

**ANZ DEFAULT KIWISAVER SCHEME
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2022

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STATEMENT OF CHANGES IN NET ASSETS

For the year ended 31 March	Note	Conservative Fund		Conservative Balanced Fund		Balanced Fund		Balanced Growth Fund		Growth Fund		Cash Fund		ANZ Default KiwiSaver Scheme		
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Investment Activities																
Income																
Interest Income		1	1	-	-	-	-	-	-	-	-	-	-	-	1	1
Net fair value changes	5	27,250	97,891	1,031	9,871	6,145	35,307	10,281	46,751	12,885	50,896	151	244	57,743	240,960	
Total income		27,251	97,892	1,031	9,871	6,145	35,307	10,281	46,751	12,885	50,896	151	244	57,744	240,961	
Expenses																
Management fees	11	3,984	4,546	759	622	2,139	1,720	2,337	1,897	2,328	1,798	36	42	11,583	10,625	
Manager's other costs	11	188	260	8	6	36	32	38	34	35	29	(7)	(5)	298	356	
Supervisor fees	11	80	118	7	7	17	19	17	19	16	17	1	2	138	182	
Auditor's fees - statutory financial statements		7	7	7	7	7	6	7	6	7	6	7	6	42	38	
Auditor's fees - semi-annual controls audit, supervisor reporting and registry audit		4	3	4	3	4	4	4	4	4	4	4	3	24	21	
Interest expense		32	11	-	-	-	-	-	-	-	-	-	-	32	11	
Other operating expenses		6	6	1	-	2	-	2	-	2	-	-	1	13	7	
Total expenses		4,301	4,951	786	645	2,205	1,781	2,405	1,960	2,392	1,854	41	49	12,130	11,240	
Net profit		22,950	92,941	245	9,226	3,940	33,526	7,876	44,791	10,493	49,042	110	195	45,614	229,721	

The notes to the financial statements form part of and should be read in conjunction with these financial statements.



STATEMENT OF CHANGES IN NET ASSETS (continued)

For the year ended 31 March	Note	Conservative Fund		Conservative Balanced Fund		Balanced Fund		Balanced Growth Fund		Growth Fund		Cash Fund		ANZ Default KiwiSaver Scheme	
		2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Membership Activities															
Net profit		22,950	92,941	245	9,226	3,940	33,526	7,876	44,791	10,493	49,042	110	195	45,614	229,721
Contributions from members		81,854	99,547	11,753	7,108	19,373	17,191	20,767	16,391	19,927	16,673	1,428	1,753	155,102	158,663
Contributions from employers		37,602	52,266	2,501	2,322	6,358	6,369	7,304	7,304	7,854	7,713	660	877	62,279	76,851
Crown contributions		15,569	16,328	844	730	1,985	1,797	2,103	1,924	2,466	2,183	217	266	23,184	23,228
Transfers in from other schemes		24	2	-	-	-	-	135	-	30	1	-	-	189	3
Transfers in from complying Australian superannuation schemes		1,636	979	120	191	477	112	429	303	93	340	1	14	2,756	1,939
Contributions for PIE tax received		69	17	24	10	25	63	28	381	16	731	-	-	162	1,202
End payment date withdrawals		(22,582)	(18,403)	(2,617)	(1,507)	(2,467)	(2,425)	(2,398)	(882)	(2,870)	(893)	(1,797)	(1,662)	(34,731)	(25,772)
Withdrawals for first home purchase		(15,278)	(17,210)	(784)	(561)	(1,601)	(1,026)	(2,312)	(1,804)	(2,738)	(2,704)	(1,990)	(3,050)	(24,703)	(26,355)
Withdrawals for significant financial hardship		(1,645)	(2,819)	(64)	(79)	(76)	(97)	(80)	(149)	(93)	(242)	(52)	(18)	(2,010)	(3,404)
Withdrawals for serious illness		(1,359)	(1,074)	(264)	(34)	(129)	(12)	(8)	(141)	(171)	(254)	(9)	(22)	(1,940)	(1,537)
Withdrawals for permanent emigration		(395)	(804)	(62)	(50)	(14)	-	(50)	(93)	(173)	(110)	-	(21)	(694)	(1,078)
Withdrawals for death		(2,485)	(1,574)	(59)	(15)	(346)	(307)	(128)	(36)	(185)	(33)	(7)	(128)	(3,210)	(2,093)
Other permitted withdrawals		(810)	(656)	(7)	(9)	(19)	-	(12)	(25)	(143)	(59)	(16)	(2)	(1,007)	(751)
Transfers out to other schemes		(594,814)	(54,265)	(5,547)	(4,240)	(17,303)	(9,723)	(21,003)	(14,002)	(18,668)	(14,756)	(792)	(1,395)	(658,127)	(98,381)
Transfers out to complying Australian superannuation schemes		(355)	(662)	-	-	(129)	-	(50)	(162)	(144)	(199)	-	-	(678)	(1,023)
Switches within ANZ Default KiwiSaver Scheme		(61,630)	(46,406)	11,472	13,020	18,788	12,417	13,096	9,690	12,730	14,338	5,544	(3,059)	-	-
Withdrawals for PIE tax paid		(9,025)	(10,436)	(714)	(311)	(2,692)	(352)	(3,458)	(352)	(3,670)	(343)	(33)	(50)	(19,592)	(11,844)
Membership fees paid	11	(559)	(1,167)	(18)	(32)	(40)	(76)	(43)	(82)	(56)	(103)	(5)	(11)	(721)	(1,471)
Net membership activities		(574,183)	13,663	16,578	16,543	22,190	23,931	14,320	18,265	14,205	22,283	3,149	(6,508)	(503,741)	88,177
Benefits accrued to members' accounts		(551,233)	106,604	16,823	25,769	26,130	57,457	22,196	63,056	24,698	71,325	3,259	(6,313)	(458,127)	317,898
Members' funds at the beginning of the year		1,213,475	1,106,871	86,999	61,230	215,475	158,018	226,531	163,475	210,704	139,379	18,488	24,801	1,971,672	1,653,774
Members' funds at the end of the year		662,242	1,213,475	103,822	86,999	241,605	215,475	248,727	226,531	235,402	210,704	21,747	18,488	1,513,545	1,971,672

The notes to the financial statements form part of and should be read in conjunction with these financial statements.

