

**NIKKO AM KIWISAVER SCHEME
FINANCIAL STATEMENTS
For the year ended 31 March 2021**

NZ Cash Fund
NZ Corporate Bond Fund
Core Equity Fund
Global Shares Fund
Balanced Fund
Conservative Fund
Growth Fund
Option Fund
ARK Disruptive Innovation Fund

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NIKKO AM KIWISAVER SCHEME
For the year ended 31 March 2021

The Manager	Nikko Asset Management New Zealand Limited ("Nikko AM")
Registered Office	Level 17, Vero Centre, 48 Shortland Street, Auckland PO Box 3892, Shortland Street, Auckland, 1140
Licensed Supervisor	Public Trust
Administrator	BNP Paribas Fund Services Australasia Pty Ltd
Auditor	KPMG
Basis of Preparation	<p>These financial statements are for the Nikko AM KiwiSaver Scheme ("the Scheme") which comprises the following funds (together the "Funds" and individually the "Fund"):</p> <ul style="list-style-type: none">- NZ Cash Fund- NZ Corporate Bond Fund- Core Equity Fund- Global Shares Fund- Balanced Fund- Conservative Fund- Growth Fund- Option Fund- ARK Disruptive Innovation Fund <p>The Scheme was established by a Trust Deed dated 20 December 2017 and was registered for trading on 3 April 2018.</p> <p>The Scheme is a FMC Reporting Entity under the Financial Markets Conduct Act 2013, and is a defined contribution scheme registered under the KiwiSaver Act 2006. As a defined contribution scheme, members contribute to the Scheme over time and benefits payable depend on the amount of contributions made and any return on contributions received. Members of the Scheme can contribute to any of the Funds. The Funds invest in a variety of unitised funds in order to gain exposure to cash, equity, fixed interest and property markets.</p> <p>These financial statements are prepared in accordance with provisions of the Trust Deed, the Financial Markets Conduct Act 2013, KiwiSaver Act 2006 and the Financial Reporting Act 2013. They comply with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"), the New Zealand equivalents to International Financial Reporting Standards and other New Zealand Financial Reporting Standards as applicable to for-profit entities and International Financial Reporting Standards. All amounts are in New Zealand dollars. The Scheme is domiciled and registered in New Zealand.</p> <p>The accounting policies have been applied consistently over the year. There are no new accounting standards that are expected to have a material impact on these financial statements, and that have been issued but are not yet effective. The key estimates involved in preparing these financial statements relate to the valuation of investments which is discussed in note 2. The Profit/(Loss) for the year is the Total Comprehensive Income for each fund.</p> <p>The funds are Portfolio Investment Entities ("PIEs"), meaning income is taxed in the hands of the unitholders. Nikko AM attributes the taxable income of the funds to investors based on their holding of units and pays tax on their behalf at their Prescribed Investor Rate. Tax payments/credits are transacted by cancellation or issue of units.</p> <p>The results, position and cash flows reported for the Scheme is a simple aggregation of the results, position and cash flows of the Funds that make up the Scheme. All investments made with the monies of a Fund shall be held by the Supervisor as the exclusive property of that Fund and will not be used to meet any liabilities of any other Fund.</p> <p>During the year under review the ARK Disruptive Innovation Fund was registered with the FMA and commenced trading on 20 November 2020.</p> <p>The Option Fund ceased operations and has been wound up during the year. The financial statements for this fund have been prepared on a non-going concern basis.</p> <p>The financial statements for all other funds are prepared on a going concern basis.</p>

NIKKO AM KIWISAVER SCHEME
As at 31 March 2021

NET ASSETS OF YOUR FUND

Statements of net assets
\$000

		NZ Cash Fund	NZ Corporate Bond Fund	Core Equity Fund	Global Shares Fund	Balanced Fund	Conservative Fund	Growth Fund	Option Fund	ARK Disruptive Innovation Fund	Scheme Total
2021	Note										
Cash		1	1	-	1	1	1	1	-	2	8
Investments	2	2,130	182	1,963	3,374	2,297	507	7,352	-	34,467	52,272
Receivables		4	2	1	10	8	2	41	-	56	124
Payables		(5)	(1)	(3)	(13)	(9)	(2)	(47)	-	(95)	(175)
NET ASSETS OF YOUR FUND		2,130	184	1,961	3,372	2,297	508	7,347	-	34,430	52,229

