

# InvestNow KiwiSaver Scheme

Financial Statements  
For the period ended 31 March 2021

# Report contents

Directory	2
Statement by the manager	3
Independent auditor's report	4
<b>Financial statements</b>	
Statement of changes in net assets	9
Statement of net assets	10
Statement of cash flows	11
Notes to the financial statements	12

# Directory

<b>The Manager</b>	Implemented Investment Solutions Limited Level 2, Woodward House 1 Woodward Street PO Box 25003 Wellington, New Zealand 6140
<b>Investment Manager</b>	InvestNow Saving and Investment Service Limited Level 2, Woodward House 1 Woodward Street PO Box 25003 Wellington, New Zealand 6140
<b>Directors of the Manager</b>	Anthony Edmonds Elizabeth Maguire Ian Russon Jeremy Valentine
<b>The Supervisor</b>	Public Trust Level 8, 22 Willeston Street Private Bag 5902 Wellington, New Zealand 6140
<b>Administration Manager</b>	Adminis NZ Limited Level 1 125 Featherston Street PO Box 25555 Wellington, New Zealand 6140
<b>Auditor</b>	PricewaterhouseCoopers 10 Waterloo Quay PO Box 243 Wellington, New Zealand 6140
<b>Correspondence</b>	All correspondence and enquiries to the Supervisor about the Funds should be addressed to the Supervisor, Public Trust, at the above address.

# Statement by the Manager

## Establishment

The InvestNow KiwiSaver Scheme was constituted under a Trust Deed dated 26 May 2020, amended and restated on 10 September 2020. The Trust Deed was entered into by Public Trust (the "Trustee") and Implemented Investment Solutions Limited (the "Manager"). The accompanying financial statements comprise the InvestNow KiwiSaver Scheme (the "Scheme").

## Statement by the Manager

In our opinion, the accompanying financial statements and notes are drawn up in accordance with generally accepted accounting practice in New Zealand and present fairly the financial position of the Scheme as at 31 March 2021, and the results of its financial performance and cash flows for the period ended on that date are in accordance with the requirement of the Trust Deed dated 26 May 2020.

It is believed that there are no circumstances that may materially and adversely affect any interest of the Unit Holders in the assets other than those already disclosed in this report.

For and on behalf of the Manager:  
**Implemented Investment Solutions Limited**



Director

Date: 19 July 2021



Director

Date: 19 July 2021



## Independent auditor's report

To the members of the InvestNow Kiwisaver Scheme (the Scheme)

---

### Our opinion

In our opinion, the accompanying financial statements of the Scheme present fairly, in all material respects, the financial position of the Scheme as at 31 March 2021, its financial performance and its cash flows for the period from 14 September 2020 to 31 March 2021 (the period) in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

### What we have audited

The Scheme's financial statements comprise:

- the statement of net assets as at 31 March 2021;
- the statement of changes in net assets for the period then ended;
- the statement of cash flows for the period then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

---

### Basis for opinion

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

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

### Independence

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

We have provided the following services to Implemented Investment Solutions Limited (the Manager): agreed upon procedures on the net tangible assets calculation, controls assurance reporting, registry compliance assurance reporting and the audit of the financial statements of the Manager and other funds managed by the Manager. 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. Other than in our capacity as auditor, we have no other relationships with, or interests in, the Scheme.



### Key audit matters

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

Description of the key audit matter	How our audit addressed the key audit matter
<p><b>Valuation and existence of financial assets at fair value through profit or loss</b></p> <p>Refer to note 4 to the financial statements for disclosures of financial assets at fair value through profit or loss.</p> <p>This was an area of focus for our audit as it represents the majority of the net assets of the Scheme.</p> <p>The Scheme invests solely into unlisted unit trusts. Financial assets at fair value through profit or loss with inputs to the valuation that are observable either directly or indirectly are categorised as level 2 in the fair value hierarchy.</p> <p>The Scheme’s investments in unlisted unit trusts are classified as level 2 investments.</p> <p>The fair value of the unlisted unit trusts is based on the redemption price established by the investment fund manager. In assessing the fair value, the Manager uses information provided by the investment fund manager.</p> <p>The Scheme has no investments where there are no observable inputs.</p> <p>Holdings of all financial assets at fair value through profit or loss are held with the Custodian on behalf of the Scheme.</p>	<p>We assessed the processes employed by the Manager, for recording and valuing the financial assets at fair value through profit or loss including the relevant controls operated by the third party service organisations. The third party service organisations include the Administrator and the Custodian.</p> <p>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 organisations for the period.</p> <p><b>Valuation</b></p> <p>For investments in unlisted unit trusts, we agreed the redemption price at 31 March 2021 to the confirmation provided by the investment fund manager. We evaluated the redemption price represents fair value by, where applicable:</p> <ul style="list-style-type: none"> <li>• comparing the redemption price at 31 March 2021 to recent transactions to support the fair value of the investments at fair value through profit or loss;</li> <li>• comparing the Net Asset Value per unit calculated based on the latest audited financial statements of the underlying unlisted unit trusts to the published unit price on that date to provide evidence on reliability of unit pricing; and</li> <li>• assessing whether the fair value of underlying assets and liabilities of the unlisted unit trusts are primarily determined through observable market data.</li> </ul> <p><b>Existence</b></p> <p>We obtained confirmation from the Custodian of the holdings of all the financial assets at fair value through profit or loss held by the Scheme as at 31 March 2021.</p>