STATEMENT OF NET ASSETS

As at 31 March	Note	Conservative Fund		Conservative Balanced Fund		Balanced Fund		Balanced Growth Fund		Growth Fund		Cash Fund		ANZ Default KiwiSaver Scheme	
		2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Assets															
Cash and cash equivalents		375	375	4	4	13	13	15	15	13	13	12	13	432	433
Margin accounts		9,356	8,081	-	-	-	-	-	-	-	-	-	-	9,356	8,081
Investment assets	4	653,252	1,208,628	103,888	87,081	241,801	215,690	248,944	226,779	235,621	210,940	21,740	18,481	1,505,246	1,967,599
Other receivables	6	2,043	7,758	112	659	195	2,588	931	3,345	1,413	3,567	23	31	2,562	17,948
Total assets		665,026	1,224,842	104,004	87,744	242,009	218,291	249,890	230,139	237,047	214,520	21,775	18,525	1,517,596	1,994,061
Liabilities															
Investment liabilities	4	468	2,938	-	-	-	-	-	-	-	-	-	-	468	2,938
Other payables	7	2,316	8,429	182	745	404	2,816	1,163	3,608	1,645	3,816	28	37	3,583	19,451
Total liabilities		2,784	11,367	182	745	404	2,816	1,163	3,608	1,645	3,816	28	37	4,051	22,389
Net assets attributable to members		662,242	1,213,475	103,822	86,999	241,605	215,475	248,727	226,531	235,402	210,704	21,747	18,488	1,513,545	1,971,672
Net assets available for benefits		662,242	1,213,475	103,822	86,999	241,605	215,475	248,727	226,531	235,402	210,704	21,747	18,488	1,513,545	1,971,672

On behalf of ANZ New Zealand Investments Limited as Manager who authorised the issue of these financial statements on 20 July 2022.



Ian Burns
Chair of the Board of Directors



Fiona Mackenzie
Executive Director

STATEMENT OF CASH FLOWS

For the year ended 31 March	Conservative Fund		Conservative Balanced Fund		Balanced Fund		Balanced Growth Fund		Growth Fund		Cash Fund		ANZ Default KiwiSaver Scheme	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cash flows from operating activities														
Net profit	22,950	92,941	245	9,226	3,940	33,526	7,876	44,791	10,493	49,042	110	195	45,614	229,721
Investment assets and margin accounts	554,101	(106,967)	(16,807)	(25,797)	(26,111)	(57,535)	(22,165)	(63,171)	(24,681)	(71,468)	(3,259)	6,311	461,078	(318,627)
Accrued expenses	(253)	41	1	18	21	42	17	48	20	56	-	1	(194)	206
Investment liabilities	(2,470)	(504)	-	-	-	-	-	-	-	-	-	-	(2,470)	(504)
Net cash flows from/(used in) operating activities	574,328	(14,489)	(16,561)	(16,553)	(22,150)	(23,967)	(14,272)	(18,332)	(14,168)	(22,370)	(3,149)	6,507	504,028	(89,204)
Cash flows from financing activities														
Proceeds from contributions by members	136,685	169,122	15,218	10,351	28,193	25,469	30,738	25,921	30,370	26,910	2,306	2,910	243,510	260,683
Payments for redemptions by members	(639,723)	(97,467)	(9,404)	(6,495)	(22,084)	(13,590)	(26,041)	(17,294)	(25,185)	(19,250)	(4,663)	(6,298)	(727,100)	(160,394)
PIE tax received/ (paid) on behalf of members	(9,101)	(10,437)	(707)	(291)	(2,707)	(253)	(3,478)	97	(3,691)	475	(34)	(49)	(19,718)	(10,458)
Switches within ANZ Default KiwiSaver Scheme	(61,630)	(46,406)	11,472	13,020	18,788	12,417	13,096	9,690	12,730	14,338	5,544	(3,059)	-	-
Membership fees paid	(559)	(1,167)	(18)	(32)	(40)	(76)	(43)	(82)	(56)	(103)	(5)	(11)	(721)	(1,471)
Net cash flows from/(used in) financing activities	(574,328)	13,645	16,561	16,553	22,150	23,967	14,272	18,332	14,168	22,370	3,148	(6,507)	(504,029)	88,360
Net change in cash and cash equivalents	-	(844)	-	-	-	-	-	-	-	-	(1)	-	(1)	(844)
Cash and cash equivalents at beginning of year	375	1,219	4	4	13	13	15	15	13	13	13	13	433	1,277
Cash and cash equivalents at end of year	375	375	4	4	13	13	15	15	13	13	12	13	432	433

The net cash flow from operating activities are now presented using the indirect method. The notes to the financial statements form part of and should be read in conjunction with these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

These financial statements are for the ANZ Default KiwiSaver Scheme (Scheme), which comprises the following funds (each a Fund, collectively the Funds):

- Conservative Fund
- Conservative Balanced Fund
- Balanced Fund
- Balanced Growth Fund
- Growth Fund
- Cash Fund

The Scheme is a defined contribution KiwiSaver scheme domiciled in New Zealand. The main purpose of the Scheme is to provide benefits to Members in accordance with the KiwiSaver Act 2006 (KiwiSaver Act). Members of the Scheme can contribute to any of the above Funds. The Funds invest into a variety of unitised funds in order to gain exposure to cash, equity, fixed interest and property markets. The retirement benefits are determined by contributions to the Scheme together with investment earnings, and increases and decreases in value, on these contributions over the period of the membership with adjustment for fees and a member's tax.

ANZ New Zealand Investments Limited (Manager) is the Manager of the Scheme. The registered address of the Manager is Ground Floor, ANZ Centre, 23-29 Albert Street, Auckland 1010, New Zealand.

The New Zealand Guardian Trust Company Limited (Supervisor) is the Supervisor of the Scheme. The Supervisor is a trustee corporation licensed under the Financial Markets Supervisors Act 2011 to act as a Supervisor. The registered address of the Supervisor is Level 6, 191 Queen Street, Auckland. The Supervisor is also the custodian of the Scheme.

The Scheme is currently governed by the Governing Document for the ANZ Default KiwiSaver Scheme dated 9 September 2016.

The financial statements were authorised for issue by the directors of the Manager on 20 July 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

(i) Statement of compliance

These financial statements have been prepared in accordance with the Financial Markets Conduct Act 2013 (FMCA) and the Governing Document.

These financial statements comply with:

- New Zealand Generally Accepted Accounting Practice, as defined in the Financial Reporting Act 2013
- New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for publicly accountable profit-oriented entities
- International Financial Reporting Standards (IFRS).

