



SELECT KIWISAVER SCHEME

Conservative Fund
Balanced Fund
Growth Fund

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

CONTENTS

	Page
Financial Statements	
Statements of Changes in Net Assets	2 - 3
Statements of Net Assets	4
Statements of Cash Flows	5
Notes to the Financial Statements	6 - 13
Auditor's Report	14

SELECT KIWISAVER SCHEME

Manager	Smartshares Limited
Registered Office	Level 1 NZX Centre, 11 Cable Street, Wellington 6140, New Zealand
Investor enquiries	Smartshares Limited PO Box 105262 Auckland 1143 Telephone: 0800 80 87 87 Email: contact@myselectkiwisaver.co.nz
Licensed Supervisor	Public Trust
Administrator and Custodian	BNP Paribas Fund Services Australasia Pty Limited, New Zealand branch
Auditor	KPMG
Distributor	Select Wealth Management Limited
External Investment Manager	JMI Wealth

SELECT KIWISAVER SCHEME

STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31 MARCH 2023

	Note	Conservative Fund		Balanced Fund		Growth Fund		Select KiwiSaver Scheme	
		Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
		2023	2022	2023	2022	2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investment activities									
Dividends and distributions		9	8	25	20	72	52	106	80
Interest income		1	-	3	-	11	-	15	-
Net changes in fair value of financial assets and financial liabilities		(17)	(17)	(44)	(8)	(157)	31	(218)	6
Other foreign exchange losses		-	-	-	-	(1)	(1)	(1)	(1)
Other income		15	15	-	-	-	-	15	15
Total net investment income/(loss)		8	6	(16)	12	(75)	82	(83)	100
Fund expenses	11, 12	(18)	(17)	(11)	(9)	(40)	(28)	(69)	(54)
Net (loss)/profit before membership activities		(10)	(11)	(27)	3	(115)	54	(152)	46
Membership activities									
Contributions received from and in respect of members:									
Member contributions		36	32	138	84	418	275	592	391
Employer contributions		21	18	47	36	225	145	293	199
Member tax credits		6	3	17	8	44	18	67	29
Transfers in		30	144	875	863	962	2,847	1,867	3,854
		93	197	1,077	991	1,649	3,285	2,819	4,473
Benefits paid:									
Member withdrawals		(159)	(7)	(34)	-	(176)	(228)	(369)	(235)
		(159)	(7)	(34)	-	(176)	(228)	(369)	(235)
Switches within the Select KiwiSaver Scheme:									
Switches in from other Select KiwiSaver Funds		186	51	2	2	176	398	364	451
Switches out to other Select KiwiSaver Funds		(5)	(110)	(173)	(309)	(187)	(32)	(365)	(451)
		181	(59)	(171)	(307)	(11)	366	(1)	-
Other member movements:									
Membership fee	12	(1)	(1)	(2)	(1)	(4)	(2)	(7)	(4)
Financial advisor fee rebate	12	1	1	3	3	10	9	14	13
Portfolio Investment Entity tax		-	2	(2)	3	(8)	(10)	(10)	(5)
		-	2	(1)	5	(2)	(3)	(3)	4
Net membership activities		115	133	871	689	1,460	3,420	2,446	4,242
Increase in net assets during the year		105	122	844	692	1,345	3,474	2,294	4,288

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

SELECT KIWISAVER SCHEME

STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31 MARCH 2023

Note	Conservative Fund		Balanced Fund		Growth Fund		Select KiwiSaver Scheme	
	Year ended 2023	Year ended 2022	Year ended 2023	Year ended 2022	Year ended 2023	Year ended 2022	Year ended 2023	Year ended 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net assets available for benefits								
Opening balance	540	418	1,592	900	5,360	1,886	7,492	3,204
Increase in net assets during the year	105	122	844	692	1,345	3,474	2,294	4,288
Members' interests at the end of the year	645	540	2,436	1,592	6,705	5,360	9,786	7,492

