

Kiwi Wealth KiwiSaver Scheme
Financial Statements
For the year ended 31 March 2022

Kiwi Wealth KiwiSaver Scheme
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For the year ended 31 March 2022

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Kiwi Wealth KiwiSaver Scheme Statements of Changes in Net Assets For the year ended 31 March 2022

\$ 000's		Cash		CashPlus		Default Conservative		Conservative		Default
For the year ended 31 March		2022	2021	2022	2021	2022	2021	2022	2021	2022 Period
Note										
Income										
	Dividend and distribution income	-	-	-	-	-	-	9	2	180
	Net gains / (losses) on financial instruments at fair value through profit or loss	3,005	4,793	(1,749)	2,263	(1,293)	25,095	(10,250)	109,068	(23,953)
	Foreign exchange gains/(losses)	-	-	-	-	-	-	(12)	(34)	50
	Interest income on financial assets at amortised cost	16	17	8	10	17	18	40	52	33
	Other income	-	-	-	-	124	-	2	-	-
	Total income	3,021	4,810	(1,741)	2,273	(1,152)	25,113	(10,211)	109,088	(23,690)
Expenses										
	Management and administration fees	1,466	1,603	807	917	1,886	2,078	8,234	7,874	528
	Transaction fees and expenses	-	-	-	-	-	-	-	-	-
	Total expenses	1,466	1,603	807	917	1,886	2,078	8,234	7,874	528
	Net increase/(decrease) in net assets before membership activities	1,555	3,207	(2,548)	1,356	(3,038)	23,035	(18,445)	101,214	(24,218)

\$ 000's		Balanced		Growth		Transaction account		Total Scheme	
For the year ended 31 March		2022	2021	2022	2021	2022 Period*	2021 Year	2022	2021
Note									
Income									
	Dividend and distribution income	36	11	50	12	-	-	275	25
	Net gains / (losses) on financial instruments at fair value through profit or loss	61,075	380,389	133,493	480,481	-	-	160,328	1,002,089
	Foreign exchange gains/(losses)	(49)	(121)	(67)	(205)	(31)	8	(109)	(352)
	Interest income on financial assets at amortised cost	148	169	172	205	41	59	475	530
	Other income	2	-	-	-	-	-	128	-
	Total income	61,212	380,448	133,648	480,493	10	67	161,097	1,002,292
Expenses									
	Management and administration fees	21,171	18,098	22,928	17,720	-	-	57,020	48,290
	Transaction fees and expenses	-	-	-	-	8	7	8	7
	Total expenses	21,171	18,098	22,928	17,720	8	7	57,028	48,297
	Net increase/(decrease) in net assets before membership activities	40,041	362,350	110,720	462,773	2	60	104,069	953,995

* Period ended 15 November 2021

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

Kiwi Wealth KiwiSaver Scheme

Statements of Changes in Net Assets (continued)

For the year ended 31 March 2022

\$ 000's	Cash		CashPlus		Default Conservative		Conservative		Default
For the year ended 31 March	2022	2021	2022	2021	2022	2021	2022	2021	2022 Period
Net increase/(decrease) in net assets before membership activities	1,555	3,207	(2,548)	1,356	(3,038)	23,035	(18,445)	101,214	(24,218)
Membership activities									
Contributions / transfers in									
Employer contributions	4,836	-	1,697	-	7,019	-	12,294	-	10,853
Employee contributions	8,168	-	2,865	-	11,804	-	21,810	-	17,632
Transfers between funds	102,720	131,499	13,038	26,440	93,044	123,741	228,923	289,807	116,987
Transfers from other schemes	5,592	-	8	-	3,562	-	6,906	-	381,303
Voluntary contributions	1,308	-	639	-	1,119	-	8,315	-	195
Crown contributions	-	-	-	-	-	-	12	-	1
Benefits paid / transfers out / PIE tax									
Transfers to other schemes	(4,765)	-	(1,491)	-	(4,341)	-	(12,522)	-	(9,757)
Transfers between funds	(78,273)	(148,092)	(25,592)	(29,909)	(178,204)	(71,311)	(202,131)	(246,802)	(11,424)
Member / IRD refunds	-	-	-	-	-	-	-	-	-
Significant financial hardship withdrawals	(782)	-	(243)	-	(510)	-	(1,117)	-	(195)
Withdrawals on death and disability	(211)	-	-	-	(135)	-	(506)	-	(46)
Withdrawals on serious ill health	(170)	-	(75)	-	(107)	-	(428)	-	(112)
Withdrawals or transfers on permanent emigration	(112)	-	(45)	-	(99)	-	(417)	-	(37)
First home purchase withdrawals	(4,520)	-	(582)	-	(2,548)	-	(7,040)	-	(845)
Age of eligibility withdrawal	(7,117)	-	(1,826)	-	(3,860)	-	(22,626)	-	(1,375)
Other withdrawals	(157)	-	(16)	-	(191)	-	(510)	-	(260)
PIE tax paid and payable (received and receivable)	(217)	-	457	-	1,303	-	6,443	-	1,203
Net membership activities	26,300	(16,593)	(11,166)	(3,469)	(72,144)	52,430	37,406	43,005	504,123
Benefits accrued to members' accounts	27,855	(13,386)	(13,714)	(2,113)	(75,182)	75,465	18,961	144,219	479,905
Net assets attributable to members at beginning of the year	298,100	311,486	119,486	121,599	339,316	263,851	955,044	810,825	-
Net assets attributable to members at end of the year	325,955	298,100	105,772	119,486	264,134	339,316	974,005	955,044	479,905

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

Kiwi Wealth KiwiSaver Scheme Statements of Changes in Net Assets (continued) For the year ended 31 March 2022

\$ 000's	Balanced		Growth		Transaction account		Total Scheme	
	2022	2021	2022	2021	2022 Period*	2021 Year	2022	2021
For the year ended 31 March								
Net increase/(decrease) in net assets before membership activities	40,041	362,350	110,720	462,773	2	60	104,069	953,995
Membership activities								
Contributions / transfers in								
Employer contributions	21,450	-	24,104	-	104,619	185,894	186,872	185,894
Employee contributions	41,159	-	45,923	-	190,657	320,057	340,018	320,057
Transfers between funds	363,181	409,002	405,981	446,519	(973,717)	(1,427,008)	350,157	-
Transfers from other schemes	12,668	-	16,237	-	81,954	107,289	508,230	107,289
Voluntary contributions	24,211	-	17,477	-	150,628	168,858	203,892	168,858
Crown contributions	28	-	-	-	63,648	62,833	63,689	62,833
Benefits paid / transfers out / PIE tax								
Transfers to other schemes	(23,523)	-	(32,279)	-	(178,665)	(239,688)	(267,343)	(239,688)
Transfers between funds	(301,911)	(302,567)	(266,280)	(286,192)	713,658	1,084,873	(350,157)	-
Member / IRD refunds	-	-	-	-	(3,228)	(1,694)	(3,228)	(1,694)
Significant financial hardship withdrawals	(1,676)	-	(1,116)	-	(7,867)	(21,596)	(13,506)	(21,596)
Withdrawals on death and disability	(763)	-	(643)	-	(3,643)	(8,327)	(5,947)	(8,327)
Withdrawals on serious ill health	(472)	-	(248)	-	(4,274)	(5,143)	(5,886)	(5,143)
Withdrawals or transfers on permanent emigration	(335)	-	(696)	-	(1,439)	(2,686)	(3,180)	(2,686)
First home purchase withdrawals	(6,015)	-	(6,388)	-	(55,249)	(87,394)	(83,187)	(87,394)
Age of eligibility withdrawal	(34,143)	-	(15,169)	-	(75,058)	(95,594)	(161,174)	(95,594)
Other withdrawals	(675)	-	(457)	-	(2,614)	(4,399)	(4,880)	(4,399)
PIE tax paid and payable (received and receivable)	5,136	-	(2,695)	-	(6,727)	(28,126)	4,903	(28,126)
Net membership activities	98,320	106,435	183,751	160,327	(7,317)	8,149	759,273	350,284
Benefits accrued to members' accounts	138,361	468,785	294,471	623,100	(7,315)	8,209	863,342	1,304,279
Net assets attributable to members at beginning of the year	2,051,717	1,582,932	2,004,986	1,381,886	7,315	(894)	5,775,964	4,471,685
Net assets attributable to members at end of the year	2,190,078	2,051,717	2,299,457	2,004,986	-	7,315	6,639,306	5,775,964

* Period ended 15 November 2021

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

Kiwi Wealth KiwiSaver Scheme

Statements of Net Assets

As at 31 March 2022

\$ 000's		Cash		CashPlus		Default Conservative		Conservative		Default
As at 31 March	Note	2022	2021	2022	2021	2022	2021	2022	2021	2022
Assets										
Cash and cash equivalents	8	4,062	1,789	794	1,017	3,489	2,008	6,332	4,667	4,854
Contributions receivable		700	-	429	-	1,475	-	5,806	-	1,933
PIE tax receivable		-	-	6	-	18	-	108	-	885
<i>Financial assets at fair value through profit or loss</i>										
Investments	6	322,878	296,332	104,771	118,481	260,097	337,338	964,065	950,446	473,670
Derivative assets	9	-	-	-	-	-	-	178	43	44
Total assets		327,640	298,121	106,000	119,498	265,079	339,346	976,489	955,156	481,386
Liabilities										
Management and administration fees payable	11	124	21	63	12	107	30	679	112	148
Withdrawals payable		1,431	-	165	-	838	-	1,745	-	634
PIE tax payable		130	-	-	-	-	-	-	-	-
<i>Financial liabilities at fair value through profit or loss</i>										
Derivative liabilities	9	-	-	-	-	-	-	60	-	699
Total liabilities (excluding net assets attributable to members)		1,685	21	228	12	945	30	2,484	112	1,481
Net assets attributable to members		325,955	298,100	105,772	119,486	264,134	339,316	974,005	955,044	479,905
<i>Represented by:</i>										
Member funds		325,955	298,100	105,772	119,486	264,134	339,316	974,005	955,044	479,905