The principal accounting policies adopted in the preparation of these financial statements are set out below.

(ii) Use of estimates and assumptions

The preparation of these financial statements requires the use of management judgement, estimates and assumptions that affect reported amounts and the application of accounting policies. Discussion of the critical accounting estimates and judgements, which include complex or subjective decisions or assessments, are included in Note 4 and Note 9. Such estimates will require review in future periods.

Whilst the course of the COVID-19 pandemic is moderating and its impact on economic activity and our customers is better understood, the responses of consumers, business and governments remain uncertain. New external risks are also emerging, including mounting geopolitical tensions, global supply chain disruptions, the conflict in Ukraine, and commodity price impacts. Thus there remains an elevated level of estimation uncertainty involved in the preparation of these financial statements.

The significant accounting estimates impacted by these uncertainties are predominantly related to fair value measurement.

(iii) Basis of measurement

The financial information has been prepared on a going concern basis in accordance with fair value concepts except for cash and cash equivalents, margin accounts, other receivables and other payables which are stated at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

Default provider status

From 1 December 2021, the Manager ceased to be a default provider and the Scheme was closed to new members. From this date, remaining default members who have not made a switch within the Scheme, had their balance transferred to other default providers (refer to the Statement of Changes in Net Assets). The Scheme continues to operate as normal for existing members.

(iv) Changes in accounting policies and adoption of new standards and amendments

There have been no changes in accounting policies, standards issued not yet effective or early adoption of accounting standards in the preparation and presentation of the financial statements.

(v) Presentation currency and rounding

The amounts in the financial statements are presented in thousands of New Zealand dollars, unless otherwise stated.

(vi) Aggregation

The results, position and cash flows reported for the Scheme is a simple aggregation of the results, position and cash flows of the Funds that make up the Scheme and PIE tax which is shown in net in the Statement of Net Assets for the Scheme as disclosed in Note 2(c).

(vii) Foreign currency transactions

Investments and other monetary assets and liabilities denominated in foreign currencies are translated to New Zealand dollars at the exchange rate prevailing at balance date. Transactions in foreign currencies are recorded at the exchange rate prevailing on the dates of the transactions.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss and foreign exchange gains and losses arising from translation are presented in the Statement of Changes in Net Assets within 'Net changes fair value changes'.

(b) Revenue recognition

Interest income is recognised in the Statement of Changes in Net Assets as it accrues, using the original effective interest rate of the instrument calculated at the acquisition or origination date.

Net changes in the fair value of investment assets and liabilities are recognised immediately in the Statement of Changes in Net Assets.

Realised gains or losses on investments sold are calculated as the difference between sale proceeds and costs.

(c) Income tax

The Scheme is a Portfolio Investment Entity (PIE) for tax purposes.

Under the PIE regime, income is effectively taxed in the hands of the members. The Manager attributes the taxable income of the Funds to members in accordance with their proportionate interest in each Fund. Income attributed to each member is taxed at the member's Prescribed Investor Rate. The Manager accounts for tax by adjusting the members' interest in each Fund.

PIE tax transactions are typically processed at the end of each tax year and upon full exit from a fund, by cancelling or issuing units equal to the value of the tax liability or refund.

The tax balances included in the Statement of Net Assets (as disclosed in the notes to the financial statements) represent PIE tax receivable or payable on behalf of members.

(d) Assets and liabilities

(i) Financial assets and liabilities

Recognition

Investment assets and liabilities are recognised on the date that the Funds become party to the contractual agreement (trade date). Investment assets are derecognised when the contractual rights to the cash flows expire or the Funds have transferred substantially all risks and rewards of ownership. Investment liabilities are derecognised when the Funds have discharged all contractual obligations.

Measurement

The Funds' investment assets and liabilities are managed on a fair value basis, and carried at their fair value, with changes recognised in the Statement of Changes in Net Assets. The fair value of investments is based on their quoted market prices at balance date. Investment assets are priced at last traded prices, while investment liabilities are priced at current asking prices.

Investments in unithold funds are recorded at the redemption value per unit as reported by the managers of such funds, adjusted for any material information received subsequent to balance date that provides evidence of conditions that existed at balance date.

NOTES TO THE FINANCIAL STATEMENTS

(ii) Cash and cash equivalents

Cash and cash equivalents comprise current accounts and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than investments or other purposes.

(iii) Margin Accounts

Margin accounts represent margin deposits held in respect of open exchange traded futures contracts. They are separately disclosed in the Statement of Net Assets and do not form part of the cash and cash equivalents.

(iv) Other receivables and other payables

Other receivables and other payables include accrued income and expenses, and are carried at their amortised cost using the effective interest rate method. Their carrying value closely approximates their fair value due to their short term nature.

(e) Members' funds

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

Any owner changes in equity are presented in the membership activities section of the Statement of Changes in Net Assets, whereas any non-owner changes in equity are presented in the income section of the Statement of Changes in Net Assets. The Funds have no components of comprehensive income other than profit or loss for the year. Consequently, the profit or loss is the total comprehensive income of the Funds.

(f) Other

(i) Offsetting

Investment assets and liabilities are offset and the net amount reported in the Statement of Net Assets when and only when there is a current 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.

(ii) Investment entity and subsidiaries

The Scheme has multiple unrelated investors who hold multiple investments.

Ownership interests in the Funds are in the form of units, which are classified as puttable instruments in accordance with NZ IAS 32 *Financial Instruments: Presentation*, and are exposed to variable returns from changes in the fair value of the Funds' net assets.

These separate financial statements are the only financial statements for the Funds and no consolidated financial statements are required as the Funds meet the definition of an Investment Entity and thus do not consolidate subsidiaries, but account for them at fair value through profit or loss.

(g) Comparative Information

Certain prior year comparatives have been restated to conform with current year presentation.

3. FUNDING POLICY

Below is a description of the Scheme's funding policy, which is subject to further applicable KiwiSaver regulations.

Members who are employees, or self-employed who receive payments from their business that they need to deduct PAYE from, contribute either 3%, 4%, 6%, 8% or 10% of their before-tax salary or wages, unless on a savings suspension. For contributing members their employer is required to contribute an amount equal to at least 3% of the member's before-tax salary or wages, although certain exceptions apply. Employer contributions are taxed, so the actual money that goes into the member's KiwiSaver account as an employer contribution is less than 3% (or other rate provided by the employer) of the employee's before-tax salary or wages.