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

SELECT KIWISAVER SCHEME

STATEMENTS OF NET ASSETS
AS AT 31 MARCH 2023


	Conservative Fund		Balanced Fund		Growth Fund		Select KiwiSaver Scheme	
Note	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Assets								
Cash and cash equivalents	46	32	182	62	608	305	836	399
Other receivables	4	6	7	19	9	45	20	70
Financial assets at fair value								
Investments	8	599	507	2,260	1,533	6,114	5,072	8,973
Portfolio Investment Entity tax receivable		-	3	-	2	-	-	-
Total assets	649	548	2,449	1,616	6,731	5,422	9,829	7,581
Liabilities								
Fund expenses payable	11	(4)	(8)	(11)	(24)	(18)	(44)	(33)
Outstanding purchases		-	-	-	-	(7)	-	(7)
Portfolio Investment Entity tax payable		-	-	(2)	-	(8)	(11)	(6)
Total liabilities	(4)	(8)	(13)	(24)	(26)	(62)	(43)	(89)
Net assets available for benefits to members	645	540	2,436	1,592	6,705	5,360	9,786	7,492
Liability for benefits	645	540	2,436	1,592	6,705	5,360	9,786	7,492

For and on behalf of the Manager, Smartshares Limited, which authorised the issue of the financial statements on 27 July 2023.

DocuSigned by:

 1AF49FD4454E4ED...

Director

DocuSigned by:

 F54F84E25DC247C...

Director

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

SELECT KIWISAVER SCHEME

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Conservative Fund		Balanced Fund		Growth Fund		Select KiwiSaver Scheme	
Note	Year ended 2023 \$'000	Year ended 2022 \$'000	Year ended 2023 \$'000	Year ended 2022 \$'000	Year ended 2023 \$'000	Year ended 2022 \$'000	Year ended 2023 \$'000	Year ended 2022 \$'000
Cash flows from operating activities								
Dividends and distributions received	3	3	9	8	23	20	35	31
Interest income received	1	-	2	-	9	-	12	-
Sale of investments	281	470	632	913	1,554	4,200	2,467	5,583
Other income received	15	15	-	-	-	-	15	15
Fund expenses paid	(20)	(15)	(11)	(6)	(28)	(34)	(59)	(55)
Purchase of investments	(384)	(623)	(1,387)	(1,725)	(2,712)	(7,640)	(4,483)	(9,988)
Net operating cash flows	10	(104)	(755)	(810)	(1,154)	(3,454)	(2,013)	(4,414)
Cash flows from financial activities								
Contributions received from and in respect of members and employers	63	53	202	128	687	438	952	619
Transfers in	30	144	875	863	962	2,847	1,867	3,854
Switches in from other Select KiwiSaver Funds	186	51	2	2	176	398	364	451
Withdrawal benefits paid	(159)	(7)	(34)	-	(176)	(228)	(369)	(235)
Switches out to other Select KiwiSaver Funds	(5)	(110)	(173)	(309)	(187)	(32)	(365)	(451)
Membership fees deducted	(1)	(1)	(2)	(1)	(4)	(2)	(7)	(4)
Membership fees rebate received	1	1	3	3	10	9	14	13
Portfolio Investment Entity tax received	3	-	2	2	(11)	2	(6)	4
Net financial cash flows	118	131	875	688	1,457	3,432	2,450	4,251
Net increase/(decrease) in cash and cash equivalents held	14	(19)	120	(122)	303	(22)	437	(163)
Cash and cash equivalents at the beginning of the year	32	51	62	184	305	327	399	562
Cash and cash equivalents at the end of the year	46	32	182	62	608	305	836	399
Cash and cash equivalents comprise of:								
Cash at bank	46	32	182	62	608	305	836	399
Cash and cash equivalents at the end of the year	46	32	182	62	608	305	836	399

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

SELECT KIWISAVER SCHEME**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****1. General information**

The Select KiwiSaver Scheme (the "Scheme") is a Kiwisaver scheme registered in New Zealand under the KiwiSaver Act 2006 (the 'Act') for the principal purpose of providing KiwiSaver benefits to its members and is open to everyone eligible to join KiwiSaver. The Scheme is also registered under the Financial Markets Conduct Act 2013 (the "FMCA 2013") and the registration number is SCH 13004. The Scheme was established under a trust deed dated 7 August 2020 amended and restated on 16 October 2020 (the "Trust Deed").