---

## Our audit approach

### Overview

---

<b>Materiality</b>	<p>Our materiality for the Scheme is calculated based on approximately 1% of the net assets for the Scheme.</p> <p>We chose net assets as the benchmark because, in our view, the objective of the Scheme is to provide members with a total return on the Scheme's net assets, taking into account both capital and income returns.</p>
<b>Key audit matters</b>	<p>As reported above, because of the significance of the financial assets at fair value through profit or loss to the financial statements, we have determined that there is one key audit matter: valuation and existence of financial assets at fair value through profit or loss.</p>

---

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

#### **Materiality**

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

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

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

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

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

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



---

### **Other information**

The Manager is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

---

### **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'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 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-2/>

This description forms part of our auditor's report.





---

**Who we report to**

This report is made solely to the 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 Christopher Barber.

For and on behalf of:

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

Chartered Accountants  
21 July 2021

Wellington

# Statement of changes in net assets

for the period ended 31 March 2021  
in New Zealand Dollars

		InvestNow KiwiSaver Scheme
	Note	2021 \$
<b>INVESTMENT ACTIVITIES</b>		
<b>Investment income</b>		
Distribution income		53,420
Net gains on financial assets at fair value through profit or loss	3	547,673
<b>Net investment income</b>		<b>601,093</b>
<b>Net profit before membership activities</b>		<b>601,093</b>
<b>MEMBERSHIP ACTIVITIES</b>		
<b>Contributions received</b>		
Member contributions		410,093
Employer contributions		256,694
Crown contributions		157
Transfers from other KiwiSaver and superannuation schemes		18,626,326
Lump sum and other voluntary contributions		113,269
Other income		18
<b>Payments to members</b>		
Transfers to other KiwiSaver and superannuation schemes		(390,740)
First home purchase withdrawals		(89,811)
<b>Taxation</b>		
Unit holders tax		(13,902)
<b>Net membership activities</b>		<b>18,912,104</b>
<b>Net increase in net assets during the period</b>		<b>19,513,197</b>
Net assets available for benefits at the start of the period		-
<b>Net assets available for benefits at the end of the period</b>		<b>19,513,197</b>

The financial statements are for the period from commencement on 14 September 2020 to 31 March 2021. There are no comparatives for the Scheme given it is the first reporting period.

This statement is to be read in conjunction with the notes to the financial statements.

# Statement of net assets

as at 31 March 2021  
in New Zealand Dollars

		InvestNow KiwiSaver Scheme
		<b>2021</b>
		<b>\$</b>
	Note	
<b>Assets</b>		
Cash and cash equivalents		<b>121,379</b>
Financial assets at fair value through profit or loss	4	<b>19,499,126</b>
Other receivables	5	<b>6,903</b>
<b>Total assets</b>		<b>19,627,408</b>
<b>Liabilities</b>		
Other payables	6	<b>101,116</b>
PIE tax payable		<b>13,095</b>
<b>Total liabilities</b>		<b>114,211</b>
<b>Net assets available for benefits</b>		<b>19,513,197</b>
Represented by:		
<b>Members' funds</b>		<b>19,513,197</b>

These financial statements were authorised for issue by the Manager, Implemented Investment Solutions Limited:



Director

19 July 2021

Date



Director

19 July 2021

Date

This statement is to be read in conjunction with the notes to the financial statements.

# Statement of cash flows

for the period ended 31 March 2021  
in New Zealand Dollars

		InvestNow KiwiSaver Scheme
		2021
		\$
	Note	
<b>Cash flows from operating activities</b>		
<b><i>Cash was provided from</i></b>		
Sale of investments		1,129,649
<b><i>Cash was provided to</i></b>		
Purchase of investments		(20,034,585)
<b>Net cash outflow from operating activities</b>	<b>8</b>	<b>(18,904,936)</b>
<b>Cash flows from financing activities</b>		
Contributions from members		19,507,625
Withdrawals by members		(480,503)
PIE tax paid by members		(807)
<b>Net cash inflow from financing activities</b>		<b>19,026,315</b>
<b>Net cash inflow</b>		<b>121,379</b>
<b>Net cash and cash equivalents at the beginning of the period</b>		<b>-</b>
<b>Net cash and cash equivalents at the end of the period</b>		<b>121,379</b>

This statement is to be read in conjunction with the notes to the financial statements.