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

Kiwi Wealth KiwiSaver Scheme Statements of Net Assets (continued) As at 31 March 2022

\$ 000's As at 31 March	Note	Balanced 2022	2021	Growth 2022	2021	Transaction account 2021	Total Scheme 2022	2021
Assets								
Cash and cash equivalents	8	8,120	16,744	11,406	21,294	20,961	39,057	68,480
Contributions receivable		6,975	-	4,223	-	-	21,541	-
PIE tax receivable		78	-	-	-	4,580	1,095	4,580
<i>Financial assets at fair value through profit or loss</i>	4							
Investments	6	2,178,015	2,035,072	2,286,923	1,983,739	-	6,590,419	5,721,408
Derivative assets	9	715	172	1,173	231	-	2,110	446
Total assets		2,193,903	2,051,988	2,303,725	2,005,264	25,541	6,654,222	5,794,914
Liabilities								
Management and administration fees payable	11	1,742	271	1,910	278	-	4,773	724
Withdrawals payable		1,785	-	1,472	-	18,226	8,070	18,226
PIE tax payable		-	-	448	-	-	578	-
<i>Financial liabilities at fair value through profit or loss</i>								
Derivative liabilities	9	298	-	438	-	-	1,495	-
Total liabilities (excluding net assets attributable to members)		3,825	271	4,268	278	18,226	14,916	18,950
Net assets attributable to members		2,190,078	2,051,717	2,299,457	2,004,986	7,315	6,639,306	5,775,964
<i>Represented by:</i>								
Member funds		2,190,078	2,051,717	2,299,457	2,004,986	7,315	6,639,306	5,775,964

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

The Directors of Kiwi Wealth Limited authorised these Financial Statements for issue on 27 July 2022.

Director 
27/07/22 9:21 am

Director 
27/07/22 10:28 am

Kiwi Wealth KiwiSaver Scheme

Statements of Cash Flows

For the year ended 31 March 2022

\$ 000's	Note	Cash		CashPlus		Default Conservative		Conservative		Default
		2022	2021	2022	2021	2022	2021	2022	2021	2022 Period
Cash flows from operating activities										
<i>Cash was provided from</i>										
Sale of investments		17,863	34,417	15,835	14,291	124,751	27,075	124,925	178,297	16,673
Interest received		16	18	8	10	17	16	40	50	33
Dividends and distributions received		-	-	-	-	-	-	9	2	180
Realisation of derivatives, net		-	-	-	-	-	-	(42)	(205)	(2,264)
Other income received		-	-	-	-	124	-	2	-	-
<i>Cash was applied to</i>										
Purchase of investments		(41,425)	(34,840)	(3,886)	(9,295)	(48,833)	(77,679)	(148,939)	(218,912)	(511,377)
Payment of management and administration fees		(427)	-	(237)	-	(427)	-	(2,558)	-	(380)
Transaction fees and expenses		-	-	-	-	-	-	-	-	-
Net cash (outflow)/inflow from operating activities	12	(23,973)	(405)	11,720	5,006	75,632	(50,588)	(26,563)	(40,768)	(497,135)
Cash flows from financing activities										
<i>Cash was provided from</i>										
Contributions		60,932	-	5,000	-	39,984	-	104,822	-	525,038
Net transfers between funds		(2,223)	(18,193)	(9,522)	(4,384)	20,434	50,362	4,415	35,166	-
<i>Cash was applied to</i>										
Withdrawals		(32,376)	-	(7,872)	-	(135,854)	-	(87,332)	-	(23,417)
PIE tax received/(paid)		(87)	-	451	-	1,285	-	6,335	-	318
Net cash inflow/(outflow) from financing activities		26,246	(18,193)	(11,943)	(4,384)	(74,151)	50,362	28,240	35,166	501,939
Net increase/(decrease) in cash and cash equivalents		2,273	(18,598)	(223)	622	1,481	(226)	1,677	(5,602)	4,804
Add: opening cash and cash equivalents		1,789	20,387	1,017	395	2,008	2,234	4,667	10,303	-
Effect of exchange rate fluctuations		-	-	-	-	-	-	(12)	(34)	50
Closing cash and cash equivalents		4,062	1,789	794	1,017	3,489	2,008	6,332	4,667	4,854

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

Kiwi Wealth KiwiSaver Scheme Statements of Cash Flows (continued) For the year ended 31 March 2022

\$ 000's		Balanced		Growth		Transaction account		Total Scheme	
For the year ended 31 March	Note	2022	2021	2022	2021	2022 Period*	2021 Year	2022	2021
Cash flows from operating activities									
<i>Cash was provided from</i>									
Sale of investments		366,455	367,351	440,702	293,774	-	-	1,107,204	915,205
Interest received		148	169	172	205	41	59	475	527
Dividends and distributions received		36	11	50	12	-	-	275	25
Realisation of derivatives, net		(374)	(718)	(646)	(959)	-	-	(3,326)	(1,882)
Other income received		2	-	-	-	-	-	128	-
<i>Cash was applied to</i>									
Purchase of investments		(448,465)	(446,054)	(610,081)	(424,782)	-	-	(1,813,006)	(1,211,562)
Payment of management and administration fees		(6,790)	-	(7,515)	-	(33,913)	(48,013)	(52,247)	(48,013)
Transaction fees and expenses		-	-	-	-	(8)	(7)	(8)	(7)
Net cash (outflow)/inflow from operating activities	12	(88,988)	(79,241)	(177,318)	(131,750)	(33,880)	(47,961)	(760,505)	(345,707)
Cash flows from financing activities									
<i>Cash was provided from</i>									
Contributions		143,228	-	160,807	-	591,506	844,931	1,631,317	844,931
Net transfers between funds		71,395	88,440	141,647	142,731	(226,146)	(294,122)	-	-
<i>Cash was applied to</i>									
Withdrawals		(139,268)	-	(132,262)	-	(350,263)	(464,805)	(908,644)	(464,805)
PIE tax received/(paid)		5,058	-	(2,695)	-	(2,147)	(38,706)	8,518	(38,706)
Net cash inflow/(outflow) from financing activities		80,413	88,440	167,497	142,731	12,950	47,298	731,191	341,420
Net increase/(decrease) in cash and cash equivalents		(8,575)	9,199	(9,821)	10,981	(20,930)	(663)	(29,314)	(4,287)
Add: opening cash and cash equivalents		16,744	7,666	21,294	10,518	20,961	21,618	68,480	73,121
Effect of exchange rate fluctuations		(49)	(121)	(67)	(205)	(31)	6	(109)	(354)
Closing cash and cash equivalents		8,120	16,744	11,406	21,294	-	20,961	39,057	68,480

* Period ended 15 November 2021

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

Kiwi Wealth KiwiSaver Scheme

Notes to the Financial Statements

For the year ended 31 March 2022

I. Reporting Entity

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

These financial statements are for the Scheme, which is domiciled in New Zealand. The financial statements represent the operating result for the year ended 31 March 2022 by Fund, except for the Default Fund and the Transaction Account. The Default fund presented from 1 December 2021 (date of commencement of operations) to 31 March 2022 and the Transaction account presented from 1 April 2021 to 15 November 2021. The comparative period disclosed is the year ended 31 March 2021, except for the Default Fund. Given that the current period is the first year of operation for the Default Fund, no comparatives are presented for this Fund.

The Supervisor of the Scheme is Public Trust (the "Supervisor"). The Manager is Kiwi Wealth Limited (which is a wholly owned subsidiary of Kiwi Wealth Investments Limited Partnership ("KWILP")). The Investment Management of the Scheme's assets and administration has been delegated to KWILP. The Manager's registered office is Level 13, 20 Ballance Street, Wellington, 6011, New Zealand. KWILP is owned by Kiwi Wealth Management Limited, which is a wholly owned subsidiary of Kiwi Group Holdings Limited. The ultimate holding companies are New Zealand Post Limited ("NZ Post"), Accident Compensation Corporation ("ACC") and the Guardians of the NZ Superannuation Fund ("NZSF").

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

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

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

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

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

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

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

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

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

Transaction Account

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

Prior to 15 November 2021:

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

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

Kiwi Wealth KiwiSaver Scheme

Notes to the Financial Statements

For the year ended 31 March 2022

I. Reporting Entity (continued)

Member Account and Rebalancing

With effect from 15 November 2021:

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

Prior to 15 November 2021:

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

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

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

2. Basis of Preparation

Statement of Compliance

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

Measurement Base

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

Functional and Presentational Currency

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

Use of Assumptions, Estimates and Judgements

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

3. Significant Accounting Policies

(a) Cash and cash equivalents

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

(b) Statements of Cash Flows

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

- operating activities - are those relating to the principal revenue-producing activities of the Scheme and other activities that are not financing activities. These include those cash flows relating to the acquisition, holding and disposal of investments, which include investments in securities not falling within the definition of cash.
- financing activities - are those activities that result in changes in the size and composition of Members' Funds.

(c) Foreign currency transactions

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

Kiwi Wealth KiwiSaver Scheme

Notes to the Financial Statements

For the year ended 31 March 2022

3. Significant Accounting Policies (continued)

(d) Income recognition

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

(i) Interest

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

(ii) Dividends and distributions

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

(iii) Changes in fair value of investments

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

(e) Taxation

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

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

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

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

(f) Payables

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

(g) Member funds

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

Each unit represents a right to an individual share in the respective Fund and does not extend to a right in the underlying assets of the respective Fund. There are no separate classes of units within each Fund and each unit has the same rights attaching to it as all other units in the respective Fund.