Members and employers contribute to the Scheme over time by way of regular savings, lump sum payments or transfer of funds from other sources which are received via the Inland Revenue. The Scheme also receives annual government contributions for the eligible members in accordance with the Act. Benefits payable, which can be paid as a lump sum or a series of withdrawals, depend on contributions made (including annual government contributions) and any returns on contributions received.

These financial statements are for the Scheme, which comprises the following funds:

Conservative Fund
Balanced Fund
Growth Fund

Each fund in the Scheme is established as a separate and distinct trust fund.

2. Reporting period

These financial statements are for the year ended 31 March 2023. The comparative figures are for the year ended 31 March 2022.

3. Restatement of Comparatives

The note 7a currency risk sensitivity of the Scheme's exposure to Australian denominated securities for the Conservative Fund, the Balanced Fund and the Growth Fund for the year ended 31 March 2022 has been restated in these financial statements, from 4, 28 and 44 to 2, 14 and 22 respectively. These changes were required as the sensitivity was calculated incorrectly. There is no impact on any other items in the financial statements.

4. Basis of preparation

These financial statements have been drawn up in accordance with the Trust Deed and comply with the requirements of the FMCA 2013, 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 International Financial Reporting Standards ("IFRS"). The accounting policies have been consistently applied throughout the reporting year.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss. All amounts are in New Zealand Dollars (NZD), rounded to the nearest thousand. Where specific amounts are referred to in the note wording, the amounts are rounded to the nearest dollar. The functional currency is NZD.

5. Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates that affect the reported amounts and the application of accounting policies. It also requires the Manager to exercise its judgement in the process of applying the accounting policies of the Scheme.

Discussion of the critical accounting estimates and judgements used is included in note 8 on fair value of financial assets and financial liabilities.

6. Summary of significant accounting policies**(a) Financial assets and liabilities*****Classification***

Financial assets and liabilities are classified based on the business model for managing those financial assets and liabilities and the contractual cash flow characteristics of the financial assets and liabilities in accordance with NZ IFRS 9: Financial Instruments.

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

These include investments at fair value through profit and loss. The information about these financial assets is mainly evaluated on a fair value basis together with other related financial information used to assess the assets' performance and to make decisions.

SELECT KIWISAVER SCHEME**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****6. Summary of significant accounting policies (Continued)**

(ii) Financial assets at amortised cost

These include cash and cash equivalents and receivables.

(iii) Financial liabilities at amortised cost

These represent amounts recognised to be paid in the future for goods and services received. These include outstanding settlements and other accrued expenses.

Recognition, derecognition and measurement

The financial statements of the Scheme recognise financial assets and liabilities on the date that the funds become parties to the contractual agreement (trade date).

Financial assets are derecognised when the right to receive cash flows from the financial assets has expired or the funds have transferred substantially all of the risks and rewards of ownership. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired.

Financial assets and liabilities held at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the Statements of Changes in Net Assets. Subsequent to initial recognition, these are measured at fair value. Gains or losses arising from changes in the fair value of financial assets and liabilities at fair value through profit or loss are presented in the Statements of Changes in Net Assets within 'net changes in fair value of financial assets and liabilities' in the year in which they arise.

Financial assets at amortised cost are measured at amortised cost, the carrying value of financial assets at amortised cost closely approximates their fair value, using the effective interest method, less an allowance for impairment based on the expected credit losses (ECL).

Financial liabilities at amortised cost are measured at amortised cost using the effective interest method.

Fair value determination

The fair value of financial assets and liabilities traded in an active market is based on quoted market prices at the reporting date. The quoted market price used for financial assets is the last traded price. Where the last sale price falls outside of the bid-ask spread for a particular stock, bid price will be used to value the investment.

