,961
Transfers from other superannuation schemes		-	-	-	-	114,957	-	114,957	-
Transfers of members' accumulations into scheme from Australian superannuation schemes		-	-	-	-	752,761	-	752,761	-
Lump sum contributions		63,498	2,976	4,804,341	745,735	13,815,642	2,970,928	3,753,481	934,639
Other voluntary contributions		-	60	-	78	-	18,388	-	18,526
Other income		805	57	1,649	384	10,206	1,544	12,660	1,985
		17,422,894	1,797,275	23,122,546	6,175,348	72,165,696	30,599,299	77,090,703	33,700,882
Withdrawals									
Transfers to other Funds in the Scheme		4,552,474	319,541	5,769,201	954,386	10,388,758	812,113	-	-
Transfers to other KiwiSaver schemes		718,214	-	281,075	20,663	1,798,012	229,159	2,797,301	249,822
Member attributed taxation		26,591	3,115	85,041	14,595	611,495	93,761	723,127	111,471
Manager administration fees	9	14,817	2,080	31,963	8,350	147,270	43,205	194,050	53,635
Withdrawals or transfers on permanent emigration		-	-	-	-	82,203	-	82,203	-
Member eligible withdrawals		110,220	-	196,522	-	115,343	40,097	422,085	40,097
First home purchase withdrawals		396,579	45,372	251,855	-	779,233	-	1,427,667	45,372
Significant financial hardship withdrawals		18,532	-	8,112	-	102,449	1,620	129,093	1,620
Paid under other enactments		-	-	-	-	29,124	-	29,124	-
		5,837,427	370,108	6,623,769	997,994	14,033,887	1,219,955	5,804,650	502,017
Net membership activities		11,985,467	1,427,167	16,498,777	5,177,354	58,131,809	29,379,344	71,286,053	33,198,865
Members' accounts at the start of the year		1,440,392	-	5,268,852	-	30,050,429	-	33,918,632	-
Movements in members' accounts for the year		11,616,103	1,440,392	16,606,425	5,268,852	59,771,127	30,050,429	73,188,084	33,918,632
Members' accounts at the end of the year		13,056,495	1,440,392	21,875,277	5,268,852	89,821,556	30,050,429	107,106,716	33,918,632

The Notes form an integral part of, and should be read in conjunction with, these financial statements.

JUNO KiwiSaver Scheme 3

Statements of Net Assets

\$	As at 31 March	Note	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
			Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019
Members' Funds			13,056,495	1,440,392	21,875,277	5,268,852	89,821,556	30,050,429	107,106,716	33,918,632
<i>Represented by:</i>										
Current assets										
	Cash and cash equivalents		491,910	327,455	766,445	263,141	26,194,280	12,859,275	27,452,635	13,449,871
	Trade and other receivables	10	143,302	6,271	57,240	55,285	4,478,671	1,233,064	4,679,213	1,294,620
	Term deposits		8,150,000	720,000	7,700,000	2,200,000	2,800,000	2,500,000	18,650,000	5,420,000
	Financial assets at fair value through profit or loss	6.1	4,687,533	389,513	13,535,692	2,763,978	59,268,211	13,603,896	59,844,924	13,916,346
	Member attributed taxation		103	-	70	-	524	23	697	23
Total assets			13,472,948	1,443,239	22,059,447	5,282,404	92,741,686	30,196,258	110,627,469	34,080,860
Current liabilities										
	Trade and other payables	11	396,935	-	110,772	-	1,341,744	36,150	1,849,451	36,150
	Financial liabilities at fair value through profit or loss	6.2	-	-	-	-	1,046,992	17,242	1,046,992	17,242
	Member attributed taxation		19,518	2,847	73,398	13,552	531,394	92,437	624,310	108,836
Total current liabilities			416,453	2,847	184,170	13,552	2,920,130	145,829	3,520,753	162,228
Net assets available for benefits			13,056,495	1,440,392	21,875,277	5,268,852	89,821,556	30,050,429	107,106,716	33,918,632

These financial statements were authorised for issue by the Manager, Pie Funds Management Limited.

Director 
 Director 

Date 28/7/2020
 Date 28/7/2020

The Notes form an integral part of, and should be read in conjunction with, these financial statements.



Statements of Cash Flows

\$	Note	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
		Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019
For the year ended 31 March									
Cash flows from operating activities									
<i>Cash was provided from:</i>									
Sale of investments		150,027	-	-	-	100,019,204	15,450,589	100,169,231	15,450,589
Interest received		37,876	3,231	144,880	11,377	326,065	98,869	508,621	113,477
Dividend and distribution income		-	-	-	-	524,006	64,207	524,006	64,207
Other Income		208	16	783	96	3,696	2,989	4,687	3,101
<i>Cash was applied to:</i>									
Purchase of investments		(4,480,000)	(385,000)	(10,839,487)	(2,701,200)	(145,770,116)	(29,137,804)	(146,159,603)	(29,439,004)
Net increase in term deposits		(7,430,000)	(720,000)	(5,500,000)	(2,200,000)	(300,000)	(2,500,000)	(13,230,000)	(5,420,000)
Payment to suppliers		(70)	(32)	(622)	(733)	(418,225)	(65,721)	(418,917)	(66,486)
Net cash outflow from operating activities	12	(11,721,959)	(1,101,785)	(16,194,646)	(4,890,460)	(45,615,370)	(16,086,871)	(58,601,975)	(19,294,116)
Cash flows from financing activities									
Contributions received		17,310,338	1,796,501	23,151,171	6,138,043	72,156,413	30,122,138	76,997,489	33,185,642
Withdrawals paid		(5,423,924)	(367,261)	(6,453,221)	(984,442)	(13,566,873)	(1,127,541)	(4,753,585)	(393,204)
Net cash inflow from financing activities		11,886,414	1,429,240	16,697,950	5,153,601	58,589,540	28,994,597	72,243,904	32,792,438
Net increase in cash and cash equivalents		164,455	327,455	503,304	263,141	12,974,170	12,907,726	13,641,929	13,498,322
Cash and cash equivalents at the beginning of the year		327,456	-	263,141	-	12,859,275	-	13,449,871	-
Effect of exchange rate fluctuations		-	-	-	-	360,835	(48,451)	360,835	(48,451)
Cash and cash equivalents at the end of the year		491,910	327,455	766,445	263,141	26,194,280	12,859,276	27,452,636	13,449,871

The Notes form an integral part of, and should be read in conjunction with, these financial statements.

Notes to the Financial Statements

1. General information

Reporting entity

The reporting entity is the JUNO KiwiSaver Scheme ("the Scheme"). The Scheme is made up of three funds ("the Funds"):

- JUNO KiwiSaver Conservative Fund ("Conservative Fund")
- JUNO KiwiSaver Balanced Fund ("Balanced Fund")
- JUNO KiwiSaver Growth Fund ("Growth Fund")

The Manager of the Scheme is Pie Funds Management Limited ("the Manager") and the Supervisor of the Scheme is Trustees Executors Limited ("the Supervisor"). The Scheme is registered and domiciled in New Zealand. The registered office of the Scheme is Level One, 1 Byron Avenue, Takapuna, Auckland, New Zealand.

The Scheme is a defined contribution scheme under the KiwiSaver Act 2006, which means that members contribute to the Scheme over time and benefits payable depend on the amount of contributions made and any returns on contributions received. The Scheme is registered as a Managed Investment Scheme in accordance with the Financial Markets Conduct Act 2013.

The Scheme has been launched with the issuance of the Scheme's Governing Document on 5 July 2018 and commenced operations on 27 August 2018.

The Financial Statements have been prepared for the year ended 31 March 2020 and comparative periods have been prepared for the period ended 31 March 2019, representing the period from 5th July 2018 to 31 March 2019. Accordingly comparative figures are not directly comparable.

The principal activities of the Funds are described below:

- The Conservative Fund seeks to preserve Member's capital with some capital growth, averaging 2-5% p.a. after fees and before tax, over a three-to-five-year period. Members would choose the Conservative Fund if they have a short investment horizon or low comfort with investing, and want to achieve a better return than they could from choosing their own term deposits with a New Zealand bank. The Fund invests primarily in cash held on call or term deposits with New Zealand registered banks. It also invests in the JUNO Balanced Fund (refer Note 9.3), providing Members with investments in international fixed interest and equities. Over time, the expected balance of the cash and other investments in the Conservative Fund (also known as the balance of income and growth) is 75:25, income and growth respectively.

- The Balanced Fund seeks to provide investors with steady capital growth, averaging 5-10% p.a. after fees and before tax, over a five-to-10 year period. Members would choose the Balanced Fund if they have a medium-term investment horizon (or a longer horizon, but less comfort with investing). The Fund invests in various asset types; mostly, over time, in equities and cash. The Fund also invests in international fixed income. The Manager chooses individual assets (e.g. term deposits, equities and bonds) or uses exchange traded funds (ETFs) or derivatives to get a broad exposure to desired and permitted assets, as efficiently as possible. Over time the expected balance of the cash and cash equivalents and other investments in the Balanced Fund (also known as the balance of the income and growth) is 60:40 growth and income, respectively. The Fund's equity exposure comes from investing in the JUNO Growth Fund (refer Note 9.3).

- The Growth Fund seeks to provide investors with capital growth, averaging 10% or more p.a. after fees and before tax, over periods exceeding 10 years. Members would choose the Growth Fund if they have a longer-term investment horizon and are comfortable with investing. The Fund invests primarily in international equities. The Manager's active management style specialises in equities and the Manager chooses companies it believes will perform well over the investment period. The Manager can also invest in ETFs and derivatives. The Fund also invests in cash to ensure the Growth Fund has enough liquidity to operate effectively. Over time, the expected balance of the cash and other investments in the Growth Fund (also known as the balance of income and growth) is 80:20 growth and income, respectively.

Statutory base

The JUNO KiwiSaver Scheme is registered under the Financial Markets Conduct Act 2013 (FMC Act) as a KiwiSaver Scheme. The Scheme is a trust vehicle governed by a Governing Document dated 5 July 2018.

2. Summary of accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("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 also comply with International Financial Reporting Standards ("IFRS").