Contributions received for units in the Funds are recorded net of any entry fees payable prior to the issue of units in the Funds. Redemptions from the Funds are recorded gross of any exit fees payable after the cancellation of the units redeemed. Units are issued and redeemed subject to the requirements of the KiwiSaver Act 2006 at the holder's option at prices based on the Funds' net asset value per unit at the time of issue or redemption, adjusted for spreads ranging from 0 bps to 0.15 bps for the respective Funds. The Funds' net asset value per unit is calculated by dividing the net assets attributable to the holders of each Fund with the total number of outstanding units of each Fund.

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

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

Kiwi Wealth KiwiSaver Scheme

Notes to the Financial Statements

For the year ended 31 March 2022

3. Significant Accounting Policies (continued)

(h) Financial instruments

(i) Classification

(a) Assets

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

(b) Liabilities

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

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

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

(ii) Recognition, Derecognition and Measurement

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

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

(iii) Fair value estimation

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

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

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

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

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

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statements of Net Assets when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Scheme or the counterparty.

(i) Financial Assets and Financial Liabilities at Amortised Cost

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

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

(j) Receivables

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

(ii) Payables

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

Kiwi Wealth KiwiSaver Scheme

Notes to the Financial Statements

For the year ended 31 March 2022

3. Significant Accounting Policies (continued)

(j) Impairment of Assets Carried at Amortised Cost

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

(k) Accounting for Investment Entities

Whilst the Scheme has investments in a number of related party funds and unlisted unit trusts, it has not prepared consolidated financial statements. The Scheme has determined that it is an investment entity under the definition in NZ IFRS 10 Consolidated Financial Statements as it meets the following criteria:

- The Scheme has obtained funds from Members for the purpose of providing them with investment management services
- The Scheme's business purpose, which it communicated directly to its members, is investing solely for returns from capital appreciation; and
- The performance of investments made by the Scheme are measured and evaluated on a fair value basis.

The Scheme also meets all the typical characteristics of an investment entity.

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

(l) New standards and amendments

There are no standards, amendments to standards or interpretations that are not yet effective for annual periods beginning on or after 1 April 2021, which have not been adopted, that will have a material effect on the financial statements of the Funds.

(m) Issued but not yet effective accounting standards

Several new accounting standards and amendments to existing standards are issued or revised that are not yet effective as at 31 March 2022, they have been identified as not applicable or relevant to the Funds. Therefore, they are not included in the financial statements.

Climate change disclosure

The Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 amends the Financial Markets Conduct Act 2013 (FMC Act), the Financial Reporting Act 2013, and the Public Audit Act 2001 which requires impacted entities to start making climate-related disclosures. Funds are expected to publish climate related statements for annual periods beginning on or after 1 January 2023 based upon climate standards issued by the External Reporting Board (XRB). The first climate statement will be required to be prepared for the year ending 31 March 2024.

The XRB intends to issue the following:

Aotearoa New Zealand Climate Standard 1: Climate-related Disclosures (NZ CS 1)

Aotearoa New Zealand Climate Standard 2: Adoption of Climate-related Disclosures (NZ CS 2)

Aotearoa New Zealand Climate-related Disclosures Concepts (NZ CRDC).

NZ CS 1 is the main disclosure standard and will be based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). NZ CS 2 will be an adoption standard to enable entities to begin their climate-related disclosure journey. NZ CRDC will be an authoritative notice containing key concepts, like materiality.

The TCFD recommendations are structured around four thematic areas that represent core elements of how organisations operate: governance; strategy; risk management; and metrics and targets.

The Manager will continue to monitor developments associated with climate related disclosures.

(n) Comparatives

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

Kiwi Wealth KiwiSaver Scheme

Notes to the Financial Statements

For the year ended 31 March 2022

4. Financial Assets and Liabilities

Except for related party investments detailed in note 11, as at 31 March 2022 the funds of the Scheme were invested in a range of financial instruments not related to the Manager, Supervisor or Investment Manager. Forward foreign exchange contracts were the only derivatives used by the Scheme during the year.

Accounting classifications and fair values

A summary of the main instruments held by the Scheme as at 31 March 2022 are below.

\$ 000's	Cash		CashPlus		Default Conservative		Conservative		Default
	2022	2021	2022	2021	2022	2021	2022	2021	
As at 31 March									
Financial assets									
Investments	322,878	296,332	104,771	118,481	260,097	337,338	964,065	950,446	473,670
Investments	322,878	296,332	104,771	118,481	260,097	337,338	964,065	950,446	473,670
Derivative assets	-	-	-	-	-	-	178	43	44
Total financial assets measured at fair value	322,878	296,332	104,771	118,481	260,097	337,338	964,243	950,489	473,714
Amortised cost									
Cash and cash equivalents	4,062	1,789	794	1,017	3,489	2,008	6,332	4,667	4,854
Contributions receivable	700	-	429	-	1,475	-	5,806	-	1,933
Total financial assets at amortised cost	4,762	1,789	1,223	1,017	4,964	2,008	12,138	4,667	6,787
Total financial assets	327,640	298,121	105,994	119,498	265,061	339,346	976,381	955,156	480,501
Financial liabilities									
Derivative liabilities	-	-	-	-	-	-	60	-	699
Total financial liabilities measured at fair value	-	-	-	-	-	-	60	-	699
Amortised cost									
Management and administration fees payable	124	21	63	12	107	30	679	112	148
Withdrawals payable	1,431	-	165	-	838	-	1,745	-	634
Member funds	325,955	298,100	105,772	119,486	264,134	339,316	974,005	955,044	479,905
Total financial liabilities measured at amortised cost	327,510	298,121	106,000	119,498	265,079	339,346	976,429	955,156	480,687
Total financial liabilities	327,510	298,121	106,000	119,498	265,079	339,346	976,489	955,156	481,386

Kiwi Wealth KiwiSaver Scheme

Notes to the Financial Statements

For the year ended 31 March 2022

4. Financial Assets and Liabilities (continued)

\$ 000's	Balanced		Growth		Transaction account		Total Scheme	
	2022	2021	2022	2021	2022	2021	2022	2021
As at 31 March								
Financial assets								
Investments	2,178,015	2,035,072	2,286,923	1,983,739	-	-	6,590,419	5,721,408
Investments	2,178,015	2,035,072	2,286,923	1,983,739	-	-	6,590,419	5,721,408
Derivative assets	715	172	1,173	231	-	-	2,110	446
Total financial assets measured at fair value	2,178,730	2,035,244	2,288,096	1,983,970	-	-	6,592,529	5,721,854
Amortised cost								
Cash and cash equivalents	8,120	16,744	11,406	21,294	-	20,961	39,057	68,480
Contributions receivable	6,975	-	4,223	-	-	-	21,541	-
Total financial assets at amortised cost	15,095	16,744	15,629	21,294	-	20,961	60,598	68,480
Total financial assets	2,193,825	2,051,988	2,303,725	2,005,264	-	20,961	6,653,127	5,790,334
Financial liabilities								
Derivative liabilities	298	-	438	-	-	-	1,495	-
Total financial liabilities measured at fair value	298	-	438	-	-	-	1,495	-
Amortised cost								
Management and administration fees payable	1,742	271	1,910	278	-	-	4,773	724
Withdrawals payable	1,785	-	1,472	-	-	18,226	8,070	18,226
Member funds	2,190,078	2,051,717	2,299,457	2,004,986	-	7,315	6,639,306	5,775,964
Total financial liabilities measured at amortised cost	2,193,605	2,051,988	2,302,839	2,005,264	-	25,541	6,652,149	5,794,914
Total financial liabilities	2,193,903	2,051,988	2,303,277	2,005,264	-	25,541	6,653,644	5,794,914

Kiwi Wealth KiwiSaver Scheme

Notes to the Financial Statements

For the year ended 31 March 2022

4. Financial Assets and Liabilities (continued)

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

		2022		2021			
				Cash			
Instrument Type	Fair Value \$000's	% of Fund	% of Instrument Type	Fair Value \$000's	% of Fund	% of Instrument Type	
Kiwi Investment Management Cash Fund	Unlisted unit trust	322,878	99%	100%	296,332	99%	100%
				CashPlus			
		2022		2021			
Instrument Type	Fair Value \$000's	% of Fund	% of Instrument Type	Fair Value \$000's	% of Fund	% of Instrument Type	
Kiwi Investment Management Cash Fund	Unlisted unit trust	63,331	60%	60%	71,222	60%	60%
Kiwi Investment Management Core Fixed Income Fund	Unlisted unit trust	41,440	39%	40%	47,259	40%	40%
				Default Conservative			
		2022		2021			
Instrument Type	Fair Value \$000's	% of Fund	% of Instrument Type	Fair Value \$000's	% of Fund	% of Instrument Type	
Kiwi Investment Management Core Fixed Income Fund	Unlisted unit trust	123,235	47%	47%	161,146	47%	48%
Kiwi Investment Management Cash Fund	Unlisted unit trust	83,674	32%	33%	107,926	32%	32%
Kiwi Investment Management Core Global Fund- Hedged	Unlisted unit trust	27,019	10%	10%	34,081	10%	10%
Kiwi Investment Management Core Global Fund- Unhedged	Unlisted unit trust	26,170	10%	10%	34,185	10%	10%
				Conservative			
		2022		2021			
Instrument Type	Fair Value \$000's	% of Fund	% of Instrument Type	Fair Value \$000's	% of Fund	% of Instrument Type	
Kiwi Investment Management Core Fixed Income Fund	Unlisted unit trust	608,317	62%	63%	603,218	63%	63%
Kiwi Investment Management Wholesale Global Thematic Fund - Hedged	Unlisted unit trust	86,597	9%	9%	76,712	8%	8%
Kiwi Investment Management Wholesale Global Quantitative Fund - Hedged	Unlisted unit trust	68,472	7%	7%	62,282	7%	7%
Kiwi Investment Management Wholesale Global Thematic Fund - Unhedged	Unlisted unit trust				44,840	5%	5%
Kiwi Investment Management Core Global Fund- Hedged	Unlisted unit trust				43,477	5%	5%
				Default			
		2022		2021			
Instrument Type	Fair Value \$000's	% of Fund	% of Instrument Type	Fair Value \$000's	% of Fund	% of Instrument Type	
Kiwi Investment Management Wholesale Screened Global Shares Fund - Hedged	Unlisted unit trust	162,341	34%	38%			
Kiwi Investment Management NZ Fixed Income Fund	Unlisted unit trust	90,867	19%	21%			
Kiwi Investment Management Wholesale Screened Global Shares Fund - Unhedged	Unlisted unit trust	84,703	18%	20%			
Kiwi Investment Management NZ Equity IMP	Listed equity	43,948	9%	100%			
iShares ESG Global Bond Index Fund	Unlisted unit trust	91,810	19%	21%			