Anyone can make a voluntary regular or lump sum contribution to a member's account at any time.

The Government makes an annual contribution (Government Contribution) of up to \$521.43 a year to each eligible member's account.

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT ASSETS AND LIABILITIES

The Funds held the following investments at balance date.

As at 31 March	Conservative Fund		Conservative Balanced Fund		Balanced Fund		Balanced Growth Fund		Growth Fund		Cash Fund		ANZ Default KiwiSaver Scheme		Total investee fund net assets 2022 \$000	Number of investors in investee funds 2022	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021			
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000			
Investment assets																	
ANZ Wholesale Cash Fund	148,923	263,344	-	-	-	-	-	-	-	-	-	21,740	18,481	170,663	281,825	4,999,593	85
ANZ Wholesale Sovereign Bond Fund	49,262	92,418	-	-	-	-	-	-	-	-	-	-	-	49,262	92,418	1,144,425	46
ANZ Wholesale High Grade Bond Fund	49,640	113,254	-	-	-	-	-	-	-	-	-	-	-	49,640	113,254	1,095,849	46
ANZ Wholesale Australian Sovereign Fund	8,143	-	-	-	-	-	-	-	-	-	-	-	-	8,143	-	145,892	6
ANZ Wholesale International Sovereign Fund	87,323	207,108	-	-	-	-	-	-	-	-	-	-	-	87,323	207,108	2,030,705	32
ANZ Wholesale International Credit Fund	97,893	213,582	-	-	-	-	-	-	-	-	-	-	-	97,893	213,582	2,193,059	20
ANZ Wholesale International Aggregate Bond Fund	60,449	49,522	-	-	-	-	-	-	-	-	-	-	-	60,449	49,522	1,737,237	20
ANZ Wholesale International Property Securities Fund	12,391	20,024	-	-	-	-	-	-	-	-	-	-	-	12,391	20,024	1,573,184	44
ANZ Wholesale International Listed Infrastructure Fund	6,934	12,349	-	-	-	-	-	-	-	-	-	-	-	6,934	12,349	807,848	23
ANZ Wholesale Australian Share Fund	7,859	21,700	-	-	-	-	-	-	-	-	-	-	-	7,859	21,700	1,025,203	22
ANZ Wholesale Australasian Share Fund	16,666	31,012	-	-	-	-	-	-	-	-	-	-	-	16,666	31,012	1,624,833	30
ANZ Wholesale Trans-Tasman Property Securities Fund	7,202	18,084	-	-	-	-	-	-	-	-	-	-	-	7,202	18,084	920,024	22
ANZ Wholesale International Share - No. 5 Fund	98,009	165,772	-	-	-	-	-	-	-	-	-	-	-	98,009	165,772	480,462	20
ANZ Wholesale Conservative Balanced Fund	-	-	103,888	87,081	-	-	-	-	-	-	-	-	-	103,888	87,081	2,365,574	8
ANZ Wholesale Balanced Fund	-	-	-	-	241,801	215,690	-	-	-	-	-	-	-	241,801	215,690	5,243,984	15
ANZ Wholesale Balanced Growth Fund	-	-	-	-	-	-	248,944	226,779	-	-	-	-	-	248,944	226,779	5,329,902	19
ANZ Wholesale Growth Fund	-	-	-	-	-	-	-	-	235,621	210,940	-	-	-	235,621	210,940	5,704,959	19
Forward foreign exchange contracts - asset position	2,558	139	-	-	-	-	-	-	-	-	-	-	-	2,558	139	-	-
Futures - asset position	-	320	-	-	-	-	-	-	-	-	-	-	-	-	320	-	-
Total investment assets	653,252	1,208,628	103,888	87,081	241,801	215,690	248,944	226,779	235,621	210,940	21,740	18,481	1,505,246	1,967,599			

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March	Conservative Fund		Conservative Balanced Fund		Balanced Fund		Balanced Growth Fund		Growth Fund		Cash Fund		ANZ Default KiwiSaver Scheme		Total investee fund net assets 2022 \$000	Number of investors in investee funds 2022
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021		
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000		
Investment liabilities																
Forward foreign exchange contracts - liability position	468	2,863	-	-	-	-	-	-	-	-	-	-	-	468	2,863	
Futures - liability position	-	75	-	-	-	-	-	-	-	-	-	-	-	-	75	
Total investment liabilities	468	2,938	-	-	-	-	-	-	-	-	-	-	-	468	2,938	

Involvement with unconsolidated structured entities

A Structured Entity (SE) is an entity that has been designed such that the voting or similar rights are not the dominant factor in deciding who controls the entity, such as when voting rights relate to administrative tasks only and the relevant activities (being those that significantly affect the entity's returns) are directed by means of contractual arrangement. A SE often has some or all of the following features or attributes:

- restricted activities;
- a narrow and well defined objective;
- insufficient equity to permit the SE to finance its activities without subordinated financial support; and
- financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The Funds' involvement with unconsolidated SEs is through their investment in other unitised funds. Investments designated 'ANZ' in the table on page 9 are unitised funds managed by the Manager. The maximum exposure to loss is the carrying amount of the financial assets held. Once a fund has sold all units in an investee fund, the fund ceases to be exposed to any risk from that investee fund.

During the year the Funds did not provide financial or other support to unconsolidated structured entities and have no intention of providing financial or other support in future periods.

KEY JUDGEMENTS AND ESTIMATES

Significant judgement is required in assessing whether control exists over Structured Entities involved in investment funds. Judgement is required in relation to the existence of:

- power over the relevant activities (being those that significantly affect the entity's returns); and
- exposure to variable returns of that entity

NOTES TO THE FINANCIAL STATEMENTS

5. NET FAIR VALUE CHANGES

For the year ended 31 March	Conservative Fund		Conservative Balanced Fund		Balanced Fund		Balanced Growth Fund		Growth Fund		Cash Fund		ANZ Default KiwiSaver Scheme	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Net changes in fair value of:														
Unitised funds managed by the Manager	23,567	74,403	1,031	9,871	6,145	35,307	10,281	46,751	12,885	50,896	151	244	54,060	217,472
Other investments	3,683	23,488	-	-	-	-	-	-	-	-	-	-	3,683	23,488
Net fair value changes	27,250	97,891	1,031	9,871	6,145	35,307	10,281	46,751	12,885	50,896	151	244	57,743	240,960