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of financial assets at fair value through profit or loss. The methods used to measure fair values are discussed in Note 2.3(c). The accrual basis of accounting has been applied, as has the going concern assumption.

The results, positions and cash flows reported for the Scheme are prepared on a consolidated basis, with the elimination of interfund transactions and balances between funds.

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 April 2019 that have a material effect on the financial statements of the Scheme.

2.2 Investment entity

The Scheme meets the definition of investment entities per NZ IFRS 10 'Consolidated financial statements' as the following conditions exist:

- The Scheme has obtained funds for the purpose of providing investors with investment management services
- The Scheme's business purpose, which is communicated directly to investors, is investing solely for returns from capital appreciation and investment income.
- The performance of investments made through other funds managed by the Manager, is measured and evaluated on a fair value basis.

Notes to the Financial Statements

2. Summary of accounting policies (continued)

2.2 Investment entity (continued)

The Scheme also displays all four typical characteristics that are associated with an investment entity:

1. it has more than one investment;
2. has more than one investor;
3. investors that are not related parties; and
4. ownership interest in the Scheme is represented by respective units held in the Funds.

2.3 Financial instruments

(a) Classification

Financial assets

Financial assets are recognised initially at fair value. After initial recognition, financial assets are measured at fair value or amortised cost, determined on the basis of both (a) the Scheme's business model for managing the financial assets; and (b) the contractual cash flow characteristics of the financial asset.

(i) Financial assets at fair value through the profit or loss

Financial assets at fair value through the profit or loss can be either designated as such upon initial recognition or measured at fair value in accordance with NZ IFRS 9. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Scheme is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The contractual cash flows of the Scheme's debt securities are solely principal and interest, however, the debt securities, other than term deposits, are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental in achieving the Funds' business model. As a result these debt securities are classified as financial assets at fair value through profit or loss.

Financial assets at fair value through profit or loss comprise of equities, ETFs, funds/unit trusts and forward foreign exchange contracts.

(ii) Financial assets at amortised cost

(a) **Cash and cash equivalents** include cash in hand, deposits held at call with banks, deposits and overdrawn balances with brokers in New Zealand dollars and foreign currencies. Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represents the Scheme's main income generating activity.

(b) **Unsettled investment sales** included in trade and other receivables, are receivables for securities sold but not yet settled on the statement of net assets at balance date. The unsettled trade receivable balance is held for collection.

(c) **Receivables, other than unsettled investment sales**, include interest and contributions receivables.

(d) **Term deposits** are debt instruments where the business model is held for collection only; the contractual terms only give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further the "hold to collect" model will be applied for these financial assets due to the following: collection of contractual cash flows is not incidental, there's no intention to sell these assets and they are used to effectively manage cash reserves. On this basis, the fair value option will not be applied and are classified as financial assets at amortised cost.

Financial liabilities

(i) Financial liabilities at fair value through the profit or loss

Financial liabilities at fair value through the profit or loss can be either designated as such upon initial recognition or measured at fair value in accordance with NZ IFRS 9. The portfolio of financial liabilities is managed and performance is evaluated on a fair value basis. All financial liabilities are mandatorily measured at fair value through profit or loss. Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

(ii) Financial liabilities at amortised cost

(a) **Payables, other than unsettled investment purchases** are amounts representing liabilities and accrued expenses owing by the Funds at balance date. These amounts include related party fees payable, distributions payable and withdrawals payable.

(b) **Unsettled investment purchases** included in trade and other payables, are payables for securities purchased but not yet settled on the statement of net assets at balance date.

(b) Recognition, derecognition and measurement

(i) Financial assets and liabilities at fair value through the profit or loss

The Scheme recognises financial assets and liabilities at fair value through the profit or loss on the date they become parties to the contractual agreement. Financial assets and liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the Statements of Changes in Net Assets. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Funds have transferred substantially all of the risks and rewards of ownership. This occurs upon maturity or disposal of the asset. Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expires. Subsequent to initial recognition, all financial assets and liabilities at fair value through the profit or loss are measured at fair value. Gains and losses arising from changes in the fair value are recognised in the Statements of Changes in Net Assets when they arise. Any gain or loss arising on derecognition of the financial asset or financial liability at fair value through profit or loss is included in the Statements of Changes in Net Assets in the period the item is derecognised. Gains or losses are calculated as the difference between the disposal proceeds and the carrying amount of the item. Interest and dividend income are separately recognised in the Statements of Changes in Net Assets. Purchases and sales of investments are recognised on the trade date, the date on which the Scheme commits to purchase or sell the investment.

Notes to the Financial Statements

2. Summary of accounting policies (continued)

(b) Recognition, derecognition and measurement (continued)

(ii) Financial assets and liabilities at amortised cost

The Scheme recognises financial assets and liabilities at amortised cost on the date it becomes party to the contractual agreement. Financial assets and liabilities at amortised cost are initially recognised at fair value. Financial assets at amortised cost are derecognised when the rights to receive cash flows from the investments have expired or the Funds have transferred substantially all of the risks and rewards of ownership. This occurs upon maturity or disposal of the asset. Financial liabilities at amortised cost are derecognised when the obligation under the liability is discharged, cancelled or expires. Subsequent to initial recognition, all financial assets and liabilities at amortised cost are measured at amortised cost. At each reporting date, the Funds shall measure the loss allowance of the financial assets at amortised cost at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all criteria considered in determining the expected credit loss. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Scheme shall measure the loss allowance at an amount equal to 12 month expected credit losses. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due or a counterparty credit rating which has fallen below BBB/Baa. Any contractual payment which is more than 90 days past due is considered credit impaired.

(c) Fair value estimation

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date in the principal or, in its absence, the most advantageous market to which the Scheme had access at that date. The fair value of a liability reflects its non-performance risk.

Fair value in an active market

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the balance date without any deduction for estimated future selling costs. Financial assets and liabilities are priced at last traded price. Where the last sale price falls outside of the bid-ask spread for a particular stock, bid price will be used to value the investment.

Fair value in an inactive or unquoted market

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

Fair value classifications of the Fund's financial assets and liabilities are detailed in Note 5.3.

(c) Fair value estimation (continued)

Fair value of forward foreign exchange contracts

Forward foreign exchange contracts are primarily used by the Scheme to economically hedge against foreign currency exchange rate risks on its non-New Zealand dollar denominated trading securities. The Scheme agrees to receive or deliver a fixed quantity of foreign currency for an agreed price on an agreed future date. The fair value of forward foreign exchange contracts is determined using valuation techniques based on spot exchange rates and forward points supplied by WWM/Reuters. The Scheme recognises a gain or loss equal to the change in fair value at the balance date.

2.4 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statements of Net Assets when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.5 Revenue recognition

- (a) Dividend and distribution income are recognised in the Statements of Changes in Net Assets when the Scheme's right to receive payment is established.
- (b) Interest income on financial assets at amortised cost are included under Income in the Statements of Changes in Net Assets and are recognised as interest accrues on a time-proportionate basis using the effective interest rate method. Interest income on financial assets at amortised cost comprises of interest earned on bank accounts, margin accounts and term deposits held at the bank.
- (c) Gains or losses on financial assets at fair value through profit or loss are recognised in the Statements of Changes in Net Assets as disclosed in Note 2.3.
- (d) Foreign exchange gains and losses on cash and financial instruments at fair value through profit or loss are recognised in the Statements of Changes in Net Assets as disclosed in note 2.10.
- (e) Dividend and interest income are disclosed net of any resident withholding taxes deducted at source, as these tax credits are allocated to members under the PIE ("Portfolio Investment Entity") regime.

2.6 Expenses

The Manager pays audit, supervisory, custody and administration expenses charged to the Funds. Administration and registry fees are charged monthly per member via a unit deduction payment when they arise. Refer to Note 9.1 for further details. Any ad hoc expenses directly attributable to the Funds such as bank fees and transaction costs are recognised on the accrual basis.

Notes to the Financial Statements

2. Summary of accounting policies (continued)

2.7 Taxation

The Funds are Portfolio Investment Entities ("PIEs"). Under the PIE regime income is effectively taxed in the hands of the members and therefore the Funds have no tax expense. Accordingly, no income tax expense is recognised in the Statement of Changes in Net Assets.

Under the PIE regime, the Manager attributes the taxable income of the Funds to members in accordance with the proportion of their overall interest in the Funds. The income attributed to each member is taxed at the member's "Prescribed Investor Rate" which is capped at 28%. The Manager accounts for tax on behalf of members and undertakes any necessary adjustments to the members' interests in the Funds to reflect that the Scheme pays tax at varying rates on behalf of members.

Members' funds have been adjusted to reflect the impact of tax on the value of unit holdings.

The tax attributable to members is calculated on the basis of the tax laws enacted or substantively enacted at reporting date. Positions taken in attributing taxable income to members, with respect to situations in which applicable tax regulations are subject to interpretation, are evaluated by the Manager as required.

2.8 Goods and Services Tax (GST)

The Scheme is not registered for GST. All items in the Statements of Changes in Net Assets and the Statements of Net Assets are stated inclusive of GST.

2.9 Statements of Cash Flows

Definitions of the terms used in the Statements of Cash Flows are:

- (a) Operating activities include all transactions and other events that are not financing activities; and
- (b) Financing activities are those activities that result in changes in the size and composition of members' funds.
- (c) Cash is considered to be cash on hand and current accounts in banks, net of bank overdraft

2.10 Foreign currencies

(a) Functional and presentation currency

These financial statements are presented in New Zealand dollars (\$), which is the Scheme's functional currency, on the basis that the Scheme's investors are mainly based in New Zealand, with the contributions and withdrawals denominated in New Zealand dollars.

(b) Transactions and balances

Transactions denominated in foreign currencies are recognised at the exchange rates on the date of the transactions. Assets and liabilities as at balance date denominated in foreign currencies are translated at the foreign currency exchange rates on that date. Realised and unrealised exchange gains and losses during the financial year are recognised in the Statements of Changes in Net Assets.