Kiwi Wealth KiwiSaver Scheme

Notes to the Financial Statements

For the year ended 31 March 2022

4. Financial Assets and Liabilities (continued)

	Balanced						
	2022			2021			
	Instrument Type	Fair Value \$000's	% of Fund	% of Instrument Type	Fair Value \$000's	% of Fund	% of Instrument Type
Kiwi Investment Management Core Fixed Income Fund	Unlisted unit trust	788,202	36%	36%	732,801	36%	36%
Kiwi Investment Management Wholesale Global Thematic Fund - Hedged	Unlisted unit trust	349,306	16%	16%	302,655	15%	15%
Kiwi Investment Management Wholesale Global Quantitative Fund - Hedged	Unlisted unit trust	275,654	13%	13%	246,065	12%	12%
Kiwi Investment Management Wholesale Global Thematic Fund - Unhedged	Unlisted unit trust	156,926	7%	7%	191,800	9%	9%
Kiwi Investment Management Core Global Fund- Hedged	Unlisted unit trust	152,602	7%	7%	171,839	8%	8%
Kiwi Investment Management Wholesale Global Quantitative Fund - Unhedged	Unlisted unit trust	123,490	6%	6%	137,969	7%	7%
Kiwi Investment Management Core Global Fund- Unhedged					96,362	5%	5%

	Growth						
	2022			2021			
	Instrument Type	Fair Value \$000's	% of Fund	% of Instrument Type	Fair Value \$000's	% of Fund	% of Instrument Type
Kiwi Investment Management Wholesale Global Thematic Fund - Hedged	Unlisted unit trust	493,025	21%	22%	395,374	20%	20%
Kiwi Investment Management Wholesale Global Quantitative Fund - Hedged	Unlisted unit trust	389,535	17%	17%	323,426	16%	16%
Kiwi Investment Management Core Fixed Income Fund	Unlisted unit trust	299,517	13%	13%	251,241	13%	13%
Kiwi Investment Management Wholesale Global Thematic Fund - Unhedged	Unlisted unit trust	238,774	10%	10%	280,128	14%	14%
Kiwi Investment Management Core Global Fund- Hedged	Unlisted unit trust	207,604	9%	9%	225,927	11%	11%
Kiwi Investment Management Wholesale Global Quantitative Fund - Unhedged	Unlisted unit trust	188,745	8%	8%	201,607	10%	10%
Kiwi Investment Management NZ Equities Fund	Unlisted unit trust	163,352	7%	7%			
Kiwi Investment Management Core Global Fund- Unhedged	Unlisted unit trust	131,367	6%	6%	140,848	7%	7%

	Total Scheme						
	2022			2021			
	Instrument Type	Fair Value \$000's	% of Fund	% of Instrument Type	Fair Value \$000's	% of Fund	% of Instrument Type
Kiwi Investment Management Core Fixed Income Fund	Unlisted unit trust	1,860,711	28%	28%	1,795,664	31%	31%
Kiwi Investment Management Wholesale Global Thematic Fund - Hedged	Unlisted unit trust	928,928	14%	14%	774,740	13%	14%
Kiwi Investment Management Wholesale Global Quantitative Fund - Hedged	Unlisted unit trust	733,661	11%	11%	631,773	11%	11%
Kiwi Investment Management Cash Fund	Unlisted unit trust	469,883	7%	7%	475,480	8%	8%
Kiwi Investment Management Wholesale Global Thematic Fund - Unhedged	Unlisted unit trust	428,685	6%	7%	516,768	9%	9%
Kiwi Investment Management Core Global Fund- Hedged	Unlisted unit trust	425,886	6%	7%	475,324	8%	8%
Kiwi Investment Management Wholesale Global Quantitative Fund - Unhedged	Unlisted unit trust	338,305	5%	5%	371,873	6%	7%
Kiwi Investment Management Core Global Fund- Unhedged					293,944	5%	5%

Kiwi Wealth KiwiSaver Scheme

Notes to the Financial Statements

For the year ended 31 March 2022

5. Members' Benefits

(a) Net assets available to pay benefits

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

(b) Vested benefits

Vested benefits are benefits which, under the conditions of the Scheme, are not conditional on continued membership. Under the Trust Deed all benefits are fully vested. The value of vested Member benefits as at 31 March 2022 is \$6,638m (2021: \$5,776m).

(c) Guaranteed benefits

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

(d) Units on Issue

000's	Cash	CashPlus	Default Conservative	Conservative	Default
For the year ended	2022	2022	2022	2022	2022 Period
Units on issue created on unitisation	238,357	84,852	247,835	610,281	-
Units issued	50,877	4,938	30,857	76,702	522,383
Units redeemed	(28,557)	(6,661)	(94,557)	(58,709)	(24,851)
Units on issue at the end of the year	260,677	83,129	184,135	628,274	497,532

000's	Balanced	Growth
For the year ended	2022	2022
Units on issue created on unitisation	1,160,115	1,032,030
Units issued	84,520	76,244
Units redeemed	(77,625)	(63,851)
Units on issue at the end of the year	1,167,010	1,044,423

Kiwi Wealth KiwiSaver Scheme

Notes to the Financial Statements

For the year ended 31 March 2022

6. Fair value of Financial Instruments

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

Key source of estimation uncertainty

Determining fair values

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

Valuation of financial instruments

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

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

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

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

\$ 000's As at 31 March	Cash		CashPlus		Default Conservative		Conservative		Default
	2022	2021	2022	2021	2022	2021	2022	2021	2022
Level 1									
Listed equities	-	-	-	-	-	-	-	-	43,948
	-	-	-	-	-	-	-	-	43,948
Level 2									
Unlisted unit trusts	322,878	296,332	104,771	118,481	260,097	337,338	960,266	950,007	429,722
Derivative Assets/(liabilities)	-	-	-	-	-	-	118	43	(655)
	322,878	296,332	104,771	118,481	260,097	337,338	960,384	950,050	429,067
Level 3									
Investments in private equity	-	-	-	-	-	-	3,799	439	-
	-	-	-	-	-	-	3,799	439	-
Total Investments	322,878	296,332	104,771	118,481	260,097	337,338	964,065	950,446	473,670
Total Derivative Assets/(liabilities)	-	-	-	-	-	-	118	43	(655)

Kiwi Wealth KiwiSaver Scheme

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For the year ended 31 March 2022

6. Fair value of Financial Instruments (continued)

\$ 000's As at 31 March	Balanced		Growth		Total Scheme	
	2022	2021	2022	2021	2022	2021
Level 1						
Listed equities	-	-	-	-	43,948	-
	-	-	-	-	43,948	-
Level 2						
Unlisted unit trusts	2,162,613	2,033,299	2,264,016	1,980,814	6,504,363	5,716,271
Derivative Assets/(liabilities)	417	172	735	231	615	446
	2,163,030	2,033,471	2,264,751	1,981,045	6,504,978	5,716,717
Level 3						
Investments in private equity	15,402	1,773	22,907	2,925	42,108	5,137
	15,402	1,773	22,907	2,925	42,108	5,137
Total Investments	2,178,015	2,035,072	2,286,923	1,983,739	6,590,419	5,721,408
Total Derivative Assets/(liabilities)	417	172	735	231	615	446

Private Equity Investment

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

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

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

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

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

\$ 000's For the year ended 31 March	Cash		CashPlus		Default Conservative		Conservative		Default
	2022	2021	2022	2021	2022	2021	2022	2021	2022 Period
Opening balance	-	-	-	-	-	-	439	-	-
Capital drawdowns	-	-	-	-	-	-	3,480	473	-
(Losses)/gains recognised in profit or loss	-	-	-	-	-	-	(120)	(34)	-
Closing balance	-	-	-	-	-	-	3,799	439	-

\$ 000's As at 31 March	Balanced		Growth		Total Scheme	
	2022	2021	2022	2021	2022	2021
Opening balance	1,773	-	2,925	-	5,137	-
Capital drawdowns	14,115	1,910	20,669	3,151	38,264	5,534
(Losses)/gains recognised in profit or loss	(486)	(137)	(687)	(226)	(1,293)	(397)
Closing balance	15,402	1,773	22,907	2,925	42,108	5,137

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

Kiwi Wealth KiwiSaver Scheme

Notes to the Financial Statements

For the year ended 31 March 2022

7. Funding Policy

The Scheme is a defined contribution scheme as defined by the KiwiSaver Act 2006. Funding in the form of contributions is received primarily from three sources: Members of the Scheme; employers of Members of the Scheme; and the Crown (in accordance with the provisions of the KiwiSaver Act 2006). Members may contribute to the Scheme at varying designated rates linked to their salaries or in lump sum payments. Members may pay additional contributions to the Scheme in excess of any salary linked contributions. As of 31 March 2022, employer contribution rates are 3% or greater (31 March 2021: 3% or greater) of each relevant Member's gross salary or wages.