For managed investment trusts where there is no active market the fair value is determined by the realisable value of the trusts as advised by the investment managers. Fair value is based on the underlying market value on the reporting date.

(b) Cash and cash equivalents

Cash and cash equivalents ("Cash") means cash at bank, demand deposits and other highly liquid investments. Cash does not include accounts receivables or payables, or any borrowings subject to a term facility.

(c) Dividends and distributions income

Dividends and distributions income are recognised when the right to receive payment is established.

(d) Net assets available for benefits

The net assets available for benefits represent the Scheme's present obligation to pay benefits to the members. This has been calculated as the difference between the carrying amounts of the assets and carrying amounts of the liabilities at the reporting date.

Units issued provide the holder with a beneficial interest in the relevant funds. The units are issued and redeemed based on the respective funds' net asset value per unit at the time of issue or redemption, which is calculated by dividing the net assets available for benefits for the fund with the total number of outstanding units for the fund. The units issued are redeemable subject to the provisions of the Trust Deed and are therefore classified as financial liabilities in accordance with NZ IAS 32 Financial Instruments: Presentation.

SELECT KIWISAVER SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

6. Summary of significant accounting policies (Continued)

(e) Fees and expenses

All fees and expenses are recognised in the Statements of Changes in Net Assets on an accruals basis.

(f) Taxation

Each fund is a Portfolio Investment Entity ("PIE") under the New Zealand tax rules. Under the PIE regime, income is effectively taxed in the hands of the members and therefore the funds do not have an income tax liability on their accounts.

Each fund attributes the taxable income to members in accordance with their proportionate interest in the fund. Income attributed to each member is taxed at the member's Prescribed Investor Rate ("PIR") which is capped at 28%. The tax balance included in the Statements of Net Assets represents PIE tax receivable or payable on behalf of the members.

(g) Goods and services tax (GST)

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

(h) Changes in accounting policies and accounting standards adopted during the period

(i) There have been no significant changes in accounting policies during the year. All policies have been applied on a basis consistent with those used in the prior year.

(ii) New accounting standards adopted

A number of new standards and amendments are effective from 1 April 2022, but they do not have any material impact on the financial statements of the Scheme.

(i) Issued but not yet effective accounting standards

A number of new accounting standards and amendments to existing standards are issued or revised that are not yet effective as at 31 March 2023. They have been identified as not applicable or relevant to the Fund.

(j) Aggregation

The results, position and cash flows reported for the Scheme are a simple aggregation of the results, position and cash flows of the funds that make up the Scheme.

SELECT KIWISAVER SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

7. Risk

The investment activities undertaken by each fund directly expose it to market risk (market price risk, currency risk and interest rate risk), credit risk and liquidity risk. Additionally, each fund is also indirectly exposed to a variety of financial risks including credit, currency, interest rate, market price and liquidity risk through the holding of the investments in managed investment trusts.

The financial risk management disclosures have been prepared on the basis of the funds' direct investments and not on a full look through basis for the investments held indirectly through the managed investment trusts.

7a Market risk

Market price risk is the risk of gains or losses from changes in the market price of underlying investments. Currency risk is the risk of gains or losses or changes in the New Zealand dollar value due to changes in foreign exchange rates. Interest rate risk is the risk of gains or losses in interest income from changes in market interest rates.

An analysis of the financial risks arising from the direct investments of the funds is set out below:

Market price risk

The funds' equity, interest-bearing securities and certain derivative financial instruments (such as futures contracts) are exposed to market price risk arising from uncertainties about future prices of the instruments.

Had the market price of the above instruments increased/(decreased) by the percentages outlined in the table below (volatility estimate) with all other variables held constant, the increase/(decrease) in net profit/(loss) would amount to the following:

	Conservative Fund		Balanced Fund		Growth Fund		Select KiwiSaver Scheme	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Increase/(decrease) in net profit/(loss) due to changes in market prices	12	51	68	153	245	507	325	711
Volatility estimate	2%	10%	3%	10%	4%	10%	3%	10%

Refined volatility estimate percentages have been applied as at 31 March 2023. These were selected as the reasonable possible change based on the maximum daily change for funds of a similar asset class observed over the previous three year period. In the prior year a standard 10% volatility rate had been applied.