2.11 Net assets available for benefits

The net assets available for benefits represents the liability for promised retirement benefits and are measured at amortised cost. The Funds issue units that are redeemable at the Members' option and do not have identical features and are therefore classified as financial liabilities. Units are redeemed for the purpose of permitted withdrawals (such as reaching the retirement age of 65 or enduring significant hardship), transferred to another Fund within the Scheme or a separate KiwiSaver Scheme and which are equal to a proportionate share of the respective Fund's net asset value which is the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable at the year end date if Members exercise their right to redeem units back to the Funds.

As stipulated in the Trust Deed, each unit represents a right to an individual share in the respective Fund and does not extend to a right in the underlying assets of the respective Fund nor other funds within the Scheme. The Trust Deed also stipulates that assets held for a Fund of the Scheme shall not be made available to meet the liabilities incurred in relation to any other Fund of the Scheme. The Funds' net asset value is calculated by dividing the net assets attributable to all holders of units in the Fund by the total number of units on issue of each Fund.

2.12 Related parties

A party is related to the Scheme if:

- (a) directly or indirectly through one or more of its intermediaries, it controls, is controlled by, or is under common control with, the Scheme; or
- (b) it is a parent, subsidiary or fellow subsidiary of a party; or
- (c) it has an interest in or relationship with the Scheme that gives it significant influence over the Scheme; or
- (d) the Scheme has an interest in or relationship with the party that gives it significant influence over the party; or
- (e) they are a member of the Manager's key management personnel.

Notes to the Financial Statements

3. Accounting estimates and judgements

The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires the Manager to exercise its judgement in the process of applying the Scheme's accounting policies. The Manager has applied its judgement in selecting the accounting policy to designate financial assets at fair value through profit or loss at initial recognition. This policy has a significant impact on the amounts disclosed in the financial statements. It is possible to determine the fair value of all financial assets as quoted market prices are readily available and in the case of derivatives observable market inputs are readily available. Therefore there are no material assumptions or major sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities at balance date. However as with all investments, their value is subject to variation due to market fluctuations.

The Manager has used judgement in the categorisation of its financial assets and liabilities at fair value through profit or loss in accordance with the fair value hierarchy under NZ IFRS 13. The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value in its entirety. The significance of an impact is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability (refer to Note 5.3 for further details).

COVID-19

The World Health Organisation declared the coronavirus (COVID-19) to be a global pandemic on 11 March 2020 and the outbreak has spread across many countries, causing significant disruption to business and economic activity.

As a result, the financial markets were and continue to be affected by the on-going COVID-19 pandemic and so were unusually volatile. Actual economic events and conditions in the future may be materially different from those recorded at the reporting date. In the event the impacts from the COVID-19 pandemic are more severe or prolonged than anticipated, this may have further adverse impacts to the fair values of the Funds' investments.

The financial statements have been prepared based upon conditions existing as at 31 March 2020. For investments classified as either level 1 or 2 in accordance with NZ IFRS 13 fair value hierarchy, the measurement of these investments was based on quoted market prices or using valuation techniques for which all significant inputs are based on observable market data. For level 3 investments which are not traded in an active market, the fair value was determined using valuation techniques for which any significant input is not based on observable market data.

The financial statements have been prepared based upon conditions existing as at 31 March 2020. For investments classified as either level 1 or 2 in accordance with NZ IFRS 13 fair value hierarchy, the measurement of these investments was based on

Movements in the fair value of investments at fair value through profit or loss after reporting date are a non-adjusting event.

In addition, the Manager has also undertaken a number of additional actions:

Portfolio review and divestment:

All portfolios are subject to ongoing review for overall liquidity and the sensitivity of individual holdings to COVID-19 impacts. This is not only about risk management as it also identifies opportunities such companies the Manager believes could benefit from COVID-19.

Holding more cash/liquid assets:

Cash is always actively managed. Cash levels were reviewed daily through COVID-19. As a result, cash levels were high going into the significant sell-off. Cash management was combined with equally active management of hedging.

Increasing frequency of key committee meetings

Board meetings were held weekly through COVID-19 to monitor investment and other operational risk. The Manager continued monthly Word from the Bird communication with members which focussed closely on COVID-19 impacts on markets but also reminded members not to panic in volatile markets if they were in a fund with a risk profile suitable for them. The Manager reinforced this in telephone discussion with members switching or engaging over hardship withdrawals. The Manager also reinforced it in social media messaging which also showed how fund performance, with active defensive measures such as cash levels, was helping to preserve member capital.

Counterparty review

The Manager maintains a counterparty credit policy to ensure cash is spread over a number of different parties and maintain limits for this. This is tracked weekly and reported to the Risk and Compliance Committee monthly. Limits are based on bank credit ratings.

Any other changes

COVID-19 complicated the hardship withdrawal process for all KiwiSaver providers as it was not possible for members wanting to withdraw to get the necessary legal sign-off. The Manager believed delays in this process or an inability to complete it could undermine confidence in the Scheme and KiwiSaver in general, which is a key risk given the ability not to participate. The General Counsel of the Manager volunteered to do this via video conference.

Notes to the Financial Statements

4. Derivatives

4.1 Forward foreign currency contracts

Forward foreign currency contracts are contractual obligations to buy or sell one currency on a future date in exchange for a second currency at a specified forward foreign exchange rate which is established in an organised market. The forward foreign exchange contracts are agreed between the parties to the contract and are not traded on an exchange. The Scheme's open positions in forward foreign exchange contracts at balance date are outlined below:

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
As at 31 March	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019
Forward exchange contracts (notional value in NZD)								
Sell AUD/Buy NZD	-	-	-	-	1,948,862	895,703	1,948,862	895,703
Sell CHF/Buy NZD	-	-	-	-	274,461	-	274,461	-
Sell EUR/Buy NZD	-	-	-	-	6,219,936	334,929	6,219,936	334,929
Sell HKD/Buy NZD	-	-	-	-	323,726	402,690	323,726	402,690
Sell JPY/Buy NZD	-	-	-	-	812,316	760,978	812,316	760,978
Sell NZD/Buy SGD	-	-	-	-	(13,258)	-	(13,258)	-
Sell SEK/Buy NZD	-	-	-	-	236,838	-	236,838	-
Sell SGD/Buy NZD	-	-	-	-	-	422,856	-	422,856
Sell USD/Buy NZD	-	-	-	-	12,302,653	3,915,194	12,302,653	3,915,194
\$								
As at 31 March	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019
Forward exchange contracts (fair value in NZD)								
Sell AUD/Buy NZD	-	-	-	-	(29,279)	(6,061)	(29,279)	(6,061)
Sell CHF/Buy NZD	-	-	-	-	(30,125)	-	(30,125)	-
Sell EUR/Buy NZD	-	-	-	-	(142,999)	2,213	(142,999)	2,213
Sell HKD/Buy NZD	-	-	-	-	(38,245)	(301)	(38,245)	(301)
Sell JPY/Buy NZD	-	-	-	-	(104,807)	(6,456)	(104,807)	(6,456)
Sell NZD/Buy SGD	-	-	-	-	(19,328)	-	(19,328)	-
Sell SEK/Buy NZD	-	-	-	-	(14,413)	-	(14,413)	-
Sell SGD/Buy NZD	-	-	-	-	-	(660)	-	(660)
Sell USD/Buy NZD	-	-	-	-	(501,459)	(3,764)	(501,459)	(3,764)
Fair values in NZD					(880,655)	(15,029)	(880,655)	(15,029)

4.2 Futures

Futures are contractual obligations to buy or sell instruments on a future date at a specified price established in an organised market. The fair value of the future is based on the amount that will be paid or received to settle the obligation on a net basis on the exchange. The Funds' open positions in future contracts at the reporting date are outlined below:

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
As at 31 March	2020	2019	2020	2019	2020	2019	2020	2019
Futures (notional value in NZ\$)								
USD	-	-	-	-	(8,119,845)	-	(8,119,845)	-
Futures (fair value in NZ\$)								
USD	-	-	-	-	(166)	-	(166)	-

Notes to the Financial Statements

5. Financial Risk Management

5.1 Financial risk factors

The Governing Document for the Scheme requires the Manager to invest the assets of the Scheme in accordance with the Statement of Investment Policy and Objectives. The Scheme is subject to a number of financial risks which arise as a result of its activities, including: market risk, liquidity risk and credit risk. The Scheme's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Scheme's financial performance.

5.1.1 Market risk

(a) Price risk

Price risk is the risk that the fair value or future cash flows of non-monetary financial instruments will fluctuate because of changes in market prices, whether those changes are caused by factors specific to an issuer or factors affecting all similar financial instruments traded in the market. Non-monetary financial instruments which potentially subject the Scheme to price risk are investments in listed equities and funds and unlisted unit trusts. All investments in unit trusts present a risk of loss of capital often due to factors beyond the Manager's control such as competition, regulatory changes, commodity price changes and changes in general economic climate domestically and internationally. The Manager of the underlying unit trusts advised that this risk is moderated through stock selection and diversification of unit trust investments, daily monitoring of the unit trusts' market position and adherence to the unit trusts' investment policy. The unlisted investments have underlying securities comprising domestic, international equity instruments and fixed interest securities that are subject to price risk.

The maximum market risk resulting from financial instruments is determined by their fair value.

Where non-monetary financial instruments are denominated in currencies other than NZD, the price initially expressed in foreign currency and then converted into NZD will also fluctuate because of changes in foreign exchange rates. In addition, where the Scheme holds unit trusts which in turn invest in securities denominated in foreign currencies, the value of the unit trust will be affected by fluctuations in foreign exchange rates. Paragraph (b) 'Foreign exchange risk' sets out how this component of price risk is managed and measured.

Sensitivity Analysis

A variable of 10% was selected for price risk as this is a reasonably expected movement based on historic trends in unit prices. If investments in financial instruments subject to price risk at that date increased or decreased by 10% with all other variables held constant, this would have had the following impact on the Statements of Changes in Net Assets:

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019
As at 31 March								
Equities, unit trusts and unlisted securities								
Carrying amount	4,687,633	389,513	13,535,692	2,763,978	59,268,211	13,601,683	59,844,924	13,914,133
Impact of a -10% change in prices	(468,763)	(38,951)	(1,353,569)	(276,398)	(5,926,821)	(1,360,168)	(5,984,492)	(1,391,413)
Impact of a +10% change in prices	468,763	38,951	1,353,569	276,398	5,926,821	1,360,168	5,984,492	1,391,413

Members' Funds would be impacted by the same amount less the PIE tax adjustment that would be attributed to members.