8. Financial Risk Management

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

Risk management framework

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

(a) Credit risk

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

Management of credit risk

The Scheme measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss. At 31 March 2022 all amounts due and cash held is with counterparties with a credit rating of AA/AAa or higher and are due to be settled within 1 week. Management consider the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Scheme. The investment policies applying to the Scheme only allow fixed interest investments in liquid securities at purchase, meaning that there is a secondary market available where these assets are readily traded. In addition, the Investment Manager has established an approval process for establishing new counterparties or derivatives.

The following investment guidelines apply to the Scheme. Given the range of assets and issuers and in some cases the complex relationships that exist in financial markets, it is important to see the below as guidelines rather than rigid rules.

- Direct exposure to a single commonly recognised investment manager (including any related parties of that investment manager) is limited to 50% of the Scheme's assets.
- Direct exposure to any one underlying security is limited to 7.5% of the Scheme's assets.
- Cash and derivatives are excluded, but remain subject to the diversification principle.
- Direct exposure to fixed interest securities of any one underlying issuer (e.g. bank or corporate) is limited to 15% of the Scheme's assets, unless the issuer is either of:
 - The New Zealand Government; or
 - The New Zealand Local Government Funding Agency Limited (or its successor, or an entity issuing securities on its behalf), in which event direct exposure to fixed interest securities is limited to 50% of the Scheme's assets.
- Broader exposure (e.g. cash and derivatives) to any one underlying issuer is limited to 50% of the Scheme's assets.
- Limit total exposure to non-investment grade credit to no more than 25% of the Scheme's assets.

Exposure to credit risk

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

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

Kiwi Wealth KiwiSaver Scheme

Notes to the Financial Statements

For the year ended 31 March 2022

8. Financial Risk Management (continued)

(a) Credit risk (continued)

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

ASB Bank Limited - cash and cash equivalents

Fund	2022		2021	
	\$000s	% of Fund	\$000s	% of Fund
Transaction Account	-	0%	20,961	100%
Total ASB Bank Limited related credit risk exposure	-	0%	20,961	100%

Westpac NZ Limited (held on behalf of the Scheme by JBWere (NZ) Nominees Limited) - cash and cash equivalents

Fund	2022		2021	
	\$000s	% of Fund	\$000s	% of Fund
Cash	4,062	1%	1,789	1%
CashPlus	794	1%	1,017	1%
Default Conservative	3,489	1%	2,008	1%
Conservative	6,332	1%	4,667	0%
Default	4,854	1%		
Balanced	8,120	0%	16,744	1%
Growth	11,406	0%	21,294	1%
Total Westpac NZ Limited related credit risk exposure	39,057	1%	47,519	1%

The Investment Manager monitors the financial position of each bank on an on-going basis. At balance date, the Scheme had cash and cash equivalents related credit exposure to Westpac NZ Limited which has a credit rating of AA- (2021: AA-) from Standard & Poor's, totalling \$39m (2021: \$47.5m).

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

The Scheme may also invest in unrated fixed interest securities. As at 31 March 2022 and 31 March 2021, the funds' assets were invested in Managed Funds, which are not rated.

Derivative financial instruments

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

Derivative financial instruments are principally transacted with counterparties that have a credit rating of at least AA-, as determined by Standard & Poor's, and with whom the Manager has netting arrangements. The netting arrangements provide for the net settlement of certain contracts with the same counterparty in the event of default. As a result of such netting arrangements, at 31 March 2022, the Scheme would be entitled to offset derivative assets against derivative liabilities or portions of them in the event of counterparty defaults.

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

Kiwi Wealth KiwiSaver Scheme

Notes to the Financial Statements

For the year ended 31 March 2022

8. Financial Risk Management (continued)

(a) Credit risk (continued)

Offsetting and amounts subject to netting arrangements and similar agreements

As at 31 March 2022, the following funds were subject to an International Swaps and Derivatives Association (ISDA) arrangement with Bank of New Zealand. According to the terms of the ISDA arrangement all the derivatives are settled net. The following tables present the Funds' financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements. The tables are presented by type of financial instrument.

\$ 000's As at 31 March	Cash		CashPlus		Default Conservative		Conservative		Default
	2022	2021	2022	2021	2022	2021	2022	2021	2022
<i>Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements</i>									
Gross amounts of recognised financial assets	-	-	-	-	-	-	178	43	44
Gross amounts of recognised financial liabilities set-off in the Statement of Financial Position	-	-	-	-	-	-	-	-	-
Net amounts of financial assets presented in the Statement of Financial Position	-	-	-	-	-	-	178	43	44
<i>Related amounts not set-off in the Statement of Financial Position</i>									
Financial instruments	-	-	-	-	-	-	(60)	(43)	(44)
Net amount	-	-	-	-	-	-	118	-	-
<i>Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements</i>									
Gross amounts of recognised financial liabilities	-	-	-	-	-	-	(60)	-	(699)
Gross amounts of recognised financial assets set-off in the Statement of Financial Position	-	-	-	-	-	-	-	-	-
Net amounts of financial liabilities presented in the Statement of Financial Position	-	-	-	-	-	-	(60)	-	(699)
<i>Related amounts not set-off in the Statement of Financial Position</i>									
Financial instruments	-	-	-	-	-	-	60	43	44
Net amount	-	-	-	-	-	-	-	43	(655)
\$ 000's									
As at 31 March	Balanced		Growth		Total Scheme				
	2022	2021	2022	2021	2022	2021			
<i>Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements</i>									
Gross amounts of recognised financial assets	715	172	1,173	231	2,110	446			
Gross amounts of recognised financial liabilities set-off in the Statement of Financial Position	-	-	-	-	-	-			
Net amounts of financial assets presented in the Statement of Financial Position	715	172	1,173	231	2,110	446			
<i>Related amounts not set-off in the Statement of Financial Position</i>									
Financial instruments	(298)	(172)	(438)	(231)	(840)	(446)			
Net amount	417	-	735	-	1,270	-			
<i>Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements</i>									
Gross amounts of recognised financial liabilities	(298)	-	(438)	-	(1,495)	-			
Gross amounts of recognised financial assets set-off in the Statement of Financial Position	-	-	-	-	-	-			
Net amounts of financial liabilities presented in the Statement of Financial Position	(298)	-	(438)	-	(1,495)	-			
<i>Related amounts not set-off in the Statement of Financial Position</i>									
Financial instruments	298	172	438	231	840	446			
Net amount	-	172	-	231	(655)	446			

Kiwi Wealth KiwiSaver Scheme

Notes to the Financial Statements

For the year ended 31 March 2022

8. Financial Risk Management (continued)

(a) Credit risk (continued)

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

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

Concentration of risk

The Investment Manager reviews the concentration of Net Assets held based on counterparties and industries. As at 31 March 2022 and 31 March 2021, the Scheme and Fund's Net Asset exposures were concentrated in the Banking and Finance (including listed and unlisted unit trusts) sector.

(b) Settlement risk

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

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

(c) Liquidity risk

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

Management of liquidity risk

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

Maturity analysis for financial liabilities

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

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

\$ 000's	Cash		CashPlus		Default Conservative		Conservative		Default
	2022	2021	2022	2021	2022	2021	2022	2021	2022
As at 31 March									
Maturity profile									
Under 1 month	1,555	-	228	-	945	-	2,468	43	1,481
1 - 3 months	-	-	-	-	-	-	16	-	-
Total	1,555	-	228	-	945	-	2,484	43	1,481
\$ 000's									
As at 31 March									
Maturity profile									
Under 1 month	3,763	172	3,714	231	14,154	446			
1 - 3 months	62	-	106	-	184	-			
Total	3,825	172	3,820	231	14,338	446			

Member funds can be redeemed or transferred on demand at the relevant Member's option provided the Member meets certain requirements of the KiwiSaver Act 2006. However, the Manager does not envisage that the contractual maturity will be representative of the actual cash outflows, as Members holding these instruments typically retain them for the medium to long term. As at 31 March 2022, no individual member held more than 10% of the Member funds (2021: nil).

Kiwi Wealth KiwiSaver Scheme

Notes to the Financial Statements

For the year ended 31 March 2022

8. Financial Risk Management (continued)

(d) Market price risk

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

The table below summarises the sensitivity of the Scheme's net assets attributable to members to movements in prices including the effect of movements in foreign currency exchange rates, as at 31 March. A variable of 20% (2021: 20%) was selected for market price risk sensitivity as this is a reasonably expected movement taking into account historical volatility. If prices for the Scheme's' investments had increased or decreased by 20% (2021: 20%) with all other variables held constant, this would have had the following impact on the Statement of Comprehensive Income and Net Assets Attributable to members.