Actual movements may be significantly different from this and will vary by fund depending on the investments held.

Currency risk

The funds may hold financial instruments in a currency other than the New Zealand Dollar (NZD) and therefore have exposure to currency risk.

Had the New Zealand dollar strengthened/weakened by 1% (volatility estimate) with all other variables held constant, the increase/(decrease) in net profit/(loss) would amount to the following:

	Conservative Fund		Balanced Fund		Growth Fund		Select KiwiSaver Scheme	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
AUD	-	2	-	14	-	22	-	38

Refined volatility estimate percentages have been applied as at 31 March 2023. These were selected as the reasonable possible change based on the maximum daily change of the NZD against the AUD observed over the previous three year period. In the prior year a standard 10% volatility rate had been applied.

SELECT KIWISAVER SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

7. Risk (Continued)

7a Market risk (Continued)

Actual movements may be significantly different from this and will vary by fund depending on the investments held.

Interest rate risk

Each of the funds hold cash assets and therefore have exposure to interest rate risk.

The table below shows the sensitivity of net profit to a 1% change in interest rates with all other variables held constant. A 1% change in interest rates is considered to be an appropriate percentage change with regard to historical volatility.

	Conservative Fund		Balanced Fund		Growth Fund		Select KiwiSaver Scheme	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Impact of 1% change in the interest rate +/-)	-	-	2	1	6	3	8	4

7b Credit risk

The funds are exposed to the potential risk of financial loss resulting from the failure of counterparties to fully honour the terms of conditions of a contract with the funds. The maximum credit risk of financial instruments is considered to be their carrying value. The balance does not represent the maximum risk exposure that would arise in the future as a result of changes in values, but best represents the current maximum exposure at the reporting date. Financial assets that subject the funds to credit risk consist primarily of cash and receivables. The analysis below summarises the credit quality of each fund's exposure rated by external rating agencies.

	Conservative Fund		Balanced Fund		Growth Fund		Select KiwiSaver Scheme	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
AAA to AA-	46	32	182	62	608	305	836	399

7c Liquidity risk

Liquidity risk is the risk that the funds will encounter difficulty in meeting obligations associated with the financial liabilities that are settled by delivering cash or another financial asset. The Manager monitors the liquidity position of each fund on a daily basis. Liquidity management is designed to ensure that each fund has the ability to generate sufficient cash in a timely manner to meet its financial commitments and normal levels of withdrawals. The Manager regularly monitors market liquidity and withdrawal levels to establish each fund's appropriate liquidity level. In the event of abnormal levels of withdrawals, timing of payments may depend on the ability of the particular fund to realise its underlying investments on a timely basis.

7d Capital management

Net assets available for benefits are considered to be the Scheme's capital for the purposes of capital management and the Scheme does not have to comply with externally imposed capital requirements. The Scheme's objectives when managing capital are to safeguard the ability to continue as a going concern in order to provide returns to members as well as ensuring the net assets available for benefits are sufficient to meet all present and future obligations. In order to meet the objectives for capital management, the Manager reviews the performance of each fund on a regular basis.

SELECT KIWISAVER SCHEME

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**8. Fair value of financial assets and financial liabilities**

Financial assets and financial liabilities measured at fair value are categorised across the following 3 levels based on the degree to which their fair value is observable, Level 1 - Fair value measurements are derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - Fair value measurements are derived from inputs other than quoted prices included within Level 1 that are observable either directly or indirectly; Level 3 - Fair value measurements are derived from valuation methods that include inputs that are not based on observable market data.

The fair value for investments in ETFs and listed managed investment trusts is based on their last traded price and defined as Level 1. Fair value for investments in unlisted managed investment trusts is based on their Net Asset Value (NAV)/mid-price, and categorised as Level 2 in the hierarchy.