(b) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Scheme is exposed to currency risk primarily through holding foreign currency denominated cash and cash equivalents, trade and other receivables, trade and other payables and forward foreign exchange contracts. The Manager may hedge the exposure to currency fluctuations.

At the balance date the Scheme had the following foreign currency exposures due to holdings of monetary assets and liabilities (expressed in NZD equivalents):

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019
As at 31 March								
Monetary assets/(liabilities)								
Australian Dollar (AUD)	-	-	-	-	264,332	1,540,985	264,332	1,540,985
Norway Krone(NOK)	-	-	-	-	381,845	-	381,845	-
Euro (EUR)	-	-	-	-	(2,008,714)	(328,418)	(2,008,714)	(328,418)
United States Dollar (USD)	-	-	-	-	(1,985,034)	(2,387,458)	(1,985,034)	(2,387,458)
Hong Kong Dollar (HKD)	-	-	-	-	(381,464)	238,116	(381,464)	238,116
Japanese Yen (JPY)	-	-	-	-	(726,858)	(733,996)	(726,858)	(733,996)
Great British Pound (GBP)	-	-	-	-	518,075	685,937	518,075	685,937
Singapore Dollar (SGD)	-	-	-	-	53,032	(419,932)	53,032	(419,932)
South Korean Won (KRW)	-	-	-	-	704,895	-	704,895	-
Philippine Peso (PHP)	-	-	-	-	-	5,030	-	5,030
Sweden (SEK)	-	-	-	-	(250,367)	-	(250,367)	-
Swiss Franc (CHF)	-	-	-	-	541,990	-	541,990	-

Notes to the Financial Statements

5. Financial Risk Management (continued)

5.1.1 Market risk (continued)

(b) Foreign exchange risk (continued)

The table below summarises the impact on the Statements of Changes in Net Assets on monetary assets and liabilities at balance date, had the exchange rates between the New Zealand dollar and the foreign currencies increased or decreased by 10% with all other variables held constant. The analysis is based on the Manager's best estimate of a reasonable possible shift in exchange rates with regard to historical volatility.

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019
As at 31 March								
Monetary assets/(liabilities)								
<i>Exchange rates increased by 10%</i>								
Australian Dollar (AUD)	-	-	-	-	(24,030)	(140,090)	(24,030)	(140,090)
Norway Krona (NOK)	-	-	-	-	(34,713)	-	(34,713)	-
Euro (EUR)	-	-	-	-	182,510	29,856	182,610	29,856
United States Dollar (USD)	-	-	-	-	180,458	217,042	180,458	217,042
Hong Kong Dollar (HKD)	-	-	-	-	34,679	(21,647)	34,679	(21,647)
Japanese Yen (JPY)	-	-	-	-	66,078	66,727	66,078	66,727
Great British Pound (GBP)	-	-	-	-	(47,098)	(62,358)	(47,098)	(62,358)
Singapore Dollar (SGD)	-	-	-	-	(4,821)	38,176	(4,821)	38,176
Philippine Peso (PHP)	-	-	-	-	-	(457)	-	(457)
Sweden (SEK)	-	-	-	-	22,761	-	22,761	-
<i>Exchange rates decreased by 10%</i>								
Australian Dollar (AUD)	-	-	-	-	29,370	171,221	29,370	171,221
Norway Krona (NOK)	-	-	-	-	42,427	-	42,427	-
Euro (EUR)	-	-	-	-	(223,190)	(36,491)	(223,190)	(36,491)
United States Dollar (USD)	-	-	-	-	(220,589)	(265,273)	(220,589)	(265,273)
Hong Kong Dollar (HKD)	-	-	-	-	(42,386)	26,457	(42,386)	26,457
Japanese Yen (JPY)	-	-	-	-	(80,762)	(81,555)	(80,762)	(81,555)
Great British Pound (GBP)	-	-	-	-	57,564	76,215	57,564	76,215
Singapore Dollar (SGD)	-	-	-	-	5,892	(46,659)	5,892	(46,659)
Philippine Peso (PHP)	-	-	-	-	-	559	-	559
Sweden (SEK)	-	-	-	-	(27,819)	-	(27,819)	-

At the balance date the Scheme had the following foreign currency exposures due to holdings of non monetary assets and liabilities (expressed in NZD equivalents):

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019
As at 31 March								
Non-monetary assets/(liabilities)								
Australian Dollar (AUD)	-	-	-	-	9,136,869	2,140,942	9,136,869	2,140,942
Philippine Peso (PHP)	-	-	-	-	1,100,039	653,774	1,100,039	653,774
Hong Kong Dollar (HKD)	-	-	-	-	1,081,969	41,474	1,081,969	41,474
Euro (EUR)	-	-	-	-	13,311,720	1,104,162	13,311,720	1,104,162
Japanese Yen (JPY)	-	-	-	-	4,518,277	1,753,675	4,518,277	1,753,675
United States Dollar (USD)	-	-	-	-	21,924,602	5,432,024	21,924,602	5,432,024
Indonesian Rupiah (IDR)	-	-	-	-	1,229,317	581,882	1,229,317	581,882
Norwegian Krone (NOK)	-	-	-	-	1,271,155	-	1,271,155	-
Singapore Dollar (SGD)	-	-	-	-	-	794,842	-	794,842
British Pound (GBP)	-	-	-	-	1,485,054	-	1,485,054	-
Sweden Krona (SEK)	-	-	-	-	1,423,274	-	1,423,274	-
Swiss Franc (CHF)	-	-	-	-	828,958	-	828,958	-
South Korean Won (KRW)	-	-	-	-	623,951	-	623,951	-

Notes to the Financial Statements

5. Financial Risk Management (continued)

5.1.1 Market risk (continued)

(b) Foreign exchange risk (continued)

The table below summarises the impact on the Statements of Changes in Net Assets on non-monetary assets and liabilities at balance date, had the exchange rates between the New Zealand dollar and the foreign currencies increased or decreased by 10% with all other variables held constant. The analysis is based on the Manager's best estimate of a reasonable possible shift in exchange rates with regard to historical volatility.

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019
As at 31 March								
Non-monetary assets/(liabilities)								
<i>Exchange rates increased by 10%</i>								
Australian Dollar (AUD)	-	-	-	-	(830,624)	(194,631)	(830,624)	(194,631)
Philippine Peso (PHP)	-	-	-	-	(100,004)	(59,434)	(100,004)	(59,434)
Hong Kong Dollar (HKD)	-	-	-	-	(98,361)	(3,770)	(98,361)	(3,770)
Euro (EUR)	-	-	-	-	(1,210,156)	(100,378)	(98,361)	(100,378)
Japanese Yen (JPY)	-	-	-	-	(410,752)	(159,425)	(410,752)	(159,425)
United States Dollar (USD)	-	-	-	-	(1,993,146)	(493,820)	(1,993,146)	(493,820)
Indonesian Rupiah (IDR)	-	-	-	-	(111,756)	(52,898)	(111,756)	(52,898)
Singapore Dollar (SGD)	-	-	-	-	-	(72,258)	-	(72,258)
British Pound (GBP)	-	-	-	-	(135,005)	-	(135,005)	-
Sweden Krona (SEK)	-	-	-	-	(129,389)	-	(129,389)	-
South Korean Won (KRW)	-	-	-	-	(56,723)	-	(56,723)	-
<i>Exchange rates decreased by 10%</i>								
Australian Dollar (AUD)	-	-	-	-	1,015,208	237,882	1,015,208	237,882
Philippine Peso (PHP)	-	-	-	-	122,227	72,642	122,227	72,642
Hong Kong Dollar (HKD)	-	-	-	-	120,219	4,608	120,219	4,608
Euro (EUR)	-	-	-	-	502,031	122,685	502,031	122,685
Japanese Yen (JPY)	-	-	-	-	502,031	194,853	502,031	194,853
United States Dollar (USD)	-	-	-	-	2,436,067	603,558	2,436,067	603,558
Indonesian Rupiah (IDR)	-	-	-	-	136,591	64,654	136,591	64,654
Singapore Dollar (SGD)	-	-	-	-	-	88,316	-	88,316
British Pound (GBP)	-	-	-	-	165,006	-	165,006	-
Sweden Krona (SEK)	-	-	-	-	158,142	-	158,142	-
South Korean Won (KRW)	-	-	-	-	69,328	-	69,328	-

Notes to the Financial Statements

5. Financial Risk Management (continued)

5.1.1 Market risk (continued)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial instruments which potentially subject the Scheme to interest rate risk are short term cash deposits and term deposits. The Funds can invest in cash in New Zealand and internationally (short term investments only) and interest income and investment valuations are therefore subject to changes in New Zealand and international interest rates. The Manager may hedge the exposure to interest fluctuations.