6. OTHER RECEIVABLES

As at 31 March	Conservative Fund		Conservative Balanced Fund		Balanced Fund		Balanced Growth Fund		Growth Fund		Cash Fund		ANZ Default KiwiSaver Scheme	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
PIE tax receivable on behalf of members	2,043	-	112	-	-	-	-	-	-	-	-	-	-	-
Receivable from members	-	7,758	-	659	195	2,588	931	3,345	1,413	3,567	23	31	2,562	17,948
Other receivables	2,043	7,758	112	659	195	2,588	931	3,345	1,413	3,567	23	31	2,562	17,948

7. OTHER PAYABLES

As at 31 March	Note	Conservative Fund		Conservative Balanced Fund		Balanced Fund		Balanced Growth Fund		Growth Fund		Cash Fund		ANZ Default KiwiSaver Scheme	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
PIE tax payable on behalf of members		-	7,888	-	674	195	2,628	938	3,400	1,424	3,615	23	32	425	18,237
Payable to members		2,028	-	110	-	-	-	-	-	-	-	-	-	2,138	-
Manager's fees and expenses payable	11	280	512	71	68	206	184	222	203	219	196	5	5	1,003	1,168
Supervisor fees payable	11	8	29	1	3	3	4	3	5	2	5	-	-	17	46
Other payables		2,316	8,429	182	745	404	2,816	1,163	3,608	1,645	3,816	28	37	3,583	19,451

NOTES TO THE FINANCIAL STATEMENTS

8. FINANCIAL RISK MANAGEMENT

Overview

The Funds' investment portfolios consist of investments in unitised funds, forward foreign exchange contracts, futures, margin accounts and cash and cash equivalents that they intend to hold for an indefinite period of time for the purpose of generating a return on investments made by the members. The Funds are exposed directly and indirectly to a variety of financial risks including credit, market and liquidity risks, through holding these investments. In addition, the Funds have financial instruments in the form of cash and cash equivalents, other receivables, and other payables that arise directly from their daily operations.

The risk management policies employed by the Funds are detailed in the notes below. The financial risk management disclosures have been prepared based on the Funds' direct investments and not on a full look-through to investments held indirectly through other unitised funds.

The Governing Document requires the Manager to invest the assets of each fund in accordance with relevant investment mandates. Asset allocation is determined by the Manager who manages the distribution of assets to achieve investment objectives. Divergence from target allocations and the composition of the portfolio is monitored by the Manager each business day. The Manager reports on asset allocations to the Supervisor monthly.

Credit risk

Credit risk is the risk that a counterparty will fail to perform contractual obligations, either in whole or in part, under a contract.

Section	Description	Page numbers
Maximum exposure to credit risk	The Funds' exposure to credit risk arises from default of the counterparty, with the current maximum exposure considered to be the fair value of the assets with credit risk as set out in the Statement of Net Assets. This does not represent the maximum credit risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at balance date.	4
Credit quality	Where the Funds invest in unitised funds managed by the Manager (see Note 4), the investment strategies of these unitised funds include credit quality criteria that limits securities to certain minimum credit ratings.	13
Concentrations of credit risk	The main concentration to which the Funds are exposed to credit risk arises from the Funds' investments in cash and forward foreign exchange contracts. The concentration risk is not considered significant given the size of the balances relative to the total assets of the Funds.	13
Collateral management	Foreign exchange contracts are subject to International Swaps and Derivatives Associate (ISDA) Master Agreements. In the event of counterparty default, all contracts with the counterparty are terminated and settled on a net basis. Margin accounts are maintained for posting margin on futures contracts.	17

NOTES TO THE FINANCIAL STATEMENTS

Credit quality

Item	Counterparty	S&P Global Ratings short term credit rating	
		2022	2021
Cash and cash equivalents	ANZ Bank New Zealand (see Note 11)	A-1+	A-1+
Forward foreign exchange contracts	ANZ Bank New Zealand (see Note 11), Bank of New Zealand , Westpac Banking Corporation, Commonwealth Bank of Australia	A-1+	A-1+

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Currency risk

Currency risk is the risk that the New Zealand dollar fair value of a foreign currency denominated financial instrument will fluctuate due to changes in foreign exchange rates.

The Funds hold investments in other unitised funds which in turn may hold foreign currency-denominated investments as part of their investment mandates. Consequently, these Funds will have varying degrees of indirect exposure to currency risk. These currency exposures can be partially or fully hedged back to the New Zealand dollar.

Fund	Approach to currency risk management
Conservative Fund	<i>Australian Fixed Interest</i> Exposure to Australian fixed interest through its investment in the underlying fund is 100% passively hedged within the underlying fund.
Conservative Fund	<i>International Fixed Interest</i> Exposure to international fixed interest through its investment in the underlying fund is 100% passively hedged within the underlying fund.
Conservative Fund	<i>Australasian Equities</i> Actively hedged with a benchmark of 50% and a range of 0% - 100% for its Australian dollar exposure through its investments in the ANZ Wholesale Australian Share Fund and ANZ Wholesale Australasian Share Fund. As at balance date, the fund was hedging approximately 42% (2021: 48%) of its Australian dollar exposure through its investments in the ANZ Wholesale Australian Share Fund and the ANZ Wholesale Australasian Share Fund.
Conservative Fund	<i>International Equities</i> Actively hedged with a benchmark of 65% and a range of 0% to 100% for their foreign currency exposure through its investment in the ANZ Wholesale International Share – No. 5 Fund. As at balance date the fund was hedging approximately 71% (2021:69%) of its foreign currency exposure in the ANZ Wholesale International Share –No. 5 Fund.
Conservative Fund	<i>Australasian Listed Property</i> Exposure to Australasian listed property through its investment in the underlying fund is 100% passively hedged within the underlying fund.
Conservative Fund	<i>International Listed Property</i> Exposure to International listed property through its investment in the underlying fund is 100% passively hedged within the underlying fund.
Conservative Fund	<i>International Listed Infrastructure</i> Exposure to International listed infrastructure through its investment in the underlying fund is 100% passively hedged within the underlying fund.

The fair value of these contracts is set out in Note 4.

NOTES TO THE FINANCIAL STATEMENTS

In accordance with the Manager's policy on foreign exchange risk management, the Manager monitors each fund's currency position on each business day through reviewing and comparing each fund's indirect foreign currency exposure to the pre-determined foreign currency hedging policies (as above).