\$ 000's As at 31 March	Cash		CashPlus		Default Conservative		Conservative		Default
	2022	2021	2022	2021	2022	2021	2022	2021	2022
Increase / decrease in net assets									
Listed Trusts (sensitivity of 20%)	-	-	-	-	-	-	-	-	8,790
Unlisted Unit Trusts (sensitivity of 20%)	64,576	59,266	20,954	23,696	52,019	67,468	192,053	190,001	85,944
Unlisted Equities (sensitivity of 20%)	-	-	-	-	-	-	760	88	-
\$ 000's As at 31 March									
Increase / decrease in net assets									
Listed Trusts (sensitivity of 20%)	-	-	-	-	8,790	-	-	-	-
Unlisted Unit Trusts (sensitivity of 20%)	432,523	406,660	452,803	396,163	1,300,872	1,143,254	-	-	-
Unlisted Equities (sensitivity of 20%)	3,080	355	4,581	585	8,421	1,028	-	-	-

Management of market price risk

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

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

(e) Interest rate risk

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

Interest rate sensitivities:

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

Cash Flow Sensitivity Analysis

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

Kiwi Wealth KiwiSaver Scheme

Notes to the Financial Statements

For the year ended 31 March 2022

8. Financial Risk Management (continued)

(e) Interest rate risk (continued)

The following table shows the impact on the Statements of Changes in Net Assets and Net Assets attributable to members had the relevant interest rates increased or decreased by 2% (2021: 1%) at balance date with all other variables held constant. The analysis is based on the Manager's best estimate of a reasonable possible shift in interest rates with regard to historical volatility.

\$ 000's As at 31 March	Cash		CashPlus		Default Conservative		Conservative		Default
	2022	2021	2022	2021	2022	2021	2022	2021	2022
Cash and cash equivalents Carrying amount	4,062	1,789	794	1,017	3,489	2,008	6,332	4,667	4,854
Impact of a +2% change in interest rates (2021: +1%)	81	18	16	10	70	20	127	47	97
Impact of a -2% change in interest rates (2021: -1%)	(81)	(18)	(16)	(10)	(70)	(20)	(127)	(47)	(97)
\$ 000's As at 31 March	Balanced		Growth		Transaction account		Total Scheme		
	2022	2021	2022	2021	2022	2021	2022	2021	
Cash and cash equivalents Carrying amount	8,120	16,744	11,406	21,294	-	20,961	39,057	68,480	
Impact of a +2% change in interest rates (2021: +1%)	162	167	228	213	-	210	781	685	
Impact of a -2% change in interest rates (2021: -1%)	(162)	(167)	(228)	(213)	-	(210)	(781)	(685)	

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

Fair Value Sensitivity Analysis

A change in interest rates impacts the fair value of the Scheme's fixed interest securities. Fair value changes impact on net assets only where the instruments are carried at fair value. As at 31 March 2022 and 31 March 2021, the Scheme held no fixed interest securities.

(f) Foreign Currency risk

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

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

The Investment Manager continuously monitors the Scheme's exposure to currency risk. An impact of 15% (2021: 15%) change in exchange rates is summarised as this is a reasonably expected movement taking into account the historical volatility.

\$ 000's As at 31 March	Cash		CashPlus		Default Conservative		Conservative		Default
	2022	2021	2022	2021	2022	2021	2022	2021	2022
Monetary assets and liabilities									
Australian Dollar (AUD)	-	-	-	-	-	-	(11,926)	(5,858)	(95,393)
United States Dollars (USD)	-	-	-	-	-	-	(6,672)	(5,725)	-
Great British Pound (GBP)	-	-	-	-	-	-	-	-	-
\$ 000's As at 31 March	Cash		CashPlus		Default Conservative		Conservative		Default
	2022	2021	2022	2021	2022	2021	2022	2021	2022
Non-monetary assets and liabilities									
Australian Dollar (AUD)	-	-	-	-	-	-	11,458	5,824	91,810
United States Dollars (USD)	-	-	-	-	-	-	6,563	5,717	-
Great British Pound (GBP)	-	-	-	-	-	-	-	-	-

Kiwi Wealth KiwiSaver Scheme

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8. Financial Risk Management (continued)

(f) Foreign Currency risk (continued)

\$ 000's	Balanced		Growth		Transaction account		Total Scheme	
	2022	2021	2022	2021	2022	2021	2022	2021
As at 31 March								
Monetary assets and liabilities								
Australian Dollar (AUD)	(48,761)	(23,217)	(81,504)	(31,063)	-	416	(237,584)	(59,722)
United States Dollars (USD)	(24,184)	(22,998)	(44,018)	(31,091)	-	-	(74,874)	(59,814)
Great British Pound (GBP)	-	-	-	-	-	20	-	20
Non-monetary assets and liabilities								
Australian Dollar (AUD)	46,971	23,083	78,421	30,884	-	-	228,660	59,791
United States Dollars (USD)	23,790	22,965	43,289	31,046	-	-	73,642	59,728
Great British Pound (GBP)	-	-	-	-	-	-	-	-

\$ 000's	Cash		CashPlus		Default Conservative		Conservative		Default
	2022	2021	2022	2021	2022	2021	2022	2021	2022
As at 31 March									
Monetary assets and liabilities									
AUD - exchange rates increased by 15% (2021: 15%)	-	-	-	-	-	-	1,556	764	12,443
AUD - exchange rates decreased by 15% (2021: 15%)	-	-	-	-	-	-	(2,105)	(1,034)	(16,834)
USD - exchange rates increased by 15% (2021: 15%)	-	-	-	-	-	-	870	747	-
USD - exchange rates decreased by 15% (2021: 15%)	-	-	-	-	-	-	(1,177)	(1,010)	-
GBP - exchange rates increased by 15% (2021: 15%)	-	-	-	-	-	-	-	-	-
GBP - exchange rates decreased by 15% (2021: 15%)	-	-	-	-	-	-	-	-	-
Non-monetary assets and liabilities									
AUD - exchange rates increased by 15% (2021: 15%)	-	-	-	-	-	-	(1,495)	(760)	(11,975)
AUD - exchange rates decreased by 15% (2021: 15%)	-	-	-	-	-	-	2,022	1,028	16,202
USD - exchange rates increased by 15% (2021: 15%)	-	-	-	-	-	-	(856)	(746)	-
USD - exchange rates decreased by 15% (2021: 15%)	-	-	-	-	-	-	1,158	1,009	-
GBP - exchange rates increased by 15% (2021: 15%)	-	-	-	-	-	-	-	-	-
GBP - exchange rates decreased by 15% (2021: 15%)	-	-	-	-	-	-	-	-	-

\$ 000's	Balanced		Growth		Transaction account		Total Scheme	
	2022	2021	2022	2021	2022	2021	2022	2021
As at 31 March								
Monetary assets and liabilities								
AUD - exchange rates increased by 15% (2021: 15%)	6,360	3,028	10,631	4,052	-	(54)	30,990	7,790
AUD - exchange rates decreased by 15% (2021: 15%)	(8,605)	(4,097)	(14,383)	(5,482)	-	73	(41,927)	(10,540)
USD - exchange rates increased by 15% (2021: 15%)	3,154	3,000	5,741	4,055	-	-	9,765	7,802
USD - exchange rates decreased by 15% (2021: 15%)	(4,268)	(4,058)	(7,768)	(5,487)	-	-	(13,213)	(10,555)
GBP - exchange rates increased by 15% (2021: 15%)	-	-	-	-	-	(3)	-	(3)
GBP - exchange rates decreased by 15% (2021: 15%)	-	-	-	-	-	4	-	4
Non-monetary assets and liabilities								
AUD - exchange rates increased by 15% (2021: 15%)	(6,127)	(3,011)	(10,229)	(4,028)	-	-	(29,826)	(7,799)
AUD - exchange rates decreased by 15% (2021: 15%)	8,289	4,073	13,839	5,450	-	-	40,352	10,551
USD - exchange rates increased by 15% (2021: 15%)	(3,103)	(2,995)	(5,646)	(4,049)	-	-	(9,605)	(7,790)
USD - exchange rates decreased by 15% (2021: 15%)	4,198	4,053	7,639	5,479	-	-	12,995	10,541
GBP - exchange rates increased by 15% (2021: 15%)	-	-	-	-	-	-	-	-
GBP - exchange rates decreased by 15% (2021: 15%)	-	-	-	-	-	-	-	-

Kiwi Wealth KiwiSaver Scheme

Kiwi Wealth KiwiSaver Scheme

Notes to the Financial Statements

For the year ended 31 March 2022

9. Derivative Asset and Liabilities

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

\$ 000's	Cash		CashPlus		Default Conservative		Conservative		Default
	2022	2021	2022	2021	2022	2021	2022	2021	2022
As at 31 March									
Forward exchange contracts (notional value in NZ\$)	-	-	-	-	-	-	18,730	11,627	94,829
Forward exchange contracts (fair value in NZ\$)	-	-	-	-	-	-	118	43	(655)
\$ 000's	Balanced		Growth		Transaction account		Total Scheme		
	2022	2021	2022	2021	2022	2021	2022	2021	
As at 31 March									
Forward exchange contracts (notional value in NZ\$)	73,420	46,386	126,356	62,385	-	-	313,335	120,398	
Forward exchange contracts (fair value in NZ\$)	417	172	735	231	-	-	615	446	

10. Capital Management

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

11. Related Party Transactions and balances

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

11.1 Management and Administration Fees

The management and administration fees are calculated on a daily basis based on the net asset value of the Scheme of up to 1%, and is paid monthly, subject to a minimum fee of \$40 per annum (excluding members that transferred from the Kiwibank KiwiSaver ("KBKS")). The minimum fee for a member that transferred from the KBKS is \$12 per annum.