Instrument maturities, based on contractual maturity dates, are presented in the table below:

\$	Conservative Fund Year ended 2020	Period ended 2019	Balanced Fund Year ended 2020	Period ended 2019	Growth Fund Year ended 2020	Period ended 2019	Scheme Total Year ended 2020	Period ended 2019
As at 31 March								
<i>Financial assets at amortised cost</i>								
Current								
Cash and cash equivalents	491,910	327,455	766,445	263,141	26,194,280	12,859,275	27,452,635	13,449,871
0 - 1 year								
Term deposits	8,150,000	720,000	7,700,000	2,200,000	2,800,000	2,500,000	18,650,000	5,420,000

a) Cash flow sensitivity analysis

A change in interest rates impacts the cash flow of the Scheme's cash and cash equivalents by increasing or decreasing the amount of interest received. A variable of 10 basis points (0.1%)(2019: 100 basis points (1%)) was selected as this is a reasonably expected movement based on past overnight cash rate movements. The one year cash flow sensitivity to a 10 basis points (2019:100 basis points) movement in interest rates (based on assets held at reporting date), with all other variables held constant, is shown in the following table:

\$	Conservative Fund Year ended 2020	Period ended 2019	Balanced Fund Year ended 2020	Period ended 2019	Growth Fund Year ended 2020	Period ended 2019	Scheme Total Year ended 2020	Period ended 2019
As at 31 March								
Cash and cash equivalents								
Increase of 0.1% (2019: 1%)	492	3,275	766	2,631	26,194	128,593	27,452	134,499
Decrease of 0.1% (2019: 1%)	(492)	(3,275)	(766)	(2,631)	(26,194)	(128,593)	(27,452)	(134,499)
Term deposits								
Increase of 0.1% (2019: 1%)	4,951	2,823	2,666	8,362	215	548	7,832	11,733
Decrease of 0.1% (2019: 1%)	(4,951)	(2,823)	(2,666)	(8,362)	(215)	(548)	(7,832)	(11,733)

Notes to the Financial Statements

5. Financial Risk Management (continued)

5.1.2 Credit risk

Credit risk is the potential risk of financial loss resulting from the failure of counterparties to honour fully the terms and conditions of a contract with the Funds of the Scheme. The Funds may require collateral or other security to support financial instruments with credit risk. Financial instruments that subject the Funds to credit risk consist primarily of cash equivalents, margin accounts, term deposits and trade and other receivables including amounts receivable for unsettled investment trades, dividends receivable and contributions receivable.

The Scheme's policy is to invest in term deposits with counterparties of credit rating of BBB/Baa or higher designated by a well-known rating agency. The Funds may also invest in unrated assets where a rating is assigned by the Manager using an approach that is consistent with the approach used by that rating agency.

(a) Credit quality

The following table sets out the equivalent Standard & Poor's credit rating for cash and cash equivalents and term deposits.

\$ As at 31 March		Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
		Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019
Credit rating									
Cash and cash equivalents									
Rating Category	AA-	491,910	327,455	766,445	263,141	26,194,280	12,859,275	27,462,635	13,449,871
Term Deposits									
Rating Category	A- A A+	2,550,000	393,263	1,100,000	1,209,274	-	2,502,404	3,650,000	4,104,941
Rating Category	AA- AA AA+	5,600,000	332,186	6,600,000	1,008,645	2,800,000	-	15,000,000	1,340,831

As at 31 March 2020 there were no financial assets past due or impaired.

All other receivables including amounts due from brokers are held by parties which Management considers having a strong capacity to meet their contractual obligations in the near term.

The Scheme also restricts its exposure to credit losses on the trading derivatives it holds by entering into International Swap and Derivatives (Association) ISDA arrangements with their counterparties (Refer to Note 5.1.4 for further details) with whom it undertakes a derivative transactions. The arrangements do not result in an offset of assets and liabilities in the Statements of Net Assets as transactions usually settled on a gross basis. However, the credit risk associated with favourable contracts is reduced by the arrangement to the extent that if an event of default occurs, all amounts with the counterparty are terminated and settled on a net basis. The overall exposure to credit risk on derivative instruments subject to such arrangements can change substantially within a short period, as it is affected by each transaction subject to the arrangement.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation. Investments in unlisted funds are into funds of this Scheme managed by the Manager.

The maximum credit risk of financial instruments is considered to be the carrying amount on the Statements of Net Assets. The risk of non-recovery of financial assets is considered to be minimal due to the quality of counterparties dealt with. In accordance with the Scheme's policy, the investment manager monitors the Funds of the Scheme's credit positions on a daily basis. The Investment Management Committee reviews it on a monthly basis.

The Scheme's Manager measures credit risk and expected credit losses using the probability of default, exposure at default and loss given default.

At balance date, the credit risk has not increased significantly for any of the financial assets at amortised cost since initial recognition. As a result, the Manager measured the loss allowance at an amount equal to 12 month expected credit losses. Management, depending on the nature and type of financial assets at amortised cost, considers both the historical and forward looking information, the liquidity and duration of the instrument, the credit ratings of the counterparty in determining any expected credit losses.

As at 31 March 2020 and 31 March 2019:

All other receivable balances and amounts due from brokers are held by with counterparties are due to be settled within 1 month with counterparties which Management considers having a strong capacity to meet their contractual obligations in the near term. Cash, margin accounts and term deposits and any interest accruals on any of these instruments are highly liquid and held with counterparties with good credit ratings. The duration of the short term deposits are all less than 12 months and the Manager has no historical information or forward looking information which suggests that there is any losses to be recognised.

The Manager therefore considers the expected credit losses for all the financial assets held at amortised cost held by the Funds to be close to zero. As a result no loss allowance has been recognised based on the 12-month expected credit losses as any such impairment would be wholly insignificant to the Funds of the Scheme.

Notes to the Financial Statements

5. Financial Risk Management (continued)

5.1.3 Liquidity risk

Liquidity risk is the risk that the Scheme will experience difficulty in either realising assets or otherwise raising sufficient funds to satisfy commitments associated with financial instruments. Liquidity risk is managed by holding liquid investments to enable the Scheme to meet liabilities as they fall due and withdrawals when requested. Where the Funds of the Scheme invests in funds represented by the Manager, they in turn, maintain sufficient liquidity in their portfolios to cover reasonably foreseeable redemptions under normal market conditions. The Scheme also holds securities that are listed on the NZX, ASX or other internationally recognised exchanges and are saleable. Monies received from member contributions may be used to offset withdrawals and the Manager may in certain circumstances suspend withdrawals from the Scheme and or various funds represented by the Manager in which the Scheme invests.

The Scheme's investment policies do not state a minimum required level of investment in liquid investments however do state minimum level of income assets required. The Scheme's financial liabilities consist of trade and other payables and derivatives (forward foreign exchange contracts) which are short term in nature and classified as a current liability at reporting date. Current liabilities of financial derivative instruments consist of the fair value of forward foreign exchange contracts at balance date. The current fair value represents the estimated cash flow that may be required to dispose of the positions. Future cash flows of the Scheme and realised liabilities may differ from current liabilities based on future changes in market conditions.

The table below shows the remaining undiscounted contractual cash flows over their respective maturities for the Funds' financial liabilities:

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
As at 31 March	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019
Financial liabilities at fair value through profit or loss								
7 days to 1 month	-	-	-	-	(880,655)	(17,242)	(880,655)	(17,242)
1 month to 3 months					(166,337)		(166,337)	
Financial liabilities at amortised cost								
Trade and other payables								
Less than 7 days	(396,935)	-	(110,772)	-	(1,341,744)	(36,150)	(1,849,451)	(36,150)
Net assets available for benefits								
Unknown	(13,056,495)	(1,440,392)	(21,875,277)	(5,268,852)	(89,821,556)	(30,050,429)	(107,106,716)	(33,918,632)

5.1.4 Offsetting and amounts subject to master netting arrangements and similar agreements

The Funds' are subject to International Swaps and Derivatives Association (ISDA) arrangements with their derivative counterparty, BNZ ("Bank of New Zealand"). According to the terms of the ISDA arrangements with the respective counterparties all the derivatives are settled on a net basis.

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
As at 31 March	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019
Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements:								
Gross amounts of recognised financial assets	-	-	-	-	-	2,213	-	2,213
Net amounts of financial assets presented in the Statement of Net Assets	-	-	-	-	-	-	-	-
<i>Related amounts not set-off in the Statements of Net Assets</i>								
Financial instruments	-	-	-	-	-	(2,213)	-	(2,213)
Net amount	-	-	-	-	-	-	-	-

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
As at 31 March	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019
Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements:								
Gross amounts of recognised financial liabilities	-	-	-	-	(1,046,992)	(17,242)	(1,046,992)	(17,242)
Net amounts of financial liabilities presented in the Statement of Net Assets	-	-	-	-	-	-	-	-
<i>Related amounts not set-off in the Statement of Net Assets</i>								
Financial instruments	-	-	-	-	-	2,213	-	2,213
Cash collateral	-	-	-	-	1,222,437	-	1,222,437	-
Net amount	-	-	-	-	175,445	(15,029)	175,445	(15,029)

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Notes to the Financial Statements

5. Financial Risk Management (continued)

5.1.4 Offsetting and amounts subject to master netting arrangements and similar agreements (continued)

Per the terms of the ISDA agreement each party has the option to settle all open contracts on a net basis in the event of default by the other party. The ISDA agreement defines an event of default as including the following:

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

The related amounts not set-off in the Statements of Net Assets represent amounts that have not been offset in the Statements of Net Assets but could be expected to be offset in the event of default by either the Fund or its counterparty to the derivative contract. For financial instruments this is the maximum value of assets and liabilities that could be offset. For cash collateral (2020: nil, 2019: nil), this is the value of cash that could be withheld by the counterparty to settle derivatives.

5.2 Capital risk management

Net assets available to pay benefits are considered to be the Scheme's capital for the purposes of capital management not withstanding net assets available to pay benefits is classified as a liability for accounting. The Scheme does not have to comply with 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 maximise the Scheme's members' values as well as ensuring its net assets available to pay benefits are sufficient to meet all present and future obligations. In order to meet its objectives for capital management the Scheme's management monitors the Scheme's performance on a regular basis.

5.2.1 Units on issue

Units

For the year ended	Conservative Fund		Balanced Fund		Growth Fund	
	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019
Units on issue at the start of the year	1,425,578	-	5,232,497	-	29,555,454	-
Units issued	16,658,614	1,795,390	21,496,529	6,240,746	63,082,361	30,814,921
Units redeemed	(5,603,041)	(369,812)	(6,214,600)	(1,008,249)	(12,538,927)	(1,259,467)
Units on Issue at the end of the year	12,481,151	1,425,578	20,514,426	5,232,497	80,098,888	29,555,454

5. Financial Risk Management (continued)

5.3 Fair value estimation

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

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

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

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

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

The determination of what constitutes 'observable' requires significant judgement by the Manager. The Manager considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable and provided by independent sources that are actively involved in the relevant market.