2020

Cash		1	-	-	1	1	1	1	-	-	5
Investments	2	1,123	73	715	878	890	262	2,861	507	-	7,309
Receivables		2	1	1	6	10	1	50	84	-	155
Payables		(2)	(1)	(2)	(7)	(11)	(1)	(48)	(83)	-	(155)
NET ASSETS OF YOUR FUND		1,124	73	714	878	890	263	2,864	508	-	7,314



Director

Craig W Donaldson

Date

DocuSigned by:

Tracey Jones

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Director

Tracey Jones

Date 7/27/2021

NIKKO AM KIWISAVER SCHEME
For the year ended 31 March 2021

YOUR FUND'S PROFIT

Statements of Comprehensive Income
\$000

		NZ Cash Fund	NZ Corporate Bond Fund	Core Equity Fund	Global Shares Fund	Balanced Fund	Conservative Fund	Growth Fund	Option Fund	ARK Disruptive Innovation Fund	Scheme Total
2021	Note										
Interest		-	-	-	-	-	-	-	-	1	1
Distributions		18	4	18	-	-	-	-	-	-	40
Investment fair value changes		8	(8)	102	441	257	41	999	68	(5,299)	(3,391)
Other income		-	-	-	-	-	-	-	-	-	-
Investment Income		26	(4)	120	441	257	41	999	68	(5,298)	(3,350)
Management fees	3	(4)	(2)	(7)	(14)	(7)	(2)	(32)	(5)	(66)	(139)
Performance fees	3	-	-	-	-	-	-	-	-	-	-
Other expenses	4	(3)	(1)	(2)	(3)	(3)	(1)	(9)	(1)	(13)	(36)
Total expenses		(7)	(3)	(9)	(17)	(10)	(3)	(41)	(6)	(79)	(175)
Profit/(Loss)	5	19	(7)	111	424	247	38	958	62	(5,377)	(3,525)
2020											
Interest		-	-	-	-	-	-	-	-	-	-
Distributions		16	4	17	-	-	-	-	-	-	37
Investment fair value changes		(3)	4	(60)	27	(39)	(7)	(210)	(338)	-	(626)
Other income		-	-	-	-	-	-	-	-	-	-
Investment Income		13	8	(43)	27	(39)	(7)	(210)	(338)	-	(589)
Management fees	3	(1)	-	(2)	(4)	(2)	(1)	(14)	(4)	-	(28)
Performance fees	3	-	-	-	-	-	-	-	-	-	-
Other expenses	4	(1)	-	(1)	(1)	(1)	-	(4)	(1)	-	(9)
Total expenses		(2)	-	(3)	(5)	(3)	(1)	(18)	(5)	-	(37)
Profit/(Loss)	5	11	8	(46)	22	(42)	(8)	(228)	(343)	-	(626)