# Notes to the financial statements

## 1. GENERAL INFORMATION

### Reporting entity

These financial statements are for the InvestNow KiwiSaver Scheme (the "Scheme").

The Scheme was established by a Trust Deed dated 26 May 2020 between Implemented Investment Solutions Limited (the "Manager") and Public Trust (the "Supervisor"), with subsequent amendments.

The Scheme is domiciled in New Zealand and registered under the Financial Markets Conduct Act 2013 ("FMCA") as a KiwiSaver Scheme. The Scheme is a tier-1 for-profit entity. 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 provides members with a range of investment options ("Funds") which they can combine in any way they choose. Fund options include diversified funds and sector funds. The investment objective of the Scheme is to provide members with the flexibility to combine a range of Funds to suit their own risk profile, investment objectives and investment beliefs. Each Fund has its own specific investment objective which is contained in the schedules of the Statement of Investment Policy and Objectives ("SIPO").

The Investment Manager is InvestNow Saving and Investment Service Limited (the "Investment Manager"). The Investment Manager defines the funds' investment mandates and selects appropriate underlying investment managers for those mandates.

The Funds of the Scheme, which were all available for investment from 14 September 2020, are listed below:

#### **Diversified funds:**

InvestNow AMP Capital Ethical Leaders Balanced Fund  
InvestNow Castle Point 5 Oceans Fund  
InvestNow Hunter Balanced Fund  
InvestNow Hunter Growth Fund  
InvestNow Milford Balanced Fund  
InvestNow Milford Conservative Fund  
InvestNow Mint Diversified Growth Fund  
InvestNow Mint Diversified Income Fund

#### **Sector funds:**

InvestNow AMP Capital NZ Cash Fund  
InvestNow AMP Capital NZ Fixed Interest Fund  
InvestNow Hedged Global Fixed Interest Index Fund  
InvestNow NZ Shares Index Fund  
InvestNow All Country Global Shares Index Fund  
InvestNow AMP Capital Global Property Securities Fund  
InvestNow Australasian Property Index Fund  
InvestNow Castle Point Trans-Tasman Fund  
InvestNow Clarity Global Shares Fund  
InvestNow Harbour NZ Core Fixed Interest Fund  
InvestNow Harbour Australasian Equity Focus Fund  
InvestNow T. Rowe Price Global Equity Growth Fund  
InvestNow Hunter Global Fixed Interest Fund  
InvestNow Mint Australasian Equity Fund  
InvestNow Russell Investments NZ Fixed Interest Fund  
InvestNow Russell Investments Global Fixed Interest Fund  
InvestNow Russell Investments Global Shares Fund  
InvestNow Russell Investments Hedged Global Shares Fund  
InvestNow Salt NZ Dividend Appreciation Fund  
InvestNow Salt Enhanced Property Fund

Notwithstanding the division of the Scheme into Funds, the Scheme is a single trust with the value of each member's interest in the Scheme determined by amounts held in individual members' accounts. While all Scheme members invest in particular Funds, the liabilities of the Scheme are not limited to a separate Fund. Therefore, reporting in these financial statements are not segmented by Fund.