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

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

Kiwi Wealth KiwiSaver Scheme Notes to the Financial Statements For the year ended 31 March 2022

11. Related Party Transactions and balances (continued)

11.1 Management and Administration Fees (continued)

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

\$ 000's	Cash		CashPlus		Default Conservative		Conservative		Default
	2022	2021	2022	2021	2022	2021	2022	2021	2022 Period
For the year ended 31 March									
Current year management fees	1,466	1,603	807	917	1,886	2,078	8,234	7,874	528
Management fees payable at the end of the year	124	21	63	12	107	30	679	112	148

\$ 000's	Balanced		Growth		Transaction account		Total Scheme	
	2022	2021	2022	2021	2022 Period	2021	2022	2021
For the year ended 31 March								
Current year management fees	21,171	18,098	22,928	17,720	-	-	57,020	48,290
Management fees payable at the end of the year	1,742	271	1,910	278	-	-	4,773	724

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

Audit Fees

Fees charged by the Auditor, and paid by the Manager, for the audit of the financial statements totalled \$197,597 excluding GST (2021: \$118,020 excluding GST). The Auditor also performs Supervisor reporting and Registry compliance services totalling \$6,354 excluding GST (2021: \$5,623 excluding GST).

Kiwi Wealth KiwiSaver Scheme

Notes to the Financial Statements

For the year ended 31 March 2022

11. Related Party Transactions and balances (continued)

11.2 Holdings of Related Party Funds

As at 31 March 2022, the Scheme and Funds held interests in financial instruments issued by related parties. The following tables specify the relevant related party financial instruments and their fair values:

\$ 000's	Cash		CashPlus		Default Conservative		Conservative		Default
	2022	2021	2022	2021	2022	2021	2022	2021	2022
As at 31 March									
Related party issuer (Fair value)									
Kiwi Investment Management Cash Fund	322,878	296,332	63,331	71,222	83,674	107,926	-	-	-
Kiwi Investment Management Core Fixed Income Fund	-	-	41,440	47,259	123,235	161,146	608,317	603,218	-
Kiwi Investment Management NZ Fixed Income Fund	-	-	-	-	-	-	37,929	37,914	90,867
Kiwi Investment Management Core Global - Hedged	-	-	-	-	27,019	34,081	38,661	43,477	-
Kiwi Investment Management Core Global - Unhedged	-	-	-	-	26,170	34,185	18,121	22,548	-
Kiwi Investment Management NZ Equities Fund	-	-	-	-	-	-	23,181	9,677	-
Kiwi Investment Management Wholesale Global Quantitative Fund - Hedged	-	-	-	-	-	-	68,472	62,282	-
Kiwi Investment Management Wholesale Global Quantitative Fund - Unhedged	-	-	-	-	-	-	26,069	32,297	-
Kiwi Investment Management Wholesale Global Thematic Fund - Hedged	-	-	-	-	-	-	86,597	76,712	-
Kiwi Investment Management Wholesale Global Thematic Fund - Unhedged	-	-	-	-	-	-	32,985	44,840	-
Kiwi Investment Management NZ Equity IMP	-	-	-	-	-	-	-	-	43,948
Kiwi Investment Wholesale Screened Global Shares Fund - Hedged	-	-	-	-	-	-	-	-	162,341
Kiwi Investment Wholesale Screened Global Shares Fund - Unhedged	-	-	-	-	-	-	-	-	84,703
\$ 000's									
As at 31 March									
Related party issuer (Fair value)									
Kiwi Investment Management Cash Fund	-	-	-	-	-	-	469,883	475,480	-
Kiwi Investment Management Core Fixed Income Fund	788,202	732,801	299,517	251,241	-	-	1,860,711	1,795,664	-
Kiwi Investment Management NZ Fixed Income Fund	48,330	46,204	17,806	15,987	-	-	194,932	100,105	-
Kiwi Investment Management Core Global - Hedged	152,602	171,839	207,604	225,927	-	-	425,886	475,324	-
Kiwi Investment Management Core Global - Unhedged	85,960	96,362	131,367	140,848	-	-	261,618	293,944	-
Kiwi Investment Management NZ Equities Fund	104,176	39,101	163,352	53,598	-	-	290,709	102,376	-
Kiwi Investment Management Wholesale Global Quantitative Fund - Hedged	275,654	246,065	389,535	323,426	-	-	733,661	631,773	-
Kiwi Investment Management Wholesale Global Quantitative Fund - Unhedged	123,490	137,969	188,745	201,607	-	-	338,304	371,873	-
Kiwi Investment Management Wholesale Global Thematic Fund - Hedged	349,306	302,655	493,025	395,374	-	-	928,928	774,740	-
Kiwi Investment Management Wholesale Global Thematic Fund - Unhedged	156,926	191,800	238,774	280,128	-	-	428,685	516,768	-
Kiwi Investment Management NZ Equity IMP	-	-	-	-	-	-	43,948	-	-
Kiwi Investment Wholesale Screened Global Shares Fund - Hedged	-	-	-	-	-	-	162,341	-	-
Kiwi Investment Wholesale Screened Global Shares Fund - Unhedged	-	-	-	-	-	-	84,703	-	-

Kiwi Wealth KiwiSaver Scheme

Notes to the Financial Statements

For the year ended 31 March 2022

11. Related Party Transactions and balances (continued)

11.3 Purchase and Sale of Units in Related Party Funds

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

\$ 000's	Cash		CashPlus		Default Conservative		Conservative		Default
	2022	2021	2022	2021	2022	2021	2022	2021	2022 Period
For the year ended 31 March									
Purchase of financial instruments at fair value through profit or loss	41,405	16,321	3,873	9,296	48,803	77,137	133,331	204,263	363,585
Sale of financial assets at fair value through profit or loss	(17,863)	(34,417)	(15,835)	(13,653)	(124,751)	(27,075)	(112,883)	(171,938)	(10,091)

\$ 000's	Balanced		Growth		Transaction account		Total Scheme	
	2022	2021	2022	2021	2022 Period	2021	2022	2021
For the year ended 31 March								
Purchase of financial instruments at fair value through profit or loss	379,367	408,756	493,479	371,739	-	-	1,463,843	1,087,512
Sale of financial assets at fair value through profit or loss	(309,746)	(337,078)	(368,063)	(259,100)	-	-	(959,232)	(843,261)

11.4 Transfers between Related Party Funds

From time to time, the Investment Manager undertakes certain re-balancing trades of investments between the Scheme and various other Funds managed by the Investment Manager. On occasion, to facilitate Scheme requirements, in specie transfers between them may occur. In the opinion of the Manager and the Investment Manager, these transactions were made at fair value and there was no detrimental impact on Members of the Scheme. There were no such transactions in year ended 31 March 2022 (2021: nil)

11.5 Purchase and Sale of Investments between Related Party Funds

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

11.6 Interests in Related Party Funds

As at 31 March 2022, the Scheme held following interests in Related Party funds. The place of business for these Related Party funds is Level 13, 20 Ballance Street, Wellington 6011, New Zealand. The Scheme is not required to consolidate these investments and continues to account for these investments at FVTPL. The Scheme is entitled to one vote for every whole unit held.

\$ 000's	2022			2021		
	Units	Market Value	% of Fund	Units	Market Value	% of Fund
As at 31 March						
Subsidiary						
Kiwi Investment Management Cash Fund	441,246	469,883	84%	451,076	475,480	94%
Kiwi Investment Management Core Global Fund	404,229	687,504	70%	490,146	769,268	76%
Kiwi Investment Management NZ Fixed Income Fund	207,662	194,333	100%	99,785	100,105	100%
Kiwi Investment Management NZ Equities Fund	311,184	290,708	100%	105,217	102,376	100%
Kiwi Investment Management Core Fixed Income Fund	1,782,119	1,860,711	73%			
Kiwi Investment Management Global Thematic Fund	814,000	1,357,614	68%			
Kiwi Investment Management Global Quant Fund	713,966	1,071,966	71%			
Kiwi Investment Management Screened Global Shares Fund	254,361	247,044	100%			

Kiwi Wealth KiwiSaver Scheme

Notes to the Financial Statements

For the year ended 31 March 2022

11. Related Party Transactions and balances (continued)

11.7 Key Management Personnel

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

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

\$ 000's	Cash		CashPlus		Default Conservative		Conservative		Default
	2022	2021	2022	2021	2022	2021	2022	2021	
For the year ended 31 March									2022 Period
Contributions	-	16	-	-	-	-	22	334	-
Withdrawals	-	-	-	-	-	-	-	-	-
\$ 000's	Balanced		Growth		Transaction account		Total Scheme		
For the year ended 31 March	2022	2021	2022	2021	2022 Period	2021	2022	2021	
Contributions	16	50	174	242	-	-	212	642	
Withdrawals	-	-	-	-	-	-	-	-	

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

The table below shows key management personnel fund balances:

\$ 000's	Cash		CashPlus		Default Conservative		Conservative		Default
	2022	2021	2022	2021	2022	2021	2022	2021	
As at 31 March									2022
Key management personnel fund balances	38	-	-	-	-	-	1,521	1,515	-
\$ 000's	Balanced		Growth		Transaction account		Total Scheme		
As at 31 March	2022	2021	2022	2021	2022	2021	2022	2021	
Key management personnel fund balances	3	406	1,754	1,610	-	-	3,316	3,531	