NIKKO AM KIWISAVER SCHEME
For the year ended 31 March 2021

CHANGES IN THE VALUE OF YOUR FUND

Statements of changes in net assets

\$000

	NZ Cash Fund	NZ Corporate Bond Fund	Core Equity Fund	Global Shares Fund	Balanced Fund	Conservative Fund	Growth Fund	Option Fund	ARK Disruptive Innovation Fund	Scheme Total
2021										
Opening value	1,124	73	714	878	890	263	2,864	508	-	7,314
Profit/(Loss)	19	(7)	111	424	247	38	958	62	(5,377)	(3,525)
Membership activities										
Contributions from investors	2,726	724	2,045	3,413	1,916	975	6,149	187	41,566	59,701
Withdrawals by investors	(1,737)	(606)	(911)	(1,344)	(756)	(769)	(2,623)	(757)	(1,752)	(11,255)
Membership fee	-	-	-	(1)	(1)	-	(2)	-	(7)	(11)
PIE tax attributable to members	(2)	-	2	2	1	1	1	-	-	5
Closing value	2,130	184	1,961	3,372	2,297	508	7,347	-	34,430	52,229
2020										
Opening value	667	94	332	538	801	200	2,561	868	-	6,061
Profit/(Loss)	11	8	(46)	22	(42)	(8)	(228)	(343)	-	(626)
Membership activities										
Contributions from investors	736	148	479	390	321	132	1,153	146	-	3,505
Withdrawals by investors	(292)	(176)	(49)	(74)	(190)	(62)	(622)	(163)	-	(1,628)
Membership fee	-	-	-	-	-	-	(1)	-	-	(1)
PIE tax attributable to members	2	(1)	(2)	2	-	1	1	-	-	3
Closing value	1,124	73	714	878	890	263	2,864	508	-	7,314
Units on issue										
000 units										
2021										
Opening units	1,074	67	668	737	881	248	2,893	823	-	-
Issued during the year	2,579	615	1,491	2,190	1,564	818	4,751	278	34,156	-
Redeemed during the year	(1,642)	(522)	(700)	(879)	(624)	(642)	(2,082)	(1,101)	(1,520)	-
Closing units	2,011	160	1,459	2,048	1,821	424	5,562	-	32,636	-
Net assets per unit \$	1.06	1.16	1.34	1.65	1.26	1.20	1.32	0.00	1.06	-
2020										
Opening units	654	89	303	483	761	189	2,450	851	-	-
Issued during the year	705	136	405	314	291	118	1,048	149	-	-
Redeemed during the year	(285)	(158)	(40)	(60)	(171)	(59)	(605)	(177)	-	-
Closing units	1,074	67	668	737	881	248	2,893	823	-	-
Net assets per unit \$	1.04	1.11	1.07	1.19	1.01	1.06	0.99	0.62	0.00	-



NIKKO AM KIWISAVER SCHEME
For the year ended 31 March 2021

YOUR FUND'S CASH FLOWS

Statements of cash flows

\$000

		NZ Cash Fund	NZ Corporate Bond Fund	Core Equity Fund	Global Shares Fund	Balanced Fund	Conservative Fund	Growth Fund	Option Fund	ARK Disruptive Innovation Fund	Scheme Total
2021	Note										
Opening cash		1	-	-	1	1	1	1	-	-	5
Net sales /(purchases) of investments		(1,000)	(117)	(1,144)	(2,054)	(1,150)	(204)	(3,492)	575	(39,766)	(48,352)
Interest		-	(2)	-	-	-	-	5	2	1	6
Distributions		18	4	18	-	-	-	-	-	-	40
Other Income		-	-	-	-	-	-	-	-	-	-
Management fees		(4)	(1)	(6)	(12)	(6)	(1)	(29)	(6)	(35)	(100)
Other expenses		(3)	(1)	(2)	(2)	(3)	(1)	(8)	(1)	(5)	(26)
Net operating cashflows	5	(989)	(117)	(1,134)	(2,068)	(1,159)	(206)	(3,524)	570	(39,805)	(48,432)
Contributions from investors	6	2,726	724	2,045	3,413	1,916	975	6,149	187	41,566	59,701
Withdrawals by investors	6	(1,737)	(606)	(911)	(1,345)	(757)	(769)	(2,625)	(757)	(1,759)	(11,266)
PIE tax attributable to members		-	-	-	-	-	-	-	-	-	-
Net financing cashflows		989	118	1,134	2,068	1,159	206	3,524	(570)	39,807	48,435
Closing cash		1	1	-	1	1	1	1	-	2	8
2020											
Opening cash		4	1	1	3	4	1	14	5	-	33
Net sales /(purchases) of investments		(458)	25	(445)	(312)	(129)	(70)	(513)	16	-	(1,886)
Interest		-	-	-	-	-	-	(5)	(2)	-	(7)
Distributions		16	4	17	-	-	-	-	-	-	37
Other Income		-	-	-	-	-	-	-	-	-	-
Management fees		(1)	-	(2)	(3)	(1)	-	(12)	(3)	-	(22)
Other expenses		(4)	(1)	(1)	(3)	(4)	(2)	(14)	-	-	(29)
Net operating cashflows	5	(447)	28	(431)	(318)	(134)	(72)	(544)	11	-	(1,907)
Contributions from investors	6	736	148	479	390	321	132	1,153	146	-	3,505
Withdrawals by investors	6	(292)	(176)	(49)	(74)	(190)	(62)	(622)	(163)	-	(1,628)
PIE tax attributable to members		-	(1)	-	-	-	2	-	1	-	2
Net financing cashflows		444	(29)	430	316	131	72	531	(16)	-	1,879
Closing cash		1	-	-	1	1	1	1	-	-	5