The financial statements were authorised for issue by the directors of the Manager on 19 July 2021.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Statutory Base	The financial statements for the Scheme have been prepared in accordance with the Trust Deed and the FMCA.
Basis of preparation	<p>The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand and other legislative requirements as appropriate for for-profit entities. The financial statements comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"), and other New Zealand accounting standards and authoritative notices applicable to entities that apply NZ IFRS. The financial statements also comply with International Financial Reporting Standards ("IFRS").</p> <p>The financial statements have been prepared under the historical cost basis, as modified by the revaluation of financial instruments at fair value through profit or loss. The methods used to measure fair value are discussed further below. The accrual basis of accounting has been applied, as has the going concern assumption.</p> <p>The assets and liabilities in the financial statements have been presented in order of their liquidity. All assets and liabilities either have a maturity of less than a year or have no fixed maturity and are therefore considered current assets/liabilities.</p>
New accounting standards and interpretations not adopted	No standards or amendments to existing standards and interpretations that are not yet in effect are expected to have a material impact on the financial statements of the Scheme.
Investment entity	<p>The Scheme has direct investments in other funds managed by the Manager. The Scheme meets the definition of an investment entity per NZ IFRS 10 - Consolidated Financial Statements, as the following conditions exist:</p> <p>(a) The Scheme has obtained funds for the purpose of providing investors with investment management services.</p> <p>(b) The Scheme's business purpose, which is communicated directly to investors, is investing solely for returns from capital appreciation and investment income.</p> <p>(c) The performance of investments made through other funds managed by the Manager, is measured and evaluated on a fair value basis.</p> <p>The Scheme also displays all four typical characteristics that are associated with an investment entity:</p> <p>(i) The Scheme has more than one investment;</p> <p>(ii) The Scheme has more than one investor;</p> <p>(iii) The Scheme has investors that are not related parties; and</p> <p>(iv) ownership interests in the Scheme are represented by units in the Funds.</p>
Significant accounting estimates and judgements	<p>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 judgment in the process of applying the Scheme's accounting policies.</p> <p>The investments of the Scheme have been valued at the relevant redemption price established by underlying investment managers, therefore the Manager has not made any material accounting estimates or judgements in relation to the carrying value of these assets.</p> <p>The Manager continues to closely monitor the impacts of the COVID-19 Pandemic on the Scheme. The Manager has evaluated the impact of COVID-19 on the valuation of financial instruments as at 31 March 2021 and has concluded that an adjustment was not required on the basis that the markets were functioning and the redemption price for the financial assets at fair value through profit or loss represented fair value.</p>
Functional and presentation currency	The financial statements are presented in New Zealand dollars, which is the Scheme's functional currency. All amounts have been rounded to the nearest dollar.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

## Financial instruments

**(a) Classification***Financial assets at fair value through profit or loss*

The Scheme classifies its investments in unlisted unit trusts as financial assets at fair value through profit or loss. The Scheme classifies its investments based on both the Scheme's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Scheme's investment strategies, policies and guidelines are established by the Manager. The portfolio of financial assets is managed and performance is evaluated on a fair value basis in accordance with the Scheme's investment strategies.

The Manager and investment manager are primarily focused on fair value information and use that information to assess the assets' performance and to make decisions.

*Financial assets and liabilities at amortised cost*

The Scheme's cash and cash equivalents and other receivables are classified as financial assets at amortised cost based on the Scheme's business models for managing those financial assets and the contractual cash flow characteristics.

Financial liabilities at amortised cost comprise cash and cash equivalents, related party payables and other payables.

**(b) Recognition**

Purchases and sales of investments are recognised on the trade date, the date on which the Scheme commits to purchase or sell the investment. Financial assets at fair value through profit or loss are initially recognised at fair value and, subsequent to initial recognition, measured at fair value. Gains and losses arising from changes in fair value are recognised in the Statement of Changes in Net Assets when they arise. Interest, dividend and distribution income are separately recognised in the Statement of Changes in Net Assets. Transaction costs are expensed as incurred in the Statement of Changes in Net Assets.

**(c) Fair Value Measurement**

'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 the 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 also includes non-performance risk.

*Fair value of unlisted unit trusts*

The fair value of investments in unlisted unit trusts is determined using the last available redemption unit prices for those funds at balance date. The Manager of the Scheme may make adjustments based on considerations such as the liquidity of the underlying investments and any restrictions on redemptions.

**(d) Derecognition**

Financial assets are derecognised upon maturity or disposal of the asset. Any gain or loss arising on derecognition of the asset is recognised in the Statement of Changes in Net Assets in the year the item is derecognised. Gains or losses are calculated as the difference between the disposal proceeds and the carrying amount of the item.

## Fair value hierarchy

Fair value measurements are categorised into a three level hierarchy that reflects the significance of the inputs used in making the measurements. Transfers between levels of the fair value hierarchy (if any) are deemed to have occurred at the beginning of the period.

*Level one - fair value in an active market*

The fair value of financial assets traded in active markets for the same instruments based on their quoted market prices at balance date without any deduction for estimated future selling costs. Generally, a level one category asset will have the most independent, reliable basis for measurement.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