Notes to the Financial Statements

5. Financial Risk Management (continued)

5.3 Fair value estimation (continue)

The following table analyses within the fair value hierarchy the Funds' financial assets and financial liabilities (by class) measured at fair value at the year end:

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
As at 31 March	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019
Level 1 Assets								
<i>Financial assets at fair value through profit or loss</i>								
Listed equities	-	-	-	-	59,268,211	12,490,011	59,268,211	12,490,011
Listed funds/trusts	-	-	576,713	312,450	-	1,111,672	576,713	1,424,122
Total Level 1 Assets			576,713	312,450	59,268,211	13,601,683	59,844,924	13,914,133
Level 2 Assets								
<i>Financial assets at fair value through profit or loss</i>								
Forward foreign exchange contracts	-	-	-	-	-	2,213	-	2,213
Unlisted funds/trusts	4,687,633	389,513	12,958,979	2,451,528	-	-	-	-
Total Level 2 Assets	4,687,633	389,513	12,958,979	2,451,528	-	2,213	-	2,213
Level 1 Liabilities								
<i>Financial liabilities at fair value through profit or loss</i>								
Equity futures	-	-	-	-	(166,337)	-	(166,337)	-
Total Level 1 Liabilities					(166,337)	-	(166,337)	-
Level 2 Liabilities								
<i>Financial liabilities at fair value through profit or loss</i>								
Forward foreign exchange contracts	-	-	-	-	(880,655)	(17,242)	(880,655)	(17,242)
Total Level 2 Liabilities					(880,655)	(17,242)	(880,655)	(17,242)

The fair value of listed equities, listed funds and equity futures are determined using quoted market prices in an active market. This measurement basis falls within Level 1 of the fair value hierarchy.

The fair value of forward foreign exchange contracts is calculated from spot exchange rates and forward points supplied by WM/Reuters. This measurement basis falls within Level 2 of the fair value hierarchy as all inputs used to calculate the fair value are based on observable market data.

The Funds' investments in each of the JUNO KiwiSaver Balanced Fund and the JUNO KiwiSaver Growth Fund are valued at fair value which are based on the latest available redemption prices of the units in the respective Funds. The Manager reviews the details of the reported information obtained from the JUNO KiwiSaver Funds and considers:

- (a) the value date of the Net Asset Values ("NAVs") provided; and
- (b) any restrictions on redemptions

The fair value of international managed funds is determined using the redemption price, based on the valuation of its underlying investments, as supplied by the Manager on a daily basis. This measurement basis falls within Level 2 of the fair value hierarchy as all significant inputs used to calculate the fair value are based on observable market data.

There were no transfers between levels during the year.

Refer to note 2.3(c) of the accounting policies for further details on the fair value hierarchy.

Notes to the Financial Statements

6. Financial instruments at fair value through profit or loss

6.1. Financial assets at fair value through profit or loss

\$

As at 31 March

Financial assets at fair value through profit or loss

Forward foreign exchange contracts

Listed equities

Listed funds/trusts

Unlisted funds/trusts

Total financial assets at fair value through profit or loss

	Conservative Fund Year ended 2020	Period ended 2019	Balanced Fund Year ended 2020	Period ended 2019	Growth Fund Year ended 2020	Period ended 2019	Scheme Total Year ended 2020	Period ended 2019
Forward foreign exchange contracts	-	-	-	-	-	2,213	-	2,213
Listed equities	-	-	-	-	59,268,211	12,490,011	59,268,211	12,490,011
Listed funds/trusts	-	-	576,713	312,450	-	1,111,672	576,713	1,424,122
Unlisted funds/trusts	4,687,633	389,513	12,958,979	2,451,528	-	-	-	-
Total financial assets at fair value through profit or loss	4,687,633	389,513	13,535,692	2,763,978	59,268,211	13,603,896	59,844,924	13,916,346

6.2. Financial liabilities at fair value through profit or loss

\$

As at 31 March

Financial liabilities at fair value through profit or loss

Equity futures

Forward foreign exchange contracts

Total financial liabilities at fair value through profit or loss

	Conservative Fund Year ended 2020	Period ended 2019	Balanced Fund Year ended 2020	Period ended 2019	Growth Fund Year ended 2020	Period ended 2019	Scheme Total Year ended 2020	Period ended 2019
Equity futures	-	-	-	-	(166,337)	-	(166,337)	-
Forward foreign exchange contracts	-	-	-	-	(880,655)	(17,242)	(880,655)	(17,242)
Total financial liabilities at fair value through profit or loss	-	-	-	-	(1,046,992)	(17,242)	(1,046,992)	(17,242)

Notes to the Financial Statements

7. Concentration of investments

The following table presents the securities, excluding derivatives, exceeding 5% of net assets available for benefits at balance date:

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
As at 31 March	Year ended 2020	% of NAV	Year ended 2020	% of NAV	Year ended 2020	% of NAV	Year ended 2020	% of NAV
Investments exceeding 5% of net assets available for benefits								
JUNO Balanced Fund	4,887,633	35.90%	-	-	-	-	-	-
ASBBNK Term Deposit 2.14% 31/03/2020 22/03/2021	1,000,000	7.66%	-	-	-	-	-	-
ASBBNK Term Deposit 2.17% 24/03/2020 14/12/2020	1,500,000	11.49%	-	-	-	-	-	-
BCHINA Term Deposit 2.5% 04/03/2020 04/03/2021	700,000	5.36%	-	-	-	-	-	-
JUNO Growth Fund	-	-	12,958,979	59.24%	-	-	-	-
ASBBNK Term Deposit 1.9% 26/02/2020 16/11/2020	-	-	1,300,000	5.94%	-	-	-	-
ASBBNK Term Deposit 1.94% 26/11/2019 18/05/2020	-	-	2,000,000	9.14%	-	-	-	-
ASBBNK Term Deposit 2.04% 10/12/2019 31/08/2020	-	-	1,900,000	8.69%	-	-	-	-
BCHINA Term Deposit 2.65% 25/10/2019 24/04/2020	-	-	1,100,000	5.03%	-	-	-	-
Cash at Bank	-	-	-	-	17,780,822	19.80%	17,780,822	16.60%
\$								
As at 31 March	Period ended 2019	% of NAV	Period ended 2019	% of NAV	Period ended 2019	% of NAV	Period ended 2019	% of NAV
Investments exceeding 5% of net assets available for benefits								
ASB Bank Term Deposit 3.37% 01/02/2019 23/10/2019	80,000	5.55%	-	-	-	-	-	-
ASB Bank Term Deposit 3.37% 07/02/2019 29/10/2019	-	-	400,000	7.59%	-	-	-	-
ASB Bank Term Deposit 3.40% 27/03/2019 16/12/2019	100,000	6.94%	-	-	-	-	-	-
Bank of China Term Deposit 3.51% 05/11/2018 05/11/2019	100,000	6.94%	-	-	-	-	-	-
Bank of China Term Deposit 3.51% 21/03/2019 20/03/2020	-	-	500,000	9.49%	-	-	-	-
Bank of China Term Deposit 3.51% 22/03/2019 23/03/2020	-	-	-	-	2,500,000	8.32%	2,500,000	7.37%
Bank of China Term Deposit 3.51% 27/03/2019 27/03/2020	100,000	6.94%	-	-	-	-	-	-
iShares Core Global Aggregate Bond NZD-H Acc	-	-	312,450	5.93%	-	-	-	-
JUNO KiwiSaver Balanced Fund	389,513	27.04%	-	-	-	-	-	-
JUNO KiwiSaver Growth Fund	-	-	2,451,628	46.53%	-	-	-	-

Notes to the Financial Statements

7. Concentration of investments (continued)

The following table presents the securities, excluding derivatives, exceeding 5% of security class:

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	Year ended 2020	% of Security type	Year ended 2020	% of Security type	Year ended 2020	% of Security type	Year ended 2020	% of Security type
As at 31 March								
Trading securities exceeding 5% of security class								
Listed equities								
A2 Milk Co Ltd	-	-	-	-	3,684,585	6.22%	3,684,585	6.22%
Grifols SA	-	-	-	-	3,361,065	5.67%	3,361,065	5.67%
Microsoft Corporation	-	-	-	-	3,458,261	5.83%	3,458,261	5.83%
Naspers Ltd	-	-	-	-	3,118,158	5.26%	3,118,158	5.26%
PCA Corporation	-	-	-	-	3,299,606	5.57%	3,299,606	5.57%
Listed funds/trusts								
iShares Core Global Aggregate Bond NZD-H Acc	-	-	576,713	100.00%	-	-	576,713	100%
Unlisted funds								
JUNO Balanced Fund	4,687,633	100.00%	-	-	-	-	-	-
JUNO Growth Fund	-	-	12,958,979	100.00%	-	-	-	-
Term deposits								
ASBBNK Term Deposit 2.14% 31/03/2020 22/03/2021	1,000,000	12.27%	-	-	-	-	1,000,000	5.36%
ASBBNK Term Deposit 2.17% 24/03/2020 14/12/2020	1,500,000	18.40%	-	-	-	-	1,500,000	8.04%
ASBBNK Term Deposit 2.35% 20/03/2020 15/03/2021	500,000	6.13%	-	-	-	-	-	-
ASBBNK Term Deposit 2.39% 09/03/2020 30/11/2020	500,000	6.13%	-	-	-	-	-	-
ASBBNK Term Deposit 2.8% 02/12/2019 24/08/2020	500,000	6.13%	-	-	-	-	-	-
BCHINA Term Deposit 2.5% 04/03/2020 04/03/2021	700,000	8.59%	-	-	-	-	-	-
ASBBNK Term Deposit 1.9% 26/02/2020 16/11/2020	-	-	1,300,000	16.88%	-	-	1,300,000	6.97%
ASBBNK Term Deposit 1.94% 26/11/2019 18/05/2020	-	-	2,000,000	25.97%	-	-	2,000,000	10.72%
ASBBNK Term Deposit 2.04% 10/12/2019 31/08/2020	-	-	1,900,000	24.68%	-	-	1,900,000	10.19%
ASBBNK Term Deposit 2.04% 30/01/2020 20/10/2020	-	-	600,000	7.79%	-	-	-	-
ASBBNK Term Deposit 2.86% 30/12/2019 21/09/2020	-	-	800,000	10.39%	-	-	-	-
BCHINA Term Deposit 2.65% 25/10/2019 24/04/2020	-	-	1,100,000	14.29%	-	-	1,100,000	5.90%
ASBBNK Term Deposit 2.65% 07/11/2019 28/04/2020	-	-	-	-	2,800,000	100.00%	2,800,000	15.01%