NIKKO AM KIWISAVER SCHEME
For the year ended 31 March 2021

MORE DETAILS

1 Risk

The investment activities of the funds come with financial risks. These risks are managed under the investment mandate for each fund and Nikko AM's risk management policies. Nikko AM's Board have delegated the day to day oversight of risk and compliance matters to the Compliance Risk and Disclosure Committee, chaired by the Managing Director.

These risk disclosures have been prepared on the basis of the Fund's direct investments and not on a full look through basis for investments held directly through other unithised funds.

1(a) Market price, interest rate and currency risks

Market price risk is the risk of gains or losses from changes in the market price of investments. Interest rate risk is the risk of gains or losses or changes in interest income from changes in market interest rates. The profile of when interest rates on investment assets reprice helps understand the risk of gain or loss from interest rate risk. Currency risk is the risk of gains or losses or changes in the New Zealand dollar value due to changes in foreign exchange rates. Currency risk may be managed by using derivatives to hedge the risk. An analysis of the financial risks arising from the direct investments of the funds and indirect exposures where the funds invest in other funds, is set out below.

2021	NZ Cash Fund	NZ Corporate Bond Fund	Core Equity Fund	Global Shares Fund	Balanced Fund	Conservative Fund	Growth Fund	Option Fund	ARK Disruptive Innovation Fund	Scheme Total
<i>Market Risk (\$000)</i>										
- Impact of a 5% change in market prices +/-	106	9	98	169	115	25	368	-	1,723	2,614
- Indirect exposure to interest rate risk as at 31 March 2021	Yes	Yes	No	No	Yes	Yes	Yes	Yes	No	
2020										
<i>Market Risk (\$000)</i>										
- Impact of a 10% change in market prices +/-	112	7	72	88	89	26	286	51		731
- Indirect exposure to interest rate risk as at 31 March 2020	Yes	Yes	No	No	Yes	Yes	Yes	Yes		

1(b) Liquidity risk

Liquidity risk is the risk of the funds not being able to meet their obligations to make payments as these fall due. The key obligation of the funds is to make payments to investors who wish to withdraw. The funds manage this risk by holding cash and short term deposits directly; investing in underlying funds which hold cash and other liquid assets; selling investments in some circumstances; and, in the circumstances described below, deferring or suspending redemptions.

The Scheme manages its members' funds as capital. All units in the Scheme carry the same rights and preferences and restrictions. There are restrictions on withdrawals from any KiwiSaver Scheme as set out in the KiwiSaver Act 2006 and KiwiSaver Regulations 2006. The Supervisor may defer giving effect to permitted withdrawal or any transfer out of the Scheme if the Supervisor determines that, having regard to the realisation of assets required in order to make the withdrawal or transfer, would be imprudent or is impracticable.

1(c) Credit risk

Credit risk is the risk of loss through default of the counterparty to a debt security. As the Scheme's funds are invested in unithised funds there is no material direct exposure to credit risk.