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the fair value of future cash flows or the fair value of financial instruments.

The Funds are not directly subject to significant amounts of interest rate risk. Cash and cash equivalents of the Funds are invested at short-term market interest rates and are held in call accounts.

The Funds have indirect exposure to interest rate risk through their investments in other unitised funds which hold cash, fixed interest and debt securities as part of their investment mandate.

Other price risk

Other price risk is the risk that the value of the Funds' investment portfolios will fluctuate as a result of changes in market prices, other than those arising from interest rate risk or currency risk.

The Funds trade in other unitised funds. All securities held within these Funds present a risk of loss of capital. The Manager moderates this risk through a careful selection of securities and other financial instruments and by ensuring that all activities are transacted in accordance with the relevant investment mandates, overall investment strategy and within approved limits. The Manager monitors the Funds' overall market position each business day.

When a fund has investments in other unitised funds, the increase/(decrease) in the net asset value of the fund is due to a reasonably possible change in the unit prices of other unitised funds (with all other variables held constant) and is indicated in the table below.

The Manager has reviewed price sensitivity calculations, considering current market conditions. The price movement remains unchanged from 2021 at 1%.

If the unit price was to increase by the percentage above, the net asset value of the fund would increase by the amount shown, and if the unit price was to decrease by the same percentage, the net asset value of the fund would decrease by the amount shown.

The Cash fund as detailed in Note 4 invests in the ANZ Wholesale Cash Fund. The Manager considers that a 0.01% change in the unit price of investments in ANZ Wholesale Cash Fund as a reasonable estimate of possible change in the average daily unit price in the ANZ Wholesale Cash Fund considering factors such as historical price movements and market conditions. The Manager does not consider the market risk to cash significant, relative to the size of the Cash Fund.

As at 31 March	Conservative Fund		Conservative Balanced Fund		Balanced Fund		Balanced Growth Fund		Growth Fund		Cash Fund		ANZ Default KiwiSaver Scheme	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Other unitised funds	5,018	9,448	1,039	871	2,418	2,157	2,489	2,268	2,356	2,109	-	-	13,320	16,853

NOTES TO THE FINANCIAL STATEMENTS

Liquidity risk

Liquidity risk is the risk that the Funds may not be able to generate sufficient cash resources to settle their obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

Each business day the Funds are exposed to cash redemptions of units.

Forward foreign exchange contracts have contractual maturities of 1 to 12 months. Other payables, which have no contractual maturity date are typically settled within 30 days.

In accordance with each Fund's investment policy, the Manager monitors the Funds' liquidity positions each business day through the review of cash flow information which highlights current and known future levels of redemptions. In particular:

- The Manager has not identified significant withdrawals and has not implemented any restrictions or deferrals on withdrawals.
- The Manager has not identified any illiquid investments that would result in restrictions or deferrals on withdrawals.
- The Manager believes that the Funds remain liquid and is able to meet potential withdrawals in the ordinary course of business.

NOTES TO THE FINANCIAL STATEMENTS

9. FAIR VALUE MEASUREMENT

The Fund's investments are carried at fair value on the Statement of Net Assets. Usually the fair value of the investments can be reliably determined within a reasonable range of estimates.

Investment assets and liabilities are required to be classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – valuations using inputs other than quoted prices included within Level 1 that are observable for a similar asset or liability, either directly or indirectly; and
- Level 3 – valuations using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Investments whose values are based on quoted market prices in active markets and are therefore classified within Level 1, include exchange traded derivatives. The Funds do not adjust the quoted price for these instruments.

The unlisted funds are Level 2 investments. These investments are priced daily and the inputs are based on quoted market prices, broker prices and other pricing valuations used by the Manager. As these are unlisted, they are Level 2 investments.

Forward foreign exchange contracts are considered Level 2 as they are priced using models with observable market inputs. Forward foreign exchange contracts are interpolated using forward rates from WM Company.

Cash and cash equivalents, margin accounts, other receivables and other payables are not measured at fair value. They are carried at amortised cost and their carrying value approximates their fair value due to their immediate or short-term nature. For purposes of fair value hierarchy, they are considered to be Level 2 assets and liabilities. For more information refer to Note 2.

There have been no changes to the fair value hierarchy classifications during the year ended 31 March 2022 (2021: none).

KEY JUDGEMENTS AND ESTIMATES

The Manager evaluates the material accuracy of the valuations incorporated in the financial statements as they can involve a high degree of judgement and estimation in determining the carrying values of financial assets and liabilities at balance date.

The majority of valuation models the Manager uses employ only observable market data as inputs. However, for certain financial instruments, the Manager may use data that is not readily observable in current markets. If the Manager uses unobservable market data, then the Manager needs to exercise more judgement to determine fair value depending on the significance of the unobservable input to the overall valuation and reconsider the fair value hierarchy level disclosed. Generally, the Manager derives unobservable inputs from other relevant market data, such as broker confirmation, and compares them to observed transaction prices where available.

When establishing the fair value of a financial instrument using a valuation technique, the Manager considers valuation adjustments in determining the fair value. The Manager may apply adjustments (such as bid/offer spreads, credit valuation adjustments and funding valuation adjustments) to the techniques used to reflect the Managers assessment of factors that market participants would consider in setting fair value.

NOTES TO THE FINANCIAL STATEMENTS

10. OFFSETTING

Financial assets and liabilities are offset in the Statement of Net Assets (in accordance with NZ IAS 32 *Financial Instruments: Presentation*) when there is:

- A current legally enforceable right to set off the recognised amounts in all circumstances; and
- An intention to settle the asset and liability on a net basis, or to realise the asset and settle the liability simultaneously.

If the above conditions are not met the financial assets and liabilities are presented on a gross basis.

The Funds do not have any arrangements that satisfy the conditions necessary to offset financial assets and financial liabilities within the Statement of Net Assets. The following tables identify financial assets and financial liabilities which have not been offset but which are subject to enforceable master netting agreements (or similar arrangements) and the related amounts not offset in the Statement of Net Assets. Any effect of overcollateralization has been taken into account.