Fair value hierarchy - continued	<p><i>Level two - fair value in an inactive or unquoted market using valuation techniques and observable market data</i></p> <p>The fair value of financial assets that are not traded in an active market is determined using valuation techniques for which all significant inputs are based on observable market data.</p> <p>The Scheme's investments in unlisted unit trusts are valued at fair value which is based on the latest available redemption prices of the units in each respective underlying fund. The Manager reviews the details of the reported information obtained from each of the underlying investments and considers:</p> <ul style="list-style-type: none"> <li>- the liquidity of the Scheme's holding in that investment, or it's underlying investments;</li> <li>- the value date of the net asset value ("NAV") provided; and</li> <li>- any restrictions on withdrawals</li> </ul> <p><i>Level three - fair value in an inactive or unquoted market using valuation techniques without observable market data</i></p> <p>The fair value of financial assets that are not traded in an active market is determined using valuation techniques for which any significant input is not based on observable market data.</p>
Income recognition	<p>Interest income is recognised in the Statement of Changes in Net Assets as the interest accrues using the effective interest rate method. Interest income is earned on short term deposits and bank balances.</p> <p>Dividend and distribution income is recognised in the Statement of Changes in Net Assets when the Scheme's right to receive payment is established.</p> <p>Dividend and interest income is disclosed net of any foreign tax credits and resident withholding taxes deducted at source, as these tax credits are allocated to members under the PIE regime.</p> <p>Any unrealised gains or losses arising from the revaluation of investments and any realised gains or losses from the sale of investments during the year are included in the Statement of Changes in Net Assets.</p>
Expenses	<p>There are currently no fees or expenses paid by members for the Scheme. Administration, audit and other fees of the Scheme are paid by the Manager. Management and other fees charged by the Funds are reflected in the unit prices of those Funds.</p>
Cash and cash equivalents	<p>Cash and cash equivalents comprise cash balances and short term deposits with an original maturity of three months or less and are initially measured at fair value. Subsequent to initial recognition, all cash and cash equivalents are measured at amortised cost.</p>
Other payables	<p>Other payables include member contributions and withdrawals that are unapplied or unpaid at balance date. Payables are initially recognised at fair value and subsequently stated at amortised cost using the effective interest method.</p>
Taxation	<p>The Scheme is a Portfolio Investment Entity ("PIE"). Under the PIE regime income is effectively taxed in the hands of the unit holders and therefore the Scheme has no tax expense. Accordingly, no income tax expense is recognised in the Statement of Changes in Net Assets.</p> <p>Under the PIE regime, the Manager attributes the taxable income of the Scheme to members in accordance with the proportion of their interest in the Funds held by the Scheme. The income attributed to each member is taxed at the member's prescribed investor rate ("PIR") which is currently capped at 28%. Any PIE tax payable/refundable on withdrawals is paid/received by the members by way of deduction from or addition to the withdrawal proceeds paid. Units in the Funds are cancelled/issued to the value of the tax paid/refunded upon determination of the members' annual PIE tax liabilities/assets at 31 March each year.</p> <p>The PIE tax attributable to members at balance date is calculated on the basis of the tax laws enacted or substantively enacted at balance date.</p>
Goods and Services tax	<p>The Scheme is not registered for GST and consequently all components of the financial statements are stated inclusive of GST where appropriate.</p>



**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

Statement of cash flows	<p>Definitions of the terms used in the Statement of Cash Flows are:</p> <p>(a) Operating activities comprise all transactions and other events that are not financing activities and includes purchases and sales of investments.</p> <p>(b) Financing activities are those activities that result in changes in the size and composition of members' funds. This includes elements of members' funds not falling within the definition of cash. Distributions paid in relation to members' funds are included in financing activities.</p>
Contributions and withdrawals	<p>Contributions received for units in the Funds of the Scheme are recorded net of any entry fees payable prior to the issue of units in the Funds. Withdrawals from the Scheme are recorded gross of any exit fees payable after the cancellation of the Fund units redeemed. Units in the Funds are issued and redeemed at the holder's option at the unit price for that day. The unit price for each Fund is determined as the net asset value ("NAV") divided by the number of units on issue.</p>
Net assets attributable to members	<p>The net assets attributable to members represents the liability for promised retirement benefits. The Funds of the Scheme issue units that are redeemable at the members' discretion and do not have identical features and are therefore classified as financial liabilities and are measured at amortised cost. Units are redeemed for the purpose of permitted withdrawals (such as reaching the age of 65 or enduring significant hardship) or transferring to another Fund within the Scheme or separate KiwiSaver Scheme. Units are equal to a proportionate share of the respective Funds 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 period end date if all members exercised their right to redeem units back to the Funds.</p>
Related parties	<p>A party is related to the Funds if:</p> <p>(a) directly or indirectly through one or more of its intermediaries, it controls, is controlled by, or is under common control with, the Scheme;</p> <p>(b) it is a parent, subsidiary or fellow subsidiary of a party defined in (a) above;</p> <p>(c) it has an interest in or relationship with the Funds that gives it significant influence or control over the Scheme;</p> <p>(d) it is controlled by or may be significantly influenced by another party which also has control or significant influence over the Scheme;</p> <p>(e) the Scheme has an interest in or relationship with the party that gives significant influence over the party;</p> <p>(f) it is an entity or member of a group which provides key management personnel services to the Scheme.</p>