1(d) Currency risk¹

	NZ Cash Fund	NZ Corporate Bond Fund	Core Equity Fund	Global Shares Fund	Balanced Fund	Conservative Fund	Growth Fund	Option Fund	ARK Disruptive Innovation Fund	Scheme Total
<i>- Material net currency exposures in foreign currency:</i>										
2021 (\$000)										
AUD	-	-	134	1	-	-	-	-	16	152
EUR	-	-	-	255	-	-	-	-	3	258
GBP	-	-	-	127	-	-	-	-	1	128
JPY	-	-	-	14,802	-	-	-	-	38,935	53,737
USD	-	-	-	1,648	-	-	-	-	23,378	25,026
2020 (\$000)										
AUD	-	-	35	-	-	-	-	-	-	35
EUR	-	-	-	33	-	-	-	-	-	33
GBP	-	-	-	44	-	-	-	-	-	44
JPY	-	-	-	4,845	-	-	-	-	-	4,845
USD	-	-	-	330	-	-	-	(100)	-	230

The currency risk has been assessed by looking through to the relevant underlying fund within the Nikko AM Wholesale NZ Investment Scheme.

¹ For Nikko AM KiwiSaver Balanced, Conservative and Growth Funds foreign exchange exposure is indirect and is in direct proportion to their holdings in the underlying funds. See Statement of Investment Policy and Objectives for details of the asset allocation.

1(e) Capital management

The funds' objectives are to provide returns to investors through capital growth and income. The Product Disclosure Statements set out the mandates which guide the investments of each fund.

NIKKO AM KIWISAVER SCHEME
For the year ended 31 March 2021

MORE DETAILS

2 Investments

The funds invest in unlisted wholesale funds. Investment sales and purchases are recognised in the financial statements on the trade date. All investments are valued at fair value, with gains or losses recognised in profit or loss. Investments are held on behalf of the funds by the custodian, BNP Paribas Fund Services Australasia Pty Limited.

Fair value for investments in unlisted unit trusts are based on their quoted redemption price (a "Level 2" fair value). Level 2 valuation techniques are based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

The Covid-19 pandemic has generated significant volatility in financial markets at 31 March 2020. Refer to note 10 for the subsequent events detail.

	NZ Cash Fund	NZ Corporate Bond Fund	Core Equity Fund	Global Shares Fund	Balanced Fund	Conservative Fund	Growth Fund	Option Fund	ARK Disruptive Innovation Fund
Invests into:									
2021	Nikko AM Wholesale NZ Cash Fund	Nikko AM Wholesale NZ Corporate Bond Fund	Nikko AM Wholesale Core Equity Fund	Nikko AM Wholesale Global Shares Fund	Nikko AM Wholesale Balanced Fund	Nikko AM Wholesale Conservative Fund	Nikko AM Wholesale Growth Fund	Nikko AM Wholesale Option Fund	Nikko AM ARK Disruptive Innovation Fund
2020	Nikko AM Wholesale NZ Cash Fund	Nikko AM Wholesale NZ Corporate Bond Fund	Nikko AM Wholesale Core Equity Fund	Nikko AM Wholesale Global Shares Fund	Nikko AM Wholesale Balanced Fund	Nikko AM Wholesale Conservative Fund	Nikko AM Wholesale Growth Fund	Nikko AM Wholesale Option Fund	N/A

3 Related party transactions

a) Management fees

Management fees

Management fees are paid directly to Nikko AM from the funds and are used to pay for investment management activities, underlying investment costs, the supervisor's fee and fund administration costs, such as audit fees, registry services and unit pricing. They are calculated and accrued daily based on a percentage of the funds' net asset values.