Notes to the Financial Statements

7. Concentration of investments (continued)

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	Period ended 2019	% of Security type	Period ended 2019	% of Security type	Period ended 2019	% of Security type	Period ended 2019	% of Security type
Trading securities exceeding 5% of security class								
Listed equities								
Berkshire Hathaway Inc-CI B	-	-	-	-	802,676	6.43%	802,676	6.43%
Cosco Capital Inc	-	-	-	-	653,774	5.23%	653,774	5.23%
CYBOZU INC	-	-	-	-	1,101,229	8.82%	1,101,229	8.82%
EML Payments Ltd	-	-	-	-	1,033,569	8.28%	1,033,569	8.28%
Haw Par Corporation Ltd	-	-	-	-	794,842	6.36%	794,842	6.36%
Jumbo SA	-	-	-	-	1,104,162	8.84%	1,104,162	8.84%
Microsoft Corporation	-	-	-	-	678,241	5.43%	678,241	5.43%
Vista Group International Ltd	-	-	-	-	900,033	7.21%	900,033	7.21%
ZUKEN INC	-	-	-	-	652,446	5.22%	652,446	5.22%
Listed funds/trusts								
iShares Core Global Aggregate Bond NZD-H Acc	-	-	312,450	100.00%	-	0	312,450	21.94%
iShares Trust iShares ESG MSCI EAFE ETF	-	-	-	-	1,111,672	100.00%	1,111,672	78.06%
Unlisted funds								
JUNO Balanced Fund	389,513	100.00%	-	-	-	-	-	-
JUNO Growth Fund	-	-	2,451,528	100.00%	-	-	-	-
Term deposits								
ASB Bank Term Deposit 3.31% 11/02/2019 05/08/2019	50,000	6.94%	-	-	-	-	-	-
ASB Bank Term Deposit 3.37% 01/02/2019 23/10/2019	80,000	11.11%	-	-	-	-	-	-
ASB Bank Term Deposit 3.40% 27/03/2019 16/12/2019	100,000	13.89%	-	-	-	-	-	-
ASB Bank Term Deposit 3.42% 27/09/2018 27/06/2019	50,000	6.94%	-	-	-	-	-	-
Bank of China Term Deposit 3.51% 05/11/2018 05/11/2019	100,000	13.89%	-	-	-	-	-	-
Bank of China Term Deposit 3.51% 26/02/2019 26/02/2020	40,000	5.56%	-	-	-	-	-	-
Bank of China Term Deposit 3.51% 27/03/2019 27/03/2020	100,000	13.89%	-	-	-	-	-	-
Bank of China Term Deposit 3.53% 15/01/2019 15/10/2019	50,000	6.94%	-	-	-	-	-	-
Bank of China Term Deposit 3.53% 18/01/2019 18/10/2019	50,000	6.94%	-	-	-	-	-	-
Bank of China Term Deposit 3.57% 19/09/2018 19/09/2019	50,000	6.94%	-	-	-	-	-	-
ASB Bank Term Deposit 3.35% 07/12/2018 16/09/2019	-	-	200,000	9.09%	-	-	-	-
ASB Bank Term Deposit 3.37% 07/02/2019 29/10/2019	-	-	400,000	18.18%	-	-	400,000	7.38%
ASB Bank Term Deposit 3.45% 21/12/2018 11/12/2019	-	-	200,000	9.09%	-	-	-	-
Bank of China Term Deposit 3.51% 21/03/2019 20/03/2020	-	-	500,000	22.73%	-	-	500,000	9.23%
Bank of China Term Deposit 3.53% 23/10/2018 23/07/2019	-	-	200,000	9.09%	-	-	-	-
Bank of China Term Deposit 3.53% 31/01/2019 31/10/2019	-	-	200,000	9.09%	-	-	-	-
Bank of China Term Deposit 3.51% 22/03/2019 23/03/2020	-	-	-	-	2,500,000	100.00%	2,500,000	46.13%

Notes to the Financial Statements

8. Financial instruments by category

Financial instruments currently recognised in the financial statements comprise cash and cash equivalents, term deposits, trade and other receivables, financial assets and liabilities at fair value through profit or loss and trade and other payables. The following table details the Scheme's financial assets and liabilities by category:

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
As at 31 March	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019
Financial assets at fair value through profit and loss								
Financial assets at fair value through profit or loss	4,687,633	389,513	13,535,692	2,763,978	59,268,211	13,603,896	77,491,536	13,916,346
Financial assets at amortised cost								
Cash and cash equivalents	491,910	327,455	766,445	263,141	26,194,280	12,859,275	27,452,635	13,449,871
Term deposits	8,150,000	720,000	7,700,000	2,200,000	2,800,000	2,500,000	18,650,000	5,420,000
Trade and other receivables	143,302	6,271	57,240	55,285	4,478,671	1,233,064	4,679,213	1,294,620
Total financial assets at amortised cost	8,785,212	1,053,726	8,523,685	2,518,426	33,472,951	16,592,339	50,781,848	20,164,491
Total financial assets	13,472,845	1,443,239	22,059,377	5,282,404	92,741,162	30,196,235	128,273,384	34,080,837
Financial liabilities at fair value through profit and loss								
Financial liabilities at fair value through profit or loss	-	-	-	-	1,046,992	17,242	1,046,992	17,242
Financial liabilities at amortised cost								
Trade and other payables	396,935	-	110,772	-	1,341,744	36,150	1,849,451	36,150
Net assets available for benefits	13,056,495	1,440,392	21,875,277	5,268,852	89,821,556	30,050,429	107,106,716	33,918,632
Total financial liabilities at amortised cost	13,453,430	1,440,392	21,986,049	5,268,852	91,163,300	30,086,579	108,956,167	33,954,782
Total financial liabilities	13,453,430	1,440,392	21,986,049	5,268,852	92,210,292	30,103,821	110,003,159	33,972,024

9. Related parties

9.1 Manager and Supervisor

The Manager of the Scheme is Pie Funds Management Limited. Administration fees per month is deducted from each member by way of unit redemption and is payable to the Manager as outlined below. This is accounted for as a withdrawal and does not impact net profit before membership activities. During the year, administration fees paid to the Manager totalled \$260,650 (31 March 2019: \$53,635). MMC Limited maintain the members' accounts and register of the Scheme and receives a fee for this service, paid by the Manager.

- For members under age of 18 years and balances end less than \$5,000	- Free
- For member balances in the Scheme from \$5,000 to \$24,999	-\$5 per month
- For member balances in the Scheme from \$25,000 to \$49,999	-\$15 per month
- For member balances in the Scheme from \$50,000 to \$99,999	-\$25 per month
- For member balances in the Scheme from \$100,000 to \$1,000,000	-\$50 per month
- For member balances over \$1,000,000	-\$100 per month

The Supervisor of the Scheme is Trustees Executors Limited. The Supervisor is entitled to receive a fee from the Manager for supervisory services.

Audit fees, supervisor fees and registry fees of the Funds are paid for by the Manager on behalf of the Scheme. The Manager paid and or accrued for the following amounts on behalf of the Scheme for the year ended 31 March 2020:

Audit fees:	\$24,037 (31 March 2019: \$22,014)
Supervisory fees:	\$23,421 (31 March 2019: \$3,621)
Registry fees:	\$110,316 (31 March 2019: \$35,870)

Management fee rebates paid by the Manager to the Scheme are disclosed in the Statement of Changes in Net Assets.

Holdings in the Funds by Directors and key management personnel of the Manager that are directly held:

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
As at 31 March	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019
Holdings								
24 JUNO KiwiSaver Scheme			4,064	120,098	485,681	437,600	489,745	557,698

Notes to the Financial Statements

9. Related parties (continued)

9.2 Investments in the Scheme by related parties

The following table shows the value of investments by related parties in the Scheme at balance date:

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019
As at 31 March								
JUNO KiwiSaver Funds								
JUNO KiwiSaver Balanced Fund	-	-	-	-	12,958,979	2,451,528	-	-
JUNO KiwiSaver Conservative Fund	-	-	4,687,633	389,513	-	-	-	-
Total	-	-	4,687,633	389,513	12,958,979	2,451,528	-	-

The following table shows the (loss) incurred/income earned by related parties from their investments in the Funds in the year ended:

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019
For the year ended 31 March								
JUNO KiwiSaver Funds								
JUNO KiwiSaver Balanced Fund	-	-	-	-	(92,549)	51,528	-	-
JUNO KiwiSaver Conservative Fund	-	-	(31,880)	4,513	27	-	-	-
Total (loss) incurred/income earned by related parties from investments in the Funds	-	-	(31,880)	4,513	(92,522)	51,528	-	-

9.3 Investments by the Scheme in related parties

The following table shows the value of investments by the Scheme in related parties at balance date:

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019
As at 31 March								
JUNO KiwiSaver Funds								
JUNO KiwiSaver Balanced Fund	4,687,633	389,513	-	-	-	-	-	-
JUNO KiwiSaver Growth Fund	-	-	12,958,979	2,451,528	-	-	-	-
Total	4,687,633	389,513	12,958,979	2,451,528	-	-	-	-

The following table shows the (loss) incurred/income earned by the Funds from their investments in related parties in the year ended:

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019
For the year ended 31 March								
JUNO KiwiSaver Funds								
JUNO KiwiSaver Balanced Fund	(31,880)	4,513	-	-	-	-	-	-
JUNO KiwiSaver Growth Fund	27	-	(92,549)	51,528	-	-	-	-
Total (loss) incurred/income earned by the Funds from investments in related parties	(31,853)	4,513	(92,549)	51,528	-	-	-	-

Notes to the Financial Statements

10. Trade and other receivables

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019
As at 31 March								
Accrued interest	29,963	5,481	48,476	17,945	31,354	4,857	109,793	28,283
Management fee rebates receivable	9	16	84	35	11	149	104	200
Dividends and distributions receivable	-	-	-	-	65,743	4,643	65,743	4,643
Margin accounts	-	-	-	-	1,222,437	43,846	1,222,437	43,846
Unsettled investment trades	-	-	-	-	2,672,682	702,408	2,672,682	702,408
Contributions receivable	113,330	774	8,680	37,305	486,444	477,161	608,454	515,240
Total trade and other receivables	143,302	6,271	57,240	55,285	4,478,671	1,233,064	4,679,213	1,294,620

All trade and other receivable balances are carried at amortised cost and their carrying values approximate fair value due to their short term nature.