There were no transfers between levels during the year ended 31 March 2023 (2022: Nil).

	Conservative Fund 2023			Balanced Fund 2023			Growth Fund 2023			Select KiwiSaver Scheme 2023		
	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000
Financial assets at fair value through profit or loss												
<i>Investments:</i>												
ETFs	258		258	766		766	1,695		1,695	2,719		2,719
Unlisted managed investment trusts	-	341	341	-	1,494	1,494	-	4,419	4,419	-	6,254	6,254
	258	341	599	766	1,494	2,260	1,695	4,419	6,114	2,719	6,254	8,973

	Conservative Fund 2022			Balanced Fund 2022			Growth Fund 2022			Select KiwiSaver Scheme 2022		
	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000
Financial assets at fair value through profit or loss												
<i>Investments:</i>												
ETFs	172	-	172	397	-	397	1,347	-	1,347	1,916	-	1,916
Listed equities and managed investment trusts	18	-	18	137	-	137	224	-	224	379	-	379
Unlisted managed investment trusts	-	317	317	-	999	999	-	3,501	3,501	-	4,817	4,817
	190	317	507	534	999	1,533	1,571	3,501	5,072	2,295	4,817	7,112

9. Units on issue ('000 units)

	Conservative Fund		Balanced Fund		Growth Fund		Select KiwiSaver Scheme	
	Year ended 2023 Units '000	Year ended 2022 Units '000	Year ended 2023 Units '000	Year ended 2022 Units '000	Year ended 2023 Units '000	Year ended 2022 Units '000	Year ended 2023 Units '000	Year ended 2022 Units '000
Opening balance	548	419	1,539	884	4,978	1,821	7,065	3,124
Contributions	122	212	1,175	1,054	1,755	3,480	3,052	4,746
Switches in from other Select KiwiSaver Funds	199	51	2	2	179	364	380	417
Redemptions	(191)	(25)	(105)	(107)	(324)	(657)	(620)	(789)
Switches out to other Select KiwiSaver Funds	(6)	(109)	(181)	(294)	(186)	(30)	(373)	(433)
Closing balance	672	548	2,430	1,539	6,402	4,978	9,504	7,065

SELECT KIWISAVER SCHEME

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

10. Reconciliation of net (loss)/profit before membership activities to net cash flows from operating activities

	Conservative Fund		Balanced Fund		Growth Fund		Select KiwiSaver Scheme	
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net (loss)/profit before membership activities	(10)	(11)	(27)	3	(115)	54	(152)	46
<i>Adjustments for:</i>								
Payments for the purchase of investments	(384)	(623)	(1,387)	(1,725)	(2,712)	(7,640)	(4,483)	(9,988)
Proceeds from sale of investments	281	470	632	913	1,554	4,200	2,467	5,583
Realised loss/(gain) on investments	14	4	40	(2)	107	(74)	161	(72)
Unrealised loss on investments	3	13	4	10	50	43	57	66
Foreign exchange loss	-	-	-	-	1	1	1	1
Non-cash distributions	(6)	(5)	(16)	(19)	(49)	(53)	(71)	(77)
Decrease/(increase) in receivables	2	(4)	12	(7)	36	(18)	50	(29)
(Decrease)/increase in payables	(4)	6	(13)	17	(26)	33	(43)	56
Net cash flows from operating activities	(104)	(150)	(755)	(810)	(1,154)	(3,454)	(2,013)	(4,414)

11. Related party transactions

Key management personnel is Smartshares Limited. Aside from fees due to the Manager, there were no transactions with key management personnel during the year.

The Manager is a wholly owned subsidiary of NZX Limited, a company listed on the NZX Main Board.

The fees paid to the Manager for the year ended 31 March 2023 and the total amounts due to the Manager are as follows:

	Conservative Fund		Balanced Fund		Growth Fund		Select KiwiSaver Scheme	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Manager's fee	3	3	12	10	39	27	54	40
Manager's fee payable at year end	-	1	1	2	4	5	5	8

SELECT KIWISAVER SCHEME

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

12. Fund expenses and membership fees

The total fund expenses are made up of an administration fee and a management fee (both of which are charged on each fund's net asset available for benefits to members and are deducted from, and reflected in the value, of each fund).