	NZ Cash Fund	NZ Corporate Bond Fund	Core Equity Fund	Global Shares Fund	Balanced Fund	Conservative Fund	Growth Fund	Option Fund	ARK Disruptive Innovation Fund
% NAV (GST exclusive)									
2021	0.45%	0.80%	0.95%	1.15%	0.70%	0.60%	0.95%	1.15%	1.25%
2020	0.45%	0.80%	0.95%	1.15%	0.70%	0.60%	0.95%	1.15%	-

Membership fee

In addition, each individual member is charged a monthly member fee of \$2.50 (maximum \$30 p.a.) irrespective of how many funds they invest in, which is paid via unit redemption. During the period under review, the member fees expensed to the Manager totalled \$10,232 (2020: \$2,243). This member fee is paid to MMC Limited for general administration of member accounts and maintaining the member registry for the Scheme and are included in other expenses in the Statement of Comprehensive Income.

Fees payable to the Manager at balance sheet date are detailed below:

2021 (\$'000)	-	-	(1)	(3)	(1)	-	(5)	-	(31)
2020 (\$'000)	-	-	-	(1)	-	-	(2)	-	-

Performance fees

The Balanced, Conservative and Growth Funds invest in related Nikko AM funds and there are performance-based fees charged by some of the underlying funds. The Product Disclosure Statement sets out the detail in relation to these fees.

NIKKO AM KIWISAVER SCHEME
For the year ended 31 March 2021

MORE DETAILS

(\$000)	NZ Cash Fund	NZ Corporate Bond Fund	Core Equity Fund	Global Shares Fund	Balanced Fund	Conservative Fund	Growth Fund	Option Fund	ARK Disruptive Innovation Fund	Scheme Total
4 Other expenses										
Other expenses are paid on behalf of the Scheme by the Manager except where an underlying fund, into which the Conservative, Balanced and Growth Funds invest, has expenses embedded. As such, these fees are not included in the Funds' Statement of Comprehensive Income.										
2021										
Fees paid by the Manager to the auditor for the audit of the financial statements	6	6	6	6	6	6	6	6	6	54
Fees paid to the Trustee	1	-	-	1	1	-	2	-	3	8
Administration fees paid to the Manager	2	1	2	2	2	1	7	1	10	28
	3	1	2	3	3	1	9	1	13	36
2020										
Fees paid by the Manager to the auditor for the audit of the financial statements	6	6	6	6	6	6	6	6	-	48
Fees paid to the Trustee	-	-	-	-	-	-	1	-	-	1
Administration fees paid to the Manager	1	-	1	1	1	-	3	1	-	8
	1	-	1	1	1	-	4	1	-	9
5 Reconciliation of operating cash flows to profit/(loss)										
2021										
Profit/(Loss)	19	(7)	111	424	247	38	958	62	(5,377)	(3,525)
Investments - cost and fair value movements	(1,009)	(109)	(1,246)	(2,494)	(1,406)	(244)	(4,490)	507	(34,467)	(44,958)
Change in receivables/payables	1	(1)	1	2	-	-	8	1	39	51
Net operating cashflows	(989)	(117)	(1,134)	(2,068)	(1,159)	(206)	(3,524)	570	(39,805)	(48,432)
2020										
Profit/(Loss)	11	8	(46)	22	(42)	(8)	(228)	(343)	-	(626)
Investment fair value changes	(454)	21	(386)	(338)	(90)	(62)	(302)	354	-	(1,257)
Change in receivables/payables	(4)	(1)	1	(2)	(2)	(2)	(14)	-	-	(24)
Net operating cashflows	(447)	28	(431)	(318)	(134)	(72)	(544)	11	-	(1,907)