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

\$ 000's	Cash		CashPlus		Default Conservative		Conservative		Default
	2022	2021	2022	2021	2022	2021	2022	2021	
For the year ended 31 March									2022 Period
Net increase in net assets before membership activities	1,555	3,207	(2,548)	1,356	(3,038)	23,035	(18,445)	101,214	(24,218)
<i>Adjusted for:</i>									
Sale of investments	17,863	33,317	15,835	12,723	124,751	23,136	125,546	157,358	16,673
Purchase of investments	(41,425)	(16,321)	(3,886)	(9,296)	(48,833)	(77,137)	(149,602)	(213,396)	(513,641)
Net unrealised change in value of investments	(3,005)	(3,690)	1,749	(1,330)	1,293	(21,148)	10,262	(88,261)	23,903
Non cash transfers between Transaction Account and Funds	915	1,600	507	915	1,352	2,068	4,997	7,839	-
<i>Changes in assets and liabilities:</i>									
Net decrease/(increase) in receivables	-	1	-	638	-	-	-	2	-
Net increase/(decrease) in payables	124	(18,519)	63	-	107	(542)	679	(5,524)	148
Net cash flow from operating activities	(23,973)	(405)	11,720	5,006	75,632	(50,588)	(26,563)	(40,768)	(497,135)
\$ 000's	Balanced		Growth		Transaction account		Total Scheme		
For the year ended 31 March	2022	2021	2022	2021	2022 Period	2021	2022	2021	
Net increase in net assets before membership activities	40,041	362,350	110,720	462,773	2	60	104,069	953,995	
<i>Adjusted for:</i>									
Sale of investments	369,025	308,774	444,326	244,788	-	-	1,114,019	780,096	
Purchase of investments	(451,409)	(446,071)	(614,351)	(424,801)	-	-	(1,823,147)	(1,187,022)	
Net unrealised change in value of investments	(61,026)	(327,325)	(133,426)	(434,758)	31	(8)	(160,219)	(876,520)	
Non cash transfers between Transaction Account and Funds	12,639	17,995	13,503	17,596	(33,913)	(48,013)	-	-	
<i>Changes in assets and liabilities:</i>									
Net decrease/(increase) in receivables	-	5,036	-	2,650	-	-	-	8,327	
Net increase/(decrease) in payables	1,742	-	1,910	2	-	-	4,773	(24,583)	
Net cash flow from operating activities	(88,988)	(79,241)	(177,318)	(131,750)	(33,880)	(47,961)	(760,505)	(345,707)	

Kiwi Wealth KiwiSaver Scheme

Notes to the Financial Statements

For the year ended 31 March 2022

13. Contingent Liabilities and Commitments

As at 31 March 2022, the Scheme had below material commitments or contingencies.

\$ 000's As at 31 March	Cash		CashPlus		Default Conservative		Conservative		Default	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Investment in private equities										
Total Called capital	-	-	-	-	-	-	3,953	473	-	-
Uncalled Capital	-	-	-	-	-	-	5,373	8,853	-	-
Total Commitment	-	-	-	-	-	-	9,326	9,326	-	-
\$ 000's As at 31 March	Balanced		Growth		Total Scheme					
	2022	2021	2022	2021	2022	2021				
Investment in private equities										
Total Called capital	16,025	1,910	23,820	3,151	43,798	5,534				
Uncalled Capital	21,764	35,879	33,065	53,734	60,202	98,466				
Total Commitment	37,789	37,789	56,885	56,885	104,000	104,000				

14. Events Subsequent to Balance Date

No significant events that have occurred since reporting date which would impact on the financial position of the Funds disclosed in the Statement of Financial Position as at 31 March 2022 or on the results and cash flows of the Funds for the period ended on that date.



Independent auditor's report

To the unitholders of the

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

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

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS):

- the financial position of the Scheme, Cash Fund, CashPlus Fund, Default Conservative Fund, Conservative Fund, Balanced Fund and Growth Fund as at 31 March 2022, their financial performance and their cash flows for the year then ended;
- the financial position of the Default Fund as at 31 March 2022, its financial performance and its cash flows for the four month period then ended; and
- the financial performance and cash flows of the Transaction Account for the period ended 15 November 2021.

What we have audited

The Investment Funds and the Scheme's financial statements (other than the Transaction Account) comprise:

- the statements of net assets as at 31 March 2022;
- the statements of changes in net assets for the period then ended;
- the statements of cash flows for the period then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

The Transaction Account's financial statements comprise:

- the statements of changes in net assets for the period ended 15 November 2021;
- the statements of cash flows for the period ended 15 November 2021; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

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



Independence

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

We are the auditor of Kiwi Wealth Limited, the Manager. We have provided the following services to the Manager: statutory audit on behalf of the Auditor-General, agreed upon procedures on its net tangible assets calculation, supervisor reporting, registry compliance assurance reporting, controls assurance and agreed upon procedures on controls for the Manager’s private wealth custodian, and the audit of financial statements of other funds and schemes. Subject to certain restrictions, employees of our firm may invest in the Investment Funds and the Scheme on normal terms within the ordinary course of trading activities of the Investment Funds and the Scheme. These services and relationships have not impaired our independence as auditor of the Investment Funds and the Scheme. Other than in our capacity as auditor, we have no other relationships with, or interests in, the Investment Funds and the Scheme.

Key audit matters

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

Description of the key audit matter			How our audit addressed the key audit matter
Valuation and existence of financial assets held at fair value through profit or loss (FVTPL) As at 31 March 2022, financial assets held at FVTPL amounted to:			We assessed the processes employed by the Manager for recording and valuing the financial assets held at FVTPL including the relevant controls operated by JBWere and BNP Paribas (the Custodians) and MMC Limited (the Administrator). Our assessment of the business processes included: <ul style="list-style-type: none"> Updating our understanding of the business processes over classification, recognition and measurement of financial assets held at FVTPL; Obtaining one Custodian’s internal controls report over custody services for the period ended 31 March 2022 and the other Custodian’s internal controls report over custody services for the period ended 30 September 2021 with an accompanying bridging letter until 31 March 2022. We also obtained the Administrator’s internal controls report over administration and registry services for the period ended 31 March 2022. We evaluated the sufficiency and appropriateness of the evidence provided by the controls reports over the design and operating effectiveness of the key controls operated by the Custodians and the Administrator and considered additional controls in place at the Manager to cover the period of the bridging letter.
Fund	31/03/2022 (\$'000)	31/03/2021 (\$'000)	
Cash	322,878	296,332	
CashPlus	104,771	118,481	
Default Conservative	260,097	337,338	
Conservative	964,243	950,489	
Default	473,714	-	
Balanced	2,178,730	2,035,244	
Growth	2,288,096	1,983,970	
Scheme	6,592,529	5,721,854	
Financial assets held at FVTPL are included in note 4 of the financial statements. This was an area of focus as it represents the substantial majority of net assets of the Investment Funds and the Scheme.			



Description of the key audit matter	How our audit addressed the key audit matter
<p>As disclosed in note 6 of the financial statements, as at 31 March 2022, the majority of the financial assets held by the Investment Funds and the Scheme comprise investments in unlisted unit trusts.</p> <p>The fair values of the unlisted unit trusts are based on the redemption prices established by the respective investment fund administrators and categorised as level 2 in the fair value hierarchy. The fair value of the private equity investments is based on the Net Asset Value provided by the investment manager and categorised as level 3 in the fair value hierarchy. In assessing the fair value, the Manager uses information provided by the investment fund administrators and investment managers including the financial statements of the underlying funds and recent transaction prices.</p>	<p>Valuation</p> <p>For valuation of the investments in unlisted unit trusts, we agreed the redemption price at period end to the confirmation obtained from the investment fund administrator of the unit trusts. We evaluated whether the redemption price represents fair value by:</p> <ul style="list-style-type: none"> • comparing the net asset value per unit calculated based on the latest financial statements of the underlying unlisted unit trust to the published unit price on that date to provide evidence of the reliability of the unit pricing process; • assessing whether the fair value of the underlying assets and liabilities of the underlying unlisted unit trust are primarily determined through observable market data; and • comparing the redemption price at 31 March 2022 to recent transactions to further support the fair value of the unlisted unit trusts. <p>For valuation of private equity investments, we agreed the value of the investment at period end to a confirmation obtained from the investment manager of the fund's shareholding and the net asset value of the private equity fund. We evaluated the reasonableness of the value provided by agreeing the net asset value of the private equity funds to the 31 March 2022 audited financial statements.</p> <p>For valuation of listed equities, we used our valuation experts to test the fair value using independent valuation methods and third-party pricing sources.</p> <p>Existence</p> <p>For the existence of investments in unlisted unit trusts and listed equities, we agreed the investment holdings to confirmations obtained directly from the Custodians.</p> <p>For private equity investments, an external confirmation has been obtained directly from the Fund Manager to confirm the amount of funds invested by the Investment Funds and the Scheme.</p> <p>For forward foreign exchange contracts, we agreed all of the derivative positions to counterparty confirmations.</p>



Our audit approach

Overview

Materiality

We determined materiality for each Fund and the Scheme separately.

Overall Materiality:

- Cash Fund: is calculated based on approximately 1% of net assets
- CashPlus Fund: is calculated based on approximately 1% of net assets
- Default Conservative Fund: is calculated based on approximately 1% of net assets
- Conservative Fund: is calculated based on approximately 1% of net assets
- Default Fund: is calculated based on approximately 1% of net assets
- Balanced Fund: is calculated based on approximately 1% of net assets
- Growth Fund: is calculated based on approximately 1% of net assets
- Transaction Account: is calculated based on approximately 1% of total contributions
- Kiwi Wealth KiwiSaver Scheme: is calculated based on approximately 1% of net assets

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

For the Transaction Account, we chose contributions as the benchmark as it more accurately reflects the transactions in the account.

Key audit matters

As reported above, we have one key audit matter, being valuation and existence of financial assets held at fair value through profit or loss (FVTPL)

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



Materiality

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

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

How we tailored our audit scope

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

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

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

Other information

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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



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 the Scheme's unitholders, 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 unitholders, 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 Ussher.

For and on behalf of:

PricewaterhouseCoopers

Chartered Accountants
28 July 2022

Wellington