**3. NET GAINS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	InvestNow KiwiSaver Scheme
	2021 \$
<b>Financial instruments at fair value through profit or loss</b>	
Unlisted unit trusts	547,673
<b>Total net gains on financial assets at fair value through profit or loss</b>	<b>547,673</b>

**4(A). FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	InvestNow KiwiSaver Scheme
	2021 \$
<b>Financial assets at fair value through profit or loss</b>	
Unlisted unit trusts	19,499,126
<b>Total financial assets at fair value through profit or loss</b>	<b>19,499,126</b>

**4(A). FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - CONTINUED**

Fair value of investments of the Scheme      The fair value of the investments of the Scheme are as follows:

	Units held by the Scheme		Fair Value	
	2021 Number		2021 \$	
AMP Capital Ethical Leaders Balanced Fund	155,690		371,882	
AMP Capital NZ Cash Fund	165,601		271,345	
AMP Capital NZ Fixed Interest Fund	54,262		94,074	
All Country Global Shares Index Fund	2,022,056		2,638,702	
AMP Capital Global Property Securities Fund	52,053		88,300	
Australasian Property Index Fund	113,911		321,824	
Castle Point 5 Oceans Fund	722,987		836,207	
Castle Point Trans-Tasman Fund	50,378		154,236	
Clarity Global Shares Fund	68,939		251,144	
Harbour Australasian Equity Focus Fund	436,919		1,069,883	
Harbour NZ Core Fixed Interest Fund	167,667		194,477	
Hedged Global Fixed Interest Index Fund	116,946		125,187	
Hunter Balanced Fund	1,297,322		1,354,688	
Hunter Global Fixed Interest Fund	31,585		32,330	
Hunter Growth Fund	2,563,237		2,745,870	
Milford Balanced Fund	501,429		1,384,196	
Milford Conservative Fund	302,309		371,749	
Mint Australasian Equity Fund	102,512		414,826	
Mint Diversified Growth Fund	804,183		1,114,758	
Mint Diversified Income Fund	185,935		206,071	
NZ Shares Index Fund	1,054,824		1,465,646	
Russell Investments Global Fixed Interest Fund	11,806		14,063	
Russell Investments Global Shares Fund	50,552		125,916	
Russell Investments Hedged Global Shares Fund	56,922		150,099	
Russell Investments NZ Fixed Interest Fund	14,797		18,533	
Salt Enhanced Property Fund	196,767		360,851	
Salt NZ Dividend Appreciation Fund	338,026		602,057	
T. Rowe Price Global Equity Growth Fund	1,035,364		2,720,212	
<b>Total fair value of Funds</b>			<b>19,499,126</b>	

Those investments that hold more than 5% of net assets available for benefits, are the All Country Global Shares Index Fund (13.52%), Harbour Australasian Equity Focus Fund (5.48%), Hunter Balanced Fund (6.94%), Hunter Growth Fund (14.07%), Milford Balanced Fund (7.09%), Mint Diversified Growth Fund (5.71%), NZ Shares Index Fund (7.51%) and T.Rowe Price Global Equity Growth Fund (13.94%).

**4(B). FAIR VALUE HIERARCHY**

Level 2 fair value determination

The fair value of units held by the Scheme in unlisted unit trusts is determined by reference to published unit prices calculated by those funds' administration managers and are included within level 2 of the fair value hierarchy.

There have been no transfers between the levels of the fair value hierarchy.

**5. OTHER RECEIVABLES**

	InvestNow KiwiSaver Scheme
	2021
	\$
Unsettled trades	6,903
<b>Total other receivables</b>	<b>6,903</b>

All other receivable balances are current assets. Other receivables are classified as financial assets at amortised cost under NZ IFRS 9.

**6. OTHER PAYABLES**

	InvestNow KiwiSaver Scheme
	2021
	\$
Unallocated applications	101,068
Withdrawals payable	48
<b>Total other payables</b>	<b>101,116</b>

All other payable balances are current liabilities. Other payables are classified as financial liabilities at amortised cost under NZ IFRS 9.

**7. RELATED PARTIES**

Related parties comprise the Manager, the Supervisor and their related entities.

**Manager fees**

The Manager currently does not charge management fees to the Scheme.

Management fees are charged to underlying investment funds by their fund managers and investment managers and are reflected in the value of the funds.

**Supervisor fees**

Public Trust is entitled to a fee, payable by the Manager, for the services it provides as Supervisor of the Scheme. Total Supervisor fees for the period were \$8,000.