11. Trade and other payables

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019
As at 31 March								
Redemptions payable	396,935	-	110,772	-	28,558	-	536,265	-
Unsettled investment trades	-	-	-	-	1,313,186	36,150	1,313,186	36,150
Total trade and other payables	396,935	-	110,772	-	1,341,744	36,150	1,849,451	36,150

All trade and other receivable balances are carried at amortised cost and their carrying values approximate fair value due to their short term nature.

12. Reconciliation of net profit before membership activities to net cash flows from operating activities

\$	Conservative Fund		Balanced Fund		Growth Fund		Scheme Total	
	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019	Year ended 2020	Period ended 2019
For the year ended 31 March								
Net profit before membership activities	30,636	13,225	107,648	91,498	1,639,318	671,085	1,902,031	719,767
Adjustments for non cash items:								
Unrealised changes in the fair value of financial instruments	31,853	(4,513)	67,773	(62,778)	(725,931)	(751,680)	(750,734)	(762,930)
Unrealised foreign exchange losses on cash and cash equivalents	-	-	-	-	(360,835)	48,451	(360,835)	48,451
Dividends and distributions re-invested	-	-	-	-	(29,551)	(4,648)	(29,551)	(4,648)
	31,853	(4,513)	67,773	(62,778)	(1,116,317)	(707,877)	(1,141,120)	(719,127)
Movements in working capital items:								
Increase in trade and other receivables	(24,475)	(5,497)	(30,580)	(17,980)	(87,459)	(755,903)	(142,514)	(779,380)
Increase in trade and other payables	-	-	-	-	-	36,150	-	36,150
Increase in net cost of investments	(4,329,973)	(385,000)	(10,839,487)	(2,701,200)	(45,750,912)	(12,830,326)	(45,990,372)	(13,131,528)
Increase in term deposits	(7,430,000)	(720,000)	(5,500,000)	(2,200,000)	(300,000)	(2,500,000)	(13,230,000)	(5,420,000)
	(11,784,448)	(1,110,497)	(16,370,067)	(4,919,180)	(46,138,371)	(16,050,079)	(59,362,885)	(19,294,756)
Net cash outflow from operating activities	(11,721,959)	(1,101,785)	(16,194,646)	(4,890,460)	(45,615,370)	(16,086,871)	(58,601,975)	(19,294,116)

Notes to the Financial Statements

13. Contingent liabilities

There were no contingent liabilities as at 31 March 2020 (31 March 2019: nil).

14. Capital commitments

There were no material capital commitments as at 31 March 2020 (31 March 2019: nil).

15. Events after balance date

No significant events that have occurred since the reporting date which would have impact on the financial position of the Funds disclosed in the Statements of Financial Position as at 31 March 2020 or on the results and cash flows of the Funds for the reporting period ended on that date.



Independent auditor's report

To the members of JUNO KiwiSaver Scheme (the "Scheme") comprising the:

JUNO KiwiSaver Conservative Fund
JUNO KiwiSaver Balanced Fund
JUNO KiwiSaver Growth Fund

(Collectively referred to as the "Funds"):

We have audited the Scheme and the Fund's financial statements which comprise:

- the statements of net assets as at 31 March 2020;
- the statements of changes in net assets for the year then ended;
- the statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of accounting policies.

Our opinion

In our opinion, the Scheme and the Funds' financial statements present fairly, in all material respects, the financial position of the Scheme and the Funds as at 31 March 2020, their financial performance and their cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

Basis for opinion

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

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

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

We have provided the following services to Pie Funds Management Limited (the Manager): statutory audit of the annual financial statements, agreed upon procedures on the net tangible assets standard conditions, taxation advisory, tax pooling and tax compliance services. Subject to certain restrictions, employees of the firm may invest in the Scheme on normal market terms. These services and relationships have not impaired our independence as auditor of the Scheme.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Scheme and the Funds' financial statements of the current year. We have one key audit matter, which is valuation and existence of financial assets and financial liabilities at fair value through profit or loss. This matter was addressed in the context of our audit of the Scheme and the Funds' financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.



Key audit matter

Valuation and existence of financial assets and financial liabilities at fair value through profit or loss

Refer to note 6 to the financial statements for disclosures of financial instruments at fair value through profit or loss.

Financial assets at fair value through profit or loss

JUNO KiwiSaver Conservative Fund: \$4,687,633

JUNO KiwiSaver Balanced Fund: \$13,535,692

JUNO KiwiSaver Growth Fund: \$59,268,211

JUNO KiwiSaver Scheme: \$59,844,924

Financial liabilities at fair value through profit or loss

JUNO KiwiSaver Growth Fund: \$1,046,992

JUNO KiwiSaver Scheme: \$1,046,992

This was an area of focus for our audit as it represents the majority of the assets held by the Scheme and the Funds as at 31 March 2020.

The fair value of the financial assets traded in active markets are based on quoted market prices at 31 March 2020 and categorised as level 1 in the fair value hierarchy.

The fair value of the financial instruments that are not traded in an active market are determined using valuation techniques. The valuation technique depends on the underlying asset or liability and includes assumptions that are based on market conditions existing at 31 March 2020. Financial instruments with inputs to the valuation that are observable either directly or indirectly are categorised as level 2 in the fair value hierarchy. Where inputs are not observable the financial instrument is categorised at level 3 in the fair value hierarchy.

Key audit matter

The Scheme and Funds' level 2 financial instruments include (where applicable) forward foreign exchange contracts and investments in unlisted funds managed by the Manager. The fair value of these funds is based on the redemption price established by MMC Limited (the Administrator).

The Scheme and Funds have no level 3 investments.

For financial instruments quoted in foreign currencies, these are translated to New Zealand dollars using the applicable exchange rate at balance date.

The Manager assessed the impact of COVID-19 on the financial statements of the Scheme and the Funds and included additional disclosures in note 3 of the financial statements.

All financial assets are held by MMC Limited (the Custodian).

How our audit addressed the key audit matter

We assessed the processes employed by the Manager, for recording and valuing the financial instruments at fair value through profit or loss including the relevant controls operated by third party service organisations. The third party service organisations include the Custodian, the Administrator, and National Australia Bank (the Sub-Custodian).

Our assessment of the business processes included obtaining the internal control reports over custody and investment accounting provided by the third party service organisations. We evaluated the evidence provided by the internal controls reports over the design and operating effectiveness of the key controls operated by the third party service providers for the period to 31 March 2020.

Where the report did not cover the full period to 31 March 2020, we obtained a bridging letter confirming there were no material changes in the third party service provider's control environment and no significant deficiencies in the design or operation of relevant internal controls in the intervening period.

Valuation

For the financial assets at quoted market prices in an active market, we have agreed the market price at 31 March 2020 and the exchange rates at which they have been converted from their underlying local currency to New Zealand dollars to independent third party pricing sources.

For investments in forward foreign exchange contracts, we agreed the observable inputs to third party pricing sources and used our own valuation experts to test the fair value using independent valuation models.

How our audit addressed the key audit matter

For investments in unlisted investment funds managed by the Manager, we agreed the redemption price as at 31 March 2020, to the confirmation provided by the Administrator.

Existence

We obtained confirmation from the Custodian, financial institutions and counterparties of the holdings of all the financial instruments held by the Scheme and the Funds as at balance date.

From the procedures performed, we have no matters to report.

Our audit approach

Overview



An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. We determine materiality for the Scheme and for each Fund separately.

Our materiality for the Scheme and the Funds are calculated based on 1% of the net assets for the Scheme and each Fund.

We chose net assets as the benchmark because, in our view, the objective of the Funds is to provide unitholders with a positive return on assets, taking account of both capital and income returns.

Because of the significance of the investments to the financial statements, we have determined there is one key audit matter: valuation and existence of financial assets and financial liabilities at fair value through profit or loss.



Materiality

The scope of our audit was influenced by our application of materiality.

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

Audit scope

We designed our audit by assessing the risks of material misstatement in the financial statements and our application of materiality. As in all of our audits, we also addressed the risk of management override of internal controls including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the Scheme and on each of the Fund's financial statements as a whole, taking into account the structure of the Scheme and the Funds, the types of investments held by the Scheme and the Funds, the accounting processes and controls, the use of third party service providers and the industry in which the Scheme and the Funds operate.

The Manager is responsible for the governance and control activities of the Scheme and the Funds. The Manager has appointed the Custodian to act as the custodian of the Scheme's and the Funds' investments. The Custodian uses a Sub-Custodian. The Manager has

outsourced investment accounting and registry services to the Administrator.

In establishing our overall audit approach, we assessed the risk of material misstatement, taking into account the nature, likelihood and potential magnitude of any misstatement. As part of our risk assessment, we considered the control environment in place at the Manager, the Administrator and Custodian.

Information other than the financial statements and auditor's report

The Manager is responsible for the annual report.

Our opinion on the financial statements does not cover the other information included in the annual report and we do not and will not express any form of assurance conclusion on other information. At the time of our audit, there was no other information available to us.

In connection with our audit of the financial statements, if other information is included in the annual report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of our auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of the Manager for the financial statements

The Manager is responsible for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the Manager determines is necessary



to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

This description forms part of our auditor's report.

Who we report to

This report is made solely to Scheme's members, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report

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

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

For and on behalf of:

A handwritten signature in black ink that reads 'Samuel Shuttleworth' with a stylized flourish at the end.

Chartered Accountants
28 July 2020

Auckland