Financial assets subject to enforceable master netting arrangements and similar agreements

As at 31 March	Conservative Fund		ANZ Default KiwiSaver Scheme	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Derivative instruments				
Gross amounts of recognised financial assets	2,558	459	2,558	459
Net amounts of financial assets presented in the Statement of Net Assets	2,558	459	2,558	459
Related amounts not offset in the Statement of Net Assets:				
Financial instruments	67	139	67	139
Net amount	2,491	320	2,491	320

Financial liabilities subject to enforceable master netting arrangements and similar agreements

As at 31 March	Conservative Fund		ANZ Default KiwiSaver Scheme	
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Derivative instruments				
Gross amounts of recognised financial liabilities	468	2,938	468	2,938
Net amounts of financial liabilities presented in the Statement of Net Assets	468	2,938	468	2,938
Related amounts not offset in the Statement of Net Assets:				
Financial instruments	67	139	67	139
Eligible cash collateral held in margin accounts	-	75	-	75
Net amount	401	2,724	401	2,724

NOTES TO THE FINANCIAL STATEMENTS

11. RELATED PARTY TRANSACTIONS

All related party transactions are conducted on an arm's length basis in the ordinary course of business and on standard commercial terms and conditions.

The Manager and Supervisor provide Key Management Personnel services to the Funds. The Manager is a wholly owned subsidiary of ANZ Bank New Zealand Limited, the ultimate parent of which is Australia and New Zealand Banking Group Limited.

Manager's fees and expenses

Membership fees of \$721,000 (2021: \$1,471,000) were deducted from the Scheme during the year and paid to the Manager by cancelling units in members' accounts. Membership fees for each Fund are shown in the Statement of Changes in Net Assets. The membership fee was removed effective 30 September 2021.

Under the terms of the Governing Document, the Manager is entitled to receive management fees, calculated by reference to the daily net asset value of the Funds. Management fees paid for the year are shown in the Statement of Changes in Net Assets.

The Manager and Supervisor are also entitled to be reimbursed for expenses such as audit costs, postage and legal fees incurred on behalf of the Funds. Allowance for these expenses is charged to the Funds daily and is reflected in the unit price of each Fund. To ensure fair allocation of one-off type expenses and fees incurred annually, the Funds are charged a set capped rate as a percentage of each fund's net asset value each day. The total of this daily accrual is the maximum that the Funds will pay the Manager for reimbursement of expenses. Where the actual expenses paid by the Manager are higher, the Manager may carry amounts forward to be recovered in future periods. Manager's other costs are shown in the Statement of Changes in Net Assets. The amounts presented are after auditor's fee reallocation and cost refunds from the Manager, therefore, may result in negative Manager's other costs.

Amounts payable to the Manager at the end of the year are payable within 15 days of balance date (refer to Note 7).

As at 31 March	Conservative Fund		Conservative Balanced Fund		Balanced Fund		Balanced Growth Fund		Growth Fund		Cash Fund	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
The Manager receives the following percentage per annum of the net asset value of the Funds, determined upon each valuation day: ¹	0.38%	0.38%	0.70%	0.85%	0.90%	0.90%	0.95%	0.95%	1.00%	1.00%	0.19%	0.19%

¹ The 2022 Management fee for Conservative Balanced Fund were effective from 30 September 2021.

Supervisor Fees

The Supervisor's annual fee is calculated based on a formula where it is the total of 0.01% of the fund's NAV (calculated on a daily basis) plus each fund's proportional share of \$0.60 per quarter for the average number of scheme members during the quarter. Where a fund invests in an underlying fund that is overseen by the same supervisor, a separate supervisor fee is not charged for that underlying fund. The Supervisor fee expense for the year is shown in the Statement of Changes in Net Assets. Fees payable to the Supervisor at the end of the year are payable within 15 days of balance date (refer to Note 7).

NOTES TO THE FINANCIAL STATEMENTS

Investments in products issued by related parties

The Funds invest in securities and products issued by ANZ Bank New Zealand Limited.

As at 31 March	Conservative Fund		Conservative Balanced Fund		Balanced Fund		Balanced Growth Fund		Growth Fund		Cash Fund		ANZ Default KiwiSaver Scheme	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Assets:														
Cash and cash equivalents	375	375	4	4	13	13	15	15	13	13	12	13	432	433
Forward foreign exchange contracts - asset position	752	80	-	-	-	-	-	-	-	-	-	-	752	80
Total assets	1,127	455	4	4	13	13	15	15	13	13	12	13	1,184	513
Liabilities:														
Forward foreign exchange contracts - liability position	(139)	(1,579)	-	-	-	-	-	-	-	-	-	-	(139)	(1,579)
Total liabilities	(139)	(1,579)	-	-	-	-	-	-	-	-	-	-	(139)	(1,579)
Income during the period														
Interest income (cash and cash equivalents)	1	-	-	-	-	-	-	-	-	-	-	-	1	-
Net fair value changes	1,199	2,531	-	-	-	-	-	-	-	-	-	-	1,199	2,531
Total income from related party transactions	1,200	2,531	-	-	-	-	-	-	-	-	-	-	1,200	2,531

Investments in unconsolidated subsidiaries

As outlined in Note 4, the Funds invest in other unitised funds managed by the Manager. The Funds invest in these other funds by purchasing units. Units can be redeemed daily. Units can be redeemed at any time; however, under extraordinary circumstances, the investee funds have the ability to suspend redemptions. The amounts of these investments are shown in Note 4, and the net fair value changes of these investments are shown in Note 5. All of these funds are domiciled and established in New Zealand. Movements in the fair value of the funds' investments can be positive or negative.

As at balance date, there are no holdings of unconsolidated subsidiaries, that is where the Funds hold more than 50% of the units in an investee fund (2021: the Conservative Fund held 68% of the units of the ANZ Wholesale International – No. 5 Fund).

NOTES TO THE FINANCIAL STATEMENTS

12. MEMBERS' FUNDS

Members are entitled to one vote per unit at a meeting of the members of the Funds, and rank equally with regard to each fund's assets.