The administration fee covers normal fund operating costs such as the Manager's fee and costs, and the fees and costs charged by the supervisor, custodian and administration manager. Of the total administration fees, Select Wealth Management Limited receives any remaining amounts due after all fees and costs are paid. In the event that fees and costs of a fund exceeds the total administration fee, this shortfall will be covered by Select Wealth Management Limited.

The management fee covers the fees and costs of JMI Wealth for providing investment management services and some of the fees and costs of Select Wealth Management Limited for acting as distributor of the Scheme. It also includes the fees and costs charged by the underlying funds invested in.

Additionally, Select Wealth Management Limited is entitled to receive a membership fee of \$36 per annum plus GST from each member.

13. Audit fees

The fee paid for the financial statements audit for each fund for the period ended 31 March 2023 was \$6,641, (31 March 2022: \$6,038). The fee paid for the registry compliance audit for each fund for the period ended 31 March 2023 was \$2,530, (31 March 2022: \$403).

14. Commitments and contingencies

There are no material liabilities, collateral or capital commitments as at 31 March 2023, (31 March 2022: nil).

15. Subsequent events

There have been no further material events after the reporting date that require adjustments to or disclosures in the financial statements.



Independent Auditor's Report

To the unitholders of:

- Select Kiwisaver Scheme Conservative Fund
- Select Kiwisaver Scheme Balanced Fund
- Select Kiwisaver Scheme Growth Fund

(Collectively "Select 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 13 present fairly, in all material respects:

- the Funds' and Scheme's financial position as at 31 March 2023 and their 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 statements of net assets as at 31 March 2023;
- statements of changes in net assets and 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 provided other services to Smartshares Limited (the "Manager") for statutory audit, controls assurance and registry assurance. The provision of these other services has not impaired our independence as auditor of the Funds and Scheme. 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.

Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole. The materiality for the financial statements as a whole was set at with reference to a benchmark of the Funds' total assets. We chose the benchmark because, in our view, this is a key measure of the Funds' and Scheme's performance.

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 unitholders 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
----------------------	---

Valuation and existence of investments	
---	--

Refer to Note 8 to the Funds' and Scheme's financial statements. The Funds' and Scheme's portfolio of investments makes up the majority of the Funds' and Scheme's total assets. We do not consider these investments to be at high risk of significant misstatement or be subject to a significant level of judgement. However, due to their materiality in the context of the financial statements as a whole, they are considered to be the area which has the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.	
---	--

	Our audit procedures included:
--	--------------------------------

- | | |
|--|--|
| | <ul style="list-style-type: none">- 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 a report issued by an independent auditor on the design and operation of those controls and where necessary performed additional testing of these controls to 31 March 2023.- agreeing last traded price of the investments to independent third-party sources.- agreeing investment holdings to confirmations received from the custodian.- consideration of the fair value hierarchy level assigned to each investment. |
|--|--|

	We did not identify any material differences in relation to the existence and carrying value of investments.
--	--

Other information

The Manager, on behalf of the Funds and Scheme, is responsible for the other information included in the Funds' and Scheme's Annual Reports. Other information may include the details and changes to the Funds and Scheme and other information. Our opinion on the financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

The Annual Report is expected to be made available to us after the date of this Independent Auditor's Report. Our responsibility is to read the Annual Report when it becomes available and consider whether the other information it contains is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appear misstated. If so, we are required to report such matters to the Manager.



Use of this independent auditor's report

This independent auditor's report is made solely to the unitholders as a body. Our audit work has been undertaken so that we might state to the unitholders 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 unitholders 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 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 Brent Manning.

For and on behalf of

A handwritten signature in black ink that reads 'KPMG' in a stylized, cursive font.

KPMG
Wellington

27 July 2023