**Audit fees**

PricewaterhouseCoopers is entitled to a fee, payable by the Manager, for the audit of the financial statements. Total audit fees for the period were \$25,300. Fees paid by the Manager to the auditor for member register compliance assurance services were \$4,600.

**Related party holdings in the Funds**

Holdings and transactions in the Scheme by directors and key management personnel of the Manager, Investment Manager and their immediate family members are:

	InvestNow KiwiSaver Scheme
	2021
	\$
<b>Opening value</b>	-
Contributions	382,910
Withdrawals	-
Change in fair value	21,759
Distributions received	119
PIE tax paid	(645)
<b>Closing value</b>	<b>404,143</b>

**7. RELATED PARTIES - CONTINUED**

Related party investments At 31 March 2021 the Scheme held units or had subscribed for units in other funds managed by the Manager. The balances and movements for the year were as follows:

	InvestNow KiwiSaver Scheme
	2021 \$
<b>Hunter Global Fixed Interest Fund</b>	
Opening value	-
Applications	37,173
Redemptions	(4,049)
Change in fair value	(794)
Closing value	32,330
<b>Hunter Balanced Fund</b>	
Opening value	-
Applications	1,317,328
Redemptions	(7,773)
Change in fair value	45,133
Closing value	1,354,688
<b>Hunter Growth Fund</b>	
Opening value	-
Applications	2,800,185
Redemptions	(171,060)
Change in fair value	116,745
Closing value	2,745,870
<b>Russell Investments NZ Fixed Interest Fund</b>	
Opening value	-
Applications	24,039
Redemptions	(4,614)
Change in fair value	(892)
Closing value	18,533
<b>Russell Investments Global Fixed Interest Fund</b>	
Opening value	-
Applications	15,138
Redemptions	(514)
Change in fair value	(561)
Closing value	14,063
<b>Russell Investments Global Shares Fund</b>	
Opening value	-
Applications	118,062
Redemptions	-
Change in fair value	7,854
Closing value	125,916
<b>Russell Investments Hedged Global Shares Fund</b>	
Opening value	-
Applications	143,296
Redemptions	(6,167)
Change in fair value	12,970
Closing value	150,099

**8. RECONCILIATION OF NET PROFIT BEFORE MEMBERSHIP ACTIVITIES TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES**

	InvestNow KiwiSaver Scheme
	2021
	\$
<b>Net profit attributable before membership activities</b>	<b>601,093</b>
<b>Adjustments for:</b>	
Purchase of investments	(20,034,585)
Non-cash purchase of investments (distribution reinvestment)	(53,420)
Sale of investments	1,129,649
Net gains on financial assets at fair value through profit or loss	(547,673)
<b>Net cash outflow from operating activities</b>	<b>(18,904,936)</b>

**9. FINANCIAL RISKS**

Financial risk factors	<p>The Scheme's activities exposes it to a variety of financial risks: market risk (including market price risk, currency risk and interest rate risk), credit risk and liquidity risk.</p> <p>The Funds of the Scheme each have their own investment objectives, strategies and guidelines as outlined in the SIPO. The underlying manager of each Fund sets the investment policy and investment guidelines for each Fund and each Fund may have a policy that allows them to use derivative instruments to moderate certain risk exposures. The Manager, in conjunction with InvestNow Saving and Investment Service Limited (the "Investment Manager"), oversees the development, implementation and monitoring of each Fund's investment mandate. The Manager does not oversee the development, implementation and monitoring of the underlying Fund's investment mandates. The Manager, with advice from the Investment Manager, appoints and removes the underlying fund managers responsible for managing the underlying funds.</p> <p>All securities investments present a risk of loss of capital. The maximum loss of capital on unlisted unit trusts is limited to the fair value of those positions.</p>
------------------------	---

**9(A). MARKET RISK**

Price risk	<p>Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.</p> <p>The Scheme invests in other funds and are susceptible to market price risk arising from uncertainties about future values of those underlying funds.</p>
Price risk - sensitivity analysis	<p>The Manager considers the volatility of the fair value of investments in portfolios to be in the 10% range, based on historical experience. Actual movements may be significantly different to this and will vary by Fund depending on the investments held. At 31 March, the net fair value of financial instruments exposed to price risk and the sensitivity of the Fund's net assets attributable to unit holders and net profit to a 10% increase or decrease in prices was as follows:</p>

	InvestNow KiwiSaver Scheme
	2021
	\$
<b>Financial assets at fair value through profit or loss</b>	
Unlisted unit trusts	19,499,126
<b>Total</b>	<b>19,499,126</b>
<b>Sensitivity analysis</b>	
10% increase in prices	1,949,913
10% decrease in prices	(1,949,913)