For the year ended 31 March	Conservative Fund		Conservative Balanced Fund		Balanced Fund		Balanced Growth Fund		Growth Fund		Cash Fund	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's	000's
Number of units on issue												
Units on issue at the beginning of the year	603,578	596,541	41,723	33,539	98,614	86,886	98,889	90,141	88,689	78,035	12,337	16,690
Units issued during the year	71,474	91,464	19,001	15,621	28,352	25,136	24,035	23,021	21,619	23,584	8,257	7,158
Units redeemed during the year	(346,410)	(84,427)	(11,315)	(7,437)	(18,644)	(13,408)	(18,213)	(14,273)	(16,102)	(12,930)	(6,167)	(11,511)
Number of units on issue at the end of the year	328,642	603,578	49,409	41,723	108,322	98,614	104,711	98,889	94,206	88,689	14,427	12,337
Units issued/ (redeemed) in April for PIE tax receivable/ (payable) at 31 March on behalf of members:	1,006	(3,859)	52	(316)	(87)	(1,185)	(392)	(1,460)	(565)	(1,501)	(15)	(20)

13. SUBSEQUENT EVENTS

The units on issue and unit price as at 31 March 2022 and 30 June 2022 are disclosed below. As disclosed in Note 2 (a) (ii) there still remains an elevated level of estimation uncertainty and at the date of signing, the underlying funds covered in these financial statements will have experienced further movement in unit prices and units on issue, in line with market volatility.

	Units on issue			Unit price		
	31-Mar-22	30-Jun-22	Change	31-Mar-22	30-Jun-22	Change
	000s	000s	%	\$	\$	%
Conservative Fund	328,642	327,786	-0.26%	2.0150	1.9103	-5.20%
Conservative Balanced Fund	49,409	49,659	0.51%	2.1012	1.9595	-6.74%
Balanced Fund	108,322	109,207	0.82%	2.2304	2.0516	-8.02%
Balanced Growth Fund	104,711	104,818	0.10%	2.3753	2.1555	-9.25%
Growth Fund	94,206	94,531	0.34%	2.4987	2.2395	-10.37%
Cash Fund	14,427	16,663	15.50%	1.5073	1.5127	0.36%



Independent Auditor's Report

To the members of the:

- Conservative Fund;
- Conservative Balanced Fund;
- Balanced Fund;
- Balanced Growth Fund;
- Growth Fund; and the
- Cash Fund.

Collectively "ANZ Default KiwiSaver Scheme" (the "Funds and Scheme").

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of the Funds and Scheme on pages 2 to 20:

- i. present fairly in all material respects the Funds and Scheme's financial position as at 31 March 2022 and its financial performance and cash flows for the year ended on that date in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

We have audited the accompanying financial statements which comprise:

- the Statement of Net Assets as at 31 March 2022;
- the Statement of Changes in Net Assets and the Statement of Cash Flows for the year then ended; and
- notes, including a summary of significant accounting policies.



Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

Our firm has also undertaken supervisor reporting in line with our obligations under Section 198 and 199 of the Financial Markets Conduct Act 2013 ("FMC Act 2013") and provided other services to the Funds and Scheme in relation to semi-annual controls assurance reporting and registry assurance reporting in line with Section 218 of the FMC Act 2013. Subject to certain restrictions, partners and employees of our firm may also deal with the



Funds and Scheme on normal terms within the ordinary course of trading activities of the business of the Funds and Scheme. These matters have not impaired our independence as auditor of the Funds and Scheme. The firm has no other relationship with, or interest in, the Funds and 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 in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the members as a body may better understand the process by which we arrived at our audit opinion. Our procedures were undertaken in the context of and solely for the purpose of our statutory audit opinion on the financial statements as a whole and we do not express discrete opinions on separate elements of the financial statements

The key audit matter

How the matter was addressed in our audit

Existence and valuation of investments

Refer to Note 2 (a) (ii) Use of estimates and assumptions and Note 4 Investment assets and liabilities (for existence and valuation) of the financial statements.

The Funds' portfolio of investments is the most significant asset making up in excess of 95% of total assets. These comprise liquid investments including bank accounts, fund-to-fund investments, and simple derivatives.

The investment portfolio in total, due to its materiality in the context of the financial statements as a whole, is our most significant area of audit focus.

The continuation of the COVID-19 pandemic as well as new emerging external risks such as geopolitical tensions, global supply chain disruptions, the conflict in Ukraine, and commodity price impacts, has meant that greater volatility exists around the valuation of investments and the fair value hierarchy level attributed to each. This required some additional judgement.

Our audit procedures included:

- documenting and understanding the processes in place to record investment transactions and to value the portfolio; this included evaluating the control environment in place at the administration manager by obtaining and reading the service organisation reports issued by an independent auditor on the design and operation of those controls throughout the period;
- agreeing investment holdings to confirmations received from the registrar;
- agreeing the valuation of fund-to-fund investments to the redemption value per unit as reported by the manager;
- for derivatives, engaging our valuation specialists to check the reasonableness of the inputs to information available from independent third-party pricing sources;
- for bank accounts, agreeing the closing book value to bank confirmations;
- consideration of the fair value hierarchy level assigned to each investment and the appropriateness of the valuation information available; and
- consideration of the adequacy of disclosures regarding the impact of COVID-19 and new emerging external risks.



The key audit matter

How the matter was addressed in our audit

Calculation of management fees

Refer to note 11 related party transactions in the financial statements.

Under the terms of the Governing Document, ANZ New Zealand Investments Limited (the "Manager") is entitled to receive a management fee, calculated as a percentage of the daily net asset value of the Funds.

As the Manager calculates and pays the fee on behalf of the Funds to itself, there is an inherent risk that the Manager could manipulate the calculation to boost its own earnings from its administrative duties.

Due to the inherent risk of fraud as management could override controls, we identified the calculation of management fees as an area of key audit focus.

Our audit procedures included:

- documenting and understanding the process in place to calculate and capture management fees as well as the processes to generate underlying information such as daily unit pricing. This included evaluating the control environment in place at the administration manager by obtaining and reading the service organisation reports issued by an independent auditor on the design and operation of those controls throughout the period;
- assessing the calculation of the management fees by comparing the net asset values to daily unit pricing for selected days and management fee rates to the "Other Material Information" which forms part of the offer documents as applicable for the period; and
- reviewing manual journal entries to test whether any unauthorised or not supported adjustment has been made to the management fees to address the risk of management overriding controls.

Other information

The Manager, on behalf of the Funds and Scheme, are responsible for the other information included in the Funds and Scheme's Annual Report. The Annual Report, prepared at the same time as the financial statements, include a link to where the audited financial statements can be found on the Disclosure website. Our opinion on the financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

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

Use of this independent auditor's report

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



Responsibilities of the Manager for the financial statements

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

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



Auditor's responsibilities for the audit of the financial statements

Our objective is:

- to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of these financial statements is located at the External Reporting Board (XRB) website at:

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

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

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

For and on behalf of

KPMG
Auckland

20 July 2022