NIKKO AM KIWISAVER SCHEME
For the year ended 31 March 2021

MORE DETAILS

	(\$000)	NZ Cash Fund	NZ Corporate Bond Fund	Core Equity Fund	Global Shares Fund	Balanced Fund	Conservative Fund	Growth Fund	Option Fund	ARK Disruptive Innovation Fund	Scheme Total
6 Contributions and withdrawals											
2021											
Contributions											
Member contributions		69	11	43	83	84	13	297	18	548	1,167
Employer contributions		69	13	30	56	42	8	183	23	330	755
Crown contributions		4		5	6	5	1	17	1	-	40
Transfers from other funds in the scheme		1,741	479	651	1,421	254	786	1,173	23	3,452	9,978
Transfers from other KiwiSaver schemes		713	129	1,303	1,828	1,508	165	4,356	10	37,060	47,072
Transfers from Australian superannuation schemes		-	-	-	-	-	-	-	-	55	55
Transfers from other superannuation schemes		-	-	-	-	-	-	8	-	44	52
Voluntary and lump sum contributions		122	92	12	15	14		22	92	77	445
Other income		7		3	5	9	1	94	20		139
Total contributions		2,726	724	2,045	3,413	1,916	975	6,149	187	41,566	59,701
Withdrawals											
Transfer to other funds within the scheme		(1,230)	(599)	(847)	(1,307)	(648)	(750)	(2,463)	(538)	(1,596)	(9,978)
Transfers to other KiwiSaver schemes		(408)	(6)	(64)	(26)	-	-	(138)	(5)	(40)	(687)
First Home Purchase		(96)	-	-	(4)	(103)	(19)	(13)	-	(87)	(321)
Withdrawals on retirement		-	-	-	-	-	-	-	(199)	-	(199)
Significant financial hardship withdrawals		-	-	-	-	-	-	-	-	(26)	(26)
Other permitted withdrawals		(4)	-	-	(9)	(6)	-	(10)	(15)	(10)	(55)
Total withdrawals		(1,737)	(606)	(911)	(1,345)	(757)	(769)	(2,625)	(757)	(1,759)	(11,266)
2020											
Contributions											
Member contributions		41	6	25	36	48	15	166	38	-	375
Employer contributions		37	5	18	28	23	10	113	32	-	266
Crown contributions		3	1	3	3	3	1	13	3	-	30
Transfers from other funds in the scheme		606	89	72	90	76	21	13	4	-	971
Transfers from other KiwiSaver schemes		48	46	358	232	169	85	838	67	-	1,843
Transfers from Australian superannuation schemes		-	-	-	-	-	-	-	-	-	-
Transfers from other superannuation schemes		-	-	-	-	-	-	-	-	-	-
Voluntary and lump sum contributions		1	1	3	1	2		10	2	-	20
Other income											
Total contributions		736	148	479	391	321	132	1,153	146	-	3,505
Withdrawals											
Transfer to other funds within the scheme		(139)	(153)	(7)	(35)	(24)	(62)	(430)	(120)	-	(970)
Transfers to other KiwiSaver schemes		(90)	(22)	(42)	(38)	(166)	-	(138)	(47)	-	(542)
First Home Purchase		(63)	-	-	-	-	-	(59)	-	-	(122)
Significant financial hardship withdrawals		-	-	-	-	-	-	-	-	-	-
Other permitted withdrawals		-	(1)	-	(1)	-	-	5	3	-	6
Total withdrawals		(292)	(176)	(49)	(74)	(190)	(62)	(622)	(163)	-	(1,628)

NIKKO AM KIWISAVER SCHEME
For the year ended 31 March 2021

MORE DETAILS

7 Contingent liabilities

There were no contingent liabilities as at 31 March 2021 (2020: Nil).

8 Capital commitments

There were no capital commitments as at 31 March 2021 (2020: Nil).

9 Unitholders' funds

Units issued by the Funds provide the unitholders with the right to require redemption for cash at the value proportionate to the unitholders' share in each Funds's net asset value. The units qualify as 'puttable instruments' and are classified as equity.

Any owner changes in equity would be presented in the Statement of Changes in Equity, whereas any non-owner changes in equity are presented in the Income Statement. The Funds have no component of comprehensive income other than the profit or loss for the year. Consequently, the profit or loss is the total comprehensive income of the Funds.