**9(A). MARKET RISK - CONTINUED**

Currency risk	<p>Currency risk is the risk that the value of the financial instruments will fluctuate due to changes in foreign exchange rates.</p> <p>The Scheme does not hold cash and cash equivalents or financial assets at fair value through profit or loss denominated in currencies other than New Zealand dollar, the functional currency. The Scheme is therefore not exposed to currency risk. The Scheme is, however, exposed indirectly to currency risk through their holdings in unlisted unit trusts.</p>
Interest rate risk	<p>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.</p> <p>The Scheme does not hold cash in interest bearing accounts in accordance with the Investment Mandate for the Scheme. The Scheme is therefore not exposed to material risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flow.</p>

**9(B). LIQUIDITY RISK**

Liquidity risk is the risk that the Scheme will not be able to meet its financial obligations as they fall due.

The Manager assesses liquidity risk of the underlying funds with reference to liquidity of the underlying assets and securities. The Funds within the Scheme invest predominantly in liquid investments and hence have daily applications and redemptions. Market conditions can, however, change resulting in some assets being difficult to sell. Hence if any Fund within the Scheme were to experience liquidity problems, the Manager may defer or suspend redemptions for a period of time.

The Funds of the Scheme are exposed to daily redemptions of redeemable units, subject to the restrictions imposed by the KiwiSaver Act 2006. The Investment Manager selects underlying funds that are readily convertible to cash in normal market conditions. The redemption amount is set at the daily published unit price of each underlying investment.

Members are able to transfer their balances to other KiwiSaver schemes subject to the consent (if required) of the manager or supervisor of that scheme, and any transfer provisions of that scheme. As such, the liability for promised retirement benefits is deemed to be repayable on demand.

The Scheme's financial liabilities consist of other payables which are short term in nature and classified as current liabilities at balance date.

**9(C). CREDIT RISK**

Credit risk represents the risk that counterparty to the financial instrument will fail to perform contractual obligations under a contract and cause the Scheme to incur a financial loss.

With respect to credit risk arising from the financial assets of the Scheme, the Scheme's exposure to credit risk arises from the default of the counterparty, with the current exposure equal to the fair value of these instruments as disclosed in the statement of net assets. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the reporting date.

The Investment Manager has selected underlying funds with investment strategies that ensure an appropriate diversification of investments so that the Scheme indirectly has no significant concentrations of counterparty or credit risk.

There is no material risk of default relating to contributions receivable by the Scheme (if any) as this receivable has arisen only due to timing between the date of receipt of the funds and when the units are allocated and the receipts processed.

The Scheme does not use credit derivatives to mitigate credit risk.

The Scheme's cash and cash equivalents are held with ANZ Bank (S&P Global credit rating: AA-).

**9(C). CREDIT RISK - CONTINUED**

At 31 March 2021, all cash and cash equivalents are held with counterparties with high credit ratings and all financial instruments measured at amortised cost are short-term in nature (i.e. no longer than 12 months) and of high credit quality. The Manager considers the probability of default to be close to zero as the counterparties have strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Scheme.

As at 31 March 2021 there were no financial assets past due or impaired.

**9(D). CAPITAL RISK MANAGEMENT**

The Scheme's net assets attributable to members (as represented by the liability for promised benefits) are primarily determined by contributions to the Scheme together with the change in fair value on these contributions over the period of membership. The timing of the payment of retirement benefits is determined requirements of the KiwiSaver Act 2006.

Under the terms of the Trust Deed, contributions can be made by the Scheme members, by their employers and by the Government. During the period, contributions by Scheme members, employers and the Government have been at the following rates:

- Member contributions: 3%, 4%, 6%, 8% or 10% of employee's pre-tax salary or wages. Voluntary contributions may also have been received from members.
- Employer contributions: required to contribute 3% of an employee's pre-tax salary or wages to the extent these contributions are matched by the employee.
- Government contributions: if a member is eligible, the Government will pay \$0.50 for every dollar of member contribution annually up to a maximum of \$521.43 (referred to as the Member Tax Credit).

Net assets attributable to Members are considered to be the Scheme's capital for the purposes of capital management. The Scheme's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for members through capital growth. The Scheme does this by offering investment in diversified asset classes.

The Scheme does not have any externally imposed capital requirements. Units may be redeemed on a daily basis, or such other date as the Manager shall from time to time determine.

**10. CONTINGENT LIABILITIES & COMMITMENTS**

The Scheme has no material commitments or material contingencies at 31 March 2021.

**11. EVENTS SUBSEQUENT TO BALANCE DATE**

There are no significant subsequent events that require adjustment to or disclosure in these financial statements.