Independent Auditor's Report

To the members of

- NZ Cash Fund
- NZ Corporate Bond Fund
- Core Equity Fund
- Global Shares Fund
- Balanced Fund
- Conservative Fund
- Growth Fund
- Option Fund
- ARK Disruptive Innovation Fund

which comprise the Nikko AM KiwiSaver Scheme (the "Funds and Scheme")

Report on the audit of the financial statements

Opinion

In our opinion, the accompanying financial statements of Nikko AM NZ Kiwisaver Scheme (the "Funds and Scheme") on pages 1 to 10:

- i. present fairly in all material respects the Funds and Scheme's financial position as at 31 March 2021 and its financial performance and cash flows for the year ended on that date; and
- ii. comply with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

We have audited the accompanying financial statements which comprise:

- net assets of your fund (the statements of net assets) as at 31 March 2021;
- your fund's profit (the statements of comprehensive income), changes in the value of your fund (the statements of changes in net assets) and your fund's cash flows (statements of cash flows) for the year then ended; and
- notes, including a summary of 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)"). 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 Funds and the Scheme in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the auditor's responsibilities for the audit of the financial statements section of our report.



Other than in our capacity as auditor we have no relationship with, or interests in, the Funds and Scheme.



Emphasis of matter

We draw attention to page 1 of the financial statements which describes that the going concern basis of preparing the financial statements of the Option Fund has not been used because the Fund has ceased operations and will be wound up during the next financial year. Our opinion is not modified in respect of this matter.



Scoping

The scope of our audit is designed to ensure that we perform adequate work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Funds and the Scheme, the financial reporting systems, processes and controls, and the industry in which it operates.

The context for our audit is set by the major activities in the financial year ended 31 March 2021. The Funds and the Scheme had a continued focus on investment management.



Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole. The materiality for the financial statements as a whole was set at 1% of the total assets of each Fund. We chose the benchmark because, in our view, the main objective of each Fund is to obtain capital working growth taking into account both capital and income returns.



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 in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the members as a body may better understand the process by which we arrived at our audit opinion. Our procedures were undertaken in the context of and solely for the purpose of our statutory audit opinion on the financial statements as a whole and we do not express discrete opinions on separate elements of the financial statements

The key audit matter

How the matter was addressed in our audit

Existence and valuation of investments

Refer to Note 2 to the financial statements.

Investment are the Funds' main assets, and existence and valuation of those investments is the most important aspect of preparing the financial statements. As described in Note 2, the Funds invest in units in other funds, which are redeemable

Our audit procedures included:

- understanding the processes in place to record investment transactions and to value the portfolio. This included evaluating the control environment in place at the custodian, investment accounting and registry service providers by obtaining and reading the service organisation control reports issued by an independent auditor on the design and operation of those controls throughout the period;



The key audit matter

How the matter was addressed in our audit

at their quoted unit price and are held by a single custodian. These aspects reduce the risk and complexity of verifying investment existence and valuation.

- agreeing investment holdings to the confirmation received from the custodian; and
- agreeing the valuation of investments to the manager's quoted unit price.

Other information

The Manager, on behalf of the Funds and the Scheme, is responsible for the other information included in the Scheme's Annual Report. The Annual Report includes a link to where the audited financial statements can be obtained on the Companies Office. Our opinion on the financial statements does not cover any other information and we do not express any form of 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 materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. The final version of the Annual Report is expected to be made available to us after the date of this independent auditor's report and we will report the matters identified, if any, to those charged with governance.

Use of this independent auditor's report

This independent auditor's report is made solely to the members as a body. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in the independent 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 members as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of the Manager for the financial statements

The Manager, on behalf of the Funds and the Scheme, is responsible for:

- the preparation and fair presentation of the financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) and International Financial Reporting Standards;
- implementing necessary internal control to enable the preparation of a set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.



xlr Auditor's responsibilities for the audit of the financial statements

Our objective is:

- 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 independent 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 will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 these financial statements is located at the External Reporting Board (XRB) website at:

<http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-2/>

This description forms part of our independent auditor's report.

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

For and on behalf of

KPMG
Auckland

28